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PETALING JAYA, Aug 5, (Bernama) -- The government is to implement policies that will encourage greater capital injection by foreign and domestic investors in the 90s, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

These policies were in line with its stand to create a favourable investment climate, he said when officiating at the Philips group centenary celebrations and the opening of the group's new headquarters for Malaysia here.

The government's commitment to encourage investment was also evident from the substantial allocations for the development of the transport sector to meet the needs of investors operating in Malaysia, he said.

Other facilities provided by the government were attractive tax incentives and supply of skilled labour, a matter to which it constantly gave serious attention, he said.

Datuk Seri Dr Mahathir said the government was aware that without these facilities and factors, all its plans, strategies and policies would not be successful.-- more

♥05/08/14-25MST

Repetition replacing item E513 and correcting translation in para two

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Under the Sixth Malaysia Plan, the transport and communications sectors were allocated \$10.8 billion or 19.6 per cent of the plan's total allocation, he said.

This marked an increase over past allocations for the transport sector which was given an average 18 per cent of the total allocation for the previous five-year development plans, he said.

In addition, Tenaga Nasional Berhad and Telekom Malaysia would spend more than \$20 billion to upgrade their consumer services, he said.

The Prime Minister said though well-endowed in natural resources, Malaysia could not attain a developed nation status if it solely relied on these resources.

Only through industrialisation could a country become a developed nation, he said.-- more

♥05/08/16-50MST

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With this in mind, the government had set a greater role for the manufacturing sector in the next decade so that a seven-per-cent Gross Domestic Product growth rate could be achieved, he said.

Datuk Seri Dr Mahathir said the success of well-known companies such as Philips in Malaysia also symbolised the nation's achievement.

+It is proof of the investors' confidence in the country's political stability and future. It also reflects that the conducive investment climate created by the government for foreign investors,+ he said.

+It cannot be denied that foreign investment, such as by the Philips group, plays an important role in the growth of the Malaysian economy, more so of the manufacturing sector, + he said.

The electronics industry which the group had ventured into was an important segment in the country's manufacturing sector and was among the major contributors to the Malaysian economy, he said.-- more

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The electronics industry manufactured \$20.3 billion worth of products last year and provided jobs for 144,000 people or 12 per cent of the total work force in the manufacturing sector.

Datuk Seri Dr Mahathir commended the Holland-based company for going into a joint venture with the JVC company of Japan to produce video cassette recorders (VCR) and printed circuit board assemblies for export.

+This is an encouraging development for other companies to emulate as it forms part of the globalisation strategy now being practised by multi-national companies,+ he said.

The Prime Minister said he was very pleased that there was such a +corporate marriage+ between two renowned audio-video companies in Malaysia.

He felt that the decision to locate the project in Shah Alam reflected the companies' confidence in the country's future.

The government would continue to support such projects which manufactured high-value items using the latest technology and which helped upgrade the technological expertise of the local workers, he said. --
Bernama

♥05/08/15-11MST