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PM: 2020 targets look uncertain (HL)

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KUALA LUMPUR, Mon. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today that the economic problems had made it uncertain whether Malaysia would be able to achieve its vision of becoming a developed nation by the year 2020.

He said sooner or later, the worst of things must come to an end.

"We hope it will be sooner. But if it is going to be later, we have to accept that," he said at a luncheon hosted by the United States-Malaysia Business Committee of the US-Asean Business Council and the American International Group.

Among those present were senior executives of 18 American companies who are here on a three-day business visit. The delegation is led by George Roman, vice-president of the Boeing Company, which chairs the US-Malaysia Business Committee and the council's president, Ernest Z. Bower.

The other companies are Aetna, AIG, American Overseas Petroleum, Asia-Pacific Opportunities, Black & Veatch, Chubb, Cigna, Erikson Air-Crane, Federal Express, General Electric, Hughes, Lucent Technologies, Motorola, Ogilvy & Mather, Oracle, United Technologies Corporation and Varian Associates.

Dr Mahathir expressed confidence that the investment and interest shown by US companies would help hasten Malaysia's economic recovery.

The Prime Minister spoke at length on the Government's investment policy, especially on foreign direct investment, alluding to the fact that when the country achieved independence, it did not believe in nationalising foreign companies and properties.

Instead, he said, Malaysia encouraged foreigners to invest in the country, offering them various incentives besides creating a business-friendly environment.

"The policy of encouraging FDI has helped Malaysia prosper. We still think it is a good policy and will continue with it," he said, adding that the policy would also help revive the Malaysian economy.

Dr Mahathir told the US businessmen that Malaysia's political stability and the unity which existed among its multi-racial and multi-religious people had created a good investment environment.

Such a mixture of races, he said, was normally "explosive" in other countries but Malaysians had chosen to work together in building the country.

He said Malaysia was fortunate that the economic problems had not caused social unrest, as they had in other countries.

Dr Mahathir also touched on the "Look East" policy adopted by Malaysia and whether it would continue to do so in the wake of economic problems faced by the region.

"We can learn from other people's ways of doing things successfully as much as you can learn from their mistakes. So, we will continue to look East and hope to avoid making the mistakes ourselves."

Dr Mahathir also said Malaysia for now has not decided to slow down its implementation of tariff reduction under the Asean Free Trade Area (Afta) arrangement.

"We at the moment haven't decided to slow down the removal of tariffs of our country," he said during a question-and-answer session.

In a statement issued at the luncheon, Bower said it had organised the trip as the members were optimistic about Malaysia's recovery.

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