

Dr M: Shining skyscrapers alone won't develop country
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KUALA LUMPUR: Former prime minister Tun Dr Mahathir Mohamad has urged the government to stop focusing on "building spectacular buildings and shining skyscrapers alone", as this would only doom the local economy.

He said that Malaysia had emphasised foreign direct investment (FDI) through the construction of buildings, which he noted created jobs that benefited foreign workers more than locals.

"We created so many jobs that we had to use foreign labour. Every year billions of ringgit are remitted to their countries. Someone should study what this means to our economy. I don't know," he wrote on his blog chedet.cc today.

"What we need to improve our income is to have investments in hi-tech industries, particularly by Malaysian investors. Better qualified Malaysians can work in these hi-tech industries.

"There must be many of these Malaysians as a few thousand vacancies in the government attracted more than one million applicants."

He also noted that Malaysia's penchant for FDI would likely cause it to go the way of Australia, which had to halt production of local car Holden due to increased foreign competition.

The demise of car manufacturers in Australia in the face of cheaper, better-built Japanese cars had caused Australian vendors of components and parts to also lose their market, Mahathir wrote.

But, ironically, Malaysia has welcomed the Australian vendors to its shores in the name of FDI, and allowed them to set up components manufacturing in the country, added Mahathir.

"They will compete with Malaysian vendors. With cheap Malaysian labour, the Australians will become competitive. Malaysian vendors will lose their local market especially after TPPA (Trans Pacific Partnership Agreement).

"Australian investments will qualify as FDI. Malaysia welcomes FDI and will give incentives. Local investors need not be helped," wrote Mahathir.

He also called on the government to stop focusing on making foreign goods cheaper for consumers.

"This leads to outflow of funds, contributing to deficits. The diminished market for local products including cars may result in the cessation of production locally.

"The purchase power of the people will decrease and there would be less money to purchase imported goods. There would be less consumers and this will affect adversely the

per capita and GDP. I don't know whether this is good for growth," he wrote.

Mahathir demanded that the government define its objectives and determine whether it wants high income for some but low per capita as seen in some oil producing countries, or growth and development so as to qualify as a developed country.

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