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PM: Our political stability a big plus to investors

Hardev Kaur in Beirut

BEIRUT, Wed: Malaysia offers political stability, one of the most important "incentives" for businessmen. In Malaysia, political stability is almost legendary and has been cited by many foreign entrepreneurs as an important criterion for investing in Malaysia.

Government policies enunciated today are good not only for today or tomorrow but for decades to come, according to Prime Minister Datuk Seri Dr Mahathir Mohamad. He said in Malaysia while prime ministers have changed, the Government and its policies have not, unlike in some countries.

In reply to a question from a Lebanese businessman as to what incentives Malaysia can offer foreign investors, Dr Mahathir said today almost all countries in the world offer incentives based on tax exemptions of between 10 and 20 years but investors now look to other incentives as well.

In some countries, the labour cost is low and if the country is looking to draw high technology and capital intensive industries then labour cost will not be a factor.

Malaysia offers political stability and consistency of policies. "What we say today we will carry through for decades," Dr Mahathir told members of the Lebanese Chamber of Commerce and Industry last night.

In addition, the Malaysian Government is "very business-friendly" and holds regular discussions and consultations with the private sector. The Minister of Finance and the Minister of International Trade and Industry hold dialogues, at times stretching over two weeks, with the private sector.

Some of the discussions at these dialogues are brought to the Cabinet and considered for implementation. "We are that friendly towards the private sector and that is why Malaysia has been able to attract more investments.

"The rapport between the public and private sectors is very close and that is why when I travel, these people (businessmen) keep following me," he said amid laughter and applause from the audience.

The 35-strong Malaysian business delegation accompanying the Prime Minister is led by Malaysia Airlines chairman and chief executive Tan Sri Tajudin Ramli. Other members include Renong executive chairman Tan Sri Halim Saad, Sime Darby Bhd group chief executive Tan Sri Nik Mohamad Nik Yaakob, Arab Malaysian Group chairman Tan Sri Azman Hashim, Berjaya Group Bhd chairman Tan Sri Vincent Tan, Country Heights Holdings managing director Tan Sri Lee Kim Yew, Sri Inderajaya (Asia Pacific) chairman Tan Sri A.P. Arumugam, and Westport Malaysia vice chairman Datuk G. Gnanalingam.

A Lebanese entrepreneur wanted to know "what Malaysia will take from us" to reduce the balance of trade which is currently in Malaysia's favour. Dr Mahathir replied that there is a need to identify the goods and services. Nevertheless, what is important is that Malaysian investments will result in an inflow of funds from Malaysia to Lebanon.

This in turn will help contribute to reducing the imbalance, and Lebanon has many tourist attractions. If more Malaysians visit Lebanon, it will also mean an inflow of funds into Lebanon.

On the Developing Eight (D-8), Dr Mahathir said it is a grouping of developing countries with large Muslim populations, whose members have seen the need to come together and cooperate to develop their economies.

It is an experiment, he said. They will exchange information and do whatever is necessary to assist each other. If they succeed then the group can consider admitting others as members, he said.

Earlier, in his address to the chamber, Dr Mahathir also spoke of Malaysia's economic development and policies, he concluded by saying: "I am very sorry for the very hard sell on Malaysia. But since this is a function of the chamber, I thought it might be useful for the members to know more about Malaysia's economic policies and development."

In his speech, the chamber's president, Mr Adnan Cassa, said Malaysia's economic success "is exceptionally inspiring".

Earlier in the day, Dr Mahathir held talks with his Lebanese counterpart Rafi Hariri, followed by a meeting of the two delegations. Foreign Minister Datuk Abdullah Badawi said issues of bilateral and regional concerns were raised during the delegation meeting.

Abdullah told Malaysian journalists that the two sides agreed to intensify bilateral contacts to facilitate exchange of experiences for mutual benefit.

In addition, the two sides also stressed the need to boost the confidence of investors and to encourage greater trade and investments.

The two countries are working on signing three agreements - on the Avoidance of Double Taxation, Bilateral Payments Arrangement and the Promotion and Protection of Investments.

Abdullah said the two prime ministers expressed confidence that the agreements, when signed, will provide for greater confidence to investors and entrepreneurs in the two countries.

Lebanon, with its rich history, offers vast potential as a tourist destination. The two prime ministers agreed that the private sectors should look into developing hotels and tourism infrastructure, as well as banking and other projects, on a joint venture basis.

Dr Mahathir and Hariri also discussed the situation in West Asia and stressed the need to ensure peace in the region and for all parties to adhere to the agreements.

The Prime Minister visited some historic sites outside Beirut before ending his three-day official visit to Lebanon, the first by a Malaysian prime minister and Asian leader.

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