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US-INVESTMENT

US REMAINS THE BIGGEST FOREIGN INVESTOR IN MANUFACTURING SECTOR

KUALA LUMPUR, Feb 2 (Bernama) -- The United States emerged as the biggest foreign investor in the manufacturing sector for 1998 with 41 applications received totalling RM6.534 billion of investments, followed by Japan, the Netherlands, Singapore and the United Kingdom.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the U.S. investments were in 24 new projects (RM3.457 billion) and expansion and diversification (RM3.077 billion).

The investments were mainly in the chemical and electrical and electronic products industry, she said at a press conference on the performance of the manufacturing sector in 1998.

Rafidah also pointed out that the trends in investments received indicated that investors were not deterred from investing in the country despite the economic and financial turmoil measures introduced such as the selective exchange controls.

"Existing foreign investors in particular, had remained confident that the basic policies with which they are familiar with have not changed and conditions continue to be conducive for long-term investors in the manufacturing sector," she said.

Japan, meanwhile, remained as the second largest investor with RM1.143 billion, although it has registered a 64.4 percent decline in total investments in 1998.

Rafidah said that the decline in investments from Japan was due to the overall drastic decline in outward investments as a result of contraction of the Japanese economy in 1998, with an estimated 2.2 percent negative growth.

However, the number of applications received had increased from 101 projects in 1997 to 109 projects in 1998, due to a larger number of small to medium size project applications, she said.

Rafidah noted that despite its economic problem, Japanese companies had not reduced their operations in Malaysia and had in fact expanded and diversified or upgraded their operations.

She said in 1998, the highest number of application received for expansion/diversification projects were from Japanese investors (92 projects out of 374 projects) and that the proposed Japanese investment in the expansion/diversification projects had doubled compared to the previous year (RM785 million from RM333.7 million in 1997).

Investments from Japan were mainly concentrated on electrical and electronic products industry with RM354.4 million, followed by food manufacturing and basic metal products industry.

The Netherlands, also ranked as one of the top five foreign investors in 1998, with RM1.091 billion investments compared to RM197.4 million in the previous year.

Other major investors included Singapore (RM716.2 million), the United Kingdom (RM614.6 million), Taiwan (RM435 million), China and Hong Kong (RM454 million) and Australia (RM125 million).

Rafidah also said that the U.S. ranked as the top five sources of approved foreign investments with RM6.382 billion, followed by Japan (RM1.895 billion), Taiwan (RM1.001 billion), Singapore (RM873.7 million) and the Netherlands (RM628.2 million).

Approved foreign investments were mainly in the chemical, electrical and electronic products and basic metal products industry, Rafidah said. --

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CEO-SURVEY

CEOS VIEW OWN REGION AS PROVIDING GREATEST GROWTH OPPORTUNITIES

KUALA LUMPUR, Feb 2 (Bernama) -- Chief executive officers (CEOs) around the world consider their respective geographic region as the source of the greatest opportunity for their company's growth over the next few years, said PricewaterhouseCoopers' CEO James Schiro, referring to the findings in the company's Second Annual Global CEO Survey.

"This indicates that the world economy we're in now may be not so much global as globalising. The power and dependability of the home market remain critical components of growth expectations," he said in a recent press statement.

CEOs were also bullish on the potential of electronic business for their companies and predicted formidable new competition in their industries as well as significant new revenue growth through electronic commerce business over the next five years.

They also said that within the next five years, the technology lead currently enjoyed by North American companies is likely to evaporate.

The survey, which was conducted by PricewaterhouseCoopers and the World Economic Forum, an international and impartial international organisation, said even in Asia, where the financial crisis is just showing signs of easing, 70 percent of the CEOs were optimistic about the future.

It (the survey) was released at the 1999 Annual Meeting of the World Economic Forum in Davos, Switzerland that is being attended not only by financial and business leaders but also by some 40 heads of states and 250 government ministers.

Among the dignitaries were Prime Minister Datuk Seri Dr Mahathir Mohamad and Japanese Vice-Minister of Finance for International Affairs, Eisuke Sakakibara. -- BERNAMA

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