

Dr M urges Japan to buy more goods

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By OUR REPORTER

JAPAN will benefit by stepping up its imports from, and investments in, Malaysia. This will enable Malaysia to earn foreign exchange and enable it to buy more Japanese goods, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

With the Malaysian economy going through a bad period, export earnings have contracted and imports from Japan, its largest trading partner, have naturally been much reduced.

Dr Mahathir said this at the opening the ninth joint annual conference of the Malaysia-Japan Economic Association (Majeca)/Japan-Malaysia Economic Association (Jameca) in Kuala Lumpur.

He said a big country like Japan will not lose if it buys anything from a poorer country. On the contrary, the buyer is only creating a good customer.

"When a country buys from another country, it is actually helping the seller to buy more from abroad. In fact the end result of purchasing goods from a country is often better sales by the purchaser country to the former.

But, he said, if Malaysia is to sustain its imports, it must be able to sell its goods, whether commodities or manufactured products to have sufficient foreign exchange, and this is where Japan can help.

Dr Mahathir added that it indeed makes sense for Japanese companies to manufacture in Malaysia for re-export to Japan.

"Malaysian goods are cheaper now because of the depreciation of the ringgit against the yen.

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Buy more, Japan urged

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Manufacturing in Malaysia is also cheaper," he said.

Touching on the country's development plan, the Prime Minister said since Malaysia has a small domestic market, it will rely on export to sustain growth. Japan, as its biggest trading partner, will be one of the target markets for Malaysian products.

"We note with optimism the decision of the Japanese government in implementing an action programme for improved market access.

"This market liberalisation, we hope, will be

beneficial to us too and not just Japan's developed trading partners," he said.

He added, however, Malaysian exports of manufactured goods into Japan continue to face strong trade barriers with the existing Japanese tariff structure favouring imports of raw materials rather than processed or finished products.

The Prime Minister hoped that Majeca members will understand and be sympathetic with Malaysia's aspirations and needs.

During the next five

years, Dr Mahathir said the depreciation of the ringgit should level off and the currency remain stable, giving Malaysian manufacturers and foreign investors a distinct advantage when exporting.

Already, foreign investors manufacturing electronic products in Malaysia are finding that sourcing from Malaysia is very profitable.

He said incentive packages will continue to be offered especially to export-oriented ventures to enable the private sector to play a more active role in the economy.