

'Asean and India

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Prime Minister Datuk Seri Dr Mahathir Mohamad gave an interview to *The Hindu* newspaper of Chennai, India on Feb 5 at Putrajaya. The following are excerpts from that 45-minute interview.

THE *Hindu*: Your Excellency, how would you describe the current status of bilateral relations between India and Malaysia?

Dr Mahathir: I think the relationship is good. But, there is room for improvement — for closer relations and more economic interaction.

TH: In the context of economic co-operation, Malaysia is India's largest trading partner in the Asean. And Malaysia and India are both investors in each other's country. How do you see this relationship fructifying into anything solid? Your efforts for the IT super-corridor here — any prospects for greater co-operation?

Dr M: India is now opening up; there are opportunities not only for us to export to India but also to invest in India. And Malaysia is not new in this game. Indian investment in Malaysia has a longer history, but it has not grown as it should.

There are certain areas in which you have definite expertise... your relative costs (of production) are lower than the costs of other developed countries. So, there is a lot of scope for Indian investment in Malaysia.

As far as Malaysia is concerned, our investment in India is really in the field of infrastructure. We are not manufacturing anything there because we think you have as much knowledge and capacity to manufacture what we can manufacture... in that area there will not be much investment... probably in the ports area... I think we can go into Indian ports and complement what we are doing here...

So, there is a complementarity here because while we can invest in your infrastructure, you can invest in manufacturing for these new components, etc.

The other area, of course, is the IT area where India is making tremendous progress. We will need to work together with you, we will need some of their expertise, we will need, probably, your people also to work here.

That means that there is a great deal of complementation between India and Malaysia in terms of investment. I would expect that this will be stepped up

after the (now rescheduled) visit of the Prime Minister.

TH: On South-East Asia. Our Prime Minister has concluded a visit to Vietnam and Indonesia. How do you see this relationship between India and South-East Asia?

Dr M: I think it can only benefit both sides. South-East Asia is not booming at the moment as it used to because of the crisis we are facing. We are largely trading nations. So, we need trading partners and India should provide a good partner both in terms of sourcing various requirements and essentials as well as export...

TH: you are the author of the East Asian Caucus idea. Now, we see this idea has been realised in the Asean+3 grouping. Do you see, parallel to this, an Asean-India engagement at a high level?

Dr M: I think it will eventually have to come. But we would think in terms of beginning with East Asia because there are certain similarities with us and we are very familiar with the systems in East Asia. Once that is set up, there will be first the need to interact with India and subsequently, of course, there should be some kind of consensus on an Asian grouping — not an Asean or East Asian grouping — but an Asian grouping.

TH: India, as you know, has a summit-level meeting with the European Union and is keen on a summit-level meeting with the Asean as distinct from Asean+3. In a recent interview to *The Hindu*, Mr Abdurrahman Wahid (President of Indonesia) made the point that Malaysia looks at the situation in SAARC. He said it is Malaysia's view that matters must improve in SAARC...

Dr M: We have these dialogue partners and India is already a dialogue partner. We can extract more from that kind of co-operation... but, at the moment, the Asean is also (dealing) with its own problems. We have to resolve some of those problems part of which were due to this currency crisis which has destabilised a lot of Asean countries.

TH: Here, I would like to ask you about the ideas of globalisation. You are an articu-

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late spokesman of the developing world. How has Malaysia coped with this crisis, especially the new system of currency controls that you have adopted?

Dr M: We think we have done better than those countries which have to resort to loans from the IMF. We are completely independent financially. We don't borrow from the IMF or the World Bank. We do borrow from Japan, but that's about all — but the terms are good enough for us.

Because of that we feel that our own approach to the management of our own finances has worked. We feel confident that there is no need to accept the common wisdom about how finances should be managed.

After all, the West has also formulated various formulas before and they found that these formulas don't work. And then they changed. So, you cannot claim that any formula designed in the West is going to serve the world forever.

They are going to, maybe, discard it and formulate a new regime for finances... if they, themselves, are not always right, we don't see why we should be following them simply because these are the big nations. We have our own formula, we have our own way of dealing with globalisation.

Well, when we first criticised globalisation there were very few people saying anything against globalisation. But now... a lot of people see in globalisation a lot of defects and disadvantages, especially for the developing countries.

We think there are many defects because globalisation was formulated by the rich countries and, obviously, they are going to formulate in a way that will benefit them. We see at the moment that it is really benefiting them and not us.

We have a lot of ideas about what shape globalisation should take. At the moment, of course, not very many people are listening to us.

That doesn't matter. If they don't listen to us, we'll manage by ourselves. But we think that, eventually, they will see that it is a mistake to accept globalisation as presently interpreted.

TH: India, too, has spoken for the developing world. Do you think that in multilateral fora, especially the WTO, there can be greater co-ordination between Malaysia and India?

Dr M: I think there should be. It would be very good if we could work together because the problem with the countries of the South is that they are fragmented mainly because they are placed under obligation to the people who have lent them money, given them aid or to whom they are obliged. They agree with us but they are not in a position to say anything. We hope India and Malaysia can work together.

TH: Malaysia has an independent defence policy. It has looked towards self-reliance like India in the area of defence. India has just tested its Light Combat Aircraft and

there are suggestions in the Indian Press that New Delhi is interested in a regional consortium to build this LCA. Do you think there is possibility of such co-operation in the future?

Dr M: We co-operate with many countries, we co-operate even with the Russians, we co-operate with the British, we get their technology. Our main concern is to be independent, not to be dependent on any one source. So, if it pays for us to co-operate with India, certainly we will.

TH: It is no secret that India is interested in a place in the United Nations Security Council as a permanent member. Just want to know what Malaysia's position is on reform and India specifically?

Dr M: To us, Asian countries should be represented, should be permanent members of the Security Council. Who that permanent member is something that we Asians must agree upon. But what is important to us is this veto power. We don't believe that any country should wield that kind of veto where one country can negate the rights of 180 other countries.

Perhaps a modified veto power which will, for example, mean that at least two permanent members plus one other non-permanent member exercise the veto. It's a kind of modified veto with the intention, eventually, to do away with the veto.

TH: And on India, specifically, does Malaysia have a position?

Dr M: We have no position except that we would go along with the general consensus of Asian countries — we would look at India

have as many as four-five Hindu temples because we are tolerant of other religions and, although Islam is fairly rigid in its stance, here in Malaysia we tolerate other religions and we expect that India, (with) its majority made of Hindus, would have the same kind of tolerance for not just Islam, but for other religions.

That is our view... we regret, of course, if you destroy a mosque. It is something that hurts the feelings, we cannot bring ourselves to say, well, let the mosque be destroyed; that will not be acceptable to our people.

There are a lot of historical links between India and Malaysia. We have lot of people here of Indian origin, they are Malaysians, of course, but 10 per cent of them are of Indian origin.

That does not mean that they look at India as their homeland, Malaysia is their homeland but culturally they are linked... there is that kind of historical, cultural and lingual linkages. So, it would be easy for us to work closely together with India. It all depends on the political will of each country. As far as Malaysia is concerned, we have no problem... (in co-operating with India).

Of course, in certain issues we might take our own stand, different from India but I think you would recognise that every country would have certain things that would be different from others.

TH: You will be completing 20 years as Prime Minister in July this year and have seen the region very closely. How do you see developments in Indonesia and Philip-

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as an Asian country. It must be Asians who must decide.

TH: The rest of Asia must decide rather than individual countries taking a view. Would that be a correct expression of your view?

Dr M: Yeah, everybody wants to be (a permanent member). Indonesia wants to be, there are other countries...

TH: India is a country with the second largest population of Muslims in the world. Some people have a perception that relations between India and Malaysia have been balanced by Pakistan on occasion. It's not a stand-alone relationship. Do you feel it would be possible to move ahead on that?

Dr M: We have a relationship with all Islamic countries. We are also regarded as an Islamic country. And because of that there is a lot of Islamic influence in our stand, but at the same time you look at Malaysia and you will see we have huge numbers of Hindu temples.

In one square mile, sometimes you can

piners?

Dr M: Well, it is unfortunate because what we saw was a very stable South-East Asia for a long time. All of them (countries) growing economically, all of them doing rather well. But when you have a catastrophe deliberately caused by a currency devaluation that, of course, has other effects... on the politics, on the economics of a country.

What we are seeing is the aftermath of an assault on the economy of countries. It happened to us, it could happen to anybody... what we are seeing in South-East Asia is the effect of a rather deliberate destabilisation of countries through economic means...

TH: Many people express concerns about Indonesia. How do you look at this?

Dr M: We don't normally comment on our neighbours, but I would like to say we welcome Indonesia's swing towards democracy.

☐ PLEASE TURN TO PAGE 13, COL 1

'Foundations for prosperity laid'

Nst - 8 FEB 2001

□ FROM PAGE 10

We also know democracy is not the easiest system to work and what we are seeing in Indonesia is the destabilisation caused by a rather sudden change. That is something bad. While we should have democracy, the process should be in phases so that people will be able to adjust to a system that differs so much from the previous system.

TH: It's well known that five-six years down the line you may leave the office of Prime Minister. How do you see Malaysia then?

Dr M: There will be changes, of course. No two persons can lead in the same way. But the foundations have been laid. In Malaysia, since the first Prime Minister, we have not really changed our policies. It has been consistent and each lead-

er will try to improve but along the same line. We are not suddenly going to change 180 degrees as happens when governments change.

TH: Parties winning and losing support is the game of democracy. A lot is being made out of the loss of support for your party. Are you concerned about this at all?

Dr M: We will overcome it. We have lost support before, we have lost the governments of several States before. But we have come around... of course, there are ups and downs. That's the essence of democracy...

TH: Do you see yourself leading the ruling alliance into the next elections (due in 2003)?

Dr M: I don't know about that (chuckles). But, I will be around for a little more time.

TH: You are a moderate. There

are some concerns about parties like the Pas. Can a party like this change your country?

Dr M: There is some danger that they might change (Malaysia). I think, by and large, Malaysians are moderate people and they are not ready to support any extreme parties.

TH: Do you think that these tendencies can be accommodated in your umbrella coalition?

Dr M: We are already doing that (talking to Pas). Except that our ability to sell our product is very poor. People don't understand us. They claim that we are not doing the right thing. It is for us to explain.