

30/09/1998

Dr M: Malaysia committed to pro-business policies

Ravi Nambiar

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday assured foreign investors that Malaysia was committed to pro-business policies.

He said the country would continue to promote foreign direct investments to strengthen the economy and boost the development of the manufacturing sector.

While acknowledging the "apprehension" among foreign investors over Malaysia's recent economic restructuring programmes, he stressed that these did not mean a stoppage of direct foreign investments.

"The overriding objective of the exchange control measures is to regain monetary independence and insulate the domestic economy from global economic uncertainties and manipulations.

"The changes are aimed at containing speculation on the ringgit and minimising the impact of short-term capital inflows on the domestic economy.

"During a period of restructuring, there would definitely be much apprehension among foreign investors.

"(But) I would like to assure foreign investors that the Government will continue to pursue pro-business policies," he said in his speech at the opening of the Outokumpu Copper Products (M) Sdn Bhd factory in Pasir Gudang, Johor, yesterday.

Dr Mahathir, who was unable to attend the function because of the special sitting of Parliament in Kuala Lumpur, was represented by Johor Menteri Besar Datuk Abdul Ghani Othman, who read out the Prime Minister's speech.

Also present were the Finnish Ambassador to Malaysia Erkki Huittinen, Outokumpu Group chief executive Dr Jyrki Juusela and Outokumpu Malaysia managing director Pentti Jahi.

The company, a world leader in the metal production industry, has invested RM180 million in the Johor factory which is engaged in the fabrication of copper and copper alloy products used in the air-conditioning, refrigeration, sanitary, construction, automotive, telecommunications, electrical and electronics industries.

Dr Mahathir dwelt at length on Malaysia's rationale for introducing exchange control measures, stressing that there was no restriction in the repatriation of profits by foreign investors.

He said the fact that many foreign multinational corporations and their subsidiaries had set up base in the country was proof that Malaysia was a conducive place for foreign investors.

These investors are involved in a broad spectrum of industries, including the non-ferrous metal products industry.

Dr Mahathir welcomed Outokumpu's new venture in Johor, saying the project would help in the substitution of imports and increase exports of copper-based products.

On Finnish investment in Malaysia, he said 23 manufacturing projects involving RM700 million in total investments had been approved up to August.

He urged Outokumpu, which is among the biggest Finnish investments here, to add value and increase use of local raw materials and take steps to effect technology transfer.

He also hoped the company would expand and diversify into new product lines and incorporate other value-added activities in line with Malaysia's

manufacturing goals.

(END)