

## **Guan Eng: Penang on track for RM6.1b investments in 2011**

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**By Melissa Chi**

KUALA LUMPUR, Nov 10 — Penang Chief Minister Lim Guan Eng said the state is on track to achieve its targeted RM6.1 billion in investments for this year, with emphasis on higher-paying jobs.

Up to August, Penang has attracted RM4.8 billion in investments, placing Penang at No. 4 among the states in the country. Of this total, RM3.7 billion was foreign direct investments (FDI).

“Diversifying from the existing manufacturing base will also be given importance to lessen the state’s reliance on any one sector.

“Companies in Penang, especially the SMEs, are encouraged to leverage on their existing capabilities and skill sets to explore and to break into other targeted sectors like medical devices, aerospace or avionics and photovoltaic industries,” said Lim at the Invest Penang board meeting today.

Lim, who is also Invest Penang chairman, said the Penang economy, which sees 50 per cent from the manufacturing sector, should shift towards greater contribution from the services sector, driven by contributions from the shared services and outsourcing (SSO) as well as tourism, particularly health and education tourism sectors.

The Bagan MP said the promotion of knowledge-based services was necessary to reduce dependency on manufacturing. These include encouraging existing multinational companies as well as new investors to set up SSO centres, regional headquarters, regional distribution centres and international procurement centres in Penang.

“Knowledge-intensive activities will be high on the priority list for promotion.”

He also said that knowledge-intensive activities will generate higher-paying jobs.

Lim said Penang aims to be both the “sweatshop and smartshop” of the manufacturing and services sector.

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