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PACKAGE-MANUFACTURING

GOVT ALLOCATES RM500 MLN INITIAL CAPITAL FOR TECHNOLOGY INVESTMENT FUND

KUALA LUMPUR, May 21 (Bernama) -- The new economic package unveiled today allocates an initial capital of RM500 million for the setting up of a new Technology Investment Fund to help the manufacturing sector which is the second largest contributor to the country's economic growth.

The fund would be managed by a government agency to purchase equity in foreign companies or invest in start-up companies in new growth sectors.

The four-prong strategic economic package worth RM7.3 billion to bolster the nation against the global uncertainty and lend a helping hand to sectors affected by the fallout from the Severe Acute Respiratory Syndrome (SARS) outbreak and the war in Iraq, was announced by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Under the package, the government would also provide a a matching grant to accommodate training costs for projects which have been identified locally and overseas, research and development (R&D), as well as the commercialisation of research findings.

The government would also set up a Fund for Development and Promotion of Malaysian Brand Names for Malaysian companies with an initial amount of RM100 million for cost of development, registration of trademarks and patents as well as promotional expense.

It is given in the form of grants of up to a maximum of RM10 million a year per company of which 10 percent is for domestic promotion activities.

To promote the development of seed venture capital, the government has provided RM100 million to Malaysian Venture Capital Bhd to spearhead seed investment, nurture entrepreneurial development and generate new Information and Communications Technology (ICT) opportunities.

Under the package, the government would also relocate all Malaysia External Trade Development Corporation (MATRADE) offices in strategic locations overseas like in setting up new offices in Manila, Bangkok, New Delhi, Budapest and Buenos Aires.

The government would also relocate MATRADE's existing offices in Kuwait, Tunisia and Caracas to Bahrain, Cairo and Miami.

To promote the agricultural sector, which is the third engine of economic growth, the Food Fund would be enhanced with an additional RM1 billion.

The government would also set up a Rubber Forest Plantation Fund with an initial allocation of RM200 million in the form of soft loans in order to promote rubber-based furniture industry.

Meanwhile, the government is allocating RM300 million to improve the infrastructure and delivery system in rural areas aimed at stimulating rural economic activities.

To modernise the fishing industry, the government will build 1,000 fishing boats of metal or composite materials with modern equipment to replace wooden boats.

These boats, which would be leased to fishermen, would be managed by the National Fishermen Association (NEKMAT).

As for the programme to encourage rubber and palm oil smallholders to diversify their agricultural activities, an estimated one million hectares of land had been identified for the purpose. -- BERNAMA

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