

26/03/1997

Ties with Japan now between equals

Hardev Kaur in Tokyo

TOKYO, Tues: Malaysia and Japan benefit and contribute equally from their bilateral relations which have developed to become a "partnership". While Malaysia profits from increased Japanese investments, Japan gains from the wealthier Malaysian market for its goods.

The improved living standard of Malaysians coupled with the higher per capita income also mean greater opportunities for Japanese businesses and entrepreneurs.

Foreign Minister Datuk Abdullah Badawi, who is accompanying Prime Minister Datuk Seri Dr Mahathir Mohamad on his official visit to Japan, said with the higher Malaysian per capita income, the Japanese have "graduated" Malaysia and as such the country is no longer eligible for concessionary loans such as the Official Development Assistance (ODA). The last concessionary ODA loan to Malaysia from Japan was in 1993.

As "partners in development" the private sectors of the two countries are exploring opportunities for joint ventures and other business opportunities in third countries. Discussions on such cooperation, especially in developing countries of the South, started two years ago.

Abdullah said this development augurs well as bilateral relations have matured. The relations between Malaysia and Japan are no longer that of "donor and aid recipient" but have been elevated to a higher plane and that of equal partners.

While Malaysia no longer encourages labour-intensive industries there is still room for Japan to participate in Malaysia's continued economic development. For example, with the promotion of the Multimedia Super Corridor (MSC), Abdullah said, Japan can play a role in helping to develop the country's high-tech and information technology (IT) industries.

Dr Mahathir arrived this evening for his second official visit to Japan. The previous one was in 1983 when Mr Yasuhiro Nakasone was prime minister.

In between, Dr Mahathir has made numerous working visits to Japan, the most recent being in January this year to promote the MSC.

During the visit, Dr Mahathir will have an audience with the Japanese Emperor at the Imperial Palace, call on the 83-year-old Nakasone, address Malaysian and Japanese business leaders and visit Osaka and Nagoya. The Prime Minister will deliver a speech at Waseda University in Tokyo on the present and future Asian scenario.

Dr Mahathir is accompanied by several ministers and state leaders. Apart from Abdullah, they include Minister of International Trade and Industry Datuk Paduka Rafidah Aziz, Minister of Transport Datuk Seri Dr Ling Liong Sik, Minister of Health Datuk Chua Jui Meng, Education Minister Datuk Seri Najib Tun Abdul Razak, Kedah Menteri Besar Datuk Seri Sanusi Junid, Pahang Menteri Besar Tan Sri Khalil Yaacob and Penang Chief Minister Tan Sri Koh Tsu Koon.

In keeping with past practice, Dr Mahathir is also accompanied by a group of leading Malaysian businessmen who will hold separate discussions with their Japanese counterparts.

A report in Japan Times today says discussions on economic cooperation with the Association of South-East Asian Nations (Asean) are expected to be high on the agenda.

Among the bilateral issues that will be raised is the need to address Malaysia's increasing trade deficit with Japan. The deficit stood at RM22 billion last year, down from RM29.5 billion in 1995 due in part to the

yen's depreciation.

The importance of addressing the deficit has not been lost on the Japanese. They agreed to the setting up of a joint task force when Japanese Prime Minister Ryutaro Hashimoto visited Malaysia earlier this year. Japan is Malaysia's largest trading partner, accounting for some 27 per cent of Malaysia's imports and 13 per cent of its exports in 1995.

Regional and international issues will also be raised. Japan has proposed that regular summits be held between Asean and Japan. Abdullah who earlier today met his Japanese counterpart, Mr Yukihiko Ikeda, said the Japanese view their relations with Asean as being "very important".

Asean senior officials have discussed the proposal which will be submitted to the Asean foreign ministers. According to Abdullah, the ministers will consider the recommendations of their senior officials "as soon as possible".

Hashimoto proposed the regular Asean-Japan summit during his visit to Malaysia in January this year. Malaysia, which will host the Asean summit this year, has no objections to the Japanese proposal but it will have to seek the views of other members.

At present, there are already a number of contacts between Japan and Asean. These include the Asean Post Ministerial Conferences (PMC) with its dialogue partners and the Asean Regional Forum.

Then there are the Asean plus-one meetings with the grouping's individual dialogue partners which include Japan, Canada, the US, the European Union, Australia and the UNDP. Abdullah said the Asean plus-one is important as it provides a forum for discussing projects which would otherwise not be taken up at the joint meetings of Asean and its 10 dialogue partners (plus-10).

Abdullah and Ikeda also updated each other on developments in Myanmar and the Korean Peninsula. The Japanese, while saying that the admission of Myanmar into Asean is a decision for the grouping, hoped Asean would not provide cover for the State Law and Order Restoration Council (SLORC) to repress the activities of the opposition.

The two foreign ministers also discussed the proposals for reforms of the United Nations (UN), in particular the paper presented by Tan Sri Razali Ismail as chairman of the Committee on UN Reforms. Members of the committee are drawn from the 185 members of the world body.

Razali, who is also President of the UN General Assembly, has drawn up a draft package covering several important issues including the veto power, enlargement of the Security Council and increased contacts between the Chairman of the Security Council and the President of the General Assembly, aimed at bringing about greater participation in the UN decision-making process.

At present, discussions and contacts between the President of the General Assembly and Chairman of the Security Council are infrequent and not viewed as being important. The Security Council should be democratic and transparent in its decision-making process. The veto power as it stands is certainly not democratic and this was acknowledged by many, including former UN Secretary-General Javier Perez de Cuellar in an interview with Business Times.

Members of the world body have at times been held hostage by decisions of the Security Council, especially by the veto powers of its five permanent members.

Abdullah said Razali's paper raises important issues and the Japanese agree it will revive debate on UN reforms which have been put on the back burner.

(END)