

BE GOOD, PM ^(P) TELLS TAIWAN FIRMS

28 MAR 1990

KUALA LUMPUR, Tues. — Datuk Seri Dr Mahathir Mohamad called on Taiwanese companies in Malaysia today to act with responsibility and be good corporate citizens.

He said negative reports like Taiwanese purchasing industrial land for speculative purposes had caused people to sit up.

"You are businessmen, and as businessmen you would be aware that one irresponsible action sometimes wipes out a

life-time of good business relations," he told Taiwanese businessmen at the inaugural meeting of the Taipei Investors Association at the Pan Pacific Hotel.

He said one irresponsible action by any of them could possibly jeopardise future business negotiations in Malaysia by Taiwanese businessmen.

Dr Mahathir said he did not want to elaborate on these negative issues.

"I touched upon this matter merely to show

that there is a need for an association in Malaysia such as yours to provide a moderating influence on such negative reports," he said.

He added: "With the formation of your association there is now a responsible voice to speak on behalf of Taiwanese investors in Malaysia."

He said the association could play a major role in preventing incidents that would smear the good name of the whole community.

The prime minister said the dramatic upsurge in Taiwanese interest in Malaysia, especially over the last two years, was not a passing phenomena.

He said that in 1987, Taiwan was third behind Singapore and Japan in terms of number of manufacturing projects approved.

In 1988, Taiwan was in second place and last year took the top position.

"We are confident that Taiwanese investments will continue to be sub-

stantial in the years to come," he said.

In 1988 and last year, 298 Taiwanese projects were approved with proposed capital investment totalling more than \$2.9 billion.

Dr Mahathir said that upsurge of investments could be attributed to "push factors" such as appreciation of the Taiwanese dollar, increase in wage rates in Taiwan, manpower shortage and the loss of GSP status.

He, however, believed that the increase was due to a large extent to the "pull factors" in Malaysia.

"One of the strongest pull factors in Malaysia is our political stability," he said.

He said the same government had been ruling the country since independence and this meant the continuation of government policies which enabled investors to conduct their businesses in a predictable environment.

He said Taiwanese investors had good infrastructural facilities and was always looking into ways to reduce red tape.

Dr Mahathir said one pleasing aspect of Taiwanese projects was that about 95 per cent were joint ventures with Malaysians.

He said although this was based on Mida's survey of about 100 companies in production at the end of 1988, it showed the compatibility of Taiwanese and Malaysian entrepreneurs.

Later, speaking to reporters, Dr Mahathir said that at the end of last year, Taiwan was the biggest foreign investor in Malaysia.

He said Taiwanese investors had brought with them the technology that was much needed here.

"This is the same technology and expertise that made Taiwan, which was once way behind us in economic development, an NIC (newly industrial-