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Mahathir-investors

US INVESTORS HAVE CONFIDENCE IN MALAYSIAN INVESTMENT CLIMATE

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BUKIT MERTAJAM, Dec 21 (Bernama) -- United States' investors have confidence in the Malaysian investment climate because the country has political stability and set government policies - two assets valuable to the business community, Datuk Seri Dr Mahathir Mohamad said today.

The prime minister said Malaysia had approved 22 projects of American investors in the first 10 months of this year, with the investment capital totalling US\$652 million (about RM1.68 billion).

Opening the Otis Manufacturing Company Sdn Bhd here, he said that last year, 41 American investment projects in the manufacturing sector were approved, with the investment capital totalling US\$1.28 billion (about RM3.30 billion).

Otis Manufacturing, a subsidiary of Otis Elevator Company of the United States, is a manufacturer of lifts. It has been established with about RM60 million investment on a 18.6-hectare site in the Bukit Tengah industrial site.

Dr Mahathir said the United States was the largest foreign investor in Malaysia this year. Japan came next, followed by Taiwan and Britain. -- more

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Dr Mahathir said that last year Malaysia's exports to the United States rose by 34 per cent with the value of exports totalling US\$8,180 million (about RM20,450 million).

He invited more investors from the United States to Malaysia, saying the investment climate would improve with the corporate tax to be reduced from 34 per cent to 32 per cent next year and to 30 per cent in 1995.

The prime minister said the company income tax was also comparable to that in neighbouring countries and the 1994 budget had pledged incentives for high technology industries and research and development which would draw more investors.

"At the same time, existing industries were encouraged to expand their operations and new industries were encouraged to locate operations in the east coast states and in Sabah and Sarawak," he said.

Dr Mahathir said Malaysia should not be satisfied with its achievement in drawing investors but should work harder to overcome weaknesses. -- more

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"The challenges in promoting investment are becoming more acute because Malaysia has to compete with less developed, newly industrialised and developing countries which have taken steps to retain investment themselves," he said.

Therefore, he said, priority should be given to greater value added, capital intensive and high technology industries which would help strengthen industrial relations and ensure that Malaysia achieved intensive growth in the export sector. -- Bernama

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