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PM TELLS LOCAL FIRMS TO DIVERSIFY ACTIVITIES

Mahathir - companies

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16 JAN 1992

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BANDAR DARULAMAN, Jan 16 (Bernama) -- Datuk Seri Dr. Mahathir Mohamad said local companies need to diversify their activities to ensure effective participation in international trade by the year 2000.

The Prime Minister said local companies should have the vision in planning their long term corporate strategies because in the 21st century the scenario of international trade would change in line with world's political development.

To ensure an effective participation in international trade by the year 2000, the process of diversifying was necessary, he said when opening a Takagi (Malaysia) Sdn Bhd factory here today.

The factory, which began operations in September 1990, is producing ceramic items for export to the United States, Europe and Japan.

Datuk Seri Dr Mahathir said it would be unfortunate if local companies did not take the opportunity and merely satisfied in seeing foreign companies reaping profits by exploiting local raw materials.--more

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Datuk Seri Dr Mahathir said it was encouraging to see the development of the ceramic industry which was pioneered by Franklin Porcelain of the United States and followed by Japanese companies.

He said the increasing production costs in Japan had encouraged the development of the ceramic industry in Malaysia.

+ Although Malaysia can no longer be considered as a cheap labour country, I'm happy that we are able to attract many companies to set up factories in this country,+ he said.

The Prime Minister said with Takagi's investment of \$12 million, the total investment in the ceramic industry rose to \$166.4 million until November last year.--more

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He said of the amount, \$118.5 million or 71.2 per cent was from overseas, especially Japan.

He said 15 more projects approved for the whole country since 1989 were expected to provide jobs to nearly 4,000 people.

The export of ceramic figurines rose from \$50.6 million in 1990 to nearly \$70 million last year.

The Prime Minister said to maintain the momentum, the industry should be given all the encouragement, adding that the country had vast kaolin reserves in Perak, Johor and Sarawak.

He said immediate step should be taken to ensure that the Ceramic Technology Centre pioneered by the Perak Government was completed as soon as possible.--Bernama