

# PM: We'll

## USE OUR advantage to lure investors

By Saiful Azhar  
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KULIM, Thurs. — Malaysia will capitalise on its comparative advantage to attract advanced technology and capital-intensive investments to the country.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today that cheap labour costs and the abilities of local workers were the two notable advantages that gave Malaysia a competitive edge over other countries, including developed and developing ones.

Dr Mahathir said Malaysia did not actually have much of an advantage in view of its low capital and technological ability.

"But if we evaluate our comparative advantage, we will find that our labour cost is comparatively lower than in countries like Japan," he said.

"Malaysia's labour cost is lower by one-tenth or one-fifth compared to other countries," said the Prime Minister.

He was speaking at the ground-breaking ceremony of the Kulim high-technology industrial park.

Dr Mahathir performed the ground-breaking ceremony by operating an excavator to dig the ground.

Also present at the ceremony were Menteri Besar Tan Sri Osman Aroff, Penang Chief Minister Dr Koh Tsu Koon and Deputy Public Enterprises Minister Datuk Dr Siti Zaharah Sulaiman.

Dr Mahathir stressed that due to the comparative advantage, investors preferred to set up their ventures here.

"Because of our comparative advantage, our industrialisation programmes have been a tremendous success, resulting in the country facing a labour shortage due to the rapid growth of the industrial sector," he said.

Dr Mahathir pointed out that high-technology industries required skilled workers and therefore such investments would open up job opportunities for skilled and semi-skilled workers and raise wages.

On wages, the Prime Minister said Malaysian workers were fortunate because their wages were higher compared to workers in other countries like Indonesia.

He said an engineer in Indonesia earned only \$500 a month.

However, Dr Mahathir said he wanted local workers to emulate the attitude of Indonesian workers who went beyond their call of

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workers

## have a good deal

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duty to ensure the success of their industries.

He said he was impressed with the success of the Nusantara aircraft industry which had succeeded in securing contracts to build aircraft components for established aviation companies like Boeing and McDonnell Douglas.

"Previously the contracts were given to Japanese firms. But due to the high labour costs there, the aviation companies switched to Indonesia for better investments," he added.

"That's why the Government does not entertain proposals to set up an electronic workers union because such a union will threaten our comparative advantage.

"If such a union is set up, the union leaders, in their attempts to win popularity, will demand higher wages, causing the country to lose the comparative advantage."

"The Government's action to protect the comparative advantage is for the benefit of the people, especially the unemployed. We want more industries set up here so that more jobs will be created," said Dr Mahathir.

Dr Mahathir called on all quarters to treat investors properly.