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Keep up momentum of cooperation: PM (HL)

Hardev Kaur in Tokyo

TOKYO, Wed: Japan has been called on not only to maintain its status as Malaysia's biggest trading partner and direct foreign investor but also to increase investments further.

As "partners in progress", the two countries need to continue the momentum of bilateral cooperation and consultation so that a "strong and durable partnership that is mutually enriching" will be realised.

Prime Minister Datuk Seri Dr Mahathir Mohamad hopes the increased involvement will be in line with Malaysia's changing development needs where the emphasis is now on investment in the high technology and capital-intensive sectors.

In his speech at the official dinner hosted by Japanese Prime Minister Ryutaro Hashimoto, Dr Mahathir invited the Japanese to participate in the newly launched Multimedia Super Corridor (MSC).

The Prime Minister said the rapidly changing world economy requires Malaysia and Japan to re-evaluate and reconstruct their relations in order to exploit the potential of "our cooperation to the fullest".

Dr Mahathir arrived in Tokyo yesterday for an official state visit, his second in 14 years. The 1983 visit inspired him to initiate the "Look East Policy", which according to the Prime Minister has served in many ways to strengthen bilateral relations.

Hashimoto, in his speech, described the "Look East Policy" as a symbol of friendly relations between the two countries and "a highly commendable model for human resource development". He welcomed Malaysia's intention to continue with the policy beyond the year 2000 and said Japan is "fully committed to further cooperation to the greatest extent possible".

This morning, Dr Mahathir was given a ceremonial welcome at the Akasaka Palace, and granted an audience with Emperor Akihito at the Imperial Palace. Dr Mahathir and his entourage were later hosted to a lunch by the Emperor.

Dr Mahathir said Malaysia and other Asian countries do not merely view Japan as a source of investment and marketplace for their products. "To us, Japan is more than that... our sentiment for Japan is deep-rooted," he said, adding that Malaysia drew inspiration from Japan's success and achievements.

Dr Mahathir said those belonging to his generation witnessed how Japan rebuilt its economy after the war.

Japan saw the developing countries in Asia as its primary market. Poor countries naturally do not make good markets, but Japan persevered and invested in production facilities. It capitalised on the comparative advantages, including low production costs, offered by the countries.

Undeniably, Japanese investment, economic cooperation and assistance, have helped the once poor developing countries in Asia to develop their socio-economic infrastructure and achieve sound economic progress.

Today, these countries have become good markets that help to propel Japan's economic growth.

In the case of Malaysia, Japan is today the largest foreign direct investor with approved investments last year totalling RM4.41 billion, up 91.2 per cent from 1995. Japanese banks and corporations have also opened offices in Malaysia and established a presence in the Labuan International Offshore Financial Centre.

Malaysia, Dr Mahathir said, is an ardent advocate of the policy of

"prosper thy neighbour". Indeed, the region's recent history of economic development "clearly vindicates the wisdom of this philosophy".

The Prime Minister, who has been tirelessly propagating this philosophy, said: "It is our commitment to the spirit of helping others that has contributed to our region becoming the world centre of growth with a vibrant and dynamic economy". Asia is the fastest growing region in the world and some economists say the "Asian century" has arrived ahead of the 21st century.

On bilateral relations, Dr Mahathir noted that progress has been made on issues of concern to the two countries. Hashimoto's visit to Malaysia in January had enabled the two leaders to identify impediments that could affect bilateral relations.

More importantly, the two sides agreed to "find ways and means to address these problems".

Hashimoto, quoting a Malay proverb "besar kapal, besar gelombang", said as the ship gets bigger, the waves grow higher. This means as trade increases and exchanges expand, so too the two countries' roles and responsibilities in the international community, thus requiring Japan and Malaysia to discuss a wider spectrum of issues.

With consultations and dialogue, Hashimoto expressed confidence the two countries will "ride out waves of any size to stay on the right course" in their bilateral relations.

Referring to the recent Japanese "cha-no-yu" or traditional tea ceremony held by the Malaysian Cabinet in a Japanese-style tea room, the Japanese Premier said he was impressed by Dr Mahathir's "depth and knowledge of Japanese culture and spirit".

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