

Look East not an about face

From A. KADIR JASIN in New York

(P)

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US BUSINESSMEN and industrialists were today told that Malaysia's Look East policy does not in any way signal that the country is about to abandon its ties with the West.

Giving the assurance, the Prime Minister, Datuk Seri Dr Mahathir Mohamad, said the policy was adopted in order to reduce the gap in the relationship between Malaysia and the East, specifically Japan and South Korea, as compared to its ties with the West.

In the past, said Dr Mahathir, Malaysia had depended heavily on the West to the point that many Western values had either been deliberately or accidentally injected into Malaysia's way of life.

He told his audience of top executives of US corporations at a luncheon meeting that with Japan and South Korea having achieved tremendous economic progress, it is imperative that Malaysia

should try to find out the right things they did.

The Prime Minister told his audience that the Japanese had been so successful that even advanced developed countries are having problems in facing up to competition posed by Japan.

Dr Mahathir made these points in response to questions from the audience concerning Malaysia's Look East policy. Questions were also asked on the New Economic Policy and investment incentives.

To illustrate Malaysia's heavy dependence on the West, the Prime Minister quoted the number of Malaysian students studying abroad.

He said out of some 49,000 students in foreign institutions, only 200 are in Japan as compared to 15,000 in the United States.

Therefore, said Dr Mahathir, even if Malaysia were to increase the number of its

students in Japan by several fold, the total will still be smaller than in the West.

On the NEP, the Prime Minister once again assured the international business community that the equity target is being achieved on an industry-wide basis rather than on a company-by-company basis.

The audience had wanted to know if the government is likely to relax the implementation of the requirement in the light of significant progress it has so far made.

He added that there are already sufficient number of companies through which the equity target can be implemented. The 40 per cent corporate ownership by non-Bumiputras has in fact been achieved.

Dr Mahathir told the businessmen that Bumiputra participation in such industries as mining, plantation and banking is today in excess of

half the intended target of 30 per cent.

He added that foreign investors could come to Malaysia and not be subject to the equity ruling if they fulfil certain conditions. These include industries which do not depend on the local market or those dealing with very high technology.

In his introductory remark, Dr Mahathir said that Malaysia is happy with the relationship with US investors, saying that they have made substantial contributions to the growth of the country.

He said Malaysia, which follows a generally conservative economic policy and which believes in free enterprise, needs the cooperation of other countries for its economic well-being.

The Prime Minister said the country has been able to achieve considerable economic progress thanks to prudent financial management and a stable political environment.

Malaysia recognises the close link between economic progress and political stability.

He remarked that many people, including former government ministers in Malaysia, had predicted that the country's future was ruined when racial riots broke out in 1969.

On the contrary, he said, Malaysia is much stronger today than before the riots, thanks to a series of policy measures taken after the incident.

"The fact that the ruling party has been able to retain power since the country became independent 25 years ago says something about the kind of stability that we in Malaysia have," Dr Mahathir said.

The gathering was organised by the Malaysian Industrial Development

Authority (Mida). Also present were Trade and Industry Minister Tengku Ahmad Rithauddeen, Mida director-general Datuk Abdul Rahman Yusof and Malaysian Ambassador to the US Datuk Zain Azraai.

Among the businessmen present were Mr Joseph Flannery, chairman of Uniroyal, Mr Arthur Kaufmann, president of Academy Metal Products Company, Mr Maurice Greenberg, president and chief executive officer of American International Group and Mr Robert Fluor, chairman and chief executive officer of Fluor Corporation.

Dr Mahathir, who arrived in New York on Monday to address the UN General Assembly, left for home via London yesterday morning. He is scheduled to arrive in Kuala Lumpur on Monday evening.