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Govt targets more domestic investments

It will make up 50% of spending for manufacturing sector

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GEORGE TOWN: The Government is targeting some 50% of the total investment for the manufacturing sector this year to come from within the country, compared with 38.3% in 2010.

"The contribution from domestic investment cannot be ignored, although foreign investment is crucial," International Trade and Industry Minister Datuk Seri Mustapa Mohamed told *StarBiz* in an interview.

Earlier, Mustapa officiated the ground-breaking ceremony for Aviatron (M) Sdn Bhd, a subsidiary of Singapore Aerospace Manufacturing.

Mustapa said key domestic investments this year include Pensonic Holdings Bhd's RM250mil manufacturing hub and international distribution network of electrical home appliances, QAV Technologies Sdn Bhd's RM130mil light-emitting diode (LED) testing and validation centre, and Asia Media's RM500mil development of the first digital live-

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transit broadcasting infrastructure in Malaysia.

As for non-manufacturing sector, the key domestic investment is the RM9.6bil by a consortium of companies comprising Prism Crystal Enterprises Ltd, Karambunai Corp Bhd and Petaling Tin Bhd for Karambunai Integrated Resort City.

"Last year, the domestic investment was 38.3% of the total RM47.2bil registered for the manufacturing sector.

"Of the total RM6.8bil approved investments for the manufacturing sector from January to February 2011, about 64.7% or RM4.4bil were domestic investments while the remaining 35.3% of RM2.4bil was foreign," Mustapa said.

This year, the Government expects to approve about RM55bil worth of investment for the manufacturing sector, up from RM47.2bil in 2010.

The total investment the

Government is targeting this year is around RM83bil.

Mustapa said the RM130mil investment by QAV Technologies in Penang, for example, would spur Penang transformation into a light-emitting diode (LED) certification and testing hub.

"With the investment by QAV, multinational corporations and local companies involved in solid state lighting business would no longer need to send their products abroad for testing and validation.

"As such services would be available in Penang, this would save foreign and local LED companies here in operational costs. It will also attract more LED investments into Penang," he said.

Formed in 2002, QAV specialises in environmental testing, test equipment customisation and test technology development. It is the first company outside the United States to be certified by American National Standards Institute to perform such testing and certification.

QAV's investment comes under the Government's Economic Transformation Programme (ETP).