

Be bold to venture into hi-tech, urges PM

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By Robert Goh

SHAH ALAM, Tues. — The Prime Minister has called on Malaysians to be bold enough to venture into the field of high-technology electronic industries which have prospects for the future.

Datuk Seri Dr Mahathir Mohamad said this was because judging from the point of capital investment and input technology required, Malaysian citizens could participate in most of these projects.

By doing so, opportunities would be opened to local firms to step up their achievements in manufacturing processes, management and marketing.

Dr Mahathir added that while investments from Ja-

pan and the United States were from multi-national giants, the majority of investments from Taiwan were from small and medium-sized firms.

He was speaking at the opening of the Chunghwa Picture Tubes (M) Sdn Bhd (CPT) plant in the Subang Hi-Tech Industrial Park. The company, which manufactures television picture tubes and electron guns, is a subsidiary of Chunghwa Picture Tubes Ltd of Taiwan.

Dr Mahathir said that over the past two decades, the Government had striven to attract foreign investments to the country, especially from the industrial sector, by preparing various attractions such as tax incentives and equity policies

which benefited export-oriented companies.

It was now clear that these policies and incentive schemes had succeeded in their original objectives, he said.

For example, Malaysia had become the world's second largest producer and exporter of room air-conditioners.

What was not so generally known was that 3.5 million television sets worth \$1.4 billion were exported last year, and Malaysia was heading to become the world's major exporter of this product.

Dr Mahathir said that in line with the country's new objectives under Vision 2020, the time had come to review these investment policies to encourage capi-

m-intensive and high-technology industries.

Later, he told reporters that Taiwanese firms were willing to have Malaysian partners but the locals also have to learn to take risks from the beginning.

"They must learn about the production techniques, management, design of factories and production lines so they can start their own industries later."

On the change in investment policies, he said the country did not need labour-intensive industries any more, and there was no more abundant labour supply.

He added that for every ringgit invested, the Government had to spend 10 sen on financing the infrastructure.

"So, if we have \$40 billion worth of investments, the Government must find \$4 billion for infrastructure financing, and we can't have that money except by raising it through taxes.

Thus, in the recent Budget, we had proposed to give less incentives through the payment of some income tax on their profits. But as the investor will not be making profits straightaway, this tax won't be a burden on them yet."

Under the Budget presented by Finance Minister Datuk Seri Anwar Ibrahim on Nov 1, companies which apply for and are granted pioneer status on or after that day, will no longer be exempted from tax but will have to pay 30 per cent tax on their statutory income.