

TO INDUSTRIALISTS
OSLO, NORWAY,

23 APRIL 1985

Ladies dan Gentlemen,

It is indeed a pleasure for me to be here today and to have an exchange of views with you all. As you have witnessed a presentation on Malaysia as an investment centre I shall not explain further the basic factors that make Malaysia what it is, except to say that we are a multi-racial, multi-religious country practising parliamentary democracy, with a bi-cameral legislature and free elections every 5 years. Malaysia has a stable government and the ruling party has been elected again and again since independence in 1957 despite the existence of very vocal opposition parties. This is perhaps the best testimony of the political strength and stability of Malaysia.

2. From a businessman's point of view a stable government assures that policies will be predictable for a long, long time to come. Malaysia is a country where the international business community can plan their future with an easy mind.

3. The political stability that Malaysia has enjoyed through the past decades has laid a very strong foundation for the economic development of her natural resources. Today Malaysia prides itself as being the world's largest exporter of rubber, tin, hardwood timber, pepper and palm oil. All these were not given to Malaysia by nature on a silver platter. More than a hundred years ago there was not a single rubber tree in Malaysia, and the oil palm is not indigenous to the country. The rubber tree was imported into Malaysia and today we are the world's largest exporter of natural rubber. Likewise, oil palm was imported from Africa, initially for ornamental purposes. Today, we are the world's largest exporter of palm oil. Thus, as can be seen, it is the gifts of nature and the climate of the country, the dedication and sound management of the economy by the Government, and the endeavours of the people, that has placed Malaysia in the position she is today.

4. These same endeavours have in modern times created other world records for Malaysia -a country of about 15 million people. Some of you may be aware that in 1970 Malaysia did not have even a single 100 percent export-oriented manufacturing operation. Today we lay modest claim to be the world's largest exporter of electronic semiconductors and the largest exporter of room airconditioners after Japan and the United States.

5. I mention all these not so much to impress you but to assure you that Malaysia's economic environment provides you with a climate and the pre-

conditions for profitable business activities. We realise that much of our efforts and the fulfilment of our aspirations would not have succeeded without the help of foreign investors, whose technological contribution, management know-how and, of course, access to export markets have been crucial.

Ladies and Gentlemen,

6. In our drive to accelerate economic development and industrialisation, the Malaysian government has introduced the Look East Policy and the Malaysia Incorporated and Privatisation concepts. The Look East Policy is a framework for learning and adapting to our needs the expertise and values, such as good work ethics and discipline, of successful eastern nations. Malaysians are being encouraged to emulate these good values so as to bring about a qualitative change in their attitude towards work. I would like to emphasise here that the Look East Policy is not designed to give these eastern nations favourable treatment in the consideration of project approvals or in the granting of tenders for major development projects. They are considered on the merit of each case and the total benefits that Malaysia will obtain. We will do business with any company that is prepared to give us the best deal for the money we spend and the incentives and facilities we offer. In fact, the Look East Policy will benefit all industrialists doing business or setting up projects in Malaysia in that the attitudinal changes taking place within the workforce in Malaysia, in terms of loyalty to the organisation, hardwork and striving for higher productivity, will be beneficial to every aspect of economic activity in the country. In brief the policy calls for a more hardworking, disciplined and efficient Malaysian workforce.

7. The Malaysia Incorporated concept is an expression of the Malaysian government's commitment to work with the private sector, both local and foreign, so as to ensure success and profitability. Malaysian government officials have been urged, and they have responded favourably, to assist businessmen to run their operations effectively without undue red-tape and administrative delays. We, in Malaysia, believe that much can be achieved and gained if the public and private sectors work closely together for the ultimate benefit of all.

8. The Privatisation concept underlines the government's confidence in the private sector being the main thrust of economic growth in Malaysia. Based on the philosophy that "government has no business to be in business" and that business activities are best handled by private entrepreneurs, the government is hiving off traditional areas of government activities to the private sector. Activities such as highway development, those relating to telecommunications and posts, and aircraft and railway maintenance, to name a few, are being privatised. The response to our Privatisation programme has been encouraging.

Ladies and Gentlemen,

9. For far too long Malaysia, like many other developing countries, has been contented to be an exporter of primary commodities. With depressing commodity prices, over which we have no control, there is no great merit to being a glorified plantation or mining site for the world. We are therefore intensifying our efforts in the manufacturing sector giving value added to our natural resources which Malaysia is will endowed with.

10. Malaysia is also giving priority to the electrical and electronics industries and the high precision engineering industries. The backward and forward integration of the electronics industry is another direction which will lead to the movement of high technology to Malaysia. In addition, our priorities include ancillary and supporting industries, engineering and of late heavy industries to strengthen the base of our industrial growth.

11. When you look at Malaysia and our population of about 15 million and although this population represents one of the highest purchasing powers in the region, I recognise that for many industries even this market may be too small to justify an integrated manufacturing operation. In this context, I would like to urge you to look not only at Malaysia but also at the Association of South East Asian Nations or ASEAN and its 250 million people who make up one of the fastest growing economic regions in the world. Already investors from America, Japan and other European countries have recognised the potential that ASEAN offers and have established various economic links with the region. I would like to urge all of you to look at Malaysia as a doorway to the ASEAN market. The ASEAN governments have worked out various schemes of economic cooperation which enterprising companies can take advantage of, in tapping the market of ASEAN beyond that of the individual nations.

Ladies and Gentlemen,

12. We are very much aware of the conservative business approach towards investment which is 'first trade and then invest'. This is the practice that most investors have adopted. I would like to point out that the success some countries have had in our region, was due to them reversing this approach. In the case of these countries, investment came in first, and this was followed by trade with import of machinery, equipment, component parts and raw materials to supply established industries.

13. Malaysia, and for that matter other developing countries too, are nations in a hurry. Malaysia has various opportunities to offer you. We welcome you as an equal partner in our development and industrialisation. However, we cannot hold our breath and wait indefinitely. We are willing to work and cooperate with you for our long-term mutual benefits.

Thank you.