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MAHATHI R-UNEMPLOYMENT

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KUALA LUMPUR, NOV 17³⁷ (BERNAMA) -- THE GOVERNMENT IS PREPARED TO ALLOW FOREIGN INVESTORS TO SET UP WHOLLY OWNED COMPANIES IN MALAYSIA, AS LONG AS THESE COMPANIES ARE ABLE TO CREATE JOBS FOR THE PEOPLE, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THIS WAS ONE OF THE STEPS TAKEN BY THE GOVERNMENT TO EASE THE UNEMPLOYMENT PROBLEM WHICH CURRENTLY INVOLVED ABOUT 570,000 PEOPLE, HE SAID.

+WE DO NOT MIND IF THE COMPANY IS 100 PERCENT OWNED BY FOREIGN INVESTORS AND MALAYSIANS ARE NOT ABLE TO BUY ITS SHARES PROVIDED IT IS LABOUR-INTENSIVE,+ HE TOLD REPORTERS AFTER OPENING THE NINTH CONVENTION OF THE ECONOMICS SOCIETY OF MALAYSIA HERE.

EARLIER, SPEAKING AT THE FUNCTION, DATUK SEMI DR MAHATHIR SAID THOUGH FOREIGN INVESTMENTS IN THE COUNTRY HAD INCREASED, UNEMPLOYMENT WAS EXPECTED TO REACH THE 570,000 MARK OR 9.1 PERCENT OF THE TOTAL WORKFORCE.

AMONG THE CONCRETE MEASURES BEING TAKEN TO REDUCE THE PROBLEM WERE THE INITIATING OF INVESTMENT PROMOTIONS EFFORTS SUCH AS RELAXING CONDITIONS AND HOLDING SEMINARS FOR INVESTORS IN ARAB COUNTRIES, TAIWAN, JAPAN, KOREA, THE UNITED STATES AND EUROPE. -- MORE

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ON PRIVATE SECTOR INVESTMENTS BEING CONCENTRATED IN ONLY CERTAIN FIELDS, DATUK SERI DR MAHATHIR SAID INVESTORS SHOULD WIDEN THE RANGE OF THEIR BUSINESS PORTFOLIO.

HE OBSERVED THAT SO FAR, THEY WERE DEPENDING ON CERTAIN FIELDS SUCH AS THE AGRICULTURAL, FINANCE AND CONSTRUCTION SECTORS.

+THE GOVERNMENT WANTS TO SEE THEM VENTURING INTO NEW FIELDS.+

HE SAID THE GOVERNMENT NEED NOT *SHOCK* THE INVESTORS INTO DOING THIS AS MAKING A REMINDER WOULD SUFFICE.

DATUK SERI DR MAHATHIR SAID OTHER MEASURES TOWARDS REDUCING THE UNEMPLOYMENT RATE WAS TO EXPLORE THE POSSIBILITY OF SLIGHTLY LOWERING SALARIES OF NEW RECRUITS INTO THE PUBLIC SECTOR. -- MORE

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+THE GOVERNMENT HAS TO PAY A SLIGHTLY LOWER STARTING SALARY TO NEW EMPLOYEES SO MORE CAN BE EMPLOYED,+ HE SAID.

WITH THE PRESENT RATES, THE GOVERNMENT MIGHT NOT BE ABLE TO TAKE IN MORE EMPLOYEES. AND MANY PEOPLE WOULD REMAIN UNEMPLOYED, HE SAID.

THE STUDY ON THE POSSIBILITY OF REDUCING STARTING SALARIES FOR NEW GOVERNMENT EMPLOYEES IS NOT YET READY.

ON THE MORE THAN 180,000 VACANCIES IN THE PUBLIC SERVICE, THE PRIME MINISTER SAID THIS HAD NOT AFFECTED THE PERFORMANCE OF THE GOVERNMENT MACHINERY,

+GOVERNMENT SERVICES ARE STILL FUNCTIONING WELL DESPITE THE VACANCIES,+ HE SAID. -- MORE

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THE PRIME MINISTER SAID THE GOVERNMENT'S CURRENT FINANCIAL POSITION DID NOT ALLOW IT TO FILL THE VACANCIES.

ASKED WHETHER THIS MEANT THE +OPERASI ISIPENUH+ EXERCISE WOULD BE HALTED, HE SAID THE EXERCISE WAS STOPPED LONG AGO.

HE SAID THE WILLINGNESS OF UNEMPLOYED GRADUATES TO ACCEPT A SALARY OF \$600 A MONTH COULD ALSO HELP REDUCE UNEMPLOYMENT,

+IF THEY STILL PRESS FOR THE NORMAL SALARY RATES, I AM SURE NOT MANY WILL BE EMPLOYED,+ HE SAID. -- RERNAMA

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