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Former prime minister Tun Dr Mahathir Mohamad receiving the 'Grand Cordon of the order of the Rising Sun' award from Japanese emperor Akihito in 1991. Mahathir initiated the Look East policy 30 years ago. File pic

'Secretariat on Look East policy needed'

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KUALA LUMPUR: Malaysia should set up a secretariat to coordinate policies and programmes following its decision to continue with the Look East policy, introduced 30 years ago by former prime minister Tun Dr Mahathir Mohamad.

Malaysia-Japan Economic Association (Majeca) secretary-general Datuk Seri Mohamad Iqbal Rawther said the body would help refine and broaden the policy to spearhead the country's aspiration to become a developed nation.

He felt the real benefit to Malaysia could only be achieved by expanding the policy to include aspects beyond work ethics, education and training, and Japanese language studies.

"There is a need to coordinate the policy and programmes under a

single entity with a strong secretariat."

The policy, implemented in 1982, was initially aimed at encouraging the country to embrace the work principles of Far East nations, such as Japan and South Korea, and transform the country's economy from agriculture-based to industrial-based.

With the Economic Transformation Programme (ETP), the Industrial Master Plan and the 10th and 11th Malaysia Plans, Iqbal felt the country could benefit from Japan's expertise in high-tech industries and research and development, to develop knowledge- and technology-based industries.

"Japanese companies are keen to invest in Malaysia and this will help our small- and medium-sized indus-

tries," he added.

Malaysian Investment Development Authority's (Mida) Asia Oceania foreign investment promotion division director Rajendran Narayanasamy said there was a shift in Japanese investment, with more Japanese companies refocusing on Malaysia.

"Recent events in Japan, including the tsunami, which affected the supply chain management for several of its manufacturing industries, had caused them to look for a safer location.

"For the electrical and electronics sector, Malaysia is the natural choice."

The last five years saw a significant rise in Japanese investments in the manufacturing sector, top-

ping the list of realised investments by major countries in 2011 with US\$19.5 billion (RM60 billion) in 2,422 projects, 42 per cent of which were in the electronics and electrical sector.

Among the major Japanese companies that invested are Panasonic, Hoya, Nippon Electric Glass Co Ltd, Tokuyama, Fuji Electric, Ibiden Co Ltd, Taiyo Yuden, Honda and Toyo Tires.

Panasonic's latest investment in Malaysia is a RM4.5 billion integrated solar-manufacturing plant, located at the Kulim Hi-Tech Park.

Tokuyama Malaysia has invested RM5.48 billion in a polycrystalline silicon plant which is located in the Samalaju Industrial Park in Sarawak.