

19/03/1997

State govts need to review certain policies: Rafidah

Adeline Ong

STATE governments and local authorities will have to review certain policies and procedures in order to encourage investments and not hinder them, Minister of International Trade and Industry Datuk Seri Rafidah Aziz said yesterday.

Speaking at the launching of the "Moments" photo exhibition in Kuala Lumpur yesterday, Rafidah said it is true that too many regulations and requirements can be a hindrance to investors.

"The state governments have been alerted regarding this. We have requested that they look into the situation and try to do away with additional regulations and also lower the rates of land premiums.

"Some of the states have already done that and they have improved the level of bureaucracy in that manner," she said.

Rafidah was commenting on Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that state governments should not be too eager to collect land premiums and impose strict conditions on investors even before projects were carried out.

The Prime Minister said this on Monday after launching the Malaysia Electric Corp Bhd and RM4 billion MEC City project in Pahang.

Rafidah explained there are instances where some states impose additional conditions such as the Bumiputera quota and equity on top of federal requirements, which make it more difficult and expensive for people to invest in the area.

"In the context of deregulation and facilitating private sector efforts, the Government, district councils and other authorities have all been asked to review their own procedures and regulations.

"This is to ensure that they (procedures and regulations) are in harmony with federal policies and do not constitute additional constraints and increase the cost of doing business in Malaysia," Rafidah added.

She said the chief ministers' conference and National Land Council meeting have discussed this.

"There will be an on-going process of monitoring to identify the negative aspects and once these are detected, the states will be alerted. Steps will be taken to eliminate these obstacles.

"Our competitiveness depends on the margin of costs. If we are not cost-competitive, then we cannot sell our products in the world market," she said.

When asked how much has been "lost" due to these added regulations, Rafidah answered that the ministry does not undertake such calculations.

"Sometimes, the private sector comes and informs us that if these constraints weren't there, then it would be less costly for them. It is not that investors are deterred completely ... they are still in Malaysia," she added.

She refused to name any particular state or industry that has been affected in this manner.

(END)