

More *perks for investors*

STAR 28 AUG 2002

By DERRICK VINESH
and J. SEBASTIAN

PENANG: The Government will identify new growth areas and introduce more incentives to attract foreign investors following the emergence of new markets and stiff global competition, Datuk Seri Dr Mahathir Mohamad said.

The Prime Minister said Malaysia was aware of stiff competition from new markets such as China, which would affect foreign direct investments (FDI) into Malaysia.

"We will incorporate new incentives in the coming Budget to maintain our competitive edge," he told a press conference at a hotel here during a one-day working visit to Penang.

Dr Mahathir, who had earlier attended a state luncheon organised in conjunction with Penang's 30 years of industrial growth, said foreign investors had full confidence in the country's economy because of the political stability and no drastic or radical changes in the leadership.

He said the Government's policy of being business-friendly had also helped to accelerate the country's economic growth and become a choice for foreigners to invest.

Dr Mahathir said the Government would also listen to the views and suggestions from local and foreign investors when drafting the Budget.

On another matter, he said the Government was aware of the economic disparity between the Malays and non-Malays and between urban

and rural areas.

He said the Government was doing its best to identify the causes of the problems and rectifying them.

Speaking at the luncheon, Dr Mahathir stressed that the country was not against globalisation.

In fact, he said, Malaysia had practised globalisation long before the term became popular "when we became the centre of operations for multinational corporations and helped them manufacture

their products that were sold in world markets."

"We just feel some aspects need to be studied carefully. We feel an absolute free market is bad, even for the business people as when things get too free, people might tend to do things that they should not be doing."

Among those present were Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, US Ambassador to Malaysia Marie T. Huhtala, former Penang chief minister Tun Dr

Lim Chong Eu, Chief Minister Tan Sri Dr Koh Tsu Koon and Deputy Chief Minister Datuk Dr Hilmi Yahaya.

At the function, Dr Mahathir, on behalf of the state government, presented Dr Lim with a special token of appreciation for his dedicated services and contributions to Penang, vision as well as forward planning and rising to the challenges in 1969 when Penang was faced with an unemployment rate of 16%.

Dr Mahathir said that when

he was first informed that Dr Lim had managed to attract a few manufacturing companies to Penang, he was rather sceptical over what Dr Lim could do as Malaysians did not understand much about electronics then.

"But, (Dr Lim) Chong Eu gave meaning to the term foreign direct investment (FDI). I would like to claim that FDI was actually invented in Malaysia. I believe it is not too preposterous to say that because in those days people never really spoke about FDI.

"We just went out and invited people to come here. And when they came, they saw and they were conquered," he said.

The state also paid tribute to eight manufacturing companies that were pioneers in setting up operations in Penang in 1972, as well as 12 small- and medium-scale industries (SMIs) that had supported these companies over the past 15 years.

The eight companies are Advanced Micro Devices, Agilent Technologies, Clarion (M) Sdn Bhd, Fairchild Semiconductor, Hitachi Semiconductor, Intel Malaysia, Osram Opto Semiconductor and Robert Bosch Malaysia.

The 12 SMIs are AKN Technology Bhd, Atlan Industries Sdn Bhd, Eng Tek Group, LKT Automation Sdn Bhd, Industri Pesawat Jaya Sdn Bhd, Micro Carbide Engineering Sdn Bhd, The Phoenix Press Sdn Bhd, Polytool Technologies Sdn Bhd, PPH Printing & Packaging (Penang) Sdn Bhd, Proelcon Sdn Bhd and Rapid Precision Technologies Sdn Bhd and Magni-Tech Industries Bhd.