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EXCESSIVE RED TAPE STILL A PROBLEM WHEN DOING BUSINESS IN MSIA

KUALA LUMPUR, March 31 (Bernama) -- There have been several cases of American chief executive officers having to contact Prime Minister Datuk Seri Dr Mahathir Mohamad himself for clarification for something as routine as approvals for foreign workers or work permits.

This sorry state of affairs was brought about by poor communication between government departments, which the American-Malaysian Chamber of Commerce (Amcham) said stood out as a frustration when doing business in Malaysia.

"It is not uncommon to be told one thing by one department or agency, relay that information to another department and be told that they have never heard of such a policy or rule," the chamber said in its memorandum at the annual dialogue with the Ministry of International Trade and Industry.

"High-level officials often are called upon to step in and take care of situations that should be easily dealt with at the administrative level," it said, adding this was a frequently cited problem among Amcham members.

Some of their grouses included inadequacy of licensing/permit processes, government micromanagement, particularly in the advertising and insurance industries, the inconsistent interpretation of government regulations and poor intergovernmental communications.

On an encouraging note, however, the chamber said the Multimedia Super Corridor (MSC) promoted by Malaysia showed true insight into the needs of corporations and nations of the 21st century.

It was willing to be an additional conduit of information to its members as well as American companies in the region and in the United States, it added.

Turning to the setting up of Operational Headquarters (OHQ), Amcham said the system of negotiating fixed numbers of expatriate posts was not well-adapted to the requirements of regional operations and neither was its requirement for administrative justification for each post, which might hinder Malaysia's reputation as the best location for a regional headquarters.

Amcham also suggested the setting up of a (Malaysian Industrial Development Authority) "MIDA-like" coordinating and facilitating body for service sector companies, operating or considering operations within Malaysia, to serve as a central clearing house and authority on processes, procedures and licensing requirements for various service industries.

On efforts which it claims would further deregulate the financial sector, the chamber called for the elimination of the minimum 60 percent extension of credit facilities from Malaysian-owned banking institutions and allowing Labuan banks to operate more freely out of Kuala Lumpur. --

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