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MAHATHIR-INVESTMENT

NEW STRATEGIES TO ATTRACT FDI'S TO BE ANNOUNCED IN BUDGET 2003

PULAU PINANG, Aug 27 (Bernama) -- The government would be announcing new strategies to attract more foreign direct investments during the 2003 Budget to be tabled soon, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said the government had to change a bit of its strategies for the future in view of the stiff competition the country was facing from other countries.

The details of the strategies would be announced during the tabling of the Budget, he told a press conference after delivering the keynote address at a luncheon held in conjunction with the 30th Anniversary of Industrialisation in Pulau Pinang here today.

The Budget would be tabled at the Dewan Rakyat on Sept 20.

Dr Mahathir who is also Finance Minister said: "We will continue to pay heed to local investors' and foreign investors' opinions as we are aware that we are facing very high competition for FDI's."

He said the government at the same time would also need to identify the alternate sectors of growth to ensure that the country continues to be competitive.

"The new growth areas could come from within or outside the country. We need to identify whatever that would contribute to the growth, and we will give it the full encouragement," he said.

Dr Mahathir said there were several reasons why Malaysia was losing out on FDI's to other countries, among them being its distance from the original investor countries.

It could be also because many products from this country are sent to other countries more closer to their operational centres and also closer to the end user country.

With that being the situation, Malaysia needs to find ways to compete with those countries by increasing its efficiency including the logistics.

"All these matters would require thorough study," he said.

Dr Mahathir, however, said that the country had the full confidence of foreign investors because of its stable political environment.

He added their confidence was based on the country's situation which has a "people friendly" government, and made no unexpected or radical changes. -- BERNAMA

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