

Dr M: Local investors should get perks too

LANGKAWI: Former prime minister Tun Dr Mahathir Mohamad said local businesses should be given incentives like those given to foreign multinational corporations to invest in Malaysia.

He said the country has people with capital and skills to handle large businesses and the government should back them up with incentives like lower taxes.

"So, the money will stay in Malaysia, which will create jobs, better pay and bigger exports. "Money from foreign direct investment (FDI) goes out from the country," he told some 100 participants at the MIDF Investment Forum here on Saturday.

Dr Mahathir said if local businesses grow big, it can help Malaysia achieve Vision 2020 whereby the country produces high-value products, people earn higher pay and pro-

ductivity also increases.

He noted that Malaysia is too dependent on FDI. He understands that foreign investors only bring 10 per cent of their investments into Malaysia, while the rest are borrowed from locally-incorporated foreign banks.

He said the FDI have over the years generated so many jobs until the country needs foreign workers to fill the vacancy, adding that FDI should only be allowed if it contributes to the transfer of technology and higher pay for the locals.

On concerns about budget deficit and the government debt that represents 60 per cent of gross national product, Dr Mahathir said: "It is not that the deficit is not acceptable, but the question is do you borrow from inside the country or outside?"

By Hamisah Hamid