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M'SIA-JAPAN TASK FORCE TO ADDRESS TRADE DEFICIT

KUALA LUMPUR, Feb 4 (Bernama) -- A Malaysia-Japan task force has been set up to study the trade imbalance between the two countries and to address the trade deficit faced by Malaysia in its trade relations with Japan.

"This is a follow-up to the discussions between Prime Minister Datuk Seri Dr Mahathir Mohamad and his Japanese counterpart Ryutaro Hashimoto during the latter's visit here in early January," Minister of International Trade and Industry Datuk Seri Rafidah Aziz said today.

The Japanese side will be headed by its Ministry of Trade and Industry International Economic Affairs director general Kazamasa Kusaka and Malaysia by MITI secretary-general Datuk Asmat Kamaluddin.

The task force, which is now working out its terms of reference, will be finding positive ways and approaches of solving the trade deficit problem, she told reporters after distributing Hari Raya goodies to child patients at the Paediatric Institute of the Kuala Lumpur Hospital here.

She said this is the first time that such a task force was formed on a bilateral basis as previous approaches towards addressing the problem was done at the Asean level.

"A few years back, Japan responded by having an Asean-Japan Development Fund (to give) loans at concessional rates and terms for targetted sectors of the Asean economy," she added.

The task force will hold its first meeting soon and submit reports to both governments on the various approaches, both, the government and private sector, could take as well as other bilateral initiatives.

Latest statistics show Malaysia's trade deficit with Japan totalled RM11.1 billion for the period January-June 1996 compared with deficits of only RM1.9 billion with South Korea and RM1.23 billion with Taiwan.

In another development, Rafidah announced that Malaysia will organise and host the Asean SMI (small- and medium-sized industries) Showcase and the Asean-East Asian Business Forum from July 10-14.

"These events are organised to foster closer relationship between Asean and East Asian countries, particularly Japan, China and South Korea," she said.

She said SMIs form an important sector of the economies of Asean countries and that there is high potential for developing global linkages between Asean SMIs and SMIs from Japan, China and South Korea.

The Showcase will display products, components and parts which have potential to be produced or sub-contracted to Asean SMIs while the Business Forum will provide opportunities to discuss possible business ventures and networking.

About 450 booths have been allocated for the Showcase, of which 250 are for the Asean and East Asian countries and 200 for Malaysian SMIs.

About 700 participants are expected to attend the Business Forum. --

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