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Investment trend remains positive (HL)

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DESPITE the country's economic problems triggered by the assault on the Thai baht some five months ago, the investment trend in Malaysia remains positive.

Between August and September of this year alone, the International Trade and Industry Ministry received a total of 174 new applications for manufacturing projects worth RM13.845 billion.

Of the total, RM3.874 billion are foreign investments.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said this is a good sign considering the competition for foreign investments and the economic problems in the region.

"It is hoped that prospective investors will continue to assume a long-term perspective on Malaysia and that they will exploit the opportunities we have to offer," she said at the ministry's Industry Excellence Awards presentation in Kuala Lumpur yesterday.

Prime Minister Datuk Seri Dr Mahathir Mohamad presented awards to 17 companies in recognition of their organisational excellence, awareness and quality achievement, production of quality products and services, and sharing of information on successful performance strategies.

Rafidah said although Malaysia is facing economic problems triggered by the currency crisis in the region, "investors should not have any doubts and should continue to participate in Malaysia's industrialisation process".

"We are still implementing policies to further encourage investments especially in the manufacturing and supporting sectors. We will continue to work on remaining a competitive regional location for production and exports."

On the flow of investments this year, she said there is a positive investment trend among the local and foreign investors to put money in the manufacturing sector.

Between January and October, the ministry approved 612 applications for manufacturing projects involving combined investments of RM19 billion. Of the total, 338 applications were for new projects and 229 for expansion and/or for increase in production.

The new projects will see investments of RM14.876 billion and the rest RM4.655 billion.

Of the total investments, new foreign-owned projects accounted for 34.5 per cent or RM6.559 billion.

Last year, the ministry approved investments worth RM34.25 billion. Included were new projects involving a combined investment of RM14.2 billion, of which RM13.44 billion came from seven big one-off projects that drew RM6.946 billion in foreign investments.

"If we were to take the seven large projects out of last year's list, we find that the investment trend this year is not far off that of 1996," she said.

Later when approached by reporters after the award presentation ceremony, Rafidah said the ministry is stepping up efforts to attract foreign direct investments.

"It is important for Malaysia to keep impressing upon local and foreign investors that we are doing our best to bring the economy back on track and to ensure that the environment for doing business remains conducive.

"As you know, we have liberalised our policies of late and that should

make it very attractive for them to invest here.

"We have to work very hard to restore the long-term investors' confidence in Malaysia," she said, adding that such investors include those who put money in the economic production process, such as the manufacturing and services sectors, as well as those in the capital market.

Asked to forecast investments for next year, Rafidah said: "We do not forecast, we work for it."

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