

Forging closer ties with Malaysia

The year 2022 has been a special one for Japan-Malaysia relations, says Ambassador Takahashi Katsuhiko, who talks about significant developments and the potential of moving forward.

KUALA LUMPUR: The Japanese Ambassador to Malaysia, Takahashi Katsuhiko, arrived in Malaysia in November last year expecting the assignment to be a routine one.

After all, he had visited Malaysia before on numerous business trips and holidays. The diplomat, who also speaks Arabic, is comfortable with Malaysia's Muslim setting, having served in Iraq and Saudi Arabia, mostly in the Middle East and African affairs bureaus.

But he wasn't prepared for the fast-paced political developments in Malaysia.

On the recently concluded general election, the ambassador had a diplomatic and guarded response: "It has been exciting and interesting."

While politicians come and go, the relationship between Malaysia and Japan has remained intact and strong. "Malaysians have had a busy political year, but 2022 was the 40th anniversary of the Look East Policy (LEP), and this year marks the 65th anniversary of the establishment of Japan-Malaysia diplomatic relations.

"Not many can remember that each time Malaysia celebrates its National Day on Aug 31, it is also the anniversary of our diplomatic ties. Japan was among the first nations to recognise Malaysia.

"On Aug 31, 1957, Malaysia and Japan set our diplomatic ties. We are indeed proud of that fact," he said in an interview at his residence.

Without doubt, during Tun Dr Mahathir Mohamad's first tenure as prime minister, the LEP was at its peak, while successors have also kept the strong policy going.

"The benefits of the policy over the last 40 years saw more than 26,000 Malaysians studying or getting training in Japan.

"Japan also provided Malaysia with Japanese style vocational training, namely CIAST (Centre for Instructor and Advanced Skill Training) in Shah Alam, and through other institutions in Penang and Kuala Lumpur (KL).

"Having Malaysians with Japanese expertise has worked



Friendly chat: Takahashi (left) sharing a light moment with the writer at the ambassador's residence in Kuala Lumpur. — YAP CHEE HONG/The Star

quite well in bringing Japanese investment to Malaysia.

"Currently, there are more than 1,600 Japanese companies doing business in Malaysia – quite a large number compared to other Asean nations, in terms of population and economic size."

Katsuhiko said most of these Japanese manufacturing companies are operating in Peninsular Malaysia, mainly in Selangor and KL, followed by Penang and Johor.

"Forty years ago, many manufacturing companies came to Malaysia at the invitation of Dr Mahathir, such as Daihatsu and Mitsubishi, which tried to help Malaysia's automobile industry. AEON was also invited to Malaysia back then.

"In Kelantan, a semiconductor company called ROHM-Wako is still operating as the only Japanese company in that state. The company maintains a big presence in Kelantan, creating several hundred jobs for locals.

"In addition to traditional manufacturing (electronic appliances, cars, semiconductor, IT industry),

these days, we see new types of Japanese businesses coming in," he added.

Takahashi revealed that the company Hokto has been operating in Negri Sembilan for the past 10 years, selling Japanese mushroom-related products in Malaysia and Singapore.

He also cited Chitose, which operates in Cameron Highlands, providing Japanese vegetables (white corn, radish, Japanese leafy vegetables) and strawberries.

"It originally started marketing in Singapore, but is now also selling in Malaysia," he added.

A Japanese contact lens manufacturer to be set up in Penang, he said, aims to be the hub for the Asean market. He said the factory is now under construction and is expected to start operating next year.

Takahashi said logistics companies are already in Malaysia, which is a hub for the region, particularly in the cold chain system of transporting temperature sensitive goods to deliver them fresh.

"Then there are the retail compa-

nies like Don Don Donki, LaLaport and Tsutaya Books," he added.

He explained that since Dr Mahathir's time, succeeding Malaysian administrations tried to modify the LEP based on the economic environment.

"Major changes to the LEP were discussed 10 years ago (the 30th anniversary of the LEP). Back then, among the things discussed were including more advanced technology for the LEP and enhancing the role of the private sector.

"When the LEP started, it was mainly for the Malaysian bureaucracy trying to dispatch Malaysians to learn the 'secrets of development' from Japan.

"As a result of Malaysia's development, the role of the private sector became much larger than that of the public sector. IT (information technology) was then introduced, and the private sector was encouraged to play a larger role in the LEP."

Takahashi shared that of the 27 secretaries-general in Malaysian ministries, almost half of them (13)

"They are very understanding and helpful to Japan – it is an asset in the public sector, and we want to have the same situation in the private sector.

"In other words, those who have studied in Japan contribute to the development of Malaysia, particularly in the private sector."

On bilateral trade, he said Japan continues to be Malaysia's fourth largest trading partner and third largest source of foreign direct investments.

Takahashi said Japanese companies are starting to pay more attention to South-East Asia as a safe investment area.

"The Japanese economy is shrinking due to its smaller population, and our companies are starting to see South-East Asia as a possible new market.

"When it comes to GDP (gross domestic product) per capita, Malaysia and Singapore are the frontrunners – Singapore is a bit too advanced, and Malaysia is considered a good location to do business," he added.

Regarding the opening of the branch campus of Tsukuba University here, he said it was still at the discussion stage.

"Malaysia has indicated that the issue is a national agenda, no matter who becomes the PM of Malaysia.

"This is to provide the Malaysian people with Japanese-style education here in Malaysia. Governmental level arrangements hopefully will be finalised as soon as possible.

"If all goes well, the earliest possible opening will be September 2024."

Takahashi said he hopes Prime Minister Datuk Seri Anwar Ibrahim will visit Japan for the Nikkei Conference in May 2023.

"Another opportunity for the Malaysian PM to visit Japan is in December 2023, when Japan hosts a Commemorative Summit in Tokyo marking the 50th Year of Asean-Japan Friendship Cooperation."

"If Anwar goes to Japan twice, we have good reason to expect the Japanese Prime Minister to visit Malaysia, which did not happen this year."