

Go east, Dr M urges Japanese

By Charles Raj

PRIME Minister Datuk Seri Dr Mahathir Mohamad has urged Japanese investors in Malaysia to locate on the eastern corridor of Peninsular Malaysia and in Sabah and Sarawak.

He said these areas represented some of the most scenic parts of Malaysia and their development was crucial to the prosperity of the local economy.

"Given the current incentives, there should not be any disadvantage in locating your investments in this region," he said in a message to the 17th annual joint conference of the Malaysia-Japan Economic Association (Majeca) and Japan-Malaysia Economic Association (Jameca) yesterday.

"It will be particularly

helpful if Japanese investors in Malaysia were more willing to locate outside the Klang Valley, especially in the eastern corridor and Sabah and Sarawak, where development is still lagging," he said.

He said although Japanese investors should be congratulated for showing their confidence in the Malaysian economy by having more than 1,000 companies as of March 1994, about 85 per cent of them were located in Kuala Lumpur, Selangor, Penang and Johor.

"I note that only eight companies are located in the east coast states of Pahang, Terengganu and Kelantan.

"The remaining Japanese-related companies are located in Kedah, Negri Sembilan, Malacca, Perak, Sabah and Sarawak. Only

one is located in Perlis."

He also noted that 56 per cent of all Japanese companies in Malaysia were manufacturing entities.

Of these manufacturing companies, 41 per cent were involved with electronic and electrical products.

The next biggest category of manufacturing operations were petroleum, chemicals, steel, and non-ferrous metal products.

"In terms of our policy objective, more Japanese investments in resource-based industries like food, palm oil-based and timber-based downstream activities would be very welcome.

"It would be good if Japanese companies also focussed on other areas of economic activities."

Japanese Prime Minister

Tomiichi Murayama, in his message, said the total trade between the two countries has kept growing steadily, with many Japanese companies relocating part of their operations to Malaysia.

"Particularly notable were their activities in 1993 when the number starting operations in Malaysia increased significantly over the preceding year to 151.

"I am delighted to note that the interchange between the peoples of Malaysia and Japan is achieving further development in all sectors including politics, culture and sports," he said.

He said there were 8,000 Japanese residents in Malaysia and they were enjoying their daily lives fully integrated into the local communities.