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Mahathir-Business

GOVT CONTINUES PURSUING PRO-BUSINESS POLICIES, SAYS PM

JOHOR BAHRU, Sept 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said the government will continue pursuing pro-business policies for long-term investors as foreign direct investment can contribute significantly not only to the development of the manufacturing sector but also the Malaysian economy as a whole.

He said this in a speech read out by Johor Menteri Besar Datuk Abdul Ghani Othman opening the 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 in the country's manufacturing sector today cut across a broad spectrum of industries, including the manufacture of non-ferrous metal products.

Although the non-ferrous metal industry encompassed a broad range of products, the range of locally produced copper-based products was limited, he said.

"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, who is also the First Finance Minister.

Outokumpu Copper Products (M) Sdn Bhd, a Finland-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 with 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 company's second investment in Asia after China.

Dr Mahathir said the country's conducive investment climat was a major contributing factor to the presence of multinationals in Malaysia.

He hoped other Finnish companies would emulate Outokumpu and view Malaysia favourably as a base for their investments into the 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 would be in line with the government's manufacturing goals under the second Industrial Master Plan (1996-2005), he added.

Also present were the Finnish ambassador to Malaysia Erkki Huittinen and Outokumpu Copper Products (M) Sdn Bhd managing director Pentti Jahi.

-- BERNAMA

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