

## MAJECA/JAMECA Presentation on Look East Policy

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1. First and foremost, on behalf of the Japanese government, let me express my sincere appreciation for the MAJECA members in their warm hospitality hosting this meeting in Kuching and offering valuable opportunities to deepen exchange of notes with JAMECA members. My equally profound gratitude should be addressed to JAMECA members who have come here all the way to join the discussions to forge further the ties and partnerships between the two countries. I believe that this meeting, which has continued annually over many years, is a remarkably useful occasion for the Malaysian and Japanese industries to understand the policy pillars and priorities, business environment, new postures and orientations of each other.
2. Now on the subject I am assigned to speak, the Look East Policy, it is widely known that Malaysia's Look East Policy (LEP) was initiated by Tun Dr Mahathir in 1982, a year after he became the fourth Prime Minister of Malaysia. What is not so widely known, however, is that this very historical announcement of the LEP was made by himself during the 5th Joint Annual Conference of MAJECA-JAMECA, held on 8th February 1982. A British historian, E.H.Carr, is said to have suggested, that there is no ifs in history. But I dare say, if there had not been MAJECA/JAMECA meeting, the Look East policy could not have existed. As the Look East Policy was first announced in the MAJECA/JAMECA meeting, it is very pertinent for me to speak on its second wave at this MAJECA-JAMECA meeting. Now this new ship is at its home port waiting for a favourable wind to set sail in full steam for its maiden voyage.
3. The objectives of the LEP are said in Malaysia (a) to develop rapidly Malaysia's science and technology capacity, and (b) enhance productivity and improve management systems, by adopting and emulating ethical work practices and societal values prevailing in Japan. Ever since Malaysia first advocated the Look East Policy, many Look East Policies have been burgeoning one after another in many nations, such as India, Turkey, and in a number of

countries in the Middle East, whereas the Mexicans called this policy "Look West Policy" as Japan is located to their west. Again, if there had not been MAJECA/JAMECA meeting then, those look east policies could not have so impressively spread all around the world. Congratulations to MAJECA-JAMECA meeting!

4. Tun Mahathir was very modest in not claiming that he was the inventor of the Look East Policy. He stated in his speech, very humbly, that "(I quote) The People of East Asia had been looking east long before Malaysia adopted the Look East Policy. When Japan started modernising during the Meiji Restoration..., When the Japanese Navy defeated the Russians..., When Japan became the second largest economy..., East Asians had always been looking more and more eastward. Perhaps, Malaysia was less bashful and announced loudly that it intended to look at Japan mainly for inspiration and guidance. Malaysians identified what we believed to be the factors which contributed to the success of Japan. "Those factors are patriotism, discipline, good work ethics, competent management system and above all the close co-operation between the government and the private sector." (unquote) I wonder whether we still maintain them properly.
5. As a living witness of this policy, Tun Mahathir explained to me in person a few months ago that the study and training programmes in Japan, which Malaysian students have partaken, have significantly contributed to the socio-economic advancement and development of Malaysia. He said that this has helped Malaysia to enhance the knowledge, technology, science, and skills, which served to the increase of its productivity. A member of the LEP alumni told me that, through the study in Japan or working experience in Japanese companies, Malaysians not only acquired advanced technologies but also learnt hardworking, honesty, sincerity and hospitality. They found the similar value embodied in Japanese products and services. All this, in turn, has been working as a catalyst to invite a significant participation of Japanese companies in Malaysia.
6. It is true that such success of the first LEP programmes has owed largely to the close bilateral ties between the two Governments that allowed exchanges of people, students and trainees. On the other hand, the LEP has also laid a solid ground for the two peoples to enhance

mutual understanding and for the bilateral relations to prosper. In such virtuous circle, the bilateral relations have been fostered to become distinctive and singular in this region.

7. By any measure, the Look East Policy has been a success. In the course of more than 30 years, Japanese investment supported more than 2,500 projects in Malaysia. For many years till today, Japanese companies were the largest investors in Malaysia; in all, no less than 1,400 companies, including large corporations, are active in this nation. Their investment now offers job opportunities over 300,000 people in Malaysia. These figures are very imposing, indeed.
8. Some say that China has overtaken Japan. In 2009 China managed to become the biggest trading partner of Malaysia and of the ASEAN countries as a whole. Nevertheless, this trade figure includes trade of goods produced by Japanese companies in China.
9. Now for the last thirty years, Malaysia and Japan have undergone significant economic transformation. In early 1980s, Malaysia's economy was just about to shift from a dependence upon the export of primary commodities to the development of a heavy manufacturing industry. For the last 30 years of successful economic growth and development, the Malaysian economy has rapidly been transforming itself from primary products-dependent and labour-intensive to technology-driven and services-centred.
10. The present two Prime Ministers shared their commitment to the continuation of the LEP at their meeting in July last year in Kuala Lumpur. But, bearing in mind the transformation, they expressed their desire to open a new page of the look east policy by lifting it onto its second wave. This position was reconfirmed when they met in Tokyo at the end of last year. Now, the two governments are working closely to concretise the plans and programmes to let the second wave embark on its new voyage when the two prime ministers meet next year.
11. The objective of LEP 2.0 is to build upon the successful outcome of LEP to date, and to take account of

the transformation of the two economies for the last 30 years. From this angle, the LEP 2.0 should be designed to achieve three goals: (a) to continue to place learning from Japan as the catalytic core of the development of Malaysia, (b) to expand the scope of the programme and projects that will contribute to the advancement of the economies of Malaysia and Japan through close cooperation, and (c) to promote even closer relationship between Malaysia and Japan and eventually to uplift the level of development of the entire ASEAN region.

12. The first goal: (to continue to place learning from Japan as the catalytic core of the development of Malaysia) the second wave should promote further the exchange of people such as students, trainees, and the youth. Areas of education should expand to high technology, while continuing to include mechanical engineering and infrastructure. The second wave should also enhance the collaboration of higher educational institutions, including promoting mutual recognition of degrees and credits, and encouraging establishments of branches of Japanese universities in Malaysia, with MJIIT (Malaysia-Japan International Institute of Technology) being a prime example.

13. MJIIT provides engineering education just as if the subjects were taught in Japanese universities in Japan, now starting to accept students from all around ASEAN nations. Besides MJIIT, several other Japanese Universities have already established their bases in universities in Malaysia: Kyushu Institute of Technology at Universiti Putra Malaysia (UPM); Toyohashi University of Technology at Universiti Sains Malaysia (USM). The University of Tokushima opened a hub within Universiti Teknikal Malaysia Melaka two months ago. These universities are not to substitute LEP but complement it by providing opportunities for Malaysian students unable to go to Japan to study in Japanese universities.

14. The Second goal: (to expand the scope of the programme), taking into account the transformation of Malaysian economy from labour-intensive to technology-driven and services-centred, and for the purpose of realising sustainable socio-economic development in the strategic fields in both Malaysia and Japan, the study

and training programmes in Japan should be expanded to cover high technology areas and service sectors, such as automotive technology, biotechnology, nanotechnology, energy, environmental and green technology, advance material, oil and petroleum technologies, machinery and electronics, financial services, including Islamic Finance, information and communications technology and services, health care and medical services, product design, education and human capital development, research and development and its commercialization, and tourism. The second wave of the LEP should thus include the innovation of new technology and the application of such technology cultivated in Japan bearing in mind the needs and local practices in Malaysia.

15. The third goal: (to promote even closer relationship between Malaysia and Japan and eventually to uplift the level of development of the entire ASEAN region), the alumni system needs improvement and reinvigoration under the LEP 2.0. As the LEP's alumni association, the ALEPS (Alumni Look East Policy Society) was established in 1988 after the return of the first batch of graduates from Japan. The society comprises former graduates of Japanese universities and technical colleges. Its objectives are to support the implementation of the LEP, to realise technology transfer from Japan, and to organise training and leadership programmes for alumni members to enhance their career development. ALEPS assists newly selected Malaysian students to Japan by organising orientation programmes and forums such as sharing the experiences of former LEP students.

16. Upon returning to Malaysia, the alumni members have assumed important posts in the Malaysian society, and literally, they are acting as a bridge between our two countries. To name a few, Dato' Seri Mukhriz bin Tun Dr. Mahathir, Chief Minister of Kedah, studied at Sophia University; Datuk Wira Haji Idris bin Hj Haron, Chief Minister of Malacca, was in a technical training programme in Japan. The alumni members are highly motivated and skilled. Malaysian students who have studied in Japan have found, upon their return, steady employment in Japanese companies in Malaysia.

17. While some of the alumni have assumed highly-responsible positions in Japanese companies, others have faced certain obstacles in contributing to the development of Malaysian society and in serving diligently to the reinforcement of partnerships of Malaysia and Japan. These students tend to quit the companies and started their own business because they say that their promotion speed is relatively slow as compared with graduates from universities in other countries. So far, they are still biggest supporters to the LEP at the grassroots level. I, as Ambassador posted to Malaysia responsible to strengthen bilateral ties of our two peoples, now feel obliged to ask MAJECA-JAMECA members, including those companies doing business in Malaysia, to consider new approaches and bearings in the second wave of the LEP to value and cherish these treasure-troves so that they can go hand in hand with us for the future of the partnership of our two countries. I wish to see the presence and participation of many alumni members in MAJECA-JAMECA meeting soon.
18. Another problem for the LEP alumni has come out of the lack of proper administrative institutions in the Malaysia Government that are supposed to be tasked to help them to be reintegrated to the Malaysian society. Currently, the LEP programme is under the Public Service Department of Malaysia, and its main task is to handle Malaysian students dispatched to Japan. However, no specific department handles the LEP students after their return to Malaysia. Without the proper government institution, the potential of the returnees are not completely utilised.
19. Moreover, as most of the LEP students are specialised in technology and apparently prefer to be engineers rather than government officials, they appear to have less influential connections inside the Malaysian government.
20. It is, therefore, highly recommended that, under the LEP 2.0, the government appoints a particular department to handle the returnees of the LEP/LEP 2.0 programme, and that the Malaysian Government increases the subject areas of LEP programme to include social sciences to allow them to be in the core of the government.

21. To further expand and deepen Malaysia-Japan economic and industrial cooperation and to promote the economic transformation of both countries, and to expand the horizon of their partnership to ASEAN region or even beyond ASEAN to, for instance, India, the LEP 2.0 should broaden its perspective so as to enable the partnership to make joint and co-operative engagements with other ASEAN nations and their markets and beyond. The LEP 2.0 should explore and find such new paths together.
22. For the success of the LEP 2.0, the private sector of both countries are expected to assume more important a role in supporting and complementing Government to Government (G2G) initiatives. Both Governments should invite the participation of the private sector and related industry associations as partners for joint formulation and implementation of projects, activities or programmes being carried out under the LEP 2.0.
23. Once the plans and programmes of LEP 2.0 are fully agreed on at the two leaders' meeting to be held next year, the two governments should encourage the progress through solid follow-up mechanisms to facilitate the seamless implementation and effective creation of the expected outcomes.
24. To conclude my remarks, I have a high hope that this meeting will serve as yet another opportunity for both Malaysian and Japanese industries to reinforce partnerships, and as a vehicle to carry forward successfully our distinctive bilateral relations, a precious asset we have inherited from our predecessors of some generations back.