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MAHATHIR-BUSINESS

GOVERNMENT WILL CONTINUE TO PURSUE PRO-BUSINESS POLICIES

JOHOR BAHRU, Sept 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has given the assurance that the government would continue to pursue pro-business policies for long term investors.

Dr Mahathir said the government has always recognised the fact that foreign direct investment can contribute significantly, not only to the development of the manufacturing sector but also to the Malaysian economy as a whole.

As such, Malaysia would continue to promote foreign direct investment in the manufacturing sector, he said in his speech read out by Menteri Besar Datuk Abdul Ghani Othman at the official opening of Outokumpu Copper Products (M) Sdn Bhd in Pasir Gudang, near here, today.

"The presence of a large number of foreign multinational corporations and their subsidiaries in Malaysia is testimony to our success in providing a conducive environment for them not only to establish their manufacturing operations but also to reinvest their profits through expansion of their existing plants and diversification into additional products," he said.

Dr Mahathir said foreign direct investment inflows into the country's manufacturing sector today cuts across a broad spectrum of industries, including the non-ferrous metal products industry.

He also said that although the non-ferrous metal products industry encompasses a broad range of products, the range of copper based products produced locally is limited.

"Malaysia is still dependent on foreign supplies for many copper based products. We therefore welcome this new venture by Outokumpu as the project will assist in the substitution of imports as well as result in increased exports of copper based products from Malaysia," said Dr Mahathir.

Outokumpu Copper Products (M) Sdn Bhd, a Finnish-based company, is a worldwide metals group involved in the entire chain of base metals, stainless steel and copper production. Its operation ranges from the initial exploration and mining of raw materials to smelting and refining, fabrication and marketing.

The total investment for the Pasir Gudang plant is RM200 million. The company's authorised capital is RM120 million and the paid-up capital RM78 million.

Incorporated in January 1997, Outokumpu's main product lines are copper anodes for general and printed circuit board plating, copper sections and profiles used as conductors for electricity in electrical switchgear applications and copper tubes for air-conditioning and refrigeration industries.

"This industry has continued to attract a fairly significant amount of capital investment," said Dr Mahathir.

In 1997, a total of 14 projects were approved in this sector with a total capital investment of RM366.8 million. Foreign direct investment had accounted for RM54.3 million.

From January to August this year, three projects with a total capital investment of RM257.4 million were approved of which FDI amounted to RM194 million.

The Prime Minister said Finnish investments in the Malaysian manufacturing sector have been less significant in comparison to other major capital and technology exporting countries in North America, Europe and Asia.

As at the end of last month, 23 projects involving Finnish investments amounting to RM700 million had been approved in the manufacturing sector, he said.

Outokumpu's plant in Malaysia is the second investment in Asia after China.

Dr Mahathir said the major contributing factor to the presence of multinationals in Malaysia is because of the conducive investment climate in the country.

He hoped other Finnish companies would emulate the lead taken by Outokumpu and view Malaysia favourably as a base for their investments into this region.

Dr Mahathir was also optimistic that the company would be encouraged to expand and diversify into new product lines and incorporate other value-added activities.

This will be in line with the government's manufacturing goals under the second Industrial Master Plan (1996-2005), he added.

Also present at the function were the Ambassador of Finland, Erkki Huittinen and Outokumpu Copper Products (M) Sdn Bhd managing director, Pentti Jahi. -- BERNAMA

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