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MAHATHIR-MATSUSHITA  
BM

SHAH ALAM, NOV 23 (BERNAMA) -- INCENTIVES AND TAX EXEMPTION FACILITIES FOR FOREIGN INVESTORS WILL BE CONTINUED, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE PRIME MINISTER SAID FOLLOWING AN EVALUATION BY THE GOVERNMENT SUCH INCENTIVES AND FACILITIES HAD PROVED TO BE USEFUL AND AS SUCH WOULD BE CONTINUED.

+THE GOVERNMENT FEELS THAT ONE OF THE EFFECTIVE WAYS OF REDUCING UNEMPLOYMENT IN THE COUNTRY IS THROUGH THE RAPIDLY EXPANDING MANUFACTURING SECTOR,+ HE SAID WHEN OPENING THE MATSUSHITA TELEVISION (MALAYSIA) SDN BHD (MTV) PREMISES AT THE SHAH ALAM INDUSTRIAL AREA HERE

HE SAID THE SECTOR HAD SUCCEEDED IN CREATING FAR MORE EMPLOYMENT OPPORTUNITIES THAN THE OTHER SECTORS IN THE LAST FEW YEARS AND IT WOULD CONTINUE TO PLAY A MAJOR ROLE IN GOVERNMENT EFFORTS TO REDUCE UNEMPLOYMENT.

THE PRIME MINISTER SAID RECENTLY A VIEW WAS EXPRESSED THAT THE GOVERNMENT HAD PROVIDED TOO MANY INCENTIVES AND FACILITIES TO FOREIGN INVESTORS AND THAT IF THE GOVERNMENT WERE TO REDUCE A LITTLE OF THESE INCENTIVES, MORE FOREIGN INVESTMENT WOULD STILL FLOW IN.

DATUK SERI DR MAHATHIR SAID: +IF WE SEE THIS INVESTMENT TREND FROM AN INTERNATIONAL PERSPECTIVE, WE CAN SEE THAT OUR COUNTRY IS INVOLVED IN STIFF COMPETITION WITH OTHER COUNTRIES PARTICULARLY WITH CERTAIN ASEAN NATIONS IN SECURING FOREIGN INVESTMENT.+ -- MORE  
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DATUK SERI DR MAHATHIR SAID SEVERAL OF MALAYSIA'S NEIGHBOURS HAD SUCCEEDED IN ACHIEVING REMARKABLE ECONOMIC PROGRESS PARTICULARLY IN THE FIELD OF INDUSTRIAL DEVELOPMENT.

+AS SUCH, ANY STUDY ON WHETHER MALAYSIA HAD PROVIDED ADEQUATE INVESTMENT FACILITIES, TOO MUCH OR TOO LITTLE SHOULD TAKE INTO ACCOUNT DEVELOPMENTS IN OTHER COUNTRIES PARTICULARLY IN THE SOUTHEAST ASIAN REGION,+ HE SAID.

IF SUCH INCENTIVES WERE NOT PROVIDED IT WAS LIKELY THAT FOREIGN INVESTMENT WOULD NO LONGER FLOW INTO MALAYSIA AND MANY PEOPLE WOULD BE UNEMPLOYED BECAUSE OF CHEAPER LABOUR IN THE NEIGHBOURING COUNTRIES.

+THE VIEW THAT INCENTIVES ARE ONLY GIVEN TO INVESTORS IS NOT CORRECT. THE NUMBER OF PEOPLE WHO WILL BE UNEMPLOYED IF THE FACTORIES CLOSE DOWN SHOULD ALSO BE TAKEN INTO ACCOUNT,+ HE SAID.

THE PRIME MINISTER SAID THE FEDERAL GOVERNMENT WAS HAPPY TO SEE THE REMARKABLE DEVELOPMENT TAKING PLACE IN SEVERAL STATES SUCH AS MELAKA, JOHOR, SELANGOR AND PULAU PINANG AND IN THE PROVISION OF INFRASTRUCTURE FACILITIES AND APPROVAL OF FACTORY SITES.

THERE WAS ALSO BETTER COORDINATION AMONG THE VARIOUS STATES AND THE FEDERAL GOVERNMENT WANTED SUCH EFFECTIVE ADMINISTRATION TO CONTINUE TO ATTRACT INCREASED INVESTMENT, HE SAID. -- MORE  
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MAHATHIR-MATSUSHITA 3 SHAH ALAM

DATUK SERI DR MAHATHIR ALSO SAID THE MANUFACTURING SECTOR WAS EXPECTED TO ACCOUNT FOR ONE QUARTER OF THE COUNTRY'S GROSS DOMESTIC PRODUCT (GDP) THIS YEAR AND FOR THE FIRST TIME THE SECTOR WAS EXPECTED TO EXCEED THE 25 PER CENT GDP LINE.

EXPORTS OF MANUFACTURED GOODS WERE ALSO EXPECTED TO ACCOUNT FOR NEARLY 55 PER CENT OF THE COUNTRY'S TOTAL EXPORTS THIS YEAR AND FOR THE FIRST TIME IT WOULD BE EXCEEDING 50 PER CENT OF TOTAL EXPORTS.

THE GOVERNMENT WOULD CONTINUE TO GIVE APPROPRIATE INCENTIVES TO THE MANUFACTURING SECTOR SO THAT IT WOULD ACCOUNT FOR UP TO 40 PER CENT OF THE GROSS DOMESTIC PRODUCT BY THE END OF THIS 20TH CENTURY, HE SAID.

HE SAID INVESTMENT IN THE MANUFACTURING SECTOR HAD INCREASED RAPIDLY FROM LAST YEAR WITH INVESTMENTS APPROVED BY THE GOVERNMENT FOR THE FIRST SEVEN MONTHS OF THE YEAR TOTALLING ABOUT \$6 BILLION -- AN INCREASE OF ABOUT 34 PER CENT COMPARED WITH THE SAME PERIOD LAST YEAR.

THE HIGH INVESTMENT WAS MOSTLY FROM OVERSEAS AND BASED ON STATISTICS, OF THE EQUITY APPROVED LAST YEAR, 58 PER CENT WAS FROM OVERSEAS.

THE PRIME MINISTER THEN TOURED THE MATSUSHITA TELEVISION (MALAYSIA) COMPANY (MALAYSIA) SDN BHD AND PLANTED A TREE IN FRONT OF THE MAIN FACTORY BLOCK. -- BERNAMA  
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