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PM CALLS FOR NEW INVESTMENT STRATEGIES, APPROACHES FOR 21ST CENTURY

Mahathir - Malaysia

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PULAU PINANG, Aug 28 (Bernama)-- Datuk Seri Dr Mahathir Mohamad today called for new strategies and approaches to lure foreign investment to enable Malaysia withstand the pressures of the 21st century brought about by current upheavals in the world's geo-political scenario.

The Prime Minister said competition for capital and foreign investments would become more intensive with the emergence of possibly more competitive locations in terms of production cost, such as Vietnam, China, East European countries, Mexico and Latin American countries.

+We must understand that as a result of the upheavals in the world's geo-political scenario following the crumbling of the Berlin Wall and the disintegration of the Soviet Union and the Warsaw Pact countries, our situation in the 21st century may not be that comfortable, he said when opening the Research and Development Building of Syarikat Robert Bosch here.

He said it was therefore necessary to draw up new strategies and approaches to attract foreign investment, which undeniably played an important role in Malaysia's economic development.

+Words such as networking and symbiotic relationship are often heard now, which basically mean cooperation that is more meaningful and with added focus, and which imply the need for technology inputs, systems, research and development (R&D), and human resource-s development, he said.
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Mahathir - Malaysia 2 Pulau Pinang

In this connection, he said, government agencies such as the Standards and Industrial Research Institute of Malaysia (SIRIM) and the Malaysian Institute of Micro-electronics Systems (Mimos) in particular and local companies in general should redouble efforts in R&D to meet the needs of the nation in the 21st century.

+If we want to achieve the objectives of Vision 2020 there is no other way but one, that is, to give added focus to technology, systems, R&D and human resources development, he said.

Foreign investment had brought with it new technologies and processes which directly switched the structure of the economy to more value-added activities from the mere production of raw materials, he said.

He added however that as a country which imported technology, Malaysia should have effective channels for technology transfer, and if the transfer process was effective, the possibility of reducing the gap in the difference between the technologies of Malaysia and the developed countries would be good.

Dr Mahathir said Malaysia owed the success it had achieved in reaching the current level of prosperity to various factors, a combination of which spawned the advantages that had attracted investors from throughout the world. -- more

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In the effort to make Malaysia a developed country and the manufacturing sector the main motivator, constant attention must be given to the ever-changing world developments, he said.

He said Syarikat Robert Bosch, one of the 10 large companies in Germany, understood that to compete with its rivals, expenditure on R&D was an important and necessary long-term investment.

He said the sales value of products of companies under the Robert Bosch Group in 1992 was \$53 billion, exceeding the revenue of many Third World countries.

Of the total sales, the group invested 6.38 per cent or \$3.4 billion on R&D -- a staggering figure, he said.

Dr Mahathir said that viewed from the quantitative aspect, Syarikat Robert Bosch was large because in 20 years it had diversified its products, and added that it should be a model for other foreign companies.

From the qualitative aspect, the company not only provided employment to the local people but also played a more meaningful role by stepping up its contribution to the country in various skills. -- Bernama