

# 30 Years After Malaysia's Look East Policy

### 1.0 Introduction

The year 2012 marks the 30th anniversary of the Malaysia's Look East Policy. The policy was instituted to promote bilateral relations between Japan and Malaysia, which have steadily developed since the promulgation of the policy. In particular, the exchange and study programmes under the Look East Policy have contributed greatly to the exchange of talents, economic development and mutual understanding between the two nations.

### 2.0 Look East Policy

The Look East Policy was announced by Tun Dr. Mahathir Mohamad, then Prime Minister of Malaysia, on 8th February 1982 at the 5th Joint Annual Conference of the Malaysia-Japan Economic Association (MAJECA)/Japan-Malaysia Economic Association (JAMECA) at the Hilton Hotel, Kuala Lumpur. The rationale behind this policy was to encourage Malaysians to change their traditional perception of Western countries as role models, and instead look towards the East. The underlying premise was that Malaysia had much to learn from the experience of countries in the East which had succeeded in achieving remarkable economic progress in the 70s and early 80s.

Tun Dr. Mahathir felt that providing young Malaysians with the opportunity to learn from Japan would hasten the economic and social development of Malaysia. Students were dispatched to Japan not only to study in academic institutions or to acquire technical know-how, but also to learn the labour ethics and discipline of the Japanese people with the aim of adapting such initiatives to suit the situation in Malaysia.

The overall objective of this policy was to elevate the standard of industrial management as well as create a community of workers with good values and positive work ethics that can help accelerate development in Malaysia.

### 3.0 Three Categories of Change

The Look East Policy can be classified into 3 categories, namely (i) change in structure, (ii)

change in behaviour and (iii) change in training and improvement (Pusat Maklumat Rakyat, n.d.).

Structural changes include the use of attendance punch cards, name tags, table files, work procedure manuals and also effective counter service. Behavioural changes involve the implementation of clean, efficient and trustworthy work philosophy, and the establishment of the Quality Control Circle (QCC). There were also changes in training and competency improvement courses to include technical and academic studies as well as intensive training for the executive staff and the entrepreneur.

### 4.0 Trade Benefits

Under the aegis of the Look East policy, the total trade with Japan stood at RM145.3 billion in 2011 (Department of Statistics, 2012) and the total foreign direct investment (FDI) from Japan of the said period was RM10.1 billion (MIDA, 2012). Japan imports LPG, electronic equipment, wood and wood products from Malaysia (Embassy of Japan in Malaysia, n.d.). Major Japanese investments in Malaysia are in chemicals and pharmaceuticals, manufacturing, iron and steel, information technology, retail, finance and food industries (Embassy of Japan in Malaysia, 2012). The Japanese External Trade Organization (JETRO) monitors the operations and progress of Japanese companies in the Malaysian economy and also provides consultation and assistance (<http://www.jetro.go.jp/en/jetro/>).

### 5.0 Education

Malaysians make up the 5th largest student group in Japan after the Chinese, Koreans, Taiwanese and Vietnamese (Embassy of Japan in Malaysia, n.d.). The Japan Study Support Programme and Dispatch of Lecturers Programme facilitate Japanese experts coming to Malaysia. Since 1982, about 14,000 Malaysians have taken up the Japanese language programme for teachers, studied in Japanese technical colleges and universities, and undertaken industrial training (Embassy of Japan in Malaysia, n.d.). In September 2011, the Malaysia-Japan International Institute of



Technology (MJIT) was established at Universiti Teknologi Malaysia (UTM) international campus in Kuala Lumpur to introduce Japanese-style engineering education (Ministry of Foreign Affairs of Japan, 2012).

## 6.0 Other Benefits

The other benefits of this policy include the RM400 million Dayabumi Complex built by a Japanese company, and the partnership between Heavy industries Corporation of Malaysia (HICOM) and Japan's Mitsubishi-Proton. More recently, the low cost airline Air Asia has made it affordable to fly to various Japanese destinations such as Fukuoka, Okinawa, Osaka, Sapporo and Tokyo. The Japanese are also heading to Malaysia, with 386,974 visitors in 2011 (Tourism Malaysia, 2012).

Under the *Malaysia My Second Home (MM2H)* scheme (see Table 1), more Japanese are making Malaysia their second home, snapping up properties in the Klang Valley and other urban areas. They have also become the top participating nationality in the MM2H scheme, surpassing China and Iran. Based on data from the MM2H Centre, Japan has been the top participating nation since 2011, when the country was deluged by a tsunami, followed by the Fukushima nuclear crisis.

In 1983, The Japanese Chamber of Trade & Industry, Malaysia (JACTIM) was established with the objective of promoting economic relations between Malaysia and Japan in the areas of international trade, commerce, industry and

investment, as well as protecting the interests of Japanese companies and promoting mutual amity among member companies (<http://www.jactim.org.my>).

Malaysia Japan Automotive Industries Cooperation (MAJAICO) was initiated under the Malaysia Japan Economic Partnership Agreement in July 2006 to develop and improve Malaysian Automotive Industries with the aim of increasing their competitiveness as global players. Signed in 2006, MAJAICO is a five year project that helps Malaysian Automotive Industries in various aspects, ranging from the technical base to business negotiations (<http://www.jetro.go.jp/malaysia/activities/majaico/>).

## 7.0 Conclusion

The Look East Policy is a positive and significant effort by the Malaysian Government to further improve competency in industrial management and development of this country. This policy has helped tremendously in improving productivity in the country's industries, and plays a role in laying the foundation for a progressive and dynamic society. In a nutshell, Malaysia's Look East Policy, initiated thirty years ago, has spurred a whole generation of technocrats towards higher efficiency and productivity through the acquisition of knowledge and the adoption of good work ethics and work culture.

**Table 1: Yearly Visitors to Malaysia (By Country of Origin)**

Rank	2006	2007	2008	2009	2010	2011	2012 (Mar)	Overall 2002-Mar 2012
1	Bangladesh	UK	Iran	Iran	Iran	Japan	Japan	China
2	China	Japan	Japan	Japan	Japan	China	China	Bangladesh
3	UK	Korea	UK	UK	China	Iran	Bangladesh	Japan
4	Japan	Bangladesh	China	China	UK	Bangladesh	Iran	UK
5	Singapore	China	Korea	Pakistan	Pakistan	UK	UK	Iran
6	USA	Sri Lanka	Bangladesh	Bangladesh	Bangladesh	Pakistan	Australia	Singapore
7	Korea	Iran	Pakistan	Australia	Singapore	Singapore	Pakistan	Taiwan
8	Indonesia	Singapore	Sri Lanka	Singapore	Australia	Australia	Korea	Pakistan
9	Taiwan	USA	Singapore	Korea	India	Taiwan	Taiwan	India
10	Australia	Australia	USA	Indonesia	Korea	Korea	Singapore	Korea

Source: MM2H Centre, Ministry of Tourism

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