

07/11/1998

Govt always mindful of business sector's needs, says PM

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THE Government has always been willing to re-examine policies and to change them if necessary to accommodate the needs of the business community, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

The Government has "changed many laws, many policies in this country in order to ensure that businesses in this country succeed," he said at a dialogue at the close of a two-day conference on "Accelerating the Establishment of Malaysian Microchip Design Industry" in Kuala Lumpur yesterday.

If certain policies are found to be "a hindrance to Malaysia's development, we would examine how we can change them," the Prime Minister said.

This is in keeping with the close cooperation between the Government and the private sector which is based on the Malaysia Inc concept, he said.

As a vibrant and profitable private sector translates into higher revenues for the Government, "we consider ourselves their partner but we do not contribute a single cent by way of capital... (still) when they make a profit, 28 per cent of it goes to the Government," he said.

The Government, Dr Mahathir said, has been accused of helping selected companies or "cronies" when in fact it helps any company which shows potential.

"When they (the companies) emerged on the scene and they were seen to have the capacity to make money, we helped them because we want (a share of) their profits."

The conference was jointly organised by the Malaysian Industry-Government Group for High Technology, the Multimedia Development Corp and the Malaysian Technology Development Corp.

The Prime Minister also noted that when the country first embarked on its industrialisation drive, the main aim was to create employment. Now that the country is enjoying full employment, in fact having had to bring in two million workers from neighbouring countries, the focus is to create more value-added in the industrial sector.

"And more value-added can come from the microchip industry," he said.

Going by trade figures Malaysia ranks as the 17th largest trading nation in the world, but the amount of value-added remains small.

"We want to increase that portion (value-added) so that we will only need to import basic components... we add inputs in Malaysia and then when we export, a lot (of the product) will be local content," he said.

This way eventually Malaysia would be able to produce 100 per cent of products by itself.

To promote the development of the microchip design industry and other value-added industries, it is important that a conducive environment for enhanced productivity is created.

Towards this end, the Multimedia Super Corridor has been set up as a testbed for new ideas, products, technologies and designs, he said.

In the case of the microchip design industry, a critical pool of knowledge workers will be developed and Malaysians will eventually be fully capable of designing microchips. This in turn will lead to the increased use of local components, Dr Mahathir said.

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