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U E934 AAE
URGENT R'R'R'
REPETITION (CORRECTING THIRD PARA)
MAHATHIR-INVESTMENT (PIX)

BM

KUALA LUMPUR, JULY 24 (BERNAMA) -- THE GOVERNMENT IS GIVING PRIORITY TO FOREIGN INVESTMENT RATHER THAN JUST DEPENDING ON A SMALL GROUP OF LOCAL CAPITALISTS TO CREATE EMPLOYMENT OPPORTUNITIES SO THAT THE PEOPLE WILL NOT MOVE TO DEVELOPED COUNTRIES TO BECOME ODD JOB LABOURERS, DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE PRIME MINISTER SAID FOREIGN INVESTMENT WAS NECESSARY NOW TO ENSURE THE WELL-BEING OF THE PEOPLE AND TO PREVENT THE LIKELIHOOD OF THE PEOPLE MOVING TO NEIGHBOURING COUNTRIES WHERE THERE WAS RAPID DEVELOPMENT.

+IT IS VERY HUMILIATING IF MALAYSIANS ARE KNOWN AS THE SOURCE OF LABOURERS AND COOLIES FOR OTHER COUNTRIES,+ HE SAID WHEN OPENING A SEMINAR ON +INVESTMENT IN JOHOR+ AT THE PUTRA WORLD TRADE CENTRE (PWTC) HERE.

+BUT THIS IS THE FATE WHICH AWAITS OUR PEOPLE IF WE GIVE PRIORITY TO LOCAL CAPITALISTS AND IGNORE THE INTERESTS OF THE ORDINARY PEOPLE,+ HE SAID.

NEVERTHELESS, DATUK SERI DR MAHATHIR SAID, LOCAL INVESTORS WOULD HAVE OPPORTUNITIES WHEN THE ECONOMY RECOVERED COMPLETELY AND THEY ONCE AGAIN HAD THE CAPITAL AFTER OVERCOMING FINANCIAL PRESSURES ARISING FROM THE RECESSION.

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130511ST 24 07 89

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MAHATHIR-INVESTMENT 2 KUALA LUMPUR

THE PRIME MINISTER SAID AS THE GOVERNMENT OVERCAHE THE ADVERSE EFFECTS OF RECESSION IT WAS ALSO REHABILITATING LOCAL CAPITALISTS AND INDUSTRIALISTS TO ENABLE THEM TO ONCE HORE PLAY AN ENHANCED ROLE IN THE NATIONAL ECONOMY.

+EVEN TODAY, WITH ECONOMIC RECOVERY, THERE ARE LOCAL CAPITALISTS WHO EFFICIENTLY PRODUCE GOODS, INVENTED BY THEMSELVES, WHICH ARE HARKETED NOT ONLY DOMESTICALLY BUT ALSO OVERSEAS,+ HE SAID.

DATUK SERI DR HAHATHIR SAID THE GOVERNMENT'S RESPONSIBILITY TO ENSURE THE WELL-BEING OF THE MAJORITY OF THE POEPL E WAS A MAJOR FACTOR IN THE FORHULATION OF POLICIES.

HE ADDED THAT THE GOVERNMENT COULD NOT GIVE SPECIAL PRIVILEGES TO A SMALL GROUP AND SACRIFICE THE INTERESTS AND WELL-BEING OF THE MAJORITY OF THE PEOPLE.

HE SAID THE ECONOMIC RECESSION HAD GIVEN RISE TO UNEMPLOYMENT AMONG MANY PEOPLE, INCLUDING UNIVERSITY GRADUATES. THIS HAD CREATED A SITUATION WHERE SUPPLY OF LABOUR HAD EXCEEDED DEMAND AND THE INCOME OF WORKERS WAS UNLIKELY TO RISE. -- MORE

1309MST 24 07 89

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MAHATHIR-INVESTMENT 3 KUALA LUMPUR

To OVECOME THE UNEMPLOYMENT PROBLEM, THE GOVERNMENT HAD CHOSEN TO GIVE PRIORITY TO CREATING JOB OPPORTUNITIES FOR THE MAJORITY OF THE UNEMPLOYED AND THOSE WITH LOW INCOME BY ATTRACTING FOREIGN INVESTMENT RATHER THAN MERELY DEPENDING ON LOCAL CAPITALISTS TO START ECONOMIC VENTURES.

THE PRIME MINISTER STRESSED THAT THE EFFECTS WOULD BE EVEN WORSE IF THERE WAS NO LOCAL INVESTMENT AND FOREIGN INVESTMENT WAS OBSTRUCTED AS THE PEOPLE WOULD NOT GET JOBS AND THE UNEMPLOYED WOULD REMAIN JOBLESS.

HE SAID THE NATIONAL ECONOMY WOULD NOT RECOVER IN THE SHORT RUN AND IF RECESSION WAS NOT OVERCOME THERE WOULD BE CONTINUED SUFFERINGS AMONG WORKERS, THE COUNTRY'S DEBTS COULD NOT BE REPAID AND DEVELOPMENT WOULD BE OBSTRUCTED.

DATUK SERI DR MAHATHIR SAID IF THE NATIONAL ECONOMY DID NOT SEE RAPID RECOVERY, MALAYSIANS WERE LIKELY TO SUFFER LIKE THE PEOPLE OF SEVERAL ASIAN, AFRICAN AND SOUTH AMERICAN COUNTRIES WHERE INFLATION REACHED 2,000 PERCENT PER ANNUM.

WHEN THAT SITUATION OCCURRED, THE PRICES OF GOODS, INCLUDING FOOD ITEMS, WOULD INCREASE DAILY -- MAYBE ONCE IN THE MORNING AND AGAIN IN THE EVENING. MONEY WOULD HAVE NO VALUE, LEADING TO RIOTS, LOOTING OF SHOPS AND FOREIGN POWERS INCITING THE PEOPLE TO CAUSE PUBLIC DISORDER. -- MORE

1324MST 24 07 89

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U E947 AAE
MAHATHIR-INVESTMENT 4 KUALA LUMPUR

MALAYSIA WAS NOT EXPERIENCING SUCH A SITUATION AT PRESENT AS IT MANAGED ITS ECONOMY WELL AND GAVE PRIORITY TO EMPLOYMENT WHEN ENCOURAGING INVESTMENT. +ECONOMIC RECOVERY DOES NOT HAPPEN BY ITSELF,+ HE ADDED.

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT WAS DRAWING UP A MORE AGGRESSIVE INDUSTRIALISATION PROGRAMME TO ENSURE THAT INDUSTRIALISATION, PARTICULARLY THE MANUFACTURING SECTOR, EMERGED AS THE MAIN SOURCE OF NATIONAL ECONOMIC GROWTH.

HE SAID THE GROWTH OF THE MANUFACTURING SECTOR HAD BEEN BEYOND GOVERNMENT EXPECTATIONS AND HAD MADE MAJOR CONTRIBUTIONS TO THE GROSS DOMESTIC PRODUCT (GDP), CREATED JOBS AND CAUSED A SURGE IN EXPORTS.

+EXPORTS OF MANUFACTURED GOODS ACCOUNT FOR NEARLY HALF OF THE COUNTRY'S TOTAL EXPORTS. THE SECTOR WILL BECOME THE BACKBONE OF THE NATIONAL ECONOMY IN FUTURE.+

THE PRIME MINISTER SAID THE GOVERNMENT ALWAYS UNDERTOOK STUDIES AND HAD ADAPTED ITS POLICIES AND STRATEGIES AND EXPANDED THE INDUSTRIAL BASE TO COMPETE WITH OTHER COUNTRIES. -- MORE

1326MST 24 07 89

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MAHATHIR-INVESTMENT 5 KUALA LUMPUR

HE SAID THE **PRIVATISATION** PROGRAMME HAD ALSO INDIRECTLY ENCOURAGED COMPETITIVENESS AND ENHANCED INDUSTRIAL ACTIVITIES. SO FAR 20 PROJECTS HAD BEEN PRIVATISED WHILE NINE MORE WERE IN THE **FINAL** PHASE OF STUDY, DATUK **SERI DR MAHATHIR** ADDED.

ON INVESTMENT AT STATE **LEVEL**, THE PRIME MINISTER SAID THE FEDERAL GOVERNMENT ENCOURAGED INTER-STATE COMPETITION SO THAT THEIR GOVERNMENT MACHINERY WOULD BECOME MORE COMPETITIVE IN BRINGING ABOUT A SMOOTH AND EFFECTIVE ADMINISTRATION.

THOUGH THE QUESTION OF LOCATION WAS A VITAL FACTOR IN DRAWING INVESTMENT, INTER-STATE GOVERNMENT COMPETITION COULD 'STILL BE HEALTHY. +LET SUCH COMPETITION END WITH GREATER EFFICIENCY AMONG STATE GOVERNMENTS IN THE **MANAGING** OF APPLICATIONS FOR INVESTMENT IN THEIR RESPECTIVE **STATES**,+ HE SAID.

DATUK **SERI DR MAHATHIR** SAID THOUGH THE NUMBER OF PROJECTS APPROVED IN **JOHOR**, FOR INSTANCE⁹ IN THE LAST THREE YEARS WAS THE HIGHEST AFTER **SELANGOR**, NEVERTHELESS MANUFACTURING PROJECTS IN **JOHOR** HAD A HIGHER POTENTIAL TO CREATE JOBS.

THE ONE-DAY SEMINAR ORGANISED BY THE **JOHOR ECONOMIC** DEVELOPMENT CORPORATION WAS AIMED AT GIVING INFORMATION ON INVESTMENT TO INVESTORS FROM OTHER **STATES**, PARTICULARLY THOSE FROM THE **KLANG VALLEY**.

PRESENT AT THE FUNCTION WAS **JOHOR MENTERI BESAR TAN SRI MUHYIDDIN YASSIN**. THE SEMINAR WAS ATTENDED BY ABOUT 100 INVESTORS.

-- BERNAMA
1345MST 24 07 89