

American investments to top \$3b, says PM

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PENANG, Tues. — Investments by American electronic companies in Malaysia are expected to reach more than \$3 billion by 1993, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said there were 17 factories in the American electronics industry group with investments exceeding \$1.5 billion and the industry had projected an annual investment of over \$300 million for the next five years.

"We are happy at this prospect but we realise that the state of the world's economy will determine actual investments. We will be busy encouraging other investments as well," he said when opening an American rubber glove-making company here.

Dr Mahathir said Malaysia was experiencing a wave of investment in the form of projects for the manufacture of household, industrial, examination and surgical gloves.

He said the last time Malaysia experienced such a phenomenon was in the early 1970s when electronics industries "hit our shores."

Dr Mahathir said the Go-

vernment had approved 149 projects for the manufacture of various types of gloves, 28 of which were in production with an approved total capacity of 825 million pairs.

"The trend continues and more than 100 new applications are now being considered by the Government," he said.

Dr Mahathir said the potential for rubber products manufacturing in the country had not been fully expanded compared to other Asian non-rubber producing countries.

"South Korea, for example, in the first 11 months of 1987 has consumed about 375,000 tons of rubber and Taiwan in the first 10 months of 1987 consumed more than 97,000 tons of rubber," he said.

Malaysia, he said, the world's largest producer of rubber on the other hand, consumed only 87,600 tons for the whole of last year.

He said the Government had provided incentives to increase local rubber products for export.

"However, these incentives will come to nought if raw material cost becomes

prohibitive. Manufacturing activities and exports will earn us more if, apart from government incentives, producers can do their bit," he said.

"Once we have really big rubber-based industries, our products will become cheaper and we can overcome the problem of exporting bulky finished rubber products."

Dr Mahathir also said the Government would do its utmost to ensure that the economic environment continued to be such that investors would continue to be able to manufacture, expand and be profitable.

He said the Government was spending millions of dollars on infrastructure, the continuous improvement of government machinery to ensure speedy approvals and to facilitate implementation of projects.

Dr Mahathir said all these were intended to maintain an investment climate that "is second to none."

He assured investors that the country would continue to offer one of the most viable environments for off-shore manufacturing operations.