

BN defensive as Penang tops manufacturing investment
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KUALA LUMPUR, Feb 21 — The performance of Pakatan Rakyat controlled states in attracting manufacturing investment prompted a minister today to play up the federal government's role in their success.

The Ministry of International Trade and Industry released figures today that showed that the federal opposition controlled states of Penang and Selangor had recorded the highest levels of approved manufacturing investment in 2011, at RM9.1 billion and RM8.74 billion respectively.

This is the second year in a row that Penang and Selangor have topped the ranks for approved manufacturing investment and a sharp contrast to 2009 when Sarawak attracted the highest levels of manufacturing investment and Penang came in fourth.

Another Pakatan Rakyat (PR) state, Kedah came in fifth in 2011 with RM6.13 billion, behind Barisan Nasional (BN) controlled Sarawak which was in third place at RM8.45 billion and Johor with about RM6.5 billion.

The economic performance of PR states is closely watched as many voters and analysts use it as a gauge of whether the coalition is a viable alternative to the ruling BN.

Minister for International Trade and Industry Datuk Seri Mustapa Mohamed said in a media briefing today that Penang had done well since the 1980's due to strong support from the federal government.

He also said that not all federal opposition controlled states had done well.

"If my (opposition) friends want to say that Penang has done well because it's ruled by the opposition, what do you say about Kelantan?" said Mustapa.

Kelantan, Mustapa's home state which is administered by PAS, recorded only RM444 million in approved manufacturing investment last year.

The minister said that the federal government had continued to invest in Penang, including the expansion of the island's airport and the construction of a second link to the mainland.

"We're not saying that the state government's haven't done anything, but the federal government is working very hard," he said.

Mustapa (picture) added that the federal government had spent large sums of money developing infrastructure in Penang, the Klang Valley and in the Iskandar region in south Johor.

In terms of total investment however, Penang lost out narrowly to Sarawak which received a huge boost from oil and gas investments.

Sarawak attracted some RM14.35 billion in total investment last year, to Penang's RM14.038 billion

Sabah was third with RM13.68 billion, followed by Selangor at RM13.47 billion and Johor with RM12.64 billion.

Mustapa said that Sabah, Sarawak and Johor were the beneficiaries of huge oil and gas investments with Petronas alone investing RM6.7 billion in Sarawak.

In Johor, it was the huge investment by Dialog in the Pengerang oil terminal that made up the single largest chunk of the state's investment.

US newswire Bloomberg had in October last year described Penang's growth into Malaysia's "biggest economic success" despite the federal government's focus on Johor and Sarawak, as a boost to PR's credibility.

It pointed out that under the Najib Administration's Economic Transformation Programme (ETP), the federal government is promoting RM65.8 billion worth of private sector-led projects for Johor and a mere RM375 million for Penang.

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