

03 SEP 1999

JAPAN-INVESTMENT

JAPAN'S INVESTMENT EASES BUT NOT SIGNIFICANTLY, SAYS MISSION

KUALA LUMPUR, Sept 3 (Bernama) -- Japan believes its investment in the region had slowed down due to the recent financial crisis but it was not that significant, said Hiroshi Okuda, chairman of Japan Federation of Employers' Association.

He also said the strong yen had impact Japan's exports to Asia and he personally hoped the yen will stabilise at 120 yen to the US dollar.

Okuda is heading a mission to several Asian countries for the revitalisation of regional economies. The mission had so far visited Thailand, Vietnam and Korea, and will leave for Indonesia and the Philippines after their Malaysian visit.

He agreed that the Malaysian economy is moving towards a recovery.

He said he was given an explanation on the selective capital controls introduced by Malaysia to overcome the crisis and which had proven to be effective.

"In the future, we shall intensify further discussions regionally as a means to prevent future currency crisis," he told a press conference here today.

With regard to the challenges ahead for revitalising the Asian economy, Okuda said special emphasis on human resource development needs to be put in place to further revitalise the flow of capital, goods and information.

In the case of Malaysia, where the manufacturing sector had played an important role in the country's export performance, he said there is a necessity to develop management capabilities to further increase competitiveness.

"Japan needs to keep up its cooperation in this area," he said.

To this end, he added that Japan will step up cooperation in the human resource area in Malaysia by sending its skilled engineers and technicians.

Okuda was asked whether, as a taxpayer, he was happy with the Miyazawa Plan, a financial assistance scheme that is extended to countries affected by the financial crisis, including Malaysia.

To this, he replied that "in terms of transparency, yes, and the taxpayer should understand the need (for such a plan)."

"All the people that we had met so far had expressed their appreciation for the support measures which Japan had provided to date," he said.

Currently, Japan's assistance measures to the Asian economy amounted to approximately US\$80 billion (US\$1=RM3.80).

"They also pointed out the need for regional cooperation in which Japan should play an active role by working together with other Asian countries within the framework of East Asia in the next century," Okuda said.

Earlier, the mission held meetings with International Trade and Industry Minister Datuk Seri Rafidah Aziz, First Finance Minister Tun Daim Zainuddin and members from the Malaysian and Japan business communities.

Okuda, however, said the mission was unable to meet Prime Minister Datuk Seri Dr Mahathir Mohamad as the latter was busy with his schedule.

"We did receive a message from Dr Mahathir saying that he is looking forward to seeing us in late September in Tokyo, on his way to the United Nation's general assembly in New York," he said. -- BERNAMA

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