

23 JUN 1997

FORD AND GENERAL MOTORS KEEN TO INVEST IN MALAYSIA, SAYS US ENVOY

KUALA LUMPUR, June 23 (Bernama) -- American car makers such as Ford and General Motors are keen to expand their operations to Southeast Asia, particularly Malaysia, to manufacture auto components for the world market.

Ford and General Motors, which already have assembly plants in Vietnam and Thailand respectively, might want to join hands with national car manufacturer Proton to export parts globally, says United States Ambassador to Malaysia John Malott.

"If they are able to participate in the Malaysian market, Proton's export of both automobiles and auto components internationally will increase," he told reporters when briefing on the outcome of the fifth US Asean ambassadors' tour of Rivine in California, Detroit, Boston and New York City.

Malott, however, said Proton, which is aggressively venturing abroad especially in car sales, has few auto components which are exported globally in a big way, hinting that a tie-up with Ford or GM could give better mileage for the local car manufacturer overseas.

Overall, Malott suggested that Malaysia undertake further liberalisation of three areas to further attract American investors, namely the automobile, retail and financial services.

He said US companies are hesitant to work and invest in Malaysia due to the 30 percent limit on shareholding restricted to foreign companies, especially in retail operations.

"They would be reluctant to have partners which add no value...leave them doing 100 percent of the work, providing 100 percent of the technology and knowhow... but owning only 30 percent of the company," he explained.

On the Multimedia Super Corridor, he said some companies are confused as to what is meant by the terminology multimedia in the MSC, "whether or not it refers to multimedia products or otherwise"

He said there should be more clarification on the MSC.

Malott said that he had, however, assured US businessmen "that looking at Malaysia and its track record, when they say they are going to do something, in particular when it is Prime Minister Datuk Seri Dr Mahathir Mohamad who says it, they are going to do something." -- BERNAMA

YY GC