

03/07/1998

PM: Investments keep flowing in (HL)

A. Kathirasan

KULIM, Thurs. - Investments worth billions are still flowing into the country despite adverse foreign reports about the nation and these investments will help put the country on the road to economic recovery, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said in spite of the uncomplimentary reports in the foreign media about the country and its leadership, serious investors running productive companies were still putting money into Malaysia. There was also much re-investment by practically all existing major companies, he added.

"By serious or productive investors, I mean those companies which put up facilities and manufacture things here. They are bringing in billions of ringgit in fields such as petro-chemicals and very big companies such as Eastman and Proctor & Gamble are putting in a lot of money.

"The fundamental reason they come here is we still have political stability," he said at a Press conference after opening the AIC Semiconductor Sdn Bhd factory at the Kulim High Tech Park.

He was asked to comment on whether recent adverse reports about the country and the leadership in the foreign media had affected investor confidence.

The Prime Minister had earlier also witnessed the signing of two loan agreements and three joint venture agreements between AIC Semiconductor and its sister companies, and Maybank and foreign partners.

AIC Semiconductor is believed to be the first Bumiputera-controlled integrated semiconductor company. It is 80 per cent owned by AIC Corporation Bhd and 20 per cent by Atmel Corporation USA.

Atmel designs, develops and manufactures a broad line of technically advanced integrated circuits. It buys all of AIC Semiconductor's manufactured chips under a five-year agreement.

Dr Mahathir, referring to the RM78 million factory and other investments coming in, said: "This is what economic recovery is all about. People are investing in this country".

He said fund managers were interested in buying shares and moved from country to country trying to make money whereas serious investors built factories and manufactured goods here.

To a question about being able to put right the economy in three months if he was in control, Dr Mahathir said: "Others have taken over the economy and if they want to destroy us, we can't do anything about it. Despite the measures taken, we can't control them and if they pull out their capital, we fall. This is due to globalisation and a borderless world."

Asked if Asian countries could not get together and act against manipulators, he replied that all the countries were facing pressure at the present time.

Earlier in his speech, Dr Mahathir expressed confidence that the country would be able to overcome the present economic problems and invited real investors to make use of Malaysia's facilities and the business-friendly Government to make profits while contributing to the country's growth.

He said he was proud that a sophisticated manufacturing facility such as AIC Semiconductor could be owned by Malaysians, especially Bumiputeras.

The Prime Minister said self-confidence was needed for Malaysians to progress and the establishment of plants such as this showed Malaysians were capable.

He said Malaysia wanted to see workers improve their standard of living without resorting to applying pressure on managements including through strikes.

Workers, he said, could get better wages if they upgraded their skills and knowledge. He was glad that Malaysian workers were interested in improving themselves rather than just demanding for more pay.

Also present were Kedah Menteri Besar Datuk Seri Sanusi Junid, Kulim Member of Parliament Datuk Kadir Sheikh Fadzir, AIC Corporation executive chairman Sarip Hamid and its president Mohamad Ariff Puteh and other dignitaries.

(END)