

U 0764 AAE
MAHATHIR-INVESTMENT 88
BY AHMAD REJAL ARBEE

2 Mq Diversas.

COLOGNE, SEPT 20/ (BERNAMA) -- WEST GERMAN INDUSTRIALISTS AND ENTREPRENEURS WERE TODAY INVITED TO TAKE ADVANTAGE OF THE 30 PERCENT APPRECIATION OF THE DEUTSCHE MARK AGAINST THE RINGGIT TO SET UP OFFSHORE MANUFACTURING PLANTS IN MALAYSIA TO BE THE SPRINGBOARD TO THE ASEAN AND PACIFIC RIM MARKETS.

PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD, NOW ON THE SECOND DAY OF HIS OFFICIAL VISIT TO THE FEDERAL REPUBLIC OF GERMANY, SAID MALAYSIA'S COMBINATION OF RAW MATERIALS, MANPOWER, ENERGY, INFRASTRUCTURE, REALISTIC GOVERNMENT POLICIES AND ATTRACTIVE INCENTIVES PROVIDED WESTERN INVESTORS AN EASTERN BASE FOR THE LUCRATIVE PACIFIC RIM MARKETS.

+MOST CERTAINLY MALAYSIA PRESENTS YOU WITH A SPRINGBOARD TO THE ASEAN MARKET AND ALSO TO JAPAN AND CHINA,+ HE TOLD A LARGE GATHERING OF GERMAN INDUSTRIALISTS AND ENTREPRENEURS AT THE HOTEL INTERCONTINENTAL HERE.

FIFTEEN MEMBERS OF THE MALAYSIAN BUSINESS COMMUNITY ARE ALSO ATTENDING THE INVESTMENT SEMINAR ORGANISED BY THE FEDERATION OF GERMAN INDUSTRY (BDI), ASSOCIATION OF GERMAN INDUSTRY AND COMMERCE (DIHT), ASSOCIATION OF GERMAN BANKS, FEDERATION OF GERMAN WHOLESALE AND FOREIGN TRADE, THE EAST ASIA ASSOCIATION (OAV) AND THE GERMAN-MALAYSIAN BUSINESS GROUP.

DATUK SERI DR MAHATHIR, SPEAKING ON THE THEME +MALAYSIAN INVESTMENT ENVIRONMENT+, SAID JAPANESE COMPANIES DRIVEN OUT OF JAPAN BY THE RISING YEN AND OTHER COSTS, WERE COMING TO MALAYSIA TO MANUFACTURE THEIR PRODUCTS TO BE EXPORTED BACK TO JAPAN. -- MORE
1721HST 20 09 88

U 0765 AAE
MAHATHIR-INVESTMENT 2 COLOGNE

SUCH MOVES WERE TESTIMONY TO THE STRENGTH OF THE MALAYSIAN ENVIRONMENT AND WITH THE RAPID OPENING UP OF THE JAPANESE MARKET, MANUFACTURING IN MALAYSIA WOULD MAKE THEIR GOODS MORE COMPETITIVE IN THE SOPHISTICATED JAPANESE MARKET, HE ADDED.

MALAYSIA WAS AWARE THAT INVESTORS WHEN SEEKING OFFSHORE BASES FOR THEIR OPERATIONS WOULD NOT ONLY BE EXAMINING MALAYSIA BUT ALSO OTHER COUNTRIES AS WELL, DATUK SERI DR MAHATHIR SAID.

+WE ARE ALSO AWARE THAT CRITICAL PARAMETERS FOR ANY INVESTMENT DECISION OTHER THAN TECHNICAL VIABILITY WOULD BE FACTORS, SUCH AS POLITICAL STABILITY, ECONOMIC STRENGTH, POLICIES AND PREDICTABILITY OF GOVERNMENT AFFECTING FOREIGN INVESTMENTS, INFRASTRUCTURE, BANKING AND FINANCE, THE LOCAL BUSINESS ENVIRONMENT AND THE QUALITY OF LIFE THE COUNTRY OFFERS,+ HE ADDED.

+I BELIEVE THAT YOU WILL FIND THAT MALAYSIA PROVIDES ALL THESE INGREDIENTS.+

THERE ARE NOW SOME 60 WEST GERMAN COMPANIES PRODUCING MANUFACTURED GOODS IN MALAYSIA WITH INVESTMENT TOTTALLING 110 MILLION DEUTSCHE MARKS, HE SAID, ADDING THAT SINCE 1971, 170 GERMAN COMPANIES HAD BEEN GIVEN LICENCES TO MANUFACTURE IN MALAYSIA. -- MORE
1723HST 20 09 88

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MAHATHIR-INVESTMENT 3 COLOGNE

DESPITE SUCH INDICATIONS OF CONFIDENCE IN THE MALAYSIAN INVESTMENT ENVIRONMENT, SOME MIGHT HAVE HAD THEIR IMPRESSIONS OF MALAYSIA COLOURED BY REPORTS IN THE INTERNATIONAL MEDIA ABOUT MALAYSIA, HE SAID.

+MALAYSIA WOULD NOT BE ECONOMICALLY AND FINANCIALLY SOUND TODAY IF THE REPORTS WERE ACCURATE,+ DATUK SERI DR MAHATHIR ADDED.

TOUCHING ON THE POLITICAL SITUATION AS ONE KEY ASPECT OF THE ENVIRONMENT, HE SAID MALAYSIA WAS ONE OF THE MOST STABLE DEMOCRATIC GOVERNMENTS AMONG DEVELOPING COUNTRIES, AND EVEN SOME DEVELOPED ONES.

RECENT INTER-PARTY DISAGREEMENTS WAS NOTHING NEW WITHIN THE DEMOCRATIC PROCESS BUT WAS IN FACT AN INDICATION OF A HEALTHY AND VIBRANT DEMOCRACY, HE ADDED.

+I SHOULD THINK THAT WESTERN SOCIETIES CONCERNED WITH THE STATUS OF DEMOCRACY AMONG DEVELOPING COUNTRIES SHOULD BE MORE APPREHENSIVE IF THERE WAS A TOTAL LACK OF DISSENSION WITHIN AND BETWEEN POLITICAL PARTIES,+ HE SAID. -- MORE

1733HST 20 09 88

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U E769 AAE
MAHATHIR-INVESTMENT 4 COLOGNE

HE SAID DIFFERENCES DID OCCUR BUT ADDED THAT WITHIN THE 13-MEMBER COALITION PARTY THEY WERE RESOLVED OVER FRANK AND RATIONAL DISCUSSIONS LEADING TO A CONSENSUS THAT TOOK INTO ACCOUNT THE INTERESTS OF ALL.

AS A RESULT, THE RULING NATIONAL FRONT COALITION HAD ALWAYS BEEN RETURNED TO POWER IN ALL GENERAL ELECTIONS SINCE INDEPENDENCE, INDICATING THE PEOPLE'S ENDORSEMENT AND CONFIDENCE IN GOVERNMENT POLICIES.

NONETHELESS, THE OPPOSITION PARTIES WERE STILL ABLE TO WIN SOME SEATS THEREBY ENABLING THEM TO MAKE THEIR VOICES HEARD IN PARLIAMENT AND ELSEWHERE. +CLEARLY DEMOCRACY WORKS AND DELIVERS IN MALAYSIA,+ DATUK SERI DR MAHATHIR SAID.

TOUCHING ON MALAYSIA'S ECONOMIC PERFORMANCE, HE SAID GROWTH CONTINUED TO ACCELERATE FROM A RATE OF 5.2 PERCENT IN 1987 TO 7.0 PERCENT FORECAST FOR THIS YEAR.

TWO-THIRDS OF THE GROWTH WAS ATTRIBUTED TO EXPANSION IN PRIVATE SPENDING WITH CONSUMPTION GROWING AT 7.3 PERCENT WHILE INVESTMENTS HAD SIGNIFICANTLY INCREASED BY EIGHT TIMES DURING THE FIRST EIGHT MONTHS OF THE YEAR COMPARED WITH THE SAME PERIOD LAST YEAR. -- MORE
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MAHATHIR-INVESTMENT 5 COLOGNE

THE PRIME MINISTER SAID MALAYSIA'S STRATEGY OF EXPORT-LED GROWTH, IN WHICH WEST GERMAN COMPANIES WERE ALSO PLAYING A SIGNIFICANT ROLE, WAS CONTINUING TO PAY DIVIDENDS. CURRENT STRONG EXPORTS INDICATED THAT OUTPUT GROWTH FOR THE MANUFACTURING SECTOR WOULD ACCELERATE TO REACH 14 PERCENT.

+THE SHEER MAGNITUDE OF EXPORT EARNINGS BROUGHT ABOUT BY STRONG PERFORMANCES IN BOTH COMMODITY EXPORTS AND EXPORTS OF MANUFACTURED PRODUCTS HAS ALLOWED THE ECONOMY TO ENJOY A SUBSTANTIAL CURRENT SURPLUS IN THE BALANCE OF PAYMENT OF ABOUT M\$6 BILLION THAT WAS ACHIEVED DESPITE SUBSTANTIAL GROWTH OF IMPORTS,+ HE ADDED.

DATUK SERI DR MAHATHIR ALSO TOUCHED ON PRIVATISATION OF VARIOUS GOVERNMENT-RUN SERVICES AND SAID THE GOVERNMENT WAS PREPARING A MAJOR MASTER PLAN FOR PRIVATISATION TO INCLUDE THE PORTS, PUBLIC UTILITIES AND RAILWAY. POSTAL SERVICES AND THE RUNNING OF AIRPORTS WERE ALSO UNDER STUDY FOR PRIVATISATION.

THE INTENTION WAS TO ENCOURAGE PRIVATE SECTOR INITIATIVE AND ENTREPRENEURSHIP.

THE PRIME MINISTER SAID FOREIGN PARTICIPATION IN THE PRIVATISATION PROGRAMME WAS WELCOMED AND ENCOURAGED, ESPECIALLY IN AREAS WHERE TECHNICAL, BUSINESS AND MANAGERIAL EXPERTISE COULD CONTRIBUTE TOWARDS IMPROVING EFFICIENCY AND PRODUCTIVITY.

MAHATHIR-INVESTMENT 6 COLOGNE

AMONG THE MALAYSIANS PARTICIPATING IN THE SEMINAR ARE SELANGOR STATE ECONOMIC DEVELOPMENT CORPORATION (PKNS) GENERAL MANAGER ABDUL AZIZ ISMAIL, WHO IS LOOKING FOR JOINT VENTURE PARTNERS FOR MANUFACTURING PROJECTS.

OTHERS INCLUDED REPRESENTATIVES FROM THE FURNITURE, PLYWOOD AND OTHER TIMBER-BASED INDUSTRIES AS WELL AS CANNING AND FOOTWEAR MANUFACTURERS LOOKING FOR JOINT VENTURE PARTNERS. -- BERNAMA
1745MST 20 09 88