

SPEECH BY THE PRIME MINISTER AT
THE OFFICIAL OPENING OF CARLSBERG
BREWERY (M) BERHAD AT SHAH ALAM,
SELANGOR ON 15TH APRIL, 1972

Mr. Plaugmann, Mr. Schmith, Mr. Nielsen, Hon'ble Ministers,
Excellencies, Ladies and Gentlemen,

First of all, I would like to thank you, Mr. Plaugmann, for your kind words of welcome, and also to Mr. Schmith and Mr. Nielsen for their remarks and kind sentiments.

On behalf of my wife and also for myself, I must say how extremely delighted we are to have been invited on this memorable occasion and to officially declare open this new Brewery.

I would also like to enjoin in welcoming our visitors from overseas, especially to Mr Schmith and Mr Nielsen who have travelled all the way from Denmark to be with us today. The presence here of many other dignitaries and well-wishers is indeed a good augury for Carlsberg Brewery Malaysia Berhad, and is a handsome reward for the efforts which has gone into the meticulous preparation for this evening's ceremony.

Ladies and Gentlemen,

The Carlsberg Brewery marks another milestone in Malaysia-Danish Co-operation, in which two leading Danish trading organisations are playing a prominent role. The EAC has had long connections with this country and is active in several fields of import-export trade, besides having substantial interest in the plantation industry. Only recently, I understand, EAC together with Viking-Askim of Norway, has obtained Government approval for a \$15 million fashion footwear project.

Carlsberg, of course, is no stranger to Malaysian, having been introduced since 1912, and if the sale of Carlsberg beer is less brisk, it is certainly not because of quality. Perhaps, it is their sense of patriotism that make Malaysians stick to the Tiger and

Anchor. However, as Mr. Nielsen pointed out just now, it is time now for us to be proud of and to give support to our own Carlsberg Brewery.

I heartily welcome the establishment of Carlsberg Brewery in Malaysia, which, besides contributing to the general flow of investable funds into the country, brings with it accompanying benefits in the form of employment opportunities. With the establishment of three breweries today, Malaysians are privileged to have a wider choice of beers than most other countries with a much higher percentage of drinking public.

Ladies and Gentlemen,

I note with a great deal of satisfaction, the increasing flow of foreign investment into Malaysia. This is evidence of the greater confidence that the foreign investing community has in our investment climate, and the general economic and political stability that we now enjoy after the traumatic experience in 1969. Indeed, of late several companies of international repute have set up manufacturing plants covering very diverse fields. This bears witness to the ability with which we can absorb foreign investment and the growing efficiency of our public service and agencies in meeting the demands of foreign investors.

From the point of view of capital availability, Malaysia perhaps is not so dependent upon foreign capital as in the case of some other developing countries. However, industrialisation calls for more than the injection of investable funds. It requires the transformation of people, values, attitudes, motivations, and the acquisition of technical know-how and skills. Manpower will have to be developed and trained to construct plants and factories, to operate and maintain machinery and equipment. Modern production and management techniques must be introduced. In short, there must be created a modern industrialised society.

In our present context, this is the greatest contribution that foreign investment is making and will make to our economic development. Private foreign investment, besides bringing with it capital, also results in invaluable transfer of skills and technological know-how. Thus, the establishment of direct foreign investment by way of joint ventures with local counterparts, is

the surest way of transferring technical know-how and managerial skills and at the same time ensuring the proper training for the local people in modern production and industrial techniques.

This is precisely why we have placed strong emphasis on the joint venture concept of implanting private foreign investment. Of course, a 100% foreign owned company is just as effective in transferring the necessary technology and skills, but the joint venture concept has the advantage of providing the sense of participation and partnership for local entrepreneurs.

As you know, we in Malaysia have always adopted a very liberal attitude towards the admission of foreign capital much to the benefit of our industrial development. Every effort is made *to encourage and promote foreign investment through the provision of fiscal incentives, infrastructure facilities, service and so on.*

Of course, we do recognise and accept the fact that the underlying policy of national governments is not prompted by the same motivation as that of the private enterprise. While the latter normally abides by the rule of profit-motive, national governments on the other hand is concerned with the fulfilment of the ultimate national objectives. I am happy to observe that private investors in this country, both foreign and local, are reconciled to the government's policy, which is aimed towards a more balanced development of the country and a more equitable distribution of the nation's wealth among our people.

Ladies and Gentlemen,

Over the past years, we have achieved satisfactory progress in our industrialization programmes and we are now shifting the emphasis from the purely import-substitution types to the export-oriented types of industry. In this respect, multi-national organisations by virtue of their world-wide network, are able to play a prominent role especially in creating new markets and expanding the existing ones for manufacture products. We have here an abundance of human and natural resources which can be utilized efficiently in any modern industrial organisation.

During my visit to the United States last year, I stressed the point to potential investors that in extending their industrial ventures here, they would be able to benefit advantageously from

the relatively low-wage structure, as well as the reservoir of skilled manpower available in this country. This will place them in a position where they are able to compete effectively in the very competitive world market.

Ladies and Gentlemen,

Before I conclude, I would like once again to congratulate the officials and staff of Carlsberg Brewery Malaysia Berhad on the occasion of their red-letter day. I would also like to express the thanks and appreciation of the Government and people of Malaysia for the gift of an amphibious rescue vehicle to the Malaysian Red Cross Society.

I now have great pleasure in declaring open the Carlsberg Brewery (Malaysia) Berhad.