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# The thorny issue in our trade ties with Japan

**KUALA LUMPUR, Thurs.** — Japan's practice of shutting out our manufactured goods is a sore point in its trade relations with Malaysia, Datuk Seri Dr Mahathir Mohamad said.

"Our exports of manufactured goods face strong trade barriers because Japan's tariff structure favours imports of raw materials rather than processed or finished products," he told delegates when open-

ing the Majeca-Jameca joint conference at a hotel here.

Dr Mahathir said that for instance, logs entered Japan duty-free but semi-finished tropical wood products are subject to high tariffs of 17 to 20 per cent. This compares with 15 per cent for softwood (from the developed countries).

So far, he added, only processed palm oil enjoyed exemption from tariffs.

Because of the country's small domestic market, Dr Mahathir said Malaysia had to rely on its exports to sustain its economic growth.

Japan, being one of our major trading partners, should be one of the biggest markets for Malaysian products.

However, Malaysia noted with optimism Japan's decision to implement a package of market opening measures.

"We hope that these market liberalisation measures will benefit us and not just its developed trading partners," he added.

Dr Mahathir said that since the New International Economic Order had now been abandoned, "nations are not moved by charity" and only self-interest influenced their actions.

"So I will not appeal for charity (but) I will appeal for enlightened self-inter-

est (because) it does not do any country any good to impoverish potential customers," he said.

Dr Mahathir said in the good old days, people go to war if they were deprived of world trade.

The small nations, he said, might not be able to do so but they would be tempted to seek other solutions, none of which would bring prosperity to mankind.

"It would be a pity if an

area noted for its stability and steady progress should turn into an area of conflict and uncertainty," he added.

However, Dr Mahathir said Malaysia will not go in that direction if "we can help it."

"We are determined to pull ourselves up by our bootstraps. (But) it would help if we do not get pushed down every time we try to rise," he added.