

# Case of the rich helping

KUALA LUMPUR, Thurs. — Malaysia views Japanese investment in developed countries as the rich helping the rich, **Datuk Seri Dr Mahathir Mohamad** said here today.

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# the rich

"The world will not become more prosperous and peaceful with such a narrow outlook. Surely such a practice is also not in line with the New International Economic Order," the Prime Minister added.

He was opening the *Japan Technofair '84* at the Changkat Pavilion here organised by the Japan External Trade Organisation (JETRO).

Japan, according to reports from Japanese agencies, has increased its investments in the manufacturing sector in developed countries because the "balance of trade" with those countries is in its favour.

But Dr Mahathir said that the "balance of trade" question could be overcome without the Japanese having to assist the developed countries through investments in those countries.

In this connection, he said that if Japan re-

located suitable factories to developing countries like Malaysia, Japanese countries would be reduced.

## Profits

On the other hand, the export of Japanese goods made in developing countries would continue to bring profits to Japan.

This strategy would not only reduce protectionism but also help developing countries while maintaining the profits of Japanese companies, he said.

However, he felt that such assistance would be more effective if the investment was made on a joint venture basis.

With the developing countries prospering, he said, the Japanese would be able to sell more Japanese goods to them.

It was impossible for

them to produce all the manufactured goods they needed.

Dr Mahathir said that Japan had, however, played an important role in the country's industrial development and hoped that it would be aware of the aspirations of the Government and people of Malaysia.

He also hoped that Japan would import more processed goods from Malaysia so that it could play a major role in setting an example for others to follow as one of the country's strategies for industrialisation was to export more value-added goods.

This was because if a country depended on exports of raw materials, the economy would be controlled by foreigners, Dr Mahathir said that Malaysia faced various trade problems when trying to export pro-

cessed goods to developed countries, including Japan.

He felt that with the good trading relations between Japan and Malaysia, Japan should buy more finished products from Malaysia.

At the moment 90 per cent of Malaysia's exports to Japan is in the form of raw materials and primary commodities while the country's dependence on other people's technology, he said, did not wish to remain at the "mediocre" level but wanted to achieve a higher level of technology.

was not easily carried out, it was an on-going process.

But Malaysia did not have much time. A "short-cut" had to be found to speed things up.

Quoting the saying "fools learn from their own mistakes, wise men learn from other people's mistakes", he said Malaysians should in fact learn from the experience of other people.

However, he said that Malaysians were partly to blame if technology transfer was not taking place as it should.

This was because there were people who were reluctant to spend some time or make an effort to learn foreign technology.

There were also those who felt that they were already knowledgeable in the field.

He said that there were

some arrogant technical officers from Malaysia who even told him that it was not worthwhile learning from the Japanese as the Japanese themselves were learning from the West.

They felt that it was better to learn from the original source.

But Dr Mahathir said that these were empty words as they were showing no signs of learning from the West.

He added that because of such an attitude, Malaysia was lagging behind industrially when compared with countries like South Korea, Taiwan, Hong Kong and Singapore.

On the electronics industry, he said Malaysia had for a long time produced microchips and other electronic components. However, so far not even one local industry had manufactured goods using these components.

On the other hand Malaysia was supplying these components to foreign companies producing manufactured goods with these semi-processed products.

The Prime Minister hoped that Japanese investors and companies in Malaysia would have "forward and backward integration" to produce components, machinery and equipment needed by local industries.

Also present at the ceremony were Trade and Industry Minister Tengku Ahmad Rithauddeen, the Japanese Ambassador here, Mr Aki-tane Kiuchi.