

# Laying the path to

1001 AUG 26 1987

Much more was achieved by Prime Minister Datuk Seri Dr Mahathir Mohamad than the promotion of bilateral economic ties during his four-day visit to Thailand last week, writes BALAN MOSES.

IT is not without reason that Thailand is known as the Land of Smiles. The Thai proclivity towards overt expression of happiness is as well-known as their spicy *tom yam kung* (sour prawn soup).

Last week, Thai bureaucrats and businessmen were smiling broadly after Datuk Seri Dr Mahathir Mohamad's whirlwind visit to their country — and for good reason too.

Although it was a trip aimed largely at enhancing bilateral economic ties — an objective that was more than met — its political overtones were equally loud.

With an agenda that made productive, if not exhaustive, use of the limited four days available to him, the Prime Minister met Government leaders and businessmen, even managing to visit factories producing automotive components on the outskirts of Bangkok.

Dr Mahathir capped his visit with an overnight stay at the Southern Thai island resort of Koh Samui for a first-hand view of tourism development.

His hectic itinerary led *The Nation*, a Thai English newspaper, into observing that Dr Mahathir came to Thailand with a clear agenda that could not be ignored.

This was a truism, somewhat in sharp contrast to what had been made of the visit prior to the Prime Minister's departure.

It had been described as a working visit, part of the reciprocal system involving Asean leaders and in response to Thai Premier

Chuan Leekpai's visit to Malaysia in January.

Chuan's visit was largely a courtesy call aimed, after his appointment, at establishing personal contact with Dr Mahathir. In fairness, more could not have been expected of it.

True to style and in keeping with the Prime Minister's penchant to make the most of overseas visits, the results of last week's visit were overwhelming.

On the cards are the possibility of assembling the Proton Wira in Thailand to take advantage of lower tariffs on locally-assembled cars; purchase of automotive components and better communication links among Phuket, Langkawi and Medan.

Potential has also been identified for across-the-border collaboration in manufacturing, raw material processing and light engineering.

It is crystal clear, therefore, that Dr Mahathir means business in efforts to upgrade bilateral ties, especially in the area of trade.

The nuances in Dr Mahathir's numerous remarks centred on co-operation were not lost on the Thais.

It was not that the Thais had accepted the Prime Minister's statements at face value. The variables spoke for themselves.

Last year, the two-way trade bill between Malaysia and Thailand amounted to RM6.2 billion, making Malaysia the latter's second largest trading partner in Asean after Singapore.

The potential for growth

in bilateral trade is, therefore, immense.

Both countries have also, of late, been experiencing phenomenal growth, with Malaysia hovering between seven and eight per cent and Thailand in double-digit figures.

This lent itself to trade compatibility, the Prime Minister emphasised, especially with a common land border, rich hinterland and similar history of change from a commodity-based to a manufacturing-based economy.

Closer bonds between the traditional allies were almost mandatory, given their ancient trade and cultural ties.

Besides, the Indonesia-Malaysia-Thailand Growth Triangle (IMTGT) programme is ready for take-off — the perfect vehicle for trade ties among the three partners.

To be sure, Malaysian businessmen accompanying the Prime Minister on the trip, were also beaming.

Datuk Francis Yeoh Sock Ping, who led the group of 30 captains of industry, said talks between Malaysian businessmen and their Thai counterparts were fruitful.

Both had identified power generation, food and automotive component manufacturing and the transportation and tourism industries for joint ventures.

The articulate managing director of YTL Corporation Berhad, in stressing that the scope for bilateral trade was staggering, added that businessmen on both sides of the border were equal to the

mutual prosperity

task ahead of them.

And the bottom line for such optimism? The all-too-powerful synergy between the two economies which could not be ignored.

Dr Mahathir, in talks with Government and business circles, also spoke at length on wider issues affecting trade like the IMTGT, Asean Free Trade Area (Afta) and the East Asia Economic Caucus (EAEC).

The IMTGT is well on its way to becoming a reality. That the Prime Minister was accompanied by the Menteri Besar of Perlis, Perak and Kedah and the Chief Minister of Penang added

currency to his call for greater regional co-operation.

The State leaders provided Malaysian and Thai businessmen with broad guidelines on what their States had to offer in terms of investment and business opportunities.

On Afta, Dr Mahathir, in underlining the fact that it was a *fait accompli*, sent home the message that nothing could derail the effort.

Malaysia and Thailand are in agreement on the idea. It only needs a shot-in-the-arm from the private sector in both countries for

successful implementation.

He also explained the role that the EAEC could play *vis-a-vis* the Asia Pacific Economic Co-operation (Apec).

Although much has been said about the groupings, often in reference to their *raison d'être*, the Prime Minister made it clear that there was no confusion as far as Malaysia was concerned.

The EAEC will have its own agenda. With the distinct possibility of common membership in both EAEC and Apec by countries like those in Asean and others in Asia, Dr Mahathir said they could play the role of a cau-

cus in Apec.

On the political front, Dr Mahathir and Chuan discussed various issues including Malaysia-Thai diplomatic ties, China's role in regional affairs, the Bosnian situation and demarcation activities along the Malaysia-Thai border.

Despite the occasional hiccup in political ties, relations between Malaysia and Thailand have been cordial and accommodating.

Various mechanisms like the General Border Committee have resolved some of the thorny issues, with others still in various stages of discussion.

Dr Mahathir and Chuan agreed to allow officials from relevant Government agencies to deal with difficulties encountered in border demarcation activities.

The Prime Minister also dwelt at length on the Cambodian issue in an address at a state banquet hosted by Chuan.

Calling for a joint effort to rebuild the war-torn territory, he said Malaysia and Thailand could take the lead in easing tensions in the area and restoring peace among the Cambodians.

The Prime Minister has laid the path for mutual co-operation with his visit.

It is now left to Malaysian businessmen to take up the challenge and tread the path to mutual prosperity with their Thai counterparts laid by Dr Mahathir during his visit.

The Thais have already got the ball rolling to the tune of RM75 million in terms of capital investment in Malaysia.

Forty of the 61 Thai investment projects slated for implementation here are already operational.

It is time for a Malaysian response in terms of reverse investment.

Perhaps on a grander scale, Asean businessmen could see beyond their borders to probe the possibility of business ventures in regional destinations.

The Asean Industrial Joint Venture (AIJV) programme could prove a useful vehicle for such an initiative.

This could be given added impetus if Asean countries take up Dr Mahathir's proposal to undertake an accelerated programme of across-the-board tariff cuts to make the region even more competitive and a truly open market.