



ce Master *AK*

RECORD OF A MEETING BETWEEN THE RT HON MARGARET THATCHER FRS MP
AND THE COMMITTEE OF THE BRITISH-MALAYSIAN INDUSTRY AND TRADE
ASSOCIATION (BMITA) IN KUALA LUMPUR ON 6 APRIL

Present:

Prime Minister	Mr G E F Taylor, Timuran Holdings Bhd; Chairman, BMITA
Mr D Thatcher	Mr D R McCarthy, Lever Brothers (M) Sdn Bhd; Vice Chairman, BMITA
HE Mr D H Gillmore CMG	Mr H S Barlow, Southdene Sdn Bhd YAM Tunku Imran, Antah Holdings Sdn Bhd
Mr F E R Butler	Mr F K J Jackson, Charter Consolidated (M) Sdn Bhd
Mr C D Powell	Mr D G Jaques, The Hongkong and Shanghai Banking Corporation
Mr C B Benjamin	Mr H A Nowell, Guinness Malaysia Bhd
Mr J M M Vereker	Dr J D Rushton, ICI (M) Sdn Bhd
Mr B Ingham	
Mr P D R Davies	
Mr M L Dalton	

Mr Taylor welcomed the Prime Minister. The BMITA Committee was pleased that the Prime Minister had extended the fee support scheme for Malaysian students in Britain. Education was an important element in the bilateral relationship.

The Prime Minister gave an account of her visit to date. Malaysia had clearly made much progress and had become in effect a newly industrialised country. The Prime Minister approved of the lines on which the Malaysian economy was being run and had been particularly struck by the Economic Planning Unit's principle: "Elimination of the subsidy mentality". She had thought it right to deal with the air services problem in her talks with Dr Mahathir. The stumbling block had been the Malaysian government's discriminatory tax measure. As all foreign airlines were affected, the matter could not be dealt with bilaterally. Having settled the issue of an additional frequency for MAS, she expected the atmosphere for business to improve. Dr Mahathir had given an assurance that bids by British companies would be considered on merit.

Mr McCarthy reverted to the subject of government support for foreign students. He thought their presence in Britain benefitted the balance of payments. It was also of advantage to Britain that

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many Malaysians in senior positions had been educated in Britain. Investment in fee support for foreign students could produce commercial results though the figures could not be quantified.

The Prime Minister pointed out that if this argument was valid, the very large number of Malaysian students educated in past years in Britain should have helped the figures for our exports to Malaysia figures. In fact our market share had fallen. The government had provided £47 million for fee support schemes for foreign students. £5 million of this sum had been allocated for Malaysia. Additional money could only be found at the expense of other programmes. Moreover it did not follow that education in Britain produced pro-British attitudes. She asked what support BMITA companies were providing for Malaysian education. Mr Taylor said that BMITA had provided 1.5 million Malaysian dollars for Malaysian students over a three year period and that a number of British firms had their own schemes.

Mr Moffett said that in view of Malaysia's concern about its services deficit, a British offer to fund an adviser on tourism to the Malaysian government would be very welcome. The Prime Minister said that this proposal would fall to the British Council or technical cooperation budgets. As the Malaysian economy developed, fewer would be employed in manufacturing and agriculture and the service sector would need to grow. There was a need for marketing skills. Mr Vereker said such a proposal could be considered if it came from the Malaysian government.

Mr Taylor returned to the question of assistance which the British government could provide for Malaysian students. He thought official funds should be made available for the British Council to open new offices in Malaysia. The Prime Minister said that BMITA should target its attention more closely on what would be of direct benefit to their commercial interests. British businessmen had a natural advantage in that English was already the international language for many occupations. Now the airline problem was out of the way, she was entitled to say to BMITA members: "Get out and Sell".



File 116

10 DOWNING STREET

From the Private Secretary

15 April 1985

Dear Peter,

PRIME MINISTER'S MEETING WITH THE COMMITTEE OF THE
BRITISH-MALAYSIA INDUSTRY AND TRADE ASSOCIATION

I enclose a copy of a record of the meeting in Kuala Lumpur on 6 April between the Prime Minister and the Committee of the British-Malaysia Industry and Trade Association.

I am copying this letter and enclosure to John Mogg (Department of Trade and Industry), Rachel Lomax (H.M. Treasury), Elizabeth Hodgkinson (Department of Education and Science) and Michael McCulloch (Overseas Development Administration).

Yours sincerely
Charles Powell
CHARLES POWELL

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

LP

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10 April 1985

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C D Powell Esq
Private Secretary
No 10 Downing St
London SW1

CDP 15/4

Dear Chunks,

You asked for a brief record of the Prime Minister's meeting with the BMITA Committee here on 6 April. This is enclosed, in final form for the sake of convenience. You may wish to send copies to the DTI (A Dunning, OT2) and Julian Hartland-Swann in SEAD.

*Yours ever
Peter Davies*

P D R Davies
Deputy High Commissioner

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