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## Ships, waves and nations

MR RYUTARO Hashimoto's use of the Malay proverb *besar kapal, besar gelombang* was almost uncanny in its timing and reference. In terms of timing, it came at a time when Malaysia is enjoying good relations with countries all over the world; in terms of reference, the advice he wanted to give could easily apply to Malaysia's rocky relations with a neighbouring country. The Japanese Prime Minister was saying that Japan and Malaysia could learn from the underlying meaning of the proverb, which literally translated means "the bigger the ship, the higher the waves". The lesson from the maxim, he said, is this: as the ship gets bigger or as trade increases and exchanges expand among nations, the waves grow higher with more challenging issues and greater responsibilities.

Other countries that value their ties with Malaysia as much as Japan does, would do well to heed Hashimoto's advice. But let's look at Japan-Malaysia ties first. There are, despite the long-standing economic, cultural and diplomatic relations between them, thorny issues that must be resolved before they become tsunamis.

Malaysia's trade deficit with Japan, now heading for its 10th consecutive year, cannot be allowed to reach a point where harsh words would be exchanged instead of goods and services. There are signs of improvement - the deficit last year dropped to RM22 billion from RM29.5 billion in 1995 - and the setting up of the joint task force between their ministries of international trade and industry should address some of the core problems. But Japan is still the single largest cause for Malaysia's trade deficit and it would help if Japanese companies buy more Malaysian products or import more from their firms operating in Malaysia.

Technology transfer is another big issue. Although Malaysia is indebted to Japan more than any other country as far as acquired technology is concerned, it is mutually agreed that more could have been done. The Look East policy advocated 14 years ago by Prime Minister Datuk Seri Dr Mahathir Mohamad is still very much alive in Malaysia. This policy is one of the reasons why Japanese investors welcomed with open arms into come to this country. While Malaysia has benefitted from these investments, Japanese companies have also reaped massive profits from their operations in this country. There are other issues that could have easily caused a chasm to open between the two countries if they had been handled poorly. Tokyo's inability to decide on Malaysia's invitation for it to lead the proposed East Asia Economic Caucus had altered Malaysians' perspective of Japan. As Dr Mahathir said, Japan must stop regarding itself as a western developed nation in the East.

But somehow, the two sides have agreed to find ways and means to address these problems. Today Japan is the largest foreign direct investor in Malaysia with approved investments last year totalling RM4.41 billion, 91.2 per cent more than in 1995. Japanese banks and corporations have also opened up offices in Malaysia. Japanese IT and multimedia-based firms were also among the first ones to be invited to the Multimedia Super Corridor. Japan's participation in the Asia-Europe Meeting, which Dr Mahathir had described as EAEC by another name, has been a positive development; so is Hashimoto's own idea of having an Asean-Japan summit at the heads of government level.

The secret to this relationship could well be hidden in the Malay proverb that Hashimoto had cited when hosting Dr Mahathir to an official

dinner two nights ago. As the Japanese Prime Minister told Dr Mahathir, he is confident that with consultations and dialogues, their countries will "ride out waves of any size to keep on discovering the right course to follow" in their bilateral relations. The meaning of this maxim should be conveyed clearly to others. Even if bilateral ties are so close that air di cincang takkan putus (water cannot be separated by a knife, which means nothing can divide a strong relationship), efforts are still needed to ensure that the water does not get polluted.

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