

Mahathir on why we Look East 1986

THE Look East policy was formulated as part of Malaysia's effort to help herself, said Datuk Seri Dr Mahathir Mohamad yesterday.

"If we look to Japan for guidance it is because it is better to copy a tried and tested approach than to invent a new one. Japan's willingness to facilitate our efforts is much appreciated.

"We hope the Japanese Government and the Japanese business community will continue to provide training and educational facilities to enable Malaysia to achieve the objectives of the Look East policy," added the Prime Minister.

Dr Mahathir said the recently unveiled Fifth Malaysia Plan had a modest growth target of five per cent.

"We anticipate recovery of the world economy by 1988-90. Various markets should, by then, be less protectionist and normal trade rather than barter should return."

Profitable

Dr Mahathir said the private sector was expected to play a crucial role under the Fifth Malaysia Plan.

"The depreciation of the ringgit should level off and remain stable, giving Malaysian manufacturers and foreign investors a distinct advantage when exporting.

"Already, foreign investors manufacturing electronic products are finding that sourcing from Malaysia is profitable. Export of these electronic products have picked up tremendously of late."

However, owing to the depreciation of the ringgit, the reduction in imports will improve the balance of trade.

Noting the fondness of Malaysians for foreign products, Dr Mahathir said the new exchange rates should counter the large outflow of foreign exchange.

Dr Mahathir said the Government would offer incentive-packages to ensure increased private sector investment.