

02/06/1998

Japanese firms still keen to invest in Malaysia

Lokman Mansor in Tokyo

TOKYO, Mon: Prime Minister Datuk Seri Dr Mahathir Mohamad, who arrived here for a five-day working visit today, expressed hope that the regional economic problems will have minimal impact on Japanese foreign direct investment to Malaysia.

"I think it will be affected to a certain extent. There is no running away from that, but I hope it will be minimal," he said.

Speaking to reporters upon his arrival, Dr Mahathir said large Japanese companies are still interested to invest in Malaysia and are continuing to do so.

He said at the same time, Malaysia is also getting a lot of investments now from the US, particularly in the petrochemical and chemical industries.

Dr Mahathir said companies like Eastman and Procter and Gamble are investing in downstream petrochemical and chemical industries in the East Coast of Peninsular Malaysia.

"The trend (of foreign direct investments) now is quite different from before. It is not just in electronics," he added.

Japan is the second largest investor in Malaysia after the US. Of Japanese projects worth RM4.6 billion that were approved by the Malaysian Industrial Development Authority last year, 70 per cent was for new projects and the rest re-investments or expansions to existing facilities.

Asked if Malaysia is now opening up these sectors to American investors, Dr Mahathir said: "We welcome anybody, but the Americans seem very keen on the chemicals sector, with large investments."

During his visit here, the Prime Minister is scheduled to have several private meetings with Japanese businessmen.

He is also scheduled to speak at a Symposium on "Revitalisation of the Japanese Economy and the Future of Asia" tomorrow.

The symposium is organised by the Institute for International Monetary Affairs, a non-profit research institute for international monetary studies.

On Thursday, Dr Mahathir will deliver the keynote address at the Nikkei International Conference on "Future of Asia".

The conference, sponsored by Nihon Keizai Shimbun Inc, is expected to discuss among other things, Asian-style corporate management, achieving stable financial systems in Asia, and regional stability.

Earlier, Dr Mahathir was received at the Narita International Airport by Malaysian Ambassador to Japan, Tan Sri H.M. Khatib.

(END)