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RAFIDAH-COMPETITION

LOCAL BUSINESSMEN TOLD NOT TO BE AFRAID OF COMPETITION

By Siti Hawa Othman

KUALA LUMPUR, June 21 (Bernama) -- Local businessmen should not be afraid of facing competition which is gradually spreading into the country, but should instead ensure that they are strong enough to penetrate the international markets, International Trade and Industry Minister, Datuk Seri Rafidah Aziz, said here today.

"That is the attitude now. Don't be afraid of competition in your own place, in your own domestic turf.

"We have survived, our people will survive if they are efficient, resilient, highly productive and with the government's support, they can do that," she told reporters at the sidelines of the final day of the 54th Umno General Assembly.

Rafidah was commenting on the decision to allow full foreign participation for all new investments as well as investments for expansion and diversification by existing companies, announced recently.

She said that the government has lifted the curbs on foreign participation in the manufacturing sector, including export and equity conditions.

The minister said that the policy change, which was part and parcel of the stimulus package, came in the wake of stiff competition for FDI (foreign direct investment) in the manufacturing sector.

"This means we are meeting the aspiration of today's investors where everywhere they go, they are given 100 percent equity without restrictions even on import composition," she said.

She said that Malaysia is now in a position to meet that kind of criteria and able to challenge other countries, which are vying for foreign investments by having that criteria, she said.

Malaysia has provided generous incentives but most importantly the country must continue to provide the most stable environment that could make foreign and local investors business ventures viable.

Previously, with the exception of some sectors, foreigners could not own 100 percent equity participation unless they export 80 percent or more.

"What we have given them (now) is like icing on top of a cake. We are confident that given our track records, we are able to bring in the investments into manufacturing and other sectors," he said.

She said that the new policy is for all types of industries and will remain for a long time because Malaysia has come to a stage where it could actually say it is competitive.

However, if there are companies that could not (be competitive), it is because of their own internal problems, she noted.

For industries that have to face stronger competition the government may rationalise the industry, for example, by bringing small entities into one big group.

"We cannot have an attitude of defending our turf and finally we cannot enter other people's markets. The policy is a good indication of policies to come," she said.

Rafidah said that both local and foreign investors were now going for the export markets and that investors are using Malaysia as an export base.

She also said that small industries should not worry but that it was important for Malaysian companies to grow into big entities to enter the foreign markets for long term survival.

She said that Malaysia, with its 23 million population, was a small

market.

"We have billions outside there that we can conquer," she said.

Asked whether or not Prime Minister Datuk Seri Dr Mahathir Mohamad's stern remarks on Europeans would affect investors, Rafidah said it would not have any effect on the economic side.

She said that business people did not make their decisions based on political reasons but rather where there are money to be made.

"All these years, we have made our comments about the Americans, Europeans and Australians, but businesses with their people continue as usual. In fact, the country's biggest investor continued to be the Americans," she said. -- BERNAMA

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