

R E903 AAE  
REPETITION (CORRECTING GARBLING)  
MAHATHIR  
BY ZAINOOR SULAIMAN<sup>89</sup>

① Trip overseas

NEW YORK, MAY 18 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD HAS CALLED FOR MORE REGULAR AND CONTINUOUS DIALOGUE BETWEEN MALAYSIAN AND AMERICAN ENTREPRENEURS TO FORGE CLOSER TRADE AND ECONOMIC CO-OPERATION BETWEEN THE TWO COUNTRIES.

THERE HAS BEEN GROWING INTEREST AMONG AMERICAN BUSINESSMEN TO INCREASE THEIR ECONOMIC ACTIVITIES IN MALAYSIA, HE TOLD BERNAMA AFTER A DINNER MEETING WITH LEADING AMERICAN ENTREPRENEURS HERE LAST NIGHT.

THE PRIME MINISTER DESCRIBED THE OUTCOME OF THE MEETING AS +QUITE GOOD+ AND FRUITFUL. +WE HAVE BEEN ABLE TO EXPLAIN THINGS TO THEM,+ HE SAID, ADDING THAT HE WOULD LIKE TO SEE SOME FOWARD STEP BY THE AMERICANS TO RAISE THE LEVEL OF THEIR ECONOMIC ACTIVITIES IN MALAYSIA.

HE HOPED A KIND OF AN INFORMAL BODY WOULD SOON BE SET UP TO ENCOURAGE GREATER AND MORE REGULAR DIALOGUE BETWEEN MALAYSIAN AND AMERICAN BUSINESSMEN.

HE SAID DURING THE MEETING SOME OF THE LEADING AMERICAN BUSINESSMEN WERE +BULISH+ ABOUT MALAYSIA'S ECONOMIC UPTURN WHILE LEADERS OF COMPANIES LIKE EXXON SAID THEY WOULD CONTINUE TO INVEST IN MALAYSIA WHICH THEY DESCRIBED AS A GOOD PLACE FOR INVESTMENT BECAUSE IT IS POLITICALLY STABLE AND HAS GOOD INFRASTRUCTURAL FACILITIES. -- MORE

1701MST 18 05 89

R E904 AAE  
MAHATHIR 2 NEW YORK

AMONG THOSE WHO ATTENDED THE DINNER, GIVEN BY THE PRESIDENT OF THE AMERICAN INTERNATIONAL GROUP (AIG), ENCIK M.R. GREENBERG, WERE MOTOROLA CHAIRMAN ROBERT CALVIN, SCOTT WORLDWIDE COMPANY PRESIDENT J. RICHARD LEAMAN JR, MORGAN STANLEY & COMPANY PRESIDENT RICHARD B. FISHER, EXXON INTERNATIONAL PRESIDENT S.J. RESO, ROTHSCHILDE PRESIDENT ROBERT PIRIE, CAROON & BLACK CHAIRMAN ROBERT CARROON, CONTINENTAL GRAIN CHAIRMAN MICHAEL FRIBOURG, BLACKSTONE GROUP CHAIRMAN PETER PETERSON AND MCKINSEY AND COMPANY MANAGING DIRECTOR ROBERT KLINE.

WITH DATUK SERI DR MAHATHIR WERE PETRONAS PRESIDENT AND CHIEF EXECUTIVE TAN SRI AZIZAN ZAINAL ABIDIN, ARAB MALAYSIA MERCHANT BANK BERHAD CHAIRMAN TAN SRI AZMAN HASHIM, MIDA CHAIRMAN TAN SRI ZAINAL ABIDIN SULONG, MISC CHAIRMAN RAJA TAN SRI MOHAMAD ALIAS, SIME DARBY BERHAD GROUP CHIEF EXECUTIVE TUNKU DATUK SERI AHMAD YAHAYA AND SELANGOR PEWTER SDN BHD MANAGING DIRECTOR ENCIK WONG POH KON.

SAYING THAT THE DINNER MEETING WAS NOT AN INVESTMENT SEMINAR, THE PRIME MINISTER SAID HE HAD BEEN MEETING AMERICAN BUSINESSMEN DURING HIS PREVIOUS VISITS TO UNITED STATES.

SUCH A MEETING WOULD ENABLE HIM TO UPDATE THEM ON THE LATEST DEVELOPMENTS PERTAINING TO BILATERAL TRADE, INVESTMENTS AND OTHER RELATED PROBLEMS IN MALAYSIA.

HE SAID THIS TIME HE BROUGHT ALONG WITH HIM KEY MALAYSIAN BUSINESS FIGURES WITH THE AIM OF INITIATING MORE FREQUENT AND CONTINUOUS DIALOGUE BETWEEN BUSINESS LEADERS OF THE TWO COUNTRIES.

-- MORE

1708MST 18 05 89

R E905 AAE  
MAHATHIR 3 NEW YORK

ASKED ABOUT THE POSSIBILITY OF SETTING UP A MALAYSIAN-AMERICAN BUSINESS COUNCIL TO UNDERTAKE SUCH A FUNCTION, DATUK SERI DR MAHATHIR SAID TALK OF SUCH A PROPOSAL WAS STILL +VERY MUCH IN THE PRELEMINARY STAGE+.

+WE ARE STILL FEELING OUR WAY ... WE HAVEN'T REALLY DECIDED HOW AND WHAT FORM OF BODY,+ HE SAID, STRESSING THAT WHATEVER MACHINERY WAS SET UP TO UNDERTAKE SUCH A DIALOGUE WOULD BE IN +LOOSE FORM OR AN INFORMAL ONE+.

DATUK SERI DR MAHATHIR SAID SOME AMERICAN BUSINESSMEN SAW AS DISINCENTIVES TO INVESTMENT SOME OF THE CONDITIONS IMPOSED UNDER THE NEW ECONOMIC POLICY (NEP) AND ADDED THAT HE EXPLAINED THE COUNTRY AND THE PEOPLE MUST ALSO BENEFIT FROM ANY FOREIGN INVESTMENT.

+WE HAVE TO REMEMBER THAT OUR POLICY ON INVESTMENT IS NOT ENTIRELY IN THE INTEREST OF INVESTORS, BUT ALSO IN OUR INTEREST ... AND THE INTRODUCTION OF SUCH CONDITIONS WAS TO SAFEGUARD OUR INTERESTS,+ HE SAID.

HE ADDED THAT WHILE PROVIDING A LOCATION FOR FOREIGN INVESTORS +TO MAKE MONEY+ THE GOVERNMENT HAD TO ENSURE THAT THE PEOPLE WOULD BENEFIT FROM SUCH PROJECTS.

HE SAID WHILE THE AMERICANS WERE ASKING FOR MORE INCENTIVES, OTHERS, PARTICULARLY THE JAPANESE AND TAIWANESE, WERE QUITE HAPPY WITH THE TERMS AND THE INVESTMENT INCENTIVES PROVIDED BY MALAYSIA.

-- MORE

1713MST 18 05 89

R E906 AAE  
MAHATHIR 4 NEW YORK

DESPITE SOME PROBLEMS BETWEEN THE TWO COUNTRIES, DATUK SERI DR MAHATHIR SAID MALAYSIA ENJOYED GOOD ECONOMIC RELATIONS WITH THE UNITED STATES.

HE MENTIONED SOME OF THE PROBLEMS AS THE ON-GOING CAMPAIGN AGAINST PALM OIL, THE EFFORTS MALAYSIA HAD TO MAKE TO RETAIN ITS GSP PRIVILEGES AND THE RELEASE OF STOCKPILED COMMODITIES BY THE AMERICAN GENERAL SERVICES ADMINISTRATION (GSA) IN THE PAST WHICH HAD AFFECTED THE PRICES OF MALAYSIA'S MAJOR EXPORTS LIKE TIN AND RUBBER.

ON AMERICAN INVESTMENTS IN MALAYSIA, DATUK SERI DR MAHATHIR SAID WHILE THERE HAD BEEN SUBSTANTIAL AMERICAN INVESTMENT IN THE COUNTRY, THERE HAD BEEN HEAVY CONCENTRATION ON THE PETROLEUM AND THE ELECTRONICS SECTORS.

HE URGED AMERICAN INVESTORS TO INTENSIFY AND DIVERSIFY THEIR ECONOMIC ACTIVITIES IN THE COUNTRY. A RECENT SURVEY AMONG AMERICAN COMPANIES IN MALAYSIA SHOWED THAT OF US\$4.7 BILLION INVESTED BY THE END OF 1987, THE PETROLEUM SECTOR ALONE ACCOUNTED FOR 63.3 PERCENT OR US\$3 BILLION FOLLOWED BY ELECTRONICS (15.3 PERCENT), BANKING AND INSURANCE (15.1 PERCENT) AND SALES 1.8 PERCENT.

THE SURVEY, CONDUCTED BY THE US EMBASSY IN KUALA LUMPUR, REPORTED A FURTHER INVESTMENT OF US\$436 MILLION IN 1988 AND US\$358 MILLION IN 1989. -- MORE

1721MST 18 05 89

R E907 AAE  
MAHATHIR 5 NEW YORK

COMPANIES WITH AMERICAN EQUITY INTEREST IN MALAYSIA AS OF LAST YEAR EMPLOYED A TOTAL OF 48,939 PEOPLE -- 48,575 MALAYSIANS, 214 US CITIZENS AND 150 OTHER NATIONALS, THE REPORT SAID.

APART FROM TAX INCENTIVES, AMERICAN COMPANIES CITED FIVE STRONG POSITIVE FACTORS AS INVESTMENT INCENTIVES IN MALAYSIA, NAMELY POLITICAL STABILITY, QUALITY OF LABOUR FORCE, WAGE RATES, FAMILIARITY WITH MALAYSIA AND THE INDUSTRIAL RELATIONS CLIMATE.

OTHER POSITIVE FACTORS WHICH WERE ALSO CITED WERE LIBERAL FOREIGN EXCHANGE REGULATIONS AND THE QUALITY OF COMMUNICATIONS.

THE MOST COMMONLY CITED DISINCENTIVE COMPANIES WERE THE NEP, THE SMALL SIZE OF THE DOMESTIC MARKET AND THE SOCIO-RELIGIOUS CLIMATE, THE REPORT SAID.

THE PRIME MINISTER, WHO ARRIVED HERE ON TUESDAY, WILL MEET MALAYSIAN STUDENTS IN NEW YORK AND SURROUNDING AREAS TOMORROW. LATER IN THE DAY, HE WILL FLY TO BOSTON TO ATTEND THE CONVOCATION OF HIS SON, MUKHRIZ, WHO IS GRADUATING FROM BOSTON UNIVERSITY.

WHILE IN BOSTON, HE IS EXPECTED TO MEET PRESIDENT GEORGE BUSH WHO WILL BE THERE TO RECEIVE AN AWARD FROM THE UNIVERSITY. -- BERNAMA  
1724MST 18 05 89