

# Plan to fully

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# exploit quotas

From M.A.RAZMAN

**SEOUL, Tues. — South Korea has agreed to consider relocating in Malaysia Korean industries which had exhausted Korean export quotas to various developed countries.**

Prime Minister Datuk Seri Dr Mahathir Mohamad proposed this in talks with his counterpart, Mr Kim Sang Hyup, in official talks this morning.

A Malaysian spokesman said the Korean Prime Minister promised that the proposals would be considered favourably.

The spokesman said the proposals were discussed in the context of Korean investments in export-oriented joint ventures in Malaysia.

They also discussed how such ventures could exploit under-utilised Malaysian export quotas as a way to circumvent protectionist quotas imposed by developed nations.

The spokesman said Datuk Seri Dr Mahathir urged the Koreans also to sell goods in the Malaysian market instead of just handling construction jobs.

It was preceded by a ceremony in which the President conferred the Grand Gwang Hwa medal, the diplomatic Order of Merit First Class on Datuk Seri Dr Mahathir.

Speaking at a State banquet in his honour by President Chun tonight, Datuk Seri Dr Mahathir castigated developed countries for mouthing pious calls for free trade while devising new restrictions in trade.

He said the North-South dialogue and UNCTAD meetings were futile and had only produced charges and counter-charges between the two sides.

This was why he had suggested more cooperation and expanded trade among developing countries so that they could strengthen themselves.

different circumstances in Malaysia, we could adopt and apply the methods and approaches that you have used so successfully in your economic and industrial development," he told President Chun.

"There is no doubt in my mind that it is the Korean attitude towards work, their loyalty and discipline that have contributed to the economic miracle of the Republic of Korea."

## Tribute

Datuk Seri Dr Mahathir described his discussions with the President, Prime Minister Kim and other officials as very fruitful.

He expressed appreciation for the assistance South Korea had given to Malaysia in her pursuit

## \$1 billion jobs

He told the Koreans to try to sell their equipment and heavy machinery in Malaysia too.

The spokesman explained the Prime Minister's proposals on relocation of Korean industries would not involve manufacture of items already being produced by Malaysian factories.

The Prime Minister explained to his counterpart that the balance of trade and payment was in Korea's favour and not the other way round, as believed.

Korean contractors won about \$1 billion worth of jobs in Malaysia last year and, with other invisibles, turned the balance in Korea's favour.

Datuk Seri Dr Mahathir explained the Look East policy and hoped for greater Korean involvement in the implementation of the policy.

Mr Kim gave an assurance that Korea would assist in ensuring the success of the policy, adding this could best be achieved on the basis of give and take.

The Prime Minister also held talks with Kore-

an President Chun Doo Hwan in the afternoon.

The Malaysian spokesman said the two leaders discussed the need for bilateral cooperation and areas in which this could be done.

### Medal

The two leaders agreed that the security problem in north-east Asia was as important as that in southeast Asia.

The scheduled one-hour meeting extended to two hours but details of the summit were not available.

"By using each other's products and raw materials we can reduce our dependence on the developed nations. In the process, we will become more developed and our wealth and strength will ensure a strong bargaining posture vis-a-vis the developed countries," he added.

This was why he was suggesting that Korea should relocate their low technology and labour-intensive industries on joint venture basis in less developed countries.

The Prime Minister explained that the Look East policy he introduced was not formulated in order that eastern countries like South Korea should extend aid to Malaysia.

"It is meant for Malaysians to better themselves through learning from the experience of the eastern countries," Datuk Seri Dr Mahathir said.

"I am convinced that with proper adaptations, taking into account the

of modernisation and development and hoped to be able to persuade the captains of Korean industries to start thinking seriously about moving their plants to Malaysia.

President Chun, in his address earlier, said the spirit of cooperation between the two countries had been strengthened by the Look East policy initiated by Datuk Seri Dr Mahathir.

"It is my firm belief that the mutually complementary partnership between our two nations will evolve into ever increasing cooperation in the economic and other fields," the President said.

The Korean leader paid tribute to the Prime Minister's leadership, saying it was "respected the world over for the brilliant national development achieved".

Earlier, before the dinner began, the two leaders exchanged gifts at the Chong Wa Dae palace where the dinner was held.