

Malaysia looks forward to working with India to face globalisation

SUN 15 MAY 2007

PUTRAJAYA, Mon: Malaysia looks forward to working closely with India in meeting the challenges of globalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

He said globalisation is a subject of interest to India and Malaysia as the impact of globalisation is not confined to the economic sphere alone.

"The political structure and social matrix of a state is neither isolated nor immune

from the effects of globalisation," he said at an official dinner in honour of Indian Prime Minister Atal Bihari Vajpayee at Seri Perdana here.

Mahathir said globalisation is expected to bring about a greater degree of interdependence among nation states as their economic as well as political activities become interlocked, Bernama reports.

Touching on the visit, Mahathir said he is convinced that the bilateral agreements

and memorandums of understanding signed during the visit would provide further impetus in forging closer cooperation between Kuala Lumpur and New Delhi.

In this context, he said he is happy that India continues to be Malaysia's biggest trading partner in South Asia, with total bilateral trade amounting to RM10.07 billion last year.

"While the trade balance has continued to be in

Malaysia's favour, we hope that such imbalance could be narrowed through the expansion and diversification of our overall trade," he said.

Mahathir said while India and Malaysia look forward to closer trade relations, they should also be prepared to face a certain level of competition without being subservient to the politics of protectionism.

He said with the coming into force of the World Trade

Organisation Agreement, the impact of the opening of domestic markets would be certain to stir up domestic resistance in sectors where local industries have had traditional government subsidies.

Earlier in the day, the Confederation of Indian Industries said it is opening an office here in two months to further promote trade between the two countries.

Its president, Sanjiv Goenka, said the confedera-

tion believed the two countries could become strong trading partners in many fields and the office would act as a catalyst by bringing together different companies from the two countries.

He was speaking at a joint press conference with Works Minister Datuk Seri S. Samy Vellu after attending a one-hour discussion between the Indian trade delegation and Construction Industry Development Board Malaysia.