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Buy more from us, PM urges Japan (HL)

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MALAYSIA wants Japan to import more of its products and materials to help redress the bilateral trade imbalance and reflect their growing trade ties.

Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia's trade with Japan has more than doubled to RM76.5 billion in 1995 from RM31.6 billion in 1990, with the balance in Japan's favour.

In the first 10 months of last year, Malaysia's trade deficit with Japan reached RM4.5 billion from a total bilateral trade of RM35.4 billion. Malaysian exports to Japan during the period totalled RM15.5 billion, and imports RM19.9 billion. Japan is Malaysia's third largest export market as well as the biggest trading partner, accounting for some 20 per cent of the country's global trade.

Japan is also Malaysia's biggest foreign investor with total cumulative capital investment of RM25.3 billion between 1980 and October last year.

"While the balance of trade has been in Japan's favour, I am hopeful that with the ongoing process of liberalisation and deregulation in Japan, your import of Malaysian products will increase, particularly of manufactured goods.

"Japanese companies and joint-venture firms in Malaysia should also be encouraged to source more local materials for use in their products here. This would help to balance the trade between us," he said in his address at a dinner in honour of Japanese Prime Minister Ryutaro Hashimoto, who arrived in Kuala Lumpur yesterday for a two-day visit.

The issue had been raised earlier during a two-hour bilateral meeting between the two prime ministers, Wisma Putra secretary-general Datuk Abdul Kadir Mohamed, who attended the meeting, told a press conference.

The deficit with Japan has been a concern with the Malaysian Government. After three consecutive years of surplus in 1985-87, Malaysia has since suffered a persistent deficit, growing from RM805.9 million in 1988 to RM29.5 billion in 1995.

Dr Mahathir also told his counterpart that Malaysia intends to continue with its Look East policy, particularly towards Japan.

"The Prime Minister informed Hashimoto that the Look East policy is very much alive, despite speculation that the policy is coming to an end and Malaysia is beginning to look to the West instead.

"Dr Mahathir said Malaysia is very much looking East although it is also currently looking to the West in certain areas," Kadir said.

In his dinner address, Dr Mahathir urged Japan to continue to assist Malaysia.

"Malaysia is currently undergoing tremendous changes as a result of its rapid economic growth. To improve the well-being of the people, we need to continue to promote this growth."

The Prime Minister said Malaysia could benefit from Japan's economic and technical superiority and welcomes its cooperation to achieve the country's goal of becoming fully developed by the year 2020.

He also said Malaysia welcomes Japanese investments, through partnership between Malaysian and Japanese companies, especially in the high-technology and capital-intensive small- and medium-scale industries to produce sophisticated components.

"In particular, we look forward to the participation of Japanese information technology companies in our Multimedia Super Corridor," he

added.

Dr Mahathir also noted that human resource development is another significant area of bilateral cooperation.

"Japan's support for our Look East policy has enabled some 5,000 Malaysian students and trainees to study as well as acquire practical skills in Japanese institutions.

"These students have not only benefited Malaysia but also the Japanese companies in Malaysia. We intend to continue with the Look East policy and we hope that Japan will make available more places in Japanese universities and training institutions."

Despite Malaysia's policy to look East, it has only about 2,000 students at any one time in Japan, while "we have more than 60,000 students in Western and other countries," he added.

Dr Mahathir also acknowledged the contribution and role of the private sector in both countries.

"In nurturing relations between Japan and Malaysia, the private sector has played a very significant role. There has been a constant dialogue between them and they have helped to highlight areas needing government attention.

"We hope that their collaboration will continue and that they will also work with each other in third countries.

"The support of the Japanese Government in these endeavours would certainly prove beneficial not just to Japan and Malaysia but also to the third countries concerned," he said, adding that great strides in Malaysia-Japan relations have been achieved since diplomatic relations were established almost four decades ago.

Malaysia is the second stop of Hashimoto's current Asean tour, after Brunei, which will include Indonesia, Vietnam and Singapore.

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