

PM: Investments not affected

Foreigners still keen to come here

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KUALA LUMPUR, Tues. — The present political situation has not affected the flow of foreign investments into the country, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"The political situation now is stable," he said when approached by newsmen after opening the Malaysia-Arab trade and investment conference at the Kuala Lumpur Hilton here.

He said he had talked to a number of foreign investors and they had informed him they were not worried.

Dr Mahathir said as an example, Sony Corporation would be announcing its \$40 million investment in the country tomorrow.

There were also numerous other proposals from the Japanese to invest in Malaysia, he added.

Asked whether the depreciation of

the US dollar would affect Malaysia's oil prices, Dr Mahathir said the Malaysian ringgit usually declined with the US dollar.

"In terms of Malaysian earnings it would not affect us very much," he added.

He also said that Malaysia would naturally like the value of the dollar to be higher.

Better prices

This was because the nation's revenue would be affected when items were purchased in other currencies, he added.

Dr Mahathir also said that the recession in the United States would affect the entire world.

"As a result, if there is a recession in the US we are bound to be dragged down by it ... It (the US) is still very

much a locomotive of world economic growth."

He also said that at present, Malaysia had been able to obtain better prices for its commodities.

However, he warned that if the whole world experienced a recession, there was no way Malaysia could escape.

Dr Mahathir also said that the office of the Malaysian Industrial Development Authority (Mida) in the Middle East would be re-opened if there was an increase in investment activity.

However, the site of the office had yet to be determined.

The MIDA office in the Middle East was closed down some time ago because there was little response to its efforts to attract Arab investors.

Dr Mahathir also said Malaysia would like to see an increase in Arab investment in all fields.