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MAHATHIR-COMPONENTS

FROM ABDUL RACHMAN NORDIN AND LESLIE LIM (P) - oovercast hp  
NEW DELHI, JAN 31<sup>27</sup> (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD  
HAS SUGGESTED THAT MALAYSIA LOOK TOWARDS INDIA FOR JOINT VENTURES IN  
THE MANUFACTURING OF AUTOMOBILE COMPONENTS TO HELP OFFSET THE  
EFFECTS OF THE RISING YEN ON BOTH COUNTRIES.

THE PRIME MINISTER MADE THIS SUGGESTION TO HIS INDIAN  
COUNTERPART RAJIV GANDHI DURING THEIR TWO-HOUR MEETING YESTERDAY.  
HE TOLD MALAYSIAN NEWSMEN HERE TODAY THAT HE MADE THE SUGGESTION  
IN VIEW OF INDIA'S CAPABILITY IN PRODUCING THESE COMPONENTS IN  
VOLUME.

IN VIEW OF THE APPRECIATION OF THE YEN, MALAYSIA WAS PRESENTLY  
TRYING TO IMPORT SUCH COMPONENTS FROM OTHER COUNTRIES APART FROM  
JAPAN, HE ADDED.

HE SAID MALAYSIA AND INDIA, WHICH IMPORTED CONSIDERABLE AMOUNTS  
OF JAPANESE AUTOMOBILE COMPONENTS, SHARED THE PROBLEM OF HAVING TO  
PAY MORE FOR THESE ITEMS BECAUSE OF THE RISING VALUE OF THE YEN. --  
MORE

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MAHATHIR-COMPONENTS 2 NEW DELHI

+I SUGGESTED THAT IT WILL PERHAPS BE WORTHWHILE IF MALAYSIA  
LOOKS TO INDIA FOR SOME JOINT VENTURES TO PRODUCE CERTAIN  
COMPONENTS,+ HE ADDED.

DATUK SERI DR MAHATHIR ADDED THAT MALAYSIA WOULD BUY INDIAN-MADE  
AUTOMOBILE COMPONENTS IF THIS SUGGESTION WERE TO MATERIALISE AND IF  
THE STANDARD OF INDIAN COMPONENTS WERE ACCEPTABLE TO MALAYSIA.

HE SAID THIS WOULD ALSO HELP REDUCE THE IMBALANCE IN TRADE  
BETWEEN INDIA AND MALAYSIA WHICH CURRENTLY STANDS AT MORE THAN \$800  
MILLION IN MALAYSIA'S FAVOUR.

THE PRIME MINISTER ALSO ACKNOWLEDGED THAT MALAYSIA SHOULD BE  
+DULY WORRIED IF THE COUNTRY LOSES OUT TO OTHER ASEAN COUNTRIES FROM  
BEING THE NUMBER ONE EXPORTER OF PALM OIL TO INDIA+.

HOWEVER, HE ADDED THAT MALAYSIA MUST LEARN TO COMPETE AND TO  
REDUCE PRODUCTION COSTS.

MALAYSIA COULD NOT EXPECT TO PRODUCE AT A HIGH PRICE NOW THAT  
COMMODITY PRICES HAD COME DOWN, HE SAID. -- BERNAMA  
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