

THE 7TH. JOINT ANNUAL CONFERENCE OF MAJECA/JAMECA
THE KUALA LUMPUR HILTON

5 MARCH 1984

Yang Berbahagia Raja Tan Sri Mohar, President of MAJECA; Mr. Noboru Gotoh, Leader of the JAMECA delegation; Excellencies; Distinguished guests; Ladies and Gentlemen.

It is a privilege for me to be able to address this distinguished gathering today on the occasion of the 7th. Joint Annual Conference of the Malaysia-Japan Economic Association and its counterpart the Japan-Malaysia Economic Association.

2. First of all, I wish to extend a warm welcome to Mr. Gotoh, Leader of the JAMECA delegation as well as to the other distinguished delegates of JAMECA. Secondly, I offer my sincere good wishes to my good friend, Tan Sri Shigeo Nagano who unfortunately is unable to be with us here today.

3. The presence of our Japanese friends augurs well for the future relationship between Japan and Malaysia -a relationship that has been strengthened year after year through the cooperative efforts of the two associations. The bonds of friendship between the two countries is further strengthened by the establishment of the two associations. I take this opportunity to congratulate both the Presidents of the two associations, the executive committee members, members of the task forces as well as all of you for the contribution towards the strengthening of the bilateral relationship between the two countries.

4. Through the cooperative efforts of MAJECA and JAMECA, the Malaysian Government has adopted a lot of ideas and inspirations experienced by Japan. Foremost amongst these ideas is the Look East Policy.

5. I am sure many of you were present here in this very hall when I first explained in some detail the basis of that policy. Today there are still many people, both here in Malaysia and abroad, who choose to misinterpret the ideals of that policy. I would, therefore, like to take this opportunity to dwell on this subject once again.

6. Malaysia is a parliamentary democracy with its own unique system of constitutional monarchy. We believe strongly in the ideals of free enterprise. The Malaysian economy is an open economy. Since independence 27 years ago, we have not changed our belief. Indeed our perception of the dynamic nature of the free enterprise system has not only been sustained but it has strengthened. But this does not mean that we in Malaysia follow in toto the "laissez faire" type of capitalism in our endeavour to develop the country.

7. The rapid economic growth of postwar Japan, particularly in the sixties and mid-seventies, has spurred other nations to look towards Japan for inspiration. Although the balance of power between East and West appears to threaten the future of mankind, we in Malaysia still believe that a great majority of mankind favours coexistence and international cooperation. In such a world, Malaysia, however small she is, must positively contribute to the realisation of a better and more prosperous life for all of mankind in a spirit of fairness and justice.

8. The motivation behind our Look East Policy is clear. We want to develop our country. We want to provide jobs for our people, particularly for our young people coming out from our schools, our colleges and our universities. Agriculture and mining cannot provide these job opportunities because they are limited by land and resources. Indeed increasing mechanisation for efficiency would reduce even more the jobs in these two areas. There is no limit to the diversity and opportunities in manufacturing. The only way we can grow and prosper is through industrialisation. And in the East we find a number of models which are relevant to our approach towards industrialisation.

9. We have adopted a very flexible policy on industrialisation. We have encouraged the inflow of foreign capital, know-how and management. We have a set of incentives to offer to foreign investors. We need foreign investment; there is no doubt about it and for many years to come. This is one way we can find employment for our people. Our labour force will reach a figure of nearly 6.3 million by 1985. Of this 2.6 million will be in the 25-39 age group or 41.1% of the total labour force. The labour force in this age group will increase by 4.9% per annum. Our working age population is expected to grow from 8.1 million in 1980 to 9.3 million in 1985. Thus we have to adopt certain development strategies that will provide gainful employment to our rapidly growing work force.

10. This is the basis of our development plans and policies. The Look East Policy is one of the ways to enable our work force to acquire new values commensurate with our long term industrialisation programmes.

11. In our efforts to improve the management of our labour resources, the government has initiated five types of training programmes for our youth, namely: in-plant training, academic/technical education, executive development training, institutional linkages in higher learning and universities, and institutional linkages in research and development, training institutes and administration. The first three are already on-going programmes whereas the last two are in the preparatory stage. These efforts are small in comparison with our needs, but we will step up these training programmes as we begin to gather more information on the effectiveness of each programme.

Ladies and Gentlemen,

12. I note that your two-day conference will be focussing on exports into Japan, invisible trade, Japanese market for rubber products, shipping, new opportunities for Japanese investment in Malaysia, tourism, small scale industries, high technology industries and the role of Japan, downstream development in the petroleum industry and the construction industry.

13. All these areas of economic endeavours are of high priority to us. Each is of special significance in our the improvement in our services sector such as shipping, insurance and travel. Tourism and small scale industries are sectors which are increasingly becoming of special industrialisation programmes. For these are areas which will provide new avenues for our small entrepreneurs and for our rapidly growing population of working age. Small scale enterprises should be able to develop at a much faster rate than in the past, now that we have more Malaysians being trained in the various fields of specialisation and that our economic structure is changing rapidly, with manufacturing increasing its share of the gross domestic product.

14. Malaysia therefore welcomes assistance from outside sources to modernise our small scale industries. In particular we would like to see that large, medium and small scale industries develop in such a way that they will reinforce the strength of each other. They must be mutually beneficial to one another so that all the sectors of the economy will prosper and productivity enhanced.

Ladies and Gentlemen,

15. While I am sure that MAJECA and JAMECA would continue to play its role in promoting greater trade and economic ties between Malaysia and Japan, I also hope that more efforts should be made by both associations on the need to find markets in Japan for Malaysian manufactured goods. MAJECA have to double its efforts in assisting the Government to seek avenues for Malaysian products, especially manufactured products. JAMECA on the other hand, after its close and long association with its Malaysian counterpart would, I believe, have a

better understanding and perhaps sympathy towards our need to have access to the Japanese market. As I have stated, time and again and in various forums, that in order for developing countries to purchase more from the developed countries, the developing countries have to sell its produce to the developed countries. Closing one's doors to others may result in short term gains, but in the long run it will be detrimental to the country concerned. The prosperity of your customers means your own prosperity. So the more you buy their goods the more prosperous you will become. Part of Japan's prosperity today is due to the prosperity of South East Asia. It follows that if South East Asia becomes more prosperous, so will Japan.

16. JAMECA can play its role in putting cross our opinion to the Japanese government and its agencies on the need for the developing countries to gain access to the Japanese market. Likewise MAJECA has to keep its counterparts well informed of the needs and requirements of Malaysia. I am confident that such relationship would be of mutual benefit to our two countries.

Ladies and Gentlemen,

17. I am indeed happy with the progress achieved by MAJECA and JAMECA thus far. However, you will agree with me that the scope for cooperation and endeavours is indeed wide. You should therefore explore new ways and means to enhance this cooperation.

18. The presence of key businessmen and industrialists at this gathering is evidence of the importance you place in the associations. I am confident that your associations would strive to achieve greater success. On this note, I have much pleasure in declaring the 7th. Joint Annual Conference of MAJECA/JAMECA open.

Thank you.