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PM URGES MSIAN-INDIAN BUSINESSMEN TO MAKE BRAVE DECISIONS

From Salbiah Said

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NEW DELHI, Dec 14 (Bernama) -- <sup>93</sup> Datuk Sri Dr Mahathir Mohamad said today the results of the Uruguay Round will only be meaningful if entrepreneurs are ready to make brave commercial decisions to benefit from world trade and liberalisation of investment rules.

Malaysia was committed to the successful and balanced conclusion of the Uruguay Round of talks under the General Agreement on Tariffs and Trade, the deadline of which is tomorrow, Dec 15, the Prime Minister said at a dialogue session with the Confederation of Indian Industry here today.

Malaysia, he said, subscribed to free trade and were strong promoters of a multilateral trading system based on rules and disciplines that could ensure predictability and transparency which could curb unilateral actions.

Dr Mahathir who is on an official visit to India said, given the current efforts to liberalise further Malaysian and Indian economies, the private sector of both countries must not let the opportunity slip by.

New avenues and areas of trade and investment must be opened up, and the cross-flow of Malaysian and India investments would provide the much needed anchor to enhance both nations' economic links, he added.

At the same time, Malaysian and Indian businessmen have gained considerable experience in joint-ventures and partnerships in not only the the manufacture of consumer goods but also the fabrication of machinery and related heavy industrial equipment.

"Unfortunately we tend to overlook these opportunities because of our preoccupation with the traditional partners," he said.

Dr Mahathir urged Indian businessmen to seriously look at the vast opportunities in Malaysia as a result of seven years of strong and broad based economic growth.

Whilst some of the bigger investors from India were already in Malaysia to benefit from the country's own drive towards development and industrialisation, Dr Mahathir believed there were many more Indian industrialists who have the technology and the capability to participate in a wide range of industrial ventures in Malaysia.

India's strength in engineering-based ancillary and supporting industries could fit in well with Malaysia's own efforts at developing corresponding sectors in Malaysia, he said.

It could also provide the necessary linkages to the established electronic, electrical and motor vehicle industries such as electroplating, heat treatment, stamping, precision machining, mould and die subcomponents, precision plastic mouldings and packaging for sensitive electronic components.

The Prime Minister said India had the capability to strike partnerships with Malaysian industrialists in the manufacture of industrial machinery and parts, machine tools and related engineering industries.

He urged Malaysian businessmen to take stock of liberalisation measures currently being undertaken by India and to plan for greater involvement in economic opportunities arising from such liberalisation. -- More

The trade and market reforms undertaken by India made the trade regime more transparent and promotes competition, and with a floating exchange rate for the rupee, there was greater convertibility which should facilitate trade in goods and services, he said.

At the same time, protection levels were coming down with a definite programme of tariff reductions being implemented.

Dr Mahathir noted that the Indian government had taken courageous measures to open up various sectors of the domestic economy for participation by foreign investors and had designed a package of investment incentives to encourage the inflow of direct foreign investment.

Malaysian businessmen, he said, had acquired experience in the development of export processing zones, the construction of hotels and tourist resorts, provision of telecommunication services, banking as well as the traditional area of plantation management.

"I am confident they would be able to find ready partners in India to undertake rapid industrialisation arising from the liberalisation measures embarked by the governments of India and Malaysia," he said.

Dr Mahathir who is accompanied by a delegation of 30 prominent Malaysian businessmen, said that trade between Malaysia and India goes back hundreds of years to the time when Indian traders pioneered the initial trade and established beneficial economic links with the Malay states.

Today, India is Malaysia's largest trading partner in South Asia. Bilateral trade and increased steadily, and last year stood at US\$769 million.

During the first eight months of this year, bilateral trade recorded a value of US\$388 million with import of Indian goods amounting to US\$250 million and exports of Malaysia goods to India totalling US\$138 million. --

Though these figures were quite impressive, there remains many areas that both the Indian and Malaysian businessmen community could tap in order to promote further the level of trade and investment links between the two countries, he said.

Bilateral trade between the two countries were largely confined to the export and import of commodities. In 1992, 83 percent of Malaysia's exports to India made up of primary commodities such as petroleum, palm oil, sawn timber, tin and rubber.

This contrasts with Malaysia's total exports, 71 percent of which is made up of manufactured goods. In the same year, about 45 percent of Malaysia's imports from India comprised commodities including meat, animal feed, vegetables and tubers, rice, wheat, spices and other agricultural commodities.

At the political level, Malaysia and India have fostered stable and strong relations, while at the bilateral level, several mechanisms were already emplaced to facilitate trade and investment.

Air links between Malaysia and India, established since the signing of a bilateral air services agreement in 1974, have been intensified with a greater frequency of flights operated by the respective national airlines.

The economic, scientific and technical cooperation agreement concluded between both governments in 1991 provided the official framework through which further measures for enhancing cooperation could be examined and through which the resolution of problems that may arise in such cooperation could be worked out.

"We will continue to explore the viability of concluding other economic agreements on a government to government basis to provide greater confidence among our entrepreneurs to engage in joint commercial ventures with greater intensity," Dr Mahathir said.

At the level of the G-15, networking between entrepreneurs from Malaysia and India could be widened through the South Investment, Trade and Technology Data Exchange Centre (Sittdec) based in Kuala Lumpur, he said.--Bernama