

# Tax incentives to spur growth

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MUAR: The Government has granted tax incentives to foreign investors who set up factories in the country with local involvement to speed up industrialisation.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the development of linkages with local industries provided more business ventures for local entrepreneurs particularly bumiputras.

"In our effort to become a fully industrialised nation, we must emphasise the manufacturing sector, which is expected to be the major source of growth for the next three decades.

"Within this sector, the electronics sub-sector has been a strong driving force, showing a remarkable growth rate of 29.6 per cent per annum between 1988 and last year," he said

when opening the Pioneer Technology (M) Sdn Bhd factory at the Tanjung Agas Industrial Park yesterday.

Dr Mahathir said it also showed annual average growth rates of 30.4 per cent in exports and 24.4 per cent in employment for the same period.

He said between 1980 and April this year, 452 projects with investments totalling RM6.9 billion were approved in

this sub-sector, adding that this amounted to 36.5 per cent of total Japanese investments in the manufacturing sector.

"Last year, total exports of electronic products were valued at RM46.7 billion, of which RM5.4 billion or 11.6 per cent comprised audio products."

Later, when opening the SGS-Thomson Sdn Bhd's RM150 million extension plant, Dr Mahathir said the manufacturing

sector's contribution to the GDP last year was 30.1 per cent and its contribution to exports was 71 per cent.

Dr Mahathir said up to April this year, a total of 240 projects with investments totalling RM5.84 billion had been approved for the manufacturing sector. "Of this, RM2 billion is by foreign investment while total domestic investment is RM3.83 billion."