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Dr M: Political stability our best incentive

Farush Khan in Beirut

DATUK Seri Dr Mahathir Mohamad described Malaysia's political stability as its best incentive for those wishing to invest in the country.

The Prime Minister said every country offered incentives in various forms, including giving tax-free periods to attract investors.

Some countries, he said, wooed investors with cheaper land prices, lower rentals and lower wages than Malaysia.

Malaysia has some of these factors but at the same time also offered political stability, he said.

"A country cannot attract investors if it changes its government every three days," he said during a dialogue with members of the Lebanese Chambers of Commerce and Industry on Tuesday night.

Dr Mahathir was asked to elaborate on Malaysia's incentives to investors which he had mentioned during his speech earlier.

In the speech, the Prime Minister said Malaysia would continue to offer a stable, strong and business-friendly Government.

It also has consistent policies, a safe and healthy environment and a forward-looking, dynamic and innovative economic regime to help investors succeed without undue constraints.

In Malaysia, he said, Prime Ministers could change, but the Government remained strong and the country's politics continued to be stable.

Dr Mahathir said because of this healthy situation, Malaysia was able "to carry out what we promised" for decades.

He said Ministers as well as himself were easily accessible and were always ready to listen and discuss with those wishing to do so.

"Sometimes things discussed (in this manner) were taken to the Cabinet for decisions. We are that friendly," he said, adding that it was this approachable attitude that had helped to attract investors.

Asked on the Malaysian Government's close relationship with the private sector, Dr Mahathir said the country introduced the Malaysia Incorporated under which everyone realised the significance of the private sector's contribution.

Everyone, he said, was aware that if the private sector did not make money, the Government could not collect tax.

He said at appropriate times every year, the Finance Minister and the International Trade and Industry Minister would hold dialogues with the private sector to work on actions to be taken for the benefit of everyone.

"So, you can see that the Government and the private sector are very, very close. This explains why when I travel they (businessmen) keep following me," he said.

To a question on whether Malaysia was a protectionist country, Dr Mahathir said it was not.

However, he said the Government had to be careful in approving projects as it had to ensure the growth of the various industries.

The Prime Minister was also asked on the effects of the Development Eight group on other non-member countries.

He said the organisation - established to promote economic ties among the member countries and with other countries outside it - would not do anything that would adversely affect relationships with other countries.

In fact, he said, it would be opened to others once it was found that the co-operation among the member countries has developed.

At the moment, the D-8, which was launched in Istanbul, Turkey, on June

15, comprises Malaysia, Turkey, Indonesia, Iran, Egypt, Nigeria, Pakistan and Bangladesh.

Asked on the goods Malaysia would import from Lebanon following his three-day official visit to this country, the Prime Minister said he would study the matter after getting the details.

"If we cannot import, we should at least invest," said Dr Mahathir, who is accompanied by about 35 Malaysian businessmen during the visit which ended yesterday.

Also present at the dinner were Datin Seri Dr Siti Hasmah Mohd Ali, Transport Minister Datuk Seri Dr Ling Liong Sik, Works Minister Datuk Seri S. Samy Vellu, Malaysia Airlines Berhad chairman and chief executive Tan Sri Tajudin Ramli who led the business delegation.

Earlier, Foreign Minister Datuk Abdullah Ahmad Badawi told Malaysian journalists here that Malaysia and Lebanon would consider having agreements on avoidance of double taxation, promotion of investment and bilateral payment arrangement.

He said this was discussed during Dr Mahathir's meeting with Lebanese Prime Minister Rafic Hariri on Tuesday.

Abdullah said both leaders had agreed on improving bilateral ties in various aspects, particularly in the fields of development, economy, trade, investment, infrastructure, tourism and the development of trade zones.

Hariri, he said, hoped Malaysian businessmen would play their roles even in the field of infrastructural development.

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