

Dr M: Gov't unfairly favours foreign investors over locals
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The government is "not being fair" to local investors by not extending the same kinds of incentives they provide to foreign investors, says Dr Mahathir Mohamad.

Speaking in Petaling Jaya today, the former premier said the government should support local investors now that Malaysians have the capability to invest.

This is also important, he added, because Malaysia can no longer "wait for foreign investors" as Malaysian labour is no longer cheap relative to the region.

"Our labour is now more expensive so local investors will have to invest and the government must give incentives in the same way as (they give to) foreign investors.

"Foreign investors are given 10 year tax holidays; this is not being fair to local investors," he said.

The octogenarian was responding to a question from the floor after giving an executive lecture on retailing in Malaysia, at an event organised by Tesco Malaysia.

Malaysia had to rely on FDI

Elaborating further, Mahathir said that Malaysia had "no choice" but to rely on foreign direct investments before, as the population was unskilled.

"We did it differently than Japan and Korea, whose local businessmen acquired foreign technology and built plants themselves.

"Today we see lots of people with capability and capital, and they too can acquire technology and develop products using this," he said.

In his lecture earlier, Mahathir also encouraged the government to not fear spending money as "it always comes back" to the state coffers through taxes.

"Governments need not be scared of spending more money.

"I was accused of spending a lot of money until the government became bankrupt... I quite enjoyed it," he quipped.

"(But) KL would not have become what it is today, more attractive and lively (if I did not)."