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GO FOR HIGH TECHNOLOGY, SAYS MAHATHIR

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SHAH ALAM, Dec 17 (Bernama) -- Malaysia will give priority to capital intensive investment involving high technology, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

+We have to move into a selective era of industrialisation, + he said when opening the factory of Chungghwa Picture Tubes (M) Sdn Bhd -- a Taiwanese firm producing colour cathode ray tubes for TV sets.

He said the majority of Taiwan's investment in Malaysia came from small and medium size companies and this facilitated participation by Malaysians and enabled local companies to enhance their management and marketing skills.

Government efforts over the last two decades to attract foreign investment through various tax incentives and equity policies had benefited companies, particularly export oriented ones, he added.

It was clear that such policies and incentive schemes had achieved the original objectives, the Prime Minister said. -- more

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Nevertheless, in line with the objectives of Vision 2020, the time had come for Malaysia to review and evaluate such policies.,,, he added.

The continuation of excessive incentives would reduce the efficiency of companies and jeopardise their competitive edge in international markets, he said.

+I understand that a review of this policy has created a feeling of uneasiness among investors, + he added.

He said tax incentives could be equated with the icing on the cake.

What was more important was creating a healthy investment climate through non-tax incentives such as a strong economy, political stability, close co-operation between government and private sector and manpower resources commensurate with the needs of industry,' he added.

He gave an assurance that the policies being drawn up 'Would not be implemented without taking into account feedback from the private sector.

This was because the government was fully aware that the private sector represented the prime economic mover to make the country an industrialised nation, he said. -- more

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The government, in collaboration with the private sector would continue with efforts to provide adequate infrastructure facilities including an educated manpower to meet the needs of industry, he said.

Datuk Seri Dr Mahathir commended the Chungghwa company for setting up another company in Kampar, Perak, to produce colour and monochrome electron guns involving high technology.

The company's willingness to set up companies outside of the Klang Valley, Pulau Pinang or Johor Baharu, should be commended and this should be followed by others, he said. -- Bernama

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