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Dr M: Woo more local direct investments

By Jason Gerald John
jasonq@nstp.com.my

THE government should focus on attracting more domestic direct investments (DDI) as this will prevent the flow of the ringgit out of the country, former prime minister Tun Dr Mahathir Mohamad said.

Dr Mahathir said one way to get local companies to invest internally is to offer them tax exemptions and other forms of assistance.

He said DDI will help spur the local economy as well as create a chain reaction that will be beneficial to the government.

"I have identified at least 14 Malaysian companies with capabilities to make major investments locally besides becoming major players in the world.

"There might be more but the companies that are in the list include those involved in the steel industry, manufacturers, information technology, aerospace industries and airlines," he said.

Elaborating on why the current focus should be more on DDI than foreign direct investments (FDI), Dr Mahathir said the latter causes the ringgit outflow to the country where the investment came from.

"The DDI will ensure that the profits stay in the country and it is also vital in ensuring the country's



Dr Mahathir says DDI will ensure profits stay in the country.

continuous economic growth.

"Focusing on DDI which has high returns would first lead to huge profits for the investor and this would translate to employees earning higher wages.

"The government could also benefit from taxes collected from high income investments and in return the taxes collected could be used to pay higher wages to civil servants besides enabling better infrastructural development in the country," he explained.

Dr Mahathir was speaking at

the "Ceramah Malaysia 2020" in Air Keroh, Malacca, yesterday.

He said FDI does not allow the country to fully realise its growth potential as all profits are channelled back to the country of origin of the investment.

On Vision 2020, Dr Mahathir said the path to achieve the developed nation status looks clear.

He warned that the journey towards 2020 could be derailed and one of the factors which could do this is corruption.

"Corruption is something

which cannot be eradicated but we could work to minimise it. It cannot be solely left to be addressed by the Malaysian Anti-Corruption Commission but people should reject corruption," he said.

Dr Mahathir also commented on the success of Malacca attaining developed state status on October 20 last year.

Malacca was once regarded as a sleepy hollow but now the state leadership, government machinery and its people have managed to transform the state as a major tourism destination in the country, he said.

"I remember when Malacca wanted to follow Penang in going for industrialisation but the second smallest state in Malaysia opted to go for tourism.

"This has been a success to Malacca which has come up with innovative ideas to attract both local and foreign tourists.

"Take the Sungai Melaka for example, despite being short, unlike other major rivers in the country, it has been turned into a major attraction. Malacca has identified its asset and turned it into a major money spinner.

"Other states which have longer rivers did not see this but Malacca did and now it is a success story," Dr Mahathir said.