

# PM on our good track record

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KUALA LUMPUR, Fri. — Malaysia's economic track record will stand as testimony to its "capability and dependability", the Prime Minister told American businessmen today.

This, plus the new range of investment incentives that were recently introduced, should continue to make Malaysia a very attractive investment proposition, Datuk Seri Dr Mahathir Mohamad said.

Speaking at the 37th semi-annual conference of the Asia-Pacific Council of American Chambers of Commerce (APCAC) at the Shangri-La Hotel here, he said the Government had taken a number of measures over the past year by giving greater flexibility to manufacturers in starting new projects, for capacity expansion and product diversification.

"We have further relaxed the guidelines for foreign equity participation in the manufacturing sector and provided attractive tax incentives

By SUDHEERAN CHANDRAN

for the manufacturing, agriculture and tourist sectors.

"The Government has also launched the New Investment Fund (NIF) to channel funds at preferential rates of interest for the financing of new productive capacity in manufacturing, agriculture and tourism," he said.

The Prime Minister also said the new conditions for foreign equity and expatriate staff — applicable to new foreign investments in industries whose products will not compete with products manufactured locally for the domestic market — had met with "enthusiastic and quick responses" from foreign investors.

He added that the nation's economic future was in the greater value-added secondary and tertiary pro-

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cessing of raw materials and in high technology industries.

"Industries located in Malaysia utilising these resources will enjoy certain comparative advantages.

"I will not enumerate what these advantages are but the Government has taken steps to make them more tangible," he told participants, mainly representatives of American companies operating in the Asia-Pacific region.

He said the country emphasised the development of the export-oriented industry, accelerating growth in industries given priority based on their comparative advantage, man-

power development and acquiring technological capability.

Although Malaysia was aware of the fact that investment incentives existed in other Asia-Pacific countries as well, it remained confident that its track record "as evidenced by the presence of a large number of American firms here", would stand it in good stead.

Datuk Seri Dr Mahathir also cautioned the participants against trade protectionism as "it is the surest means to reduce world trade and impoverish the already poor".

"Reduced world trade in the end will impoverish all of us, that is, the developed and the developing countries," he said.