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MAEDA-ECONOMY

REMAIN IN ASIA, JAPANESE COMPANIES TOLD

PULAU PINANG, March 5 (Bernama) -- Vice Chairman of Japan Federation of Economic Organisations (KEIDANREN), Tan Sri Dr Katsunosuke Maeda, today urged Japanese companies to remain in Asia and help the region to recover from its economic slowdown.

He said these companies should support the local economy, including Malaysia, especially towards recovery, stressing that the economic crisis was not only faced by Asian region but also worldwide.

"Although the economic turmoil originates from Asean countries, it has effected the rest of the world, especially Russia, Europe, Korea and also Japan," he told a press conference at the Chief Minister's Office here.

Maeda said that in order to support the Asian economies, these companies should stay and continue their businesses in the region, pointing out that industrial capital is significant towards economic recovery.

He also said that Japan supported the free market system and agreed that there must be some rules to regulate movements of short term fund.

On the selective capital control measures introduced by Malaysia last year, he praised prime minister Datuk Seri Dr Mahathir Mohamad for his speedy action in stopping currency speculation activities.

Many had criticised Dr Mahathir for doing so but now they realised that there is a need to have some kind of regulations to stabilise the currency, Maeda added.

He also said that the recovery of Japanese economy would contribute significantly towards the recovery of the world economy, particularly Asian countries.

As such, there was a need for Japan to recover quickly in order for it to help other Asian countries, he said, adding that the Japanese government had allocated some 63 trillion yen to reform its financial systems, including tax reduction.

Maeda said Japan could also assist Asian countries facing financial crises by giving speedy aid, namely a fast injection of money.

Earlier, he said that Japan's economy is expected to improve by the middle of this year.

Maeda, who is also chairman of the board of Toray Industries, Inc., Japan calls on Chief Minister, Tan Sri Dr Koh Tsu Koon here today where they discussed the economic environment of both countries.

Later, he presented three mock cheques worth RM200,000 to representatives of Pulau Pinang SUKMA team, Football Assciaton of Penang (FAP) and Pertubuhan Bunga Tanjung, an organisation for the wives of State Assemblymen and Members of Parliament, for their activities. -- BERNAMA

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