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MAHATHIR SAYS JAPANESE INVESTMENTS FORGE FRIENDSHIP

Mahathir-Japan

KUALA LUMPUR, June 17 (Bernama) -- Japanese investments in Malaysia has provided a cornerstone to bind the bonds of friendship between the two countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

There was no doubt that the investments had been a great success for the Japanese investors in terms of returns in investments and their ability to penetrate the regional and global markets, he said.

+Not only that you have expanded your operations in order to meet expanding demand overseas but for more than two decades, your investments in Malaysia have reached maturity,+ he said.

He enlightened them however that such a situation would not have been possible without the political stability and business environment that were conducive for their investments.

Dr Mahathir made the remarks in a message to members of the Malaysia-Japan Economic Association (MAJECA) and Japan-Malaysia Economic Association (JAMECA) on the occasion of their two-day 15th Joint Annual Conference in Genting Highlands near here beginning today. -- more

▼17/06/18-26MST

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The Prime Minister thanked the Japanese government for its agreement and understanding in extending Japan's GSP scheme for another 10 years from January 1992 until March 2001.

Dr Mahathir hoped Japanese businessmen would help promote the East Asia Economic Caucus (EAEC) -- the Malaysian initiative that has become an Asean proposal -- for an open and free global trading system.

He said he was also thankful to Japan for accepting a growing number of Malaysian students in its universities, colleges and factories.

+Most graduates who returned home have been on great demand by Japanese companies and some even secured their jobs while they were in the final year of study in Japan,+ he said and commended JAMECA for its positive role in the implementation of the Look East Policy.

He said Malaysia had been making large expenditures abroad for education services to support nearly 60,000 Malaysian students overseas or half of the domestic demand for tertiary education. -- more

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Noting that the theme for the conference was +Visit Malaysia Year 1994+, Dr Mahathir said it was an excellent idea for the host to choose +tourism+ as Japan was a large tourist generating country.

He gave two reasons for the government giving priority attention to tourism -- the need to sustain the record performances of the sector during the Visit Malaysia Year 1990 and to check the increasing deficits in the services sector.

+Since the mid 1980s, measures were introduced to reduce the deficit including cutting back imports of items such as freight, capital, education, leisure travel and contract and professional services and exporting services items like tourism and passenger fares and other services related to shipping,+ he said.

Despite sustained economic growth the services sector recorded persistent deficits and remained a major problem, he said.

+Prospects are for a worsening of the deficit. These deficits have eroded the surpluses in the trade account. -- more

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+Traditionally we were not so worried as the surpluses in the merchandise account have always been large enough to finance the growing services deficit.

+However, in recent years, and probably in the longer term, this may not happen,+ he said, adding that he was therefore pleased that the conference organisers had decided to focus on issues related directly to the problem. -- Bernama

▼17/06/18-36MST