

# Be bold, Dr M tells our entrepreneurs

NST 27 JAN 1993

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SHAH ALAM, Tues. — Datuk Seri Dr Mahathir Mohamad has exhorted local entrepreneurs to be bold in initiating their own technology, blending new imported technology and their own expertise.

The Prime Minister said they should do so after mastering the imported technology.

He said there was no one way of producing something "as there are bound to be several ways, orthodox or otherwise".

Those who confine themselves to conventional methods would not progress and would forever be depending on others for new sources of technology, Dr Mahathir said when opening PHN Industry Sdn Bhd, a Malaysian-Japanese joint venture company dealing in independent stamping and sub-assembly facility for Proton cars.

"Purchased technology is always dearer than self-invented technology."

Citing the fact that transfer of technology demanded willingness, capacity and commitment of those involved, Dr Mahathir said individuals should be receptive to technological expansions in their areas of specialisation and concentrate on higher and more updated technology.

While the future of Malaysian manufacturing was bright, it must be ensured that there was high value-added transfer of

technology.

To achieve this, emphasis must be placed on local research and development (R&D) in manufacturing, he said.

Speaking to reporters later on the subject of the transfer of technology, Dr Mahathir said companies like Proton would not exist without such a transfer.

It would, however, be unrealistic to ask for 100 per cent transfer of technology, he added.

Likewise, Malaysian technology, particularly in respect of new rubber and oil palm clones, could not be fully given to other countries, he said.

"That is why, after securing technology, we must be innovative enough to improve it. The Japanese were also like that ... they did not get all their technology from the West. They only got the basics but found new ways to improve them.

"We can develop our own technology and sell it to others as we have done in the field of agriculture. So why not do the same for manufacturing?" he asked.

Dr Mahathir criticised entrepreneurs who felt it was a loss to invest in R&D but on the other hand spent profits on unnecessary things or declared high dividends.

"Profits should be substantially re-invested for expansion or developing new markets and technology," he added.

In his speech, Dr Ma-

hathir noted that increased local and foreign investments had led to a tight labour market for skilled workers. This, he said, was still inadequate to achieve growth as outlined under the Malaysian Industrialisation Plan.

The manufacturing sector, he said, had expanded progressively while pioneering and encouraging the components or car equipment industry.

This was not only in terms of spare parts but, more importantly, in relation to the increase in local components in locally assembled vehicles, he said.

Dr Mahathir said the national car project launched in 1982 through Perusahaan Otomobil Nasional Bhd (Proton) has gradually been transformed from a controversial undertaking to a catalyst for the components and engineering industry.

This has led to the systematic production of sophisticated, precise and high quality components.

Bearing in mind that the local components industry was limited, Dr Mahathir said the Government hoped that the components and car equipment industry could compete in the international market, especially through opportunities provided in the markets created under the Asean Industrial Joint-Venture Scheme and also the Common Effective Preferential Tariff scheme that would create the

Asean Free Trade Area.

Between January and November last year, he said, RM2.1 billion of components and equipment were imported. These components could be produced locally for supply to Proton or other cars or for export, he added.

The Government, he said, had gazetted the components industry as an activity that was encouraged and eligible to apply for pioneer status or investment tax allowance.

"There are now 200 companies producing automotive components of which 70 produced components for the original equipment market. With the local content policy for passenger cars, we hope it can help expand the components market."

The Government, Dr Mahathir said, would also encourage joint venture projects with foreign investors in four sectors:

- Producing critical components like engines and transmission equipment;
- Producing intermediate materials like raw castings for engine and transmission, forged parts as well as small components used in installing big or primary components;
- Production to export components for international markets; and,
- Setting up an engineering support service industry like tool/mould and die making.