

THE OPENING OF THE 11TH JOINT ANNUAL CONFERENCE OF MAJECA – JAMECA

THE PUTRA WORLD TRADE CENTRE, KUALA LUMPUR, 6 JUNE 1988

Y.M. Raja Tan Sri Mohar Bin Raja Badiozaman, President of MAJECA; Mr. Masami Ishii, President of JAMECA; Honourable Guests; Distinguished Delegates; Ladies and Gentlemen.

It is my pleasure and privilege to be given the opportunity to address this distinguished gathering of industrialists, bankers and businessmen from Japan and Malaysia on the occasion of the 11th Joint Annual Conference of MAJECA-JAMECA. The two Associations were set up in order to assist Malaysia and Japan in their efforts to foster greater friendship and promote better economic relations between the two countries. Eleven years have passed and I am pleased to note that the two Associations have grown from strength to strength. Both Associations have played a very positive role in promoting trade and investment between our two countries.

Ladies and Gentlemen,

2. The relationship between Malaysia and Japan has become the cornerstone of Malaysia's progress towards economic diversification. It has been strongly cemented through trade and investment. I am happy to observe that the last ten years saw a tremendous spurt in bilateral trade between Malaysia and Japan and the continued inflow of Japanese direct investments, technology transfers as well as loan assistance to Malaysia. This growth in trade and investments has been achieved in an environment of close and harmonious economic relations between our two countries. My congratulations to MAJECA and JAMECA for taking it upon themselves to foster friendship and understanding between the private sectors of the two countries. Your activities have transformed policies and expressions of friendship into meaningful realities.

3. The Malaysian Government has always given support to your Associations and your activities. We believe that there are still tremendous opportunities for even greater economic and trade co-operation between Malaysia and Japan. I would urge both MAJECA and JAMECA to continue to play this supportive role in furthering the development of trade and economic relations between Malaysia and Japan for our mutual benefit. Ladies and Gentlemen,

4. After three years of depressed conditions the Malaysian economy has begun to show distinct signs of recovery. Business outlook is improving and many sectors of the economy are expected to show strong performances during the rest of 1988 and 1989.

5. Last year the Malaysian economy recorded a real growth of 4.7% in comparison with 1.2% in 1986. For 1988, it is projected that real GDP will grow at more than 5%. The satisfactory recovery of the economy in 1987 was basically a reflection of the high rate of growth in three major sectors of the economy:

agriculture, manufacturing and services. Overall value-added in manufacturing grew at 12% in 1987, following strong external demand for electronics, rubber goods, timber products, textiles and wearing apparels. Output growth recorded during the second half of 1987 in several manufacturing industries indicate steady progress in business activities and a bright outlook during the first half of 1988. The indications are that the Malaysian economy is poised for accelerated growth.

6. I would like to emphasise again that the Malaysian Government is committed to a programme of rapid industrialisation. With a rapidly growing and well-educated population we need industries to create the necessary job opportunities. Agriculture, forestry and primary industries cannot provide sufficient job opportunities even though there is still room for expansion and diversification in these areas. To industrialise we need foreign expertise both in manufacturing as well as marketing. We hope that the close cooperation fostered by MAJECA-JAMECA will enable more manufacturing joint ventures to be set up. Eventually as Malaysians acquire greater technological and marketing know-how, locally-based industries will be started and will grow in the way Japanese industries grow.

7. The prospects are good for this progress to be made. But Malaysians must learn also some of the philosophy of the Japanese; in particular the need to move step by step. We ...7/- may telescope the process as we are in a hurry to catch up. But the step by step approach is necessary if we are to gain fully from our experiences. I would suggest that MAJECA-JAMECA, which frequently discuss problems obstructing investments and trade, should also devote some time to discussions on ethics and business philosophy of Malaysians and Japanese.

Ladies and Gentlemen,

8. Japan and Malaysia are geographically fairly close to each other. By jet the flight time is only 6 hours. Yet frequently we are misinformed about each other. We are dependent far too much on the western controlled media. The controlled western media practise censorship which distorts the image of countries like Malaysia. Time and time again I have been told by foreign businessmen that they are surprised at what they see and experience in Malaysia. It is not at all as they pictured it from what they read or saw on television.

9. With Japanese manufacturers looking abroad to resite their factories, it is necessary that knowledge about Malaysia be based on factual reports without censorship. MAJECA-JAMECA can help here by prevailing upon the Japanese press to stop relying on tendentious reports by the western media. Better coverage by the Japanese media through reporters stationed here would reduce distortions.

10. We are not saying that Malaysia is totally free from problems. With a multiracial, multireligious population only a miracle can free us from problems. But by comparison, Malaysia is more democratic and more stable than many

other developing countries. Those who have been here for a long time can testify to the fact that their investments have never been threatened. Indeed, repeated expansion can only be due to their faith in Malaysia. Matsushita which has been here for over 20 years and has invested over half a billion ringgit in seven companies, with the prospect of two more being set up in the near future, should convince Japanese investors that reports about Malaysia's instability are just propaganda by people with vested interest.

11. Clearly the problems faced by Malaysia do not affect the investment climate or even the economic health of the country. For many years in the 70's and early 80's economic growths of 8% were achieved. While growth was slowed down and even reversed during the world recession, recent recovery shows that the fundamental structure and administration of the economy remains sound. There should therefore be no reason for anxiety over the future of Malaysia. The post-independence history of the country shows a consistency of policy and predictability which should satisfy the most cautious of investors.

Ladies and Gentlemen,

12. Bilateral trade and economic commissions are now very common between countries with economic links. But such official commissions are often quite formal in their relations. On the other hand MAJECA and JAMECA are unofficial in character and feel quite free to criticise official policies and procedures in both countries. This has resulted in very open discussions which in turn have helped highlight many problems and the possible solutions to them. I would like to congratulate the two organisations and their enduring relations. I hope you will continue your good work for the economic and social benefit of our two countries.

Ladies and Gentlemen,

13. In conclusion I wish this Conference successful deliberations and I now have much pleasure in declaring open the 11th Joint Annual Conference of MAJECA and JAMECA.