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WAGE HIKE HAS NO EFFECT ON JAPANESE INVESTMENT

KUALA LUMPUR, Oct 14 (Bernama) -- The labour wage hike in Malaysia does not affect Japanese investment here, especially in the manufacturing sector, because of the rising efficiency of skilled workforce, said a senior official of the Japanese Chamber of Trade and Industry, Malaysia (JACTIM).

JACTIM chairman, Tan Sri Kazumasa Suzuki, said manufacturing labour wage was not very important as it accounted for only about 10 percent of the manufacturing cost depending on the types of industry.

In a way, he added the increase in labour wage was good because it spelt greater demand for Japanese products. "Their salary income will be spent on television, cars and is good for our investment here," he said.

Suzuki said this to reporters after the official launching of JACTIM Foundation by Prime Minister, Datuk Seri Dr Mahathir Mohamad here, today.

Meanwhile, Japanese investors were said to be comfortable with Malaysia due to its political stability, superb high-quality infrastructure and quality of labour works.

"As such, investment in small-and-medium scale industries such as the supporting industry for automotive components, will keep on coming due to this merit and will continue in the future," he added.

He foresees "no worry" in the country's present economic position following the outcome of a recent environment study mission to many countries such as Vietnam, China, Hong Kong, the Philippines and Myanmar.

"The study showed that our investors are very happy with Malaysia due to its strong points, especially on political stability, and the fact that the Malaysian industry will progress," he added.

Suzuki foresees that Japanese investment into Malaysia would continue to increase in the next 10 years and that Malaysia is not losing its competitive edge.

"The current industry in Malaysia from assembling, which is helped by the supporting industries, to feeder-stocks such as steel, aluminium and others, to hi-tech is similar to the industry in Japan. This is what we refer to as the three-pillar-set as the three industries coordinate each other," he said.

He added that the three-pillar-set proved to be a success as it enhanced the competitiveness of Japanese industry and this trend is coming into Malaysia.

At the same time, he added that there was more room for investment in the feeder-stock industry and also the hi-tech industry which needed more robotization and automation.

Meanwhile, the slump in the world electronics products, especially for micro-chips, has no direct effect on Japanese investment here because the companies were more into packaging and assembly, Suzuki added. -- BERNAMA

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