

Exports the key to growth

By NOR HAWA YUNUS

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KUALA LUMPUR, Mon. — Malaysia's development emphasis over the next decade will centre on export-oriented industrialisation, the Prime Minister said today.

He added that it would also accelerate its growth in priority industries selected on the basis of world comparative advantage, manpower development and the acquiring of certain technological capabilities.

Opening a seminar for American investors, **Datuk Seri Dr Mahathir Mohamad** said Malaysia refused to "be grounded in the mediocrity of mere assembly operations".

"We want our Malaysian work force to improve their skills for we believe that our future lies in the greater value-added secondary and

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SAYS RAZALEIGH

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tertiary processing of our raw materials and in higher technology industries."

The Prime Minister said that to achieve this objective, Malaysia realised that it needed the involvement of foreign investors.

This was because only through them could there be capital investments, technological capability, management know-how and greater accessibility to the world market.

The Government, he said, had been pragmatic in dealing with foreign investors and this has been reflected in the recent changes to the foreign equity holdings in Malaysia and the ongoing efforts to deregulate certain rules.

Dr Mahathir also said the Government would emphasise on wealth creation rather than wealth distribution due to poor prices for primary commodities, unemployment and growth not taking place as expected.

However, this emphasis would not be at the expense of those who invested in the nation when they were most needed.

He hoped American investors would not only proceed with their plans to invest in the nation but would revise them upwards especially since the investment conditions had been relaxed.

Dr Mahathir said that by investing in Malaysia, the investors were also helping American workers "whose products we can then afford to buy".

He added that it would be shortsighted of them to invest at home only.

"In terms of total trade and industry, what you put in may be half a drop in the ocean... but little things go a long way — even in business.

"The world is getting more and more interdependent. No country can live in isolation. We cannot but be a part of the world economic system."

Dr Mahathir also spoke on the Fifth Malaysia Plan, saying that the manufacturing sector has been projected to contribute 20.5 per cent to the Gross Domestic Product by 1990.

From this, it was clear that Malaysia might be able to join the breed of newly industrialised countries.

The Prime Minister

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also said Malaysia would cut down on unnecessary bureaucratic processes and regulations to expedite the applications of investors.

However, it needs continuous feedback from investors, even before they invest in the nation.

He said in order to deregulate, the Government had proposed new regulations to reduce investor-official negotiations to the barest minimum.

The regulations would clearly stipulate the conditions that the investors would have to meet to obtain the level of equity desired.

If the equity matched the conditions, approval would be made within a given period of time. If there were delays, the investor could appeal to higher authorities.

"If the delays become a regular affair then there must be something wrong either with our conditions or with the department or officers the investors are dealing with.

"In both cases, action will be taken, pleasant or unpleasant," he said.

Dr Mahathir also spoke of the need for Malaysia to free itself from being an anonymous nation if it hoped to compete with its neighbours.

He said Malaysia still conjured up a blank in the international media but he added that the country did not intend to attract attention by being unstable or unpredictable.

The seven-day seminar, attended by representatives from 20 US corporations, is organised by the American International Group.