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Catalyst for closer ties

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INDIAN Prime Minister Atal Behari Vajpayee's official four-day visit to Malaysia, which began yesterday, is expected to jumpstart the forging of closer economic and diplomatic ties between the two countries.

Indian High Commissioner to Malaysia Veena Sikri said Vajpayee's visit will hopefully pave the way for greater cooperation between the countries and their businesses in several areas, especially in the fields of information technology, education, tourism, media and space.

She said several memorandums of understanding are expected to be signed during the visit by Vajpayee, who will be accompanied by a delegation comprising senior Government officials and business-people.

She said the visit and the signings of the MOUs will facilitate future cooperation between India and Malaysia in many sectors.

"Although bilateral relations between two countries have traditionally been excellent, the level of cooperation has been low," said Sikri.

She said India is committed to its "Look East" policy and wanted to use Malaysia as the base for Indian companies' operations in the East Asian region.

She said close cooperation between India and Malaysia would be an excellent example of South-South cooperation.

One area which offers great scope for cooperation was information technology, she said, where there is strong synergy between the two countries.

She said the Indian software industry has realised that there are many opportunities for cooperation with Malaysia. It has invested heavily in the development of the Multimedia Super Corridor.

She said the question here was not of competition between the IT industries but one of cooperation based on the complementary strengths of both countries.

"Malaysia has the technical infrastructure in the MSC, which has optical fibre cables to provide high bandwidth, while India still needs to develop it.

"Because of this, Indian companies are happy to use the MSC as the base for their operations in Southeast Asia."

She said although Hong Kong was also trying to attract Indian companies to locate their operations there, Malaysia has the advantage in several areas.

"Malaysia has the space, it is more cost effective and offers a multi-cultural living environment which is more comfortable for Indian nationals."

So far, nine Indian companies have achieved MSC status and the chairman of the Indian software company Infosys Technologies Ltd, N. Narayanamurthy, sits on the MSC's International Advisory Panel.

Infosys, India's top software company, was the first from the country to be listed on the US stock market.

Bangalore, India's IT centre, is home to 900 high-tech companies employing more than 100,000 people.

Overall, the industry generated RM8.74 billion in software exports last year.

She said IT cooperation between the countries received a boost last year when the executive chairman of the Multimedia Development Corporation Tan Sri Dr Othman Yeop Abdullah visited Bangalore.

She said the visit, which resulted in a MOU between MDC and the Bangalore Software Exporters Association, has brought together IT industry players in India and Malaysia. She said discussions are underway for collaboration in development of high-capacity telecommunications facilities between India and Malaysia.

Another area in which India seeks to cooperate with Malaysia is in education and training. Sikri said there are two ways to achieve this.

The first is to send Malaysians to IT institutions in India, which has a number of established IT institutes.

Before that, however, she said the issue of Malaysian recognition of the education institutions needed to be ironed out.

She said India had a lot to offer in other areas such as law, accounting, business, management, and biotechnology.

India has vast research and development expertise in biotechnology and the delegation accompanying Prime Minister Vajpayee will include a representative of the sector.

She said Vajpayee and Prime Minister Datuk Seri Dr Mahathir Mohamad were also expected to sign a MOU for cooperation in launching into space Malaysian space objects.

Two significant agreements to be signed during his visit are on the abolishment of double taxation and the other for cooperation between the Stock Exchange Commission and the Stock Exchange Board of India.

India and Malaysia signed a Bilateral Investment Protection Agreement and the abolishment of double taxation will further boost trade relations between the two countries.

Another important area which she said needed to be looked into at was increasing knowledge of each other. "Although the bilateral relations between the two countries have been close, and the countries share an Exclusive Economic Zone, there are many things that we don't know about each other," she said.

She said this was something that she found apparent at the start of her posting here. "Most of the news about India here is from the Western news agencies," she said, adding that she would like to see the setting up of a Press Trust of India office here and perhaps a Bernama office in India.