

A 'CLEAR DEPARTURE' IS PROMISED

New guidelines

By SHARIF HARON

THE new guidelines for foreign investment — to be approved today by the Cabinet — will mark "a clear departure" from existing ones, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

The guidelines, which include new incentives for investors, do not stick rigidly to requirements of the New Economic Policy, he told reporters after opening a seminar for Barisan Nasional MPs in Kuala Lumpur yesterday.

"The revised guidelines are there; what is needed is formal approval by the Cabinet," the Prime Minister said.

Dr Mahathir added the move to relax conditions on foreign equity and to increase flexi-

lity in regulations governing foreign investment, is a clear departure from government practice in the past.

"But we deem this necessary in the interest of wealth creation for the nation. This also means we are not sticking closely to the NEP but consider the move necessary to revive the economy," he said.

After all, the distribution of wealth is dependent on growth and if there is no growth, then there will be no distribution, he added.

He could not say when the new guidelines and incentives will be announced but he will inform American businessmen about them during his trip to the United States. He leaves for the US

tonight and is scheduled to address the 41st United Nations General Assembly in New York on Monday.

Dr Mahathir also touched on the special committee that has been set up to study the implementation of the NEP and why it has failed to achieve its targets. The 15-member panel, chaired by Deputy Prime Minister Encik Ghafar Baba, includes five Cabinet members, government officials and Bumiputera businessmen.

The committee will not have multi-racial representation as advocated by some Barisan component parties. Giving his explanation, Dr Mahathir said:

"We want to know what Umno wants, not only from its politi-

cians but also from the businessmen. I believe other parties are also doing the same whether they form a panel or not."

He said he knows of certain chambers of commerce and industry that have been discussing the NEP.

Anyway, there is already a Barisan Nasional panel on the NEP — and that is the Cabinet.

The Prime Minister also commented on a statement by MCA deputy president and Labour Minister Datuk Lee Kim Sai on Monday, reiterating that MCA is concerned over "certain deviations" in the implementation of the NEP.

"I feel such matters should be discussed in the Barisan Nasional. I would also like to add

that in such allegations, we need proof," Dr Mahathir said.

The Prime Minister said he has no intention as yet to appoint new ministers to take up Cabinet posts that are still vacant but will appoint them if and when it is felt necessary.

Asked to comment on the Official Secrets Act, he said there is a possibility that the bill to amend the act will be tabled in Parliament during its next sitting in October.

However, he said certain articles of the proposed legislation have not received Cabinet approval yet and will have to be thoroughly looked into before the bill can be tabled in Parliament.

BT 24 SEP 1986