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'Seeking allotments akin to graft'

GURUN: The prime minister has warned state governments that making foreign investors allot the state administration a stake in their companies is akin to corruption.

Datuk Seri Dr Mahathir Mohamad said by doing so, state governments are hampering efforts to draw foreign investments. He criticised some state governments, which impose various conditions on investors such as requiring foreign companies to allot them a certain stake in their companies.

"This practice has prompted investors to turn to other countries," he said at the ground-breaking ceremony of the proposed Naza Automotive Manufacturing Sdn Bhd plant yesterday.

"Following the federal government's approval of certain investments, the states concerned impose various conditions such as share allotments."

This is corruption and the states involved should cease such practice in order not to lose out in the end, he said.