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Japan urged to resume role as 'engine of growth'

OUTLINING "critical areas" for strengthening Japan's relationship with Asean, Datuk Seri Dr Mahathir Mohamad yesterday urged the Asian giant to resume its role as "an engine of growth for regional economies". He said this can be done by opening the Japanese market wider for Southeast Asian goods and increasing the assistance to budding small- and medium-sized enterprises in Asean countries.

The Prime Minister said although previously Japan was unable to act "as an engine of growth for regional economies" due to the economic downturn, its economy had now demonstrated signs of recovery.

"We hope that with its economy demonstrating concrete signs of recovery, Japanese companies will assist the Southeast Asian manufacturers by increasing imports into the Japanese market," Dr Mahathir said at the Kankeiren Asean Management Seminar in Kuala Lumpur yesterday.

The four-day seminar is jointly organised by the National Chamber of Commerce and Industry of Malaysia, Japan's Association for Overseas Technical Scholarship, Kansai Economic Federation (Kankeiren) and Pacific Resource Exchange Centre.

Asked to clarify the relaxation which Japan should grant Southeast Asian manufacturers to facilitate entry into the Japanese market, Dr Mahathir said:

"Sometimes, it (the difficulty of penetrating the Japanese market) is due to procedures and other things... some are non-tariff barriers." On which products should gain more prominence in the Japanese market, Dr Mahathir said: "We would like to have some products which are produced by local people to also penetrate the Japanese market."

He added that although Malaysian exports to Japan were high, they were largely goods produced by Japanese companies located in Malaysia.

"Therefore, the benefit doesn't go through as much to us."

Outlining other critical areas where Japan could strengthen its relationship with Asean countries, the Prime Minister said more Japanese SMEs should assist budding SMEs in Asean countries.

He added that this could be done by enhancing their capacity building through skills training programmes and technology transfer.

"Kankeiren with a membership of about 850 major corporations and organisations in Kansai could encourage more Japanese SMEs to assist those in Southeast Asia by setting up joint ventures," said Dr Mahathir.

On the role which the regional economies in Asean had to play, the Prime Minister said with the information technology revolution now underway, there was a great need for Malaysia and other Asean economies to build capacity in terms of human resources.

"Therefore, not only will it be necessary to provide training for top management, it will also be imperative to fill the huge gap in availability of mid-level and lower-level knowledge-skilled personnel."

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