

MAHATHIR-PROTECTIONISM

PETALING JAYA, AUG.27 (BERNAMA)---DATUK SERI DR. MAHATHIR MOHAMAD, CONCERNED OVER MALAYSIA'S TRADE DEFICIT WITH JAPAN, URGED THE JAPANESE TO HELP IN TACKLING THE INVISIBLES SITUATION WITH FAIRNESS AND DETERMINATION.

THE PRIME MINISTER WANTS JAPAN TO STOP THE +DISHONEST AND TENSION-GENERATING+ PRACTICE OF TRANSFER PRICING.

THE JAPANESE SHOULD ENSURE A BETTER PICTURE WITH REGARD TO THE TRANSFER OF TECHNOLOGY, THE USE OF LOCAL MATERIALS, EQUAL PARTNERSHIP AND PARTICIPATION WITH REGARD TO CONSULTANTS, SUB-CONTRACTORS AND PROFESSIONALS.

THEY MUST ALSO NOT FORGET MANPOWER TRAINING AND DEVELOPMENT, HE ADDED IN HIS SPEECH DELIVERED BY TRADE AND INDUSTRY MINISTER TENGGU RAZALEIGH HANTAH AT THE FIRST MALAYSIA-JAPAN COLLOQUIUM HERE.

MALAYSIA'S TRADE DEFICIT WITH JAPAN EXCLUDING CRUDE OIL AND GAS EXPORTS ROSE FROM US\$775 MILLION IN 1980 TO US \$2 BILLION LAST YEAR. IN 1982, THE INVISIBLE DEFICIT ACCOUNTED FOR US\$379 MILLION OR 13 PERCENT OF THE OVERALL DEFICIT.

BY 1983, THIS HAD RISEN TO US\$400 MILLION AND BY NEXT YEAR THE DEFICIT IN INVISIBLES IS FORECAST TO BE IN THE REGION OF US\$594 MILLION.---MORE

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DATUK SERI DR. MAHATHIR CAME DOWN HARD ON THE JAPANESE FOR, DESPITE AGREEING THAT PROTECTIONISM WAS BAD, STILL PRACTISING A PROTECTIONIST POLICY AND URGED THEM TO OPEN THE MARKET TO ABSORB MORE MALAYSIAN MANUFACTURED GOODS.

+WE CANNOT AND WILL NOT REMAIN MERELY AS HEWERS OF WOOD AND DRAWERS OF WATER,+ HE ADDED REFERRING TO THE PRESENT PRACTICE OF MALAYSIA BUYING MORE THINGS FROM JAPAN THROUGH IMPORT OF WIDEST RANGE OF MANUFACTURED GOODS FROM CARS TO CASSETTE RECORDERS.

IN 1982, MALAYSIA'S MAIN EXPORTS TO JAPAN WERE CRUDE OIL, WOOD, TIN AND MINERAL OILS, AMOUNTING TO 84 PERCENT OF TOTAL EXPORTS TO THAT COUNTRY. JAPAN BOUGHT PRACTICALLY NOTHING OF MALAYSIA'S MANUFACTURED GOODS.

THE EXPORT OF THE BIGGEST SINGLE CATEGORY OF MANUFACTURED GOODS--THERMIONIC AND CATHODE VALVES, TUBES, PHOTO CELLS AND DIODES-- AMOUNTED TO ONLY M\$170 MILLION OR LESS THAN THREE PERCENT OF TOTAL EXPORTS TO JAPAN.

+TO BE FAIR, TO CHANGE THIS COLONIAL PATTERN, MALAYSIA CAN BUY LESS AND PLACE RESTRICTIONS ON THE WIDEST RANGE OF MANUFACTURED JAPANESE GOODS. BUT THIS IS NOT THE WAY.

+I DO NOT SAY WE CANNOT OR SHOULD NOT DO MORE TO PENETRATE THE JAPANESE MARKET. I DO SAY THAT THE MARKET ITSELF HAS TO BE MORE OPEN,+ SAID THE PRIME MINISTER.---BERNAMA