

15 MAY 2002

Mahathir-Investments

DR MAHATHIR ASSURES AMERICANS OF THEIR INVESTMENTS

By: Jaafar Hussin

WASHINGTON, May 15 (Bernama) -- Datuk Seri Dr Mahathir Mohamad has assured the United States that its investments in Malaysia are not only safe and secure but will continue to give good returns.

Describing the Malaysian economic and business climate now as outstanding, the prime minister said that he hoped Americans would continue to demonstrate their confidence in Malaysia with new and even larger investments.

In spite of the country's accomplishments, Malaysia has no intention of resting on its laurels and would instead strive to do better, he told the US-Asean Business Council dinner here Tuesday.

Dr Mahathir, who is also finance minister, said that this would be achieved by aggressively modernising the banking, financial and corporate sectors as well as implementing new financial reforms to bring about greater transparency and accountability.

At the same time, he said, corporate and securities laws were being reformed to improve corporate governance as well as to assure transparency in the Malaysian capital markets.

"Our government is fully committed to privatisation, restructuring and reforms. We are committed to modernisation and continued growth," he said.

The prime minister said that US investments in Malaysia had been growing consistently and the US remained the largest source of foreign direct investments over the last few years, amounting to US\$10.5 billion in 2001 (RM39.9 billion).

He said that more than 30 of the Fortune 500 companies now had operations in Malaysia.

He said that Malaysia continued to attract a significant amount of FDIs despite the intense competition for them worldwide.

Foreign investments in the manufacturing sector over the five-year period of 1997-2001 totalled US\$19.7 billion (RM74.86 billion) with the major sources coming from the US, Japan, the European Union, Singapore and Taiwan.

American companies, he said, were comfortable in Malaysia where the business climate was safe, secure and very positive and "profits especially for US firms have been exceptionally high."

"We do not begrudge you this. To us, profit is not a sin and you are welcome to it," he said.

Turning to Asean, the prime minister said that the regional grouping was now a good investment location and was getting better all the time.

He urged American firms to invest in the other countries of Asean as it would be a regional hub for the increasingly important economic region of the world.

Saying that Malaysia had long subscribed to the "prosper thy neighbour" philosophy, he added that nothing would contribute more to the stability of Malaysia's neighbours and the region as a whole than their economic growth and development.

Dr Mahathir said that while both the US and Malaysia were no longer facing militant communism, both countries now had to contend with another common threat which constituted a greater challenge -- terrorism.

He said that Malaysia had no tolerance for terrorists whether they were fighting for a noble cause or not.

"These are acts of terror and anyone committing these acts must be

regarded as terrorists by everyone irrespective of the causes they are fighting for, irrespective of their religion, race or creed," he said.

However, the prime minister said that no race or religion should be condemned or discriminated against simply because people of the same race or their co-religionists had been involved in terrorist activities.

Dr Mahathir disclosed that President George W. Bush had acknowledged Malaysia's support in the fight against terrorism in both their face-to-face meeting during the Apec meeting in Shanghai last October and again in their talks at the White House here earlier Tuesday.

"We see eye-to-eye on this important issue of terrorism and that the United States can count on Malaysia's continued support in the fight against terrorism," he added.

-- BERNAMA

JH MR SHY RM