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Policy track won't change, says Dr M

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THERE will be no sudden changes in policies that could disrupt business and investment in Malaysia, Datuk Seri Dr Mahathir Mohamad assured German captains of industry and potential investors.

The Prime Minister said the Government would continue to maintain the most conducive environment possible for business.

Speaking at the Malaysian-German Business Forum at the Hilton Munchen Park Hotel yesterday, Dr Mahathir told participants that over the last 30 years the Government had consistently maintained an investment-friendly and pro-business environment.

"We are also very stable politically and have been very consistent. There will be no sudden changes," he emphasised.

The forum, which attracted more than 200 top German executives and business leaders, is jointly hosted by the Multimedia Development Corporation and Asian Strategic Leadership Institute in co-operation with the Munich Chamber of Commerce and Industry.

The Prime Minister had arrived in the Bavarian capital to begin a three-day official visit to Germany earlier in the morning.

His visit is seen as significant to boosting bilateral ties and investment as Germany has been Malaysia's largest European Union trading partner since 2000.

The republic has long been an important business partner of Malaysia, as evident in the presence of German multinationals and investors in Malaysia.

Total trade between both countries was valued at US\$4.8 billion last year. Germany is the eighth largest foreign investor in terms of approved investment.

Dr Mahathir said foreign investors had always found Malaysia to be an attractive place in which to put their money. In short, there were tremendous opportunities.

"Our development record since independence has been quite remarkable. Independence did not result in the kind of nationalism that insisted on nationalising foreign holdings. Instead we invited greater foreign participation.

"Right from the word go we accepted the free market system. Despite being multi-racial and multi-religious, we have maintained racial and religious harmony and avoided the intolerance seen in many multi-racial countries."

The Prime Minister said the formula for Malaysia's success in attracting foreign direct investment, especially in the manufacturing and ICT sectors, was good infrastructure, encompassing world-class ports, airports and industrial zones, combined with a government committed to facilitating and maintaining a business environment conducive to growth and profits.

"The lure of investing in Malaysia, given its excellent prospects and potential, has seen a remarkable US\$4.8 billion worth of foreign investments being channelled into the manufacturing sector last year."

Dr Mahathir gave the audience a brief overview of the success in transforming Malaysia from a backward agro-mining ex-colony of the British into an industrial nation with 82 per cent of its almost US\$100 billion (RM380 billion) of exports consisting of manufacturing goods.

Economic transformation apart, he also shared with participants the country's experiences in dealing with the 1997 currency attacks and on why

Malaysia imposed selective capital and exchange rate controls on Sept 2, 1998.

The Prime Minister said Malaysia was heavily criticised for doing that but the unorthodox measures proved successful.

"Today, as we look back, we feel our efforts have been vindicated as Malaysia has emerged better off than many of its neighbours from the crisis."

Acknowledging Germany's position as a world leader in Information and Communication Technology and precision engineering, Dr Mahathir said he believed the republic could play a pivotal role in helping to shape the transformation of the Malaysian economy.

"We welcome German investments in Malaysia, especially in the fields of ICT and engineering, and we believe there are still plenty of avenues for Malaysian-German partnership."

One such area, according to Dr Mahathir, was investment in high value-added manufacturing industries and technology sectors.

Such investments would facilitate the transfer of technological know-how. That would provide profound benefits for both sides - profits for the investors and technological advancement and growth for Malaysian industries.

Inviting German businessmen to invest in Malaysia's ICT sector, the Prime Minister said technopreneurs could leverage on the Multimedia Super Corridor Flagship.

German high technology companies, meanwhile, could explore vast options including forming consortiums to develop new flagship applications.

Dr Mahathir added they could also locate their research and development activities in the MSC to take advantage of the friendly regulatory framework and world-class facilities.

The MSC could also be used as a regional or global marketing base and provide value-added telecommunication services.

The Prime Minister said Malaysia and Germany ought to look ahead for avenues and channels to work together in smart partnership for the mutual good and prosperity of both countries.

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