

13 DEC 2002  
MAHATHIR-FTA  
M'SIA, JAPAN TO SEAL FTA PLUS AGREEMENT NEXT YEAR

TOKYO, Dec 13 (Bernama) -- Malaysia and Japan are expected to seal a bilateral agreement on free trade and other areas of interest which include cultural cooperation next year. said Prime Minister, Datuk Seri Dr Mahathir Mohamad.

He said Malaysia had prepared documents based on its own ideas about the Free Trade Agreement (FTA) and it would be presented to the Japanese government.

"It is going to be a partnership agreement on FTA and other areas even cultural," he told a media conference for Malaysian journalists here today.

Dr Mahathir ends his two-day visit to Japan today after arriving here yesterday morning.

The visit coincided with the 20th anniversary of the Japan-Malaysia Look East Policy.

Asked on the reasons for having FTA with Japan the Prime Minister said: "Japan has an FTA with Singapore, with Thailand and I think we should have an FTA with them also."

Japan signed an Economic Partnership Agreement (EPA) with Singapore early this year, which came into force late last month.

The two-week-old agreement, covers about 17 areas of cooperation including liberalisation of trade, investment facilitation, standard and conformity, labour mobility and science and technology.

Earlier today director of International Press Division of the Ministry of Foreign Affairs Japan, Jiro Okuyama told Bernama that Japan was also negotiating with Mexico and South Korea on the FTA plus agreement.

Japan had in fact started a full negotiation with Mexico on the matter on Nov 18, he said.

Dr Mahathir was also asked on how Malaysia would handle the domestic car production, if Japan did not want the country to put condition on that in the FTA.

"That is why, with Japan, they conclude bilaterals, because each country is different, for example Thailand is a rice exporter and that poses some problem for Japan, whereas Malaysia is a manufacturer of motorcars, so Japan poses some problem to us, so we have to workout in detail what we can give and what we expect from them," he said.

The Prime Minister said Malaysia would not have much problem in agriculture under the proposed bilateral agreement with Japan because it did not produce what Japan produced in that sector.

Malaysia, he said would also have an FTA with China but it would be on Asean-China basis, as a group.

On his meeting with his Japanese counterpart, Junichiro Koizumi yesterday he said the discussion included Japan's assistance in financing some of Malaysia's infrastructure projects, the setting up of the Japan Technical University in Malaysia and the FTA plus.

Dr Mahathir described his two-day visit to Japan as very useful, as it also enabled him to meet the Japanese business people this morning, particularly those who showed interest in Malaysia.

"We have tried to convince them that it is still worthwhile to invest in Malaysia and not just in China," he said.

Japanese businessmen, he said, were quite keen to invest in Malaysia as their experience in Malaysia had been very good.

"They are very comfortable in Malaysia, although China has got certain

attraction, Malaysia has got its own unique qualities," he said.

The Prime Minister said the Japanese investors were interested in looking into certain niche areas - more on high tech and knowledge-based industries for Malaysia.

Dr Mahathir, who visited the Disney Sea in Chiba, south of here, this morning said it was good to see a theme park which presented an interesting concept, not seen anywhere else in the world.

Dr Mahathir and his wife Datin Seri Dr Siti Hasmah Mohamad Ali, later departed to Tokyo Station for Sendai, north Tokyo by bullet train, Tohoku Shinkansen Hayate 25, for a three-day private visit.

He is expected to fly home from Sendai Airport by executive jet at 4pm on (3pm in Malaysia) on Dec 17. -- BERNAMA

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