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JETRO CHIEF VIEWS EAEC POSITIVELY

By: M. Jegathesan

KUALA LUMPUR, March 21 (Bernama) -- The formation of the East Asian Economic Caucus (EAEC) as a consultative group should be viewed positively, said Noboru Hatakeyama, president of the Japan External Trade Organisation.

It was not wrong for certain countries to form such a caucus, he said in an interview.

"EAEC is a consultative group," Hatakeyama, a former vice minister for international affairs in the ministry of international trade and industry (MITI), which is regarded as one of Japan's influential executive branch.

Hatakeyama, however, said, "The position of the Japanese government towards EAEC has not been decided yet."

The formation of the EAEC was proposed by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad in 1991 with the aim of providing a forum for East Asian countries to discuss common economic issues.

"Logically speaking, it is not so bad to have a group to consult each other...but of course we have to take into account the feelings of countries that are left out," Hatakeyama said.

The membership of the proposed caucus comprised only Asian economies -- the Asean 7, Japan, China, South Korea -- and leaving out the United States, Australia and New Zealand.

Hatakeyama also believed that within MITI, there existed different views on the EAEC.

"Some do not favour the EAEC because it excludes Australia and New

"The contention is that these two countries should be invited," he said, adding that the inclusion of the US was not a factor when asked if the latter's exclusion was one of the reasons for some MITI officials to oppose Japan's entry into the EAEC.

When asked what is the position of the Foreign Ministry and Finance Ministry to the idea of Japan's entry into the EAEC, he said: "I do not know."

It is believed that opposing views may exist among the three ministries, reflecting the complicated decision-making process of the Japanese government.

On Jetro's role in Malaysia, Hatakeyama said, "Jetro will try to help Malaysian small and medium sized manufacturing companies find new markets in Japan where the demand for components and parts is gaining momentum due to increasing cost of producing them in the home country."

He said Malaysia's trade deficit with Japan was largely due to its importation of intermediate capital goods. One of Jetro's role is to promote exports into Japan.

Malaysia's deficit with Japan was the largest during last year's 10-month period totalling RM25.13 billion. This was an increase over the deficit of RM18.82 billion in the first 10 months of 1994. -- BERNAMA

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