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Mahathir-FDI

GOVT WILL ALLOW MORE FDIs IN PORTS AND AIRLINES, SAYS MAHATHIR

PETALING JAYA, Oct 17 (Bernama) -- The government will allow more foreign direct investments (FDIs) in domestic ports and airline companies as it is important to have strategic alliances, the Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Responding to a question whether the forthcoming Budget 2001 would contain such a move, he said: "We do not allow people just to invest. Like the pension funds, they do invest but they bring nothing, except money.

"What we are interested in are people with certain expertise, markets or services which will contribute towards the performance of our facilities through their investments."

The prime minister was speaking to the media after addressing a K-economy conference organised by the MCA English-speaking membership bureau here today.

Asked whether there would be more incentives to entice FDIs in ports and airlines, Dr Mahathir said he did not think there was a need to do so.

Investment decisions were not made entirely because of incentives, as others could offer the same form of incentives but based on a country's political situation and stability as well as the management and growth of its economy, he said.

On whether a "sin tax" would be imposed on the tobacco industry, Dr Mahathir said that was a "top secret" so much so that even the Cabinet had not been told.

While the tobacco industry generally feared the budget because that was when new taxes were introduced, it nevertheless could survive new taxes and was still able to make a lot of profits, he said.

On the thrust of Budget 2001, the prime minister said: "We always strive for a good budget that will stimulate the economy."

Asked whether Budget 2001 would be aimed at attracting more FDIs in general, he said Malaysia has less problems to attract FDIs contrary to claims by certain quarters that other countries were offering better incentives.

The country has added advantages that made foreign investors feel that Malaysia was a good bet, he said.

As to whether the budget would contain new measures to stimulate domestic consumption, Dr Mahathir said that was already happening following the government's move to increase civil servants' salaries by 10 per cent.

On whether corporate taxes would be reduced, he said the government has promised to cut corporate taxes but declined to say whether this move would be unveiled in Budget 2001.

On another subject, Dr Mahathir said the government would like to revamp the entire education curriculum in one go but money was the stumbling block.

"We don't have enough funds to change all schools into smart schools but we would like to do that," he said.

The smart school programme would have to start with a group of schools to gain experience before being expanded to all schools, he added.

-- BERNAMA

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