



# 33<sup>rd</sup> MAJECA-JAMECA Joint Conference “Look East Policy 2.0 - Japan & Malaysia”

by:

**Datuk Wong Seng Foo**

Senior Director of Economic & Trade Relations  
Ministry of International Trade and Industry (MITI)

13<sup>th</sup> November, 2014

‘Driving Transformation, Powering Growth’

# ***Table of Contents***

---

- **Malaysia-Japan Bilateral Relations**
  - Japan's role in Malaysia's economic journey
  - Japan's FDI & bilateral trade
  - AEC 2015
- **Look East Policy**
  - Achievements, way forward & focal areas
  - LEP 2.0 & Abenomics
  - Private sector participation

# ***STRENGTHENING BILATERAL TIES***



**MALAYSIA – JAPAN BILATERAL MEETING – 12 Dec 2013**

## ***MALAYSIA-JAPAN >> BUILDING STRONGER ECONOMIC TIES***

- ***Government to Government – Look East Policy***
- ***Business to Business***
- ***People to People***

# ***STRENGTHENING BILATERAL TIES***



**TRADE & INVESTMENT MISSION TO TOKYO, DINNER HOSTED BY JAMECA – 30 SEPT 2014**



# STRENGTHENING BILATERAL TIES

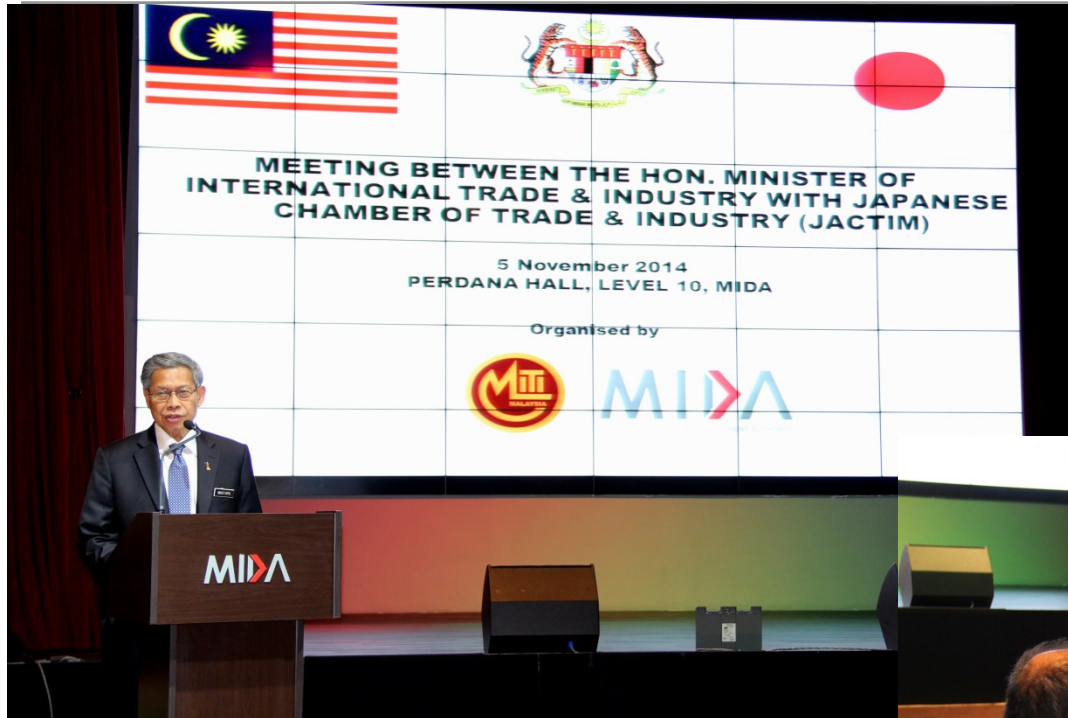


Attended by over 900 participants

TRADE & INVESTMENT MISSION TO TOKYO,  
BUSINESS OPPORTUNITY IN MALAYSIA  
SEMINAR – 1 OCT 2014



# ***STRENGTHENING BILATERAL TIES***



**MEETING WITH JACTIM, 5 NOV 2014**





# ***STRENGTHENING BILATERAL TIES***



**JAMECA-MAJECA JOINT  
CONFERENCE, 13 DEC 2013,  
TOKYO, JAPAN**



# JAPAN'S ROLE IN MALAYSIA'S ECONOMIC JOURNEY



**1950's  
Boon Siew-Honda**

*1997-1998  
ASIAN  
Financial Crisis*

**Miyazawa  
Initiative**



**1982  
Proton Saga - Mitsubishi**



**KL Twin Towers**





# MALAYSIA & JAPAN AS PARTNERS

Japan continues to be Malaysia's **top source of foreign direct investments** since 1980.

## Realized Investments (as at 2013):

44%

- E & E

12%

- Chemicals & Chemical Products

11%

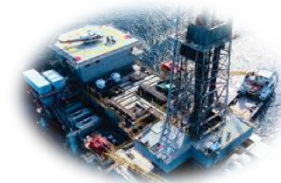
- Non Metallic Mineral Products

8 %

- Petroleum Products

7%

- Basic Metal Products





# SOME JAPANESE COMPANIES IN MALAYSIA



KONICA MINOLTA



TOKIO MARINE



EMCS (M) Sdn. Bhd.



SONY



TORAY



Panasonic



Bank of Tokyo-Mitsubishi UFJ

# ***SOME RECENT JAPANESE INVESTMENTS IN MALAYSIA***

---



**HONDA MALAYSIA SDN. BHD.**



**HOKTO MALAYSIA SDN. BHD.**



**TOKUYAMA MALAYSIA SDN. BHD.**



**KAYAKU SAFETY SYSTEM  
MALAYSIA SDN. BHD.**



**IBIDEN ELECTRONICS  
MALAYSIA SDN. BHD.**



**KANEKA CORPORATION**

**KANEKA APICAL MALAYSIA  
SDN. BHD.**



**PERODUA GLOBAL  
MANUFACTURING SDN. BHD.**



**TOYO TYRE MANUFACTURING  
(M) SDN. BHD.**

# MALAYSIA & JAPAN AS PARTNERS

## Many areas for collaboration:

- Energy efficiency & energy saving/ environmentally sustainable
- Services
- Halal & Islamic finance
- Infrastructure enhancement & connectivity
- SME development



- There is a growing interest among Japanese business community on **Halal business opportunities** - tourist arrivals and expected rise in demand i.e. **Tokyo Olympics in 2020**.
- Another promoted area is the automotive sector, particularly for **energy-efficient vehicle parts and components manufacturing**.



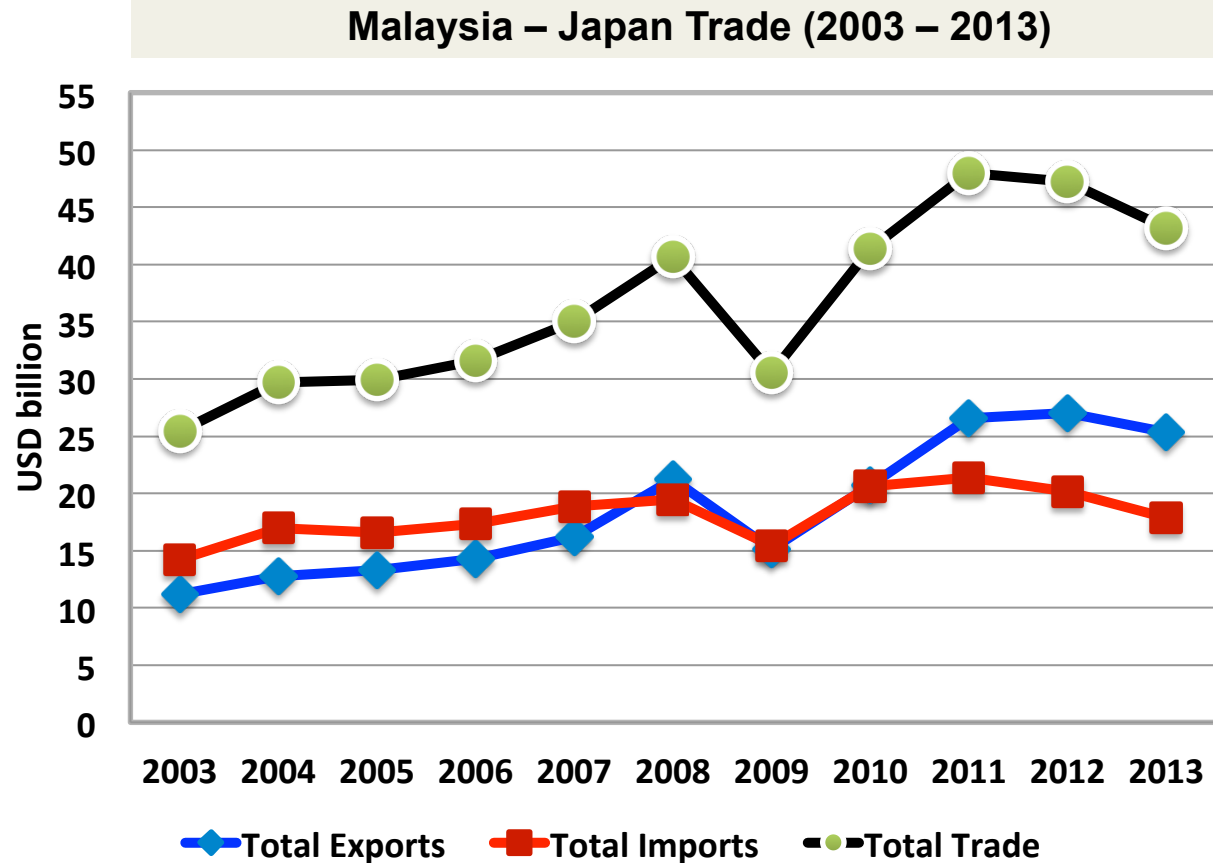
# HOW ARE WE DOING IN MERCHANDISE TRADE?

In 2013, Japan was Malaysia's

3<sup>rd</sup> largest  
trading  
partner

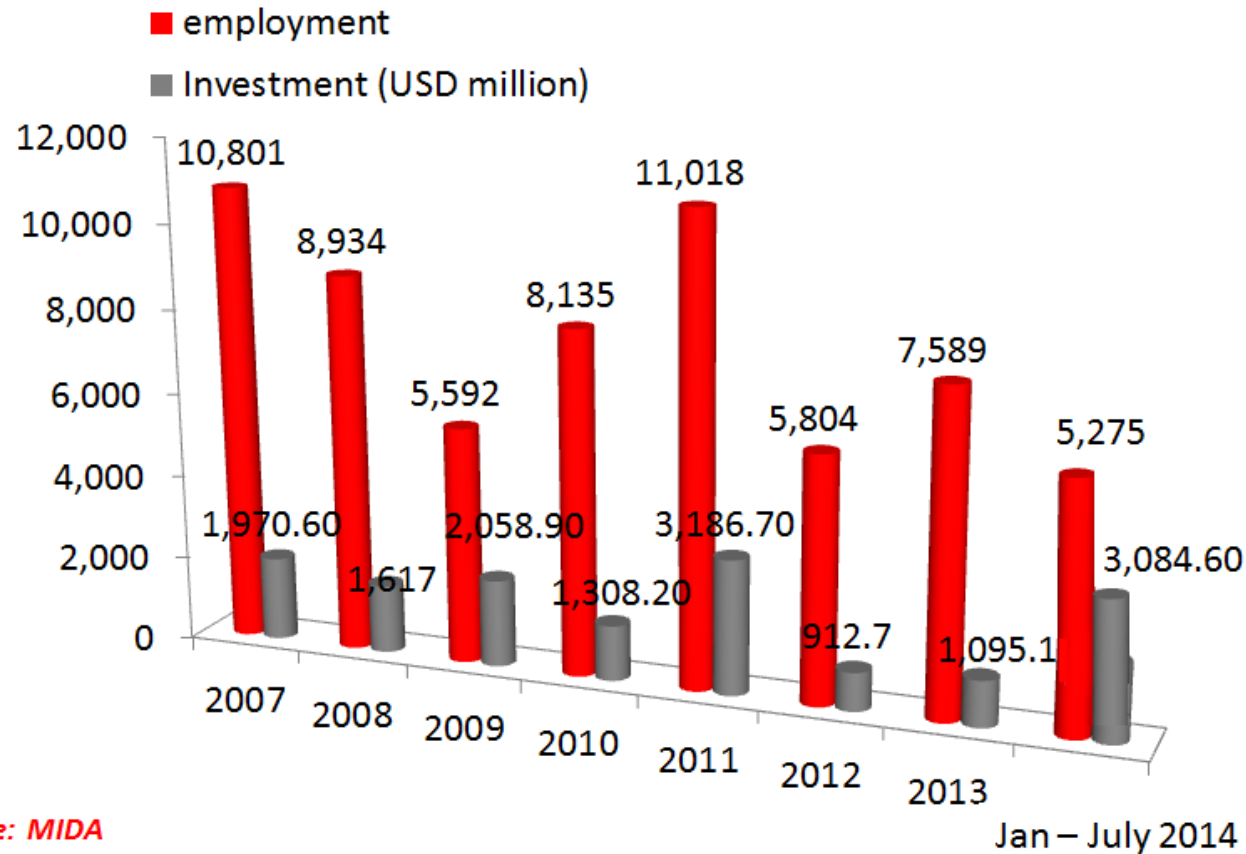
3<sup>rd</sup> largest  
export  
destination

3<sup>rd</sup> largest  
import source



# FDI FROM JAPAN

## APPROVED MANUFACTURING PROJECTS FROM JAPAN (2007 – JULY 2014)

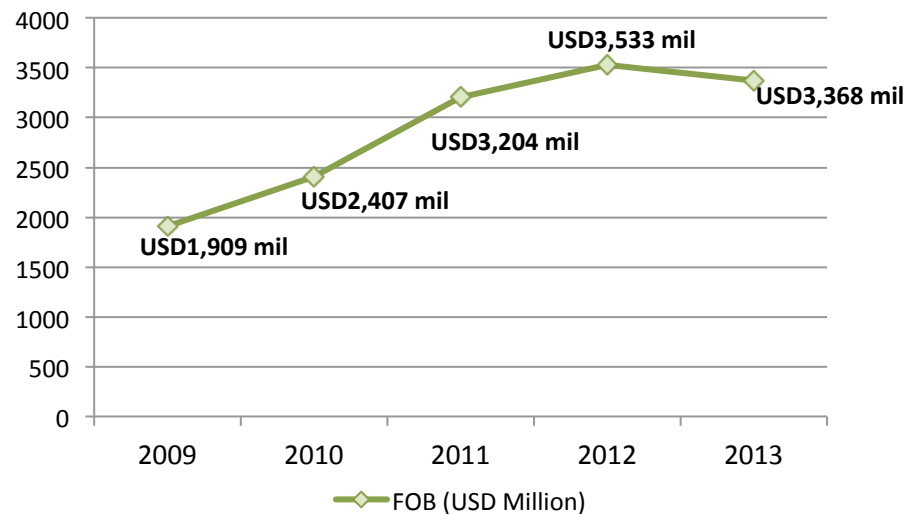


# MALAYSIA-JAPAN ECONOMIC PARTNERSHIP AGREEMENT (MJEPA)



## ISSUANCE OF PREFERENTIAL CERTIFICATE OF ORIGIN (2009 – 2013)

Jan – July 2014: USD1,596 million



**10.83% from total exports  
(Jan – Jul 2014)**

**MJEPA was signed in  
13 December 2005  
Implemented on 13 July 2006**

**No of COs (Jan – July 2014): 25,088**



# THINK ASEAN, THINK MALAYSIA

>> **Many sectors in Malaysia have been liberalized** - a suitable location for operational headquarters, treasury functions and the seat of manufacturing and services operations.



## ASEAN REGIONAL / BILATERAL FTAs



China



Japan



Korea



India



Australia



New Zealand



Chile

- **Potential market of 2.7 billion**
- **Tariff reduction and elimination mostly by 2016**

## ON-GOING FTA NEGOTIATIONS



TPP



EU  
EFTA



RCEP





# ***CHAIRMANSHIP OF ASEAN IN 2015***

---

## ***>> MALAYSIA will assume the Chairmanship of ASEAN in 2015***

ASEAN Economic Vision Post-2015 will be built on the existing AEC 2015 pillars:

- Ambitious, Competitive and Dynamic ASEAN
- Inclusive, Equitable and Resilient ASEAN
- Knowledge and Technology Driven
- Globally Important ASEAN
- Sectoral Inclusion

***“The ASEAN economy will double by 2020, with the nominal gross domestic product of the regional bloc increasing from US\$2 trillion in 2012 to US\$4.7 trillion – IHS”***

***Federation of Japanese Chambers of Commerce and Industry (FJCCI )Dialogue with ASEAN Economic Ministers (AEM) Meeting***



# LOOK EAST POLICY

**30 years of successful collaboration  
(since 8 February 1982)**

# MOVING FORWARD IN THE LOOK EAST POLICY

## LEP 1.0 [1982-2012]

- Training / Sponsorship
- Cooperation Development

## LEP 2.0 [2012 onwards]

- Economic Focus
- SMEs
- Business-to-Business
- Enhanced Institutional Cooperation
- MJIT Technology Education Hub for ASEAN-JAPAN
- Human capital development- doing it better

>> Malaysia is now embarking on LEP 2.0, which is more economic-oriented approach and in line with Malaysia's Economic Transformation Programme.

✓ Supported by MAJECA-JAMECA, JETRO, JICA, MAJAICO



# **LEP 1.0>> TECHNOLOGY SHARING >> PROTON & PETRONAS TWIN TOWERS**

- Japanese technologies through the implementation of Japanese investment projects have facilitated industrial development in Malaysia.
- In 1983, the National Car Project, PROTON was established through the partnership of HICOM and Mitsubishi.
- The construction of the west tower of the Petronas Twin Towers and the Menara Dayabumi by Japanese companies.





# **LEP 1.0>> TRADE LIBERALIZATION >> MJEPA**

- Conclusion of Malaysia's first FTA which is the Malaysia – Japan Economic Partnership Agreement (MJEPA) in 13 July 2006.
- Both countries have agreed to undertake cooperation in several areas such as in the development of the automotive industry in Malaysia i.e. Malaysia-Japan Automotive Industry Cooperation (MAJAICO), Agriculture, ICT, Education and HRD, Science and Technology, SMEs, Tourism and Environment.



# LEP 1.0>> EDUCATION >> MALAYSIA-JAPAN INTERNATIONAL INSTITUTE OF TECHNOLOGY (MJIIT)



>> Malaysia-Japan International Institute of Technology (MJIIT) was established as part of International campus at the University Technology Malaysia in Kuala Lumpur.

>> The **first intake was on 12 September 2011** and a total of **470 students enrolled in Semester 2013/2014.**

Name of Programs	Enrollment (2013/2014 )
UG BE Mechanical Precision	145
UG BE Electronic Systems	175
UG BE Chemical Process	28
<b>Total No of UG Students</b>	<b>348</b>
PhD	67
Masters (research)	55
<b>Total PG Students</b>	<b>122</b>
<b>TOTAL</b>	<b>470</b>

>> Upgrading human capital (with regional flavour) – technical and managerial skills.

# LEP 1.0 >> ALUMNI LOOK EAST POLICY SOCIETY (ALEPS)

**A total of 15,000 Malaysians pursued tertiary education/ advanced training in Japan sponsored by the Look East Policy Programme.**

**>> Two Alumni Associations were formed for Government sponsored academic and technical students under the Programme whom have graduated from universities and technical colleges in Japan.**

東方政策元留学生同窓会

**Alumni Look East  
Policy Society  
(ALEPS)**





# LEP 1.0>> JAPAN GRADUATES' ASSOCIATION OF MALAYSIA (JAGAM)



>> Alumni members remain active and continues to provide consultation to their juniors studying in Japan, organizing exchange programmes and other cultural events.



# LEP 1.0>> JAPAN GRADUATES' ASSOCIATION OF MALAYSIA (JAGAM)



**Ikebana Workshop**  
*flowers and love beyond Valentine's Day*



**NU-JAGAM Scholarship Award Ceremony**  
(32<sup>nd</sup> ANNUAL DELEGATES CONFERENCE)



**JAGAM**  
**34th ANNUAL DELEGATES' CONFERENCE (ADC)**



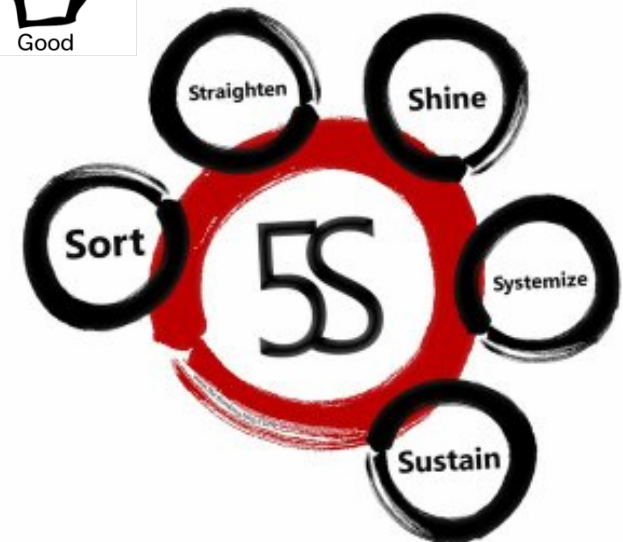
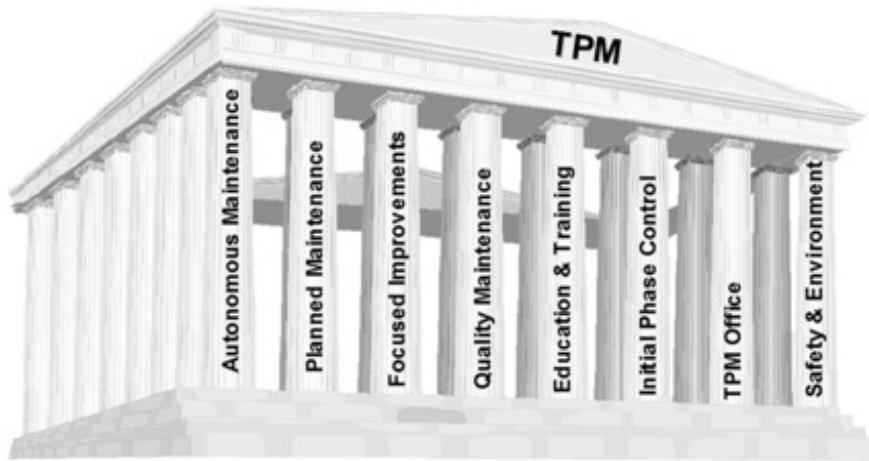
**Wing Fukuoka Program**





# LEP 1.0>> ENCULTURATION OF JAPANESE ETHICS & MANAGERIAL SKILLS

>> Japanese training methods such as kaizen, 5S, Kanban and Total Productive Maintenance (TPM) are practised by many Malaysian companies.

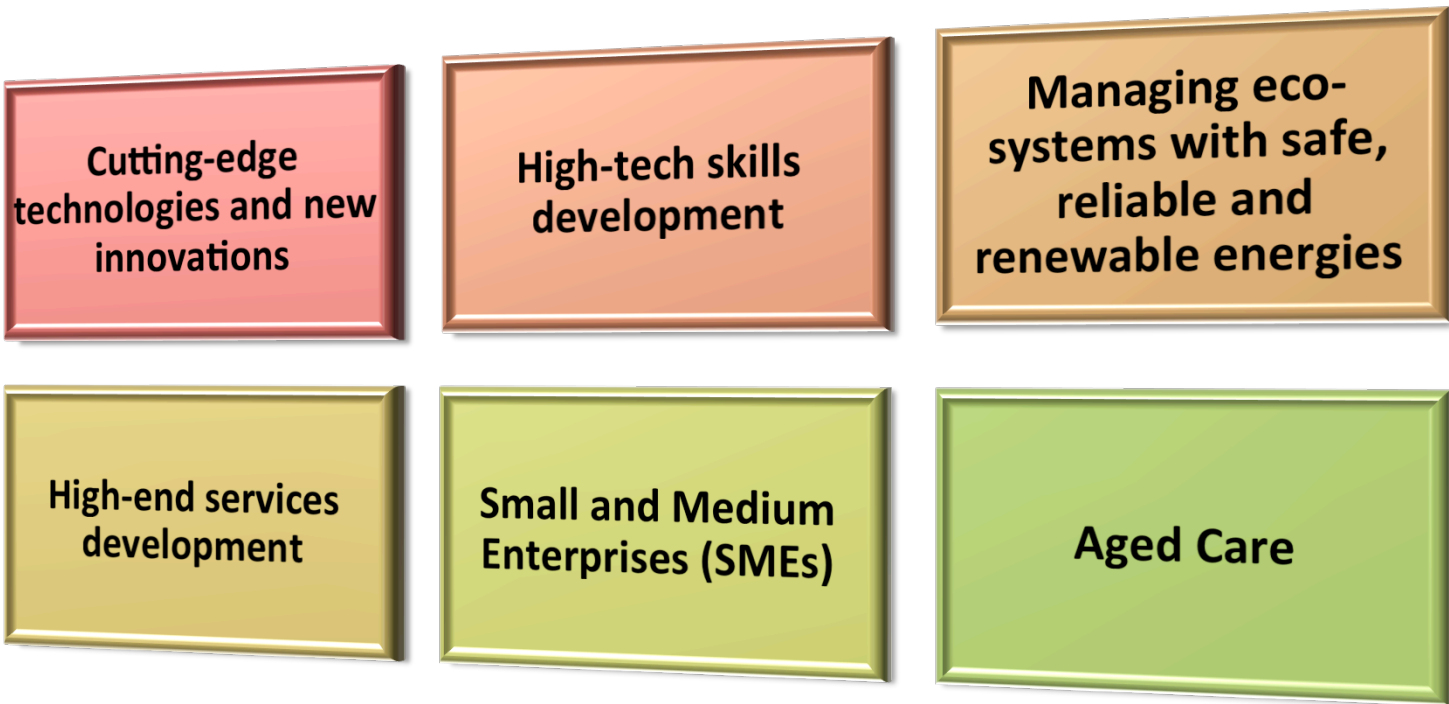




## **LEP 2.0 >> FOCAL AREAS**

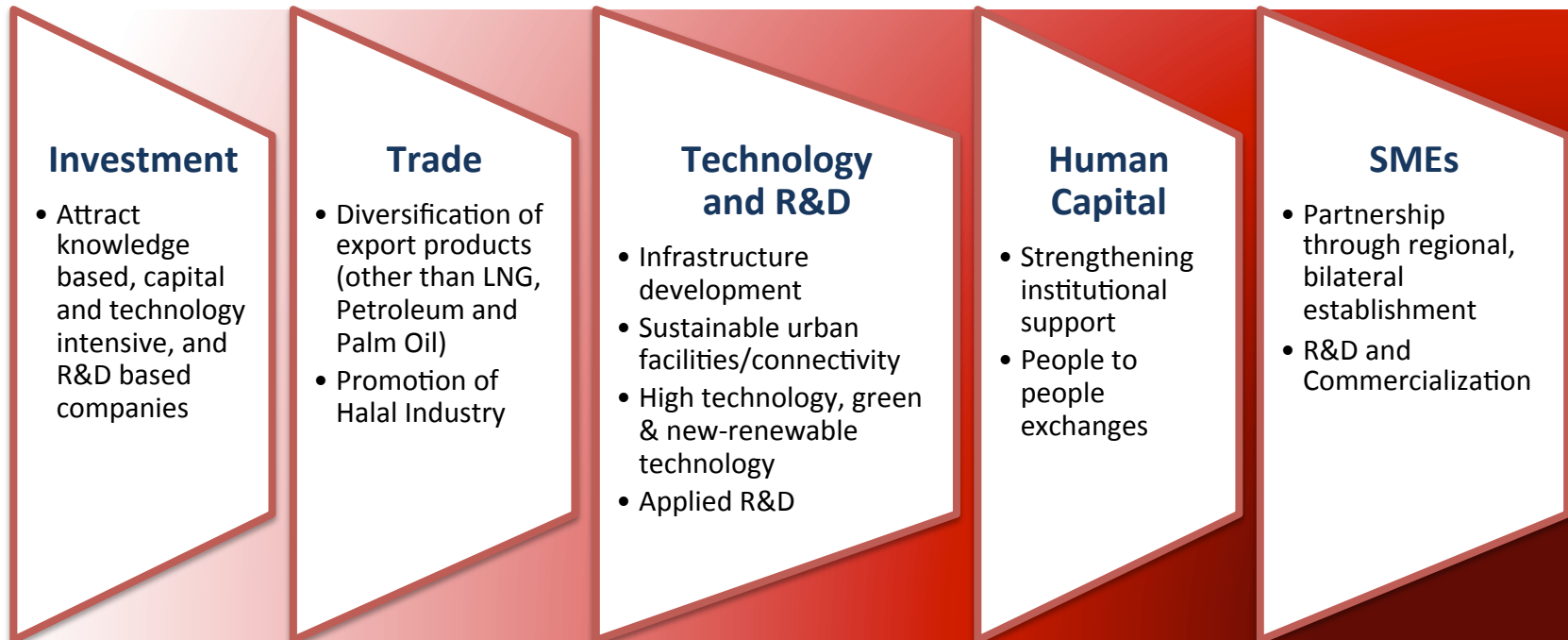
---

**>> YAB PM at the 32nd.JAMECA-MAJECA Joint Conference held on 13 December 2013 has proposed for the LEP 2.0 to focus on the following focal areas:**



## LEP 2.0 >> FOCAL AREAS

>> Within the focal areas, collaboration with Japan is enhanced in investment, trade, technology and R&D, human capital and SME development.



## ***LEP 2.0 & ABENOMICS***

---

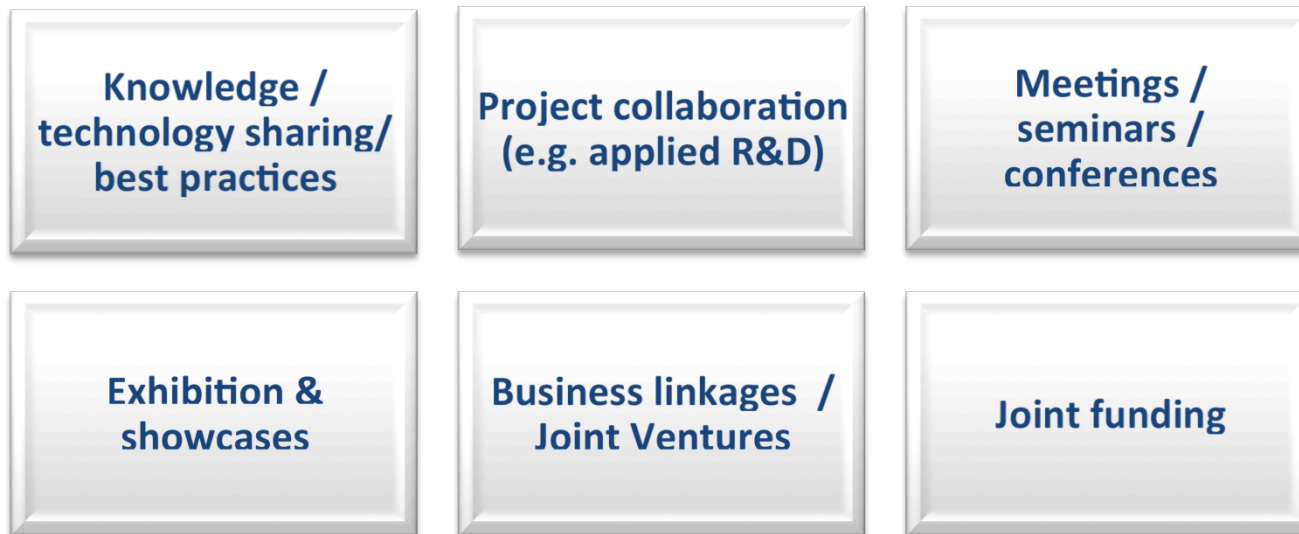
**There are Malaysian and Japanese elements in the  
“Third Arrow”  
that can work hand in hand**

- **Small and Medium Enterprises (SMEs)**
- **Agribusiness/food business**
- **Medical industry/ healthcare**
- **Infrastructure enhancement**
- **“Cool Japan” (contents industry, cosmetics etc.)**
- **Malaysia’s ETP/NKEAs**

# ***LEP 2.0>> PRIVATE SECTOR PARTICIPATION***

---

## **LEP 2.0 FORMS OF COOPERATION**



**>> The private sector assume a substantive role in strengthening business ties, which will hence contribute to the success of the LEP 2.0.**

**>> Project proposals to be brought up through MAJECA.**





# Thank you



Block 10, Government Offices Complex,  
Jalan Duta, 50622 Kuala Lumpur, Malaysia  
Tel: 603-8000 8000 | Fax: 603-6201 2337  
Email: [webmiti@miti.gov.my](mailto:webmiti@miti.gov.my) | Website: [www.miti.gov.my](http://www.miti.gov.my)