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Malaysia keen to invest in hi-tech start-ups

Baidura Ahmad in Hong Kong

HONG KONG, Sun: Malaysia is scouting for new start-up technology companies in the Silicon Valley in the US in which it can take up stakes.

Prime Minister Datuk Seri Dr Mahathir Mohamad said: "We're looking at these new start-ups in the Silicon Valley. In fact, we have people looking for such opportunities there, as well as in other countries."

Dr Mahathir was responding to questions from reporters at a press conference last night after a gala dinner held in his honour by the Asia Society Hong Kong Centre.

"It will be wrong to cut ourselves from these companies which have good potential," the Prime Minister said.

It is not known whether the stakes will be taken up by the Government's investment arms or government agencies tasked with the role to develop information communications technology (ICT).

On Friday, in Kuala Lumpur, Finance Minister Tun Daim Zainuddin, when tabling Budget 2001, announced that the Government would take up stakes in foreign firms to develop Malaysian interests in new technology and proposed the setting up of a RM500 million venture capital fund.

Daim said Malaysia would also seek strategic partners in the ICT industry, as well as the energy, ports, and financial sectors.

Last month, during a working visit to the US, Dr Mahathir said a US\$150 million (US\$1 = RM3.80) Malaysian-led venture capital company will be formed by Muslim investors in the US, Saudi Arabia and Bahrain to invest in the information technology sector in the Silicon Valley.

Dr Mahathir was also asked about the possibility of Malaysia competing with Hong Kong in attracting FDI in the ICT sector.

"We are not really a competitor to Hong Kong. But we would like to cooperate. We like to see Hong Kong as a partner rather than a competitor. We prefer to work together in similar projects in other countries.

"We have our own strength while Hong Kong has its own. We know that a lot of Hong Kong companies are involved in IT. So the MSC (Multimedia Super Corridor) is a good place to locate their businesses," Dr Mahathir said.

Apart from the ICT sector, Hong Kong businessmen and industrialists are also expected to invest in Malaysia following Dr Mahathir's one-to-one meeting with several Hong Kong movers and shakers, including billionaire Li Ka-Shing.

Li, who built his fortune in shipping and property, is one of Hong Kong's most prominent businessmen.

Recently, Li, through Hutchison Maritime Terminal, signed an agreement to acquire a substantial stake in Westport, a local port operator.

"Mr Li Ka-Shing has a definite interest in ports in Malaysia. Others I met were businessmen who are interested and they already have some investment interest in Malaysia."

Asked to elaborate on his recommendation for the setting up of an Asian Association for Development, Dr Mahathir said the idea is not too different from the East Asian Economic Caucus (EAEC).

"This is because for EAEC, people get very uncomfortable. Then why not have an association?"

In his speech at the gala dinner, Dr Mahathir said an Asian Association for Development should be set up to enable Asian countries to interact, discuss common problems and to cooperate where necessary.

During a 15-minute question-and-answer session, Dr Mahathir was asked about his retirement plans to which he answered: "I would like to take a rest."

On whether the pegging of the ringgit to the US dollar will be removed, Dr Mahathir again gave the familiar answer: "It is not necessary as it is not doing anybody any harm."

Asked to compare Bank Negara Malaysia's involvement in the currency market several years ago and the attacks by rogue currency traders during the 1997 crisis, Dr Mahathir said the situation was different as the central bank only took positions in the developed nations' currencies.

"That would have no effect because (Bank Negara) could not manipulate the market as the reserves of these countries were strong."

He added that it was a different case for the currency traders as they attacked currencies of developing nations which had relatively very small reserves.

Dr Mahathir was also asked about the chances of Asia leading in technological advancement which is today dominated by the West.

"I visited the US recently and I found that most of the experts and the head researchers are people from this part of the region. They are Indians, Koreans and very few Caucasians.

"I think they are (the ones) depending on us," he said to loud applause.

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