

13/06/2000

## Japanese firms urged to move to Malaysia

Hardev Kaur in Tokyo

JAPANESE companies and businesses have been urged to relocate some of their costly production facilities to Malaysia to be competitive and take advantage of the lower costs compared with Japan.

Prime Minister Datuk Seri Dr Mahathir Mohamad pointed out that Japanese companies that had shifted to Malaysia had done very well.

"Perhaps there should be a second round" of migration of Japanese industries to Malaysia, he told a Press conference at the end of his five-day working visit to Japan.

The first round of migration was during the 1980s, following the appreciation of the yen or endaka when many Japanese companies moved their operations to Malaysia and other Southeast Asian countries.

In fact, the bulk of the production of a number of large Japanese corporations is now based offshore including in Malaysia.

Dr Mahathir, who visited a number of Japanese companies during the visit, said for Japanese companies to be competitive, it might be necessary for them to go to low-cost countries like Malaysia.

The yen has appreciated substantially against the US dollar and efforts to weaken it have so far not yielded the desired results. The strengthening yen has rendered some of the operations to be more costly than previously. This, in turn, has resulted in Japanese goods becoming less competitive in the world market.

Dr Mahathir said for the first time there was unemployment and Japanese companies were also concerned with creating job opportunities at home.

Dr Mahathir described his visit as "fruitful", saying he saw industries which could be developed in Malaysia and those which could contribute to the industrialisation process in the country.

While in Japan, Dr Mahathir visited the Matsushita Multimedia Centre in Tokyo and was briefed on the latest technological developments. He was shown and briefed on the Home Information Infrastructure (HII) centre, a high technology home of the future.

He also toured the AV&CC Systems Square where a single system for fusing sound, video and computer data transmission into an integrated whole is created. The centre also presents different ways in which one can taste the multimedia experience right in one's own home environment, and learn how to build a system suited for individual needs.

Dr Mahathir also attended the funeral of the late Japanese Prime Minister Keizo Obuchi and addressed the Nikkei conference on "The Future of Asia".

The Prime Minister said Malaysian companies still lacked R&D and Malaysians preferred to use what had been invented by others.

"We are still caught in this trap. We must be brave and use our own ideas and be self-confident."

He said Malaysians too had capabilities except that "our minds are closed" and Malaysians were conservative and lacked self-confidence.

"For example, when someone is asked to do things differently, the answer at the outset is that "they cannot do it". They prefer to do things the old way even though the method may be 100 or 1,000 years old."

He cited the example of the plantation sector in Malaysia which had progressed well due to R&D. The manufacturing sector is not doing as much as the plantations.

"I would say that if the manufacturing sector placed as much emphasis on

R&D it would achieve the same kind of results as the plantation sector," he added.

Dr Mahathir leaves for home today.  
(END)