

SPEECH BY: Dato' Seri Dr **Mahathir** bin Mohamad  
( Prime Minister )

EVENT: Official Dinner In Honour of H.E Mr Ryutaro Hashimoto (Prime Minister of Japan)

EVENT: Sri Perdana , Kuala Lumpur

DATE: 8 Jan 1997

TIME:

I am delighted to extend a warm 'Selamat Datang' or welcome to you and members of your delegation to Malaysia. Your visit is indeed timely and provides a good opportunity for Malaysia and Japan to discuss further intensification of the existing close relations between our two countries.

Let me take this opportunity to congratulate Your Excellency on your reappointment as Prime Minister of Japan. We follow with considerable interest your Government's determined efforts to pursue administrative and economic reforms. Our own experience has shown that obstacles abound in the pursuit of administrative reforms. Just as we have been fairly successful I am sure you will be able to achieve your goals.

Malaysia-Japan relations have made much progress, ever since independent Malaysia established diplomatic relations with Japan almost four decades ago. I am pleased to note that pragmatism and goodwill have always been important features in the relations between our two countries. The result has been beneficial to both of us; Japan as a source of investments, Malaysia as an important market and a source of raw materials for Japan. Japan has also contributed much towards Malaysia's progress towards industrialisation and to Malaysia's prosperity and socio-economic development. I hope Japan will continue to be Malaysia's partner for progress and help us attain our goal of becoming a fully developed nation by the year 2020.

In the field of trade, our two-way trade has more than doubled from RM31.6 billion in ~1990 to RM76.5 billion in 1995. Japan today is Malaysia's biggest trading partner and accounts for about 20 percent of our global trade. It is also our third largest export market. While the balance of trade has been in Japan's favour, I am hopeful that with the ongoing process of liberalisation and deregulation in Japan, your import of Malaysian products will increase, especially for manufactured goods. Japanese companies and joint-venture firms in Malaysia should also be encouraged to source more local materials for use in their products here. This would hopefully help to balance the trade between us.

Japanese investments here continues to grow so that Japan today is Malaysia's biggest foreign investor with a total cumulative capital investment of RM25.3 billion for the period 1980 to October 1996.

Malaysia is currently undergoing tremendous changes as a result of its rapid economic growth. To improve the well-being of the people, we need to continue promoting this growth. Malaysia has recently launched its Second Industrial Master Plan, a blueprint for the country's advance into the 21st Century. Malaysia could benefit from Japan's economic and technical superiority and welcomes Japan's cooperation to achieve our goals. Japanese investments, particularly in the hi-tech and capital intensive small and medium-scale industries producing sophisticated

components would be very welcome, especially when they are in partnership with Malaysian companies. In particular, we look forward to the participation of Japanese IT companies in our Multimedia Super Corridor.

Another significant aspect of Malaysia-Japan cooperation is in the area of human resources development. Japan's support for our 'Look East Policy' had enabled some 5,000 Malaysian students and trainees to study as well as acquire practical skills in Japanese institutions. These students have not only benefitted Malaysia but also the Japanese companies in Malaysia who find them very good employees. We intend to continue with the Look East Policy and we hope that Japan will make available more places in Japanese universities and training institutions. I would like to mention that despite our deliberate attempt to Look East we have only about 2,000 students at any one time in Japan. We have more than 60,000 students in Western and other countries.

In the relation between Japan and Malaysia, the private sector has played a very significant role. There have been constant dialogues between them and they have helped to highlight areas needing Government attention. We hope that their collaboration would continue and that they would also work with each other in third countries. The support of the Japanese Government in these endeavours would certainly prove beneficial not just to Japan and Malaysia but also to the third countries concerned.

In conclusion, let me once again extend a warm welcome to you and members of your delegation to Malaysia. I hope that you will have a pleasant and memorable stay in Kuala Lumpur and that you will be able to find time to visit us again.

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