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`Govt won't pay huge sums of money to attract investors'

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RATHER than spend millions of ringgit offering perks to woo foreign investors, the Government prefers to use the money to support local industries, International Trade and Industry Minister Datuk Seri Rafidah Aziz said yesterday.

She said the Government had only limited perks to offer foreign investors and if they had better offers elsewhere, it was up to them where they wanted to invest.

"It is not our policy to try and woo investors this way. To us, there has been no industry which has been so strategic that we are willing to pay millions of ringgit to woo the investor here," she said after chairing the Wanita Umno executive council meeting.

Rafidah was responding to a statement by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday that poor nations ran the risk of being in the doldrums if "economic terrorism" was not defeated.

Dr Mahathir said economic terrorism took various forms, citing as an example a country that attracted a major investment away from Malaysia by offering US\$200 million (US\$1 = RM3.80) and other perks to the prospective investor.

"In Malaysia, we try our best to offer training grants and some incentives. But there is no way we can offer millions just because we want the investor to set up his business here," said Rafidah.

She said that in Malaysia, apart from offering some minor incentive packages, the Government provided foreign investors with a very sound support system.

She said offering very attractive perks to investors was common in European countries.

"We cannot accuse these countries of anything. If they can provide better perks, it is up to them. We can only offer what we can afford. There are some countries which are even willing to bear the entire cost of constructing the investor's factory," she said.

To the Government, she said, it was more important to place emphasis on the development of local industries.

"The kind of incentives we give local and foreign investors are basically similar. We do not discriminate against anyone. However, we do have some specific programmes only for local investors," she added.

Rafidah said that sometimes, countries were willing to pay large amounts of money to woo investors, mainly because they wanted to create more job opportunities for the locals.

She also said investors sometimes relocated to another country because of lower labour costs, only to discover later that the overall operating cost was actually higher than in the original country.