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Mahathir-India

MALAYSIA LOOKS FORWARD WORKING WITH INDIA TO FACE GLOBALISATION

PUTRAJAYA, May 14 (Bernama) -- Malaysia looks forward to working closely with India in meeting the challenges of globalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight.

Dr Mahathir said globalisation was a subject of interest to India and Malaysia as the impact of globalisation was 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 visiting Indian Prime Minister Atal Bihari Vajpayee at Seri Perdana here.

Vajpayee arrived yesterday for a four-day official visit to Malaysia.

Dr Mahathir said globalisation was expected to bring about a greater degree of interdependence among nation states as their economic as well as political activities became interlocked.

"It is most unfortunate, however, that developing countries are not able to share the benefits of globalisation in a fair and equitable manner," he said.

Touching on the visit, Dr Mahathir said he was 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, Dr Mahathir said, he was happy to note that India continued 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.

Dr Mahathir said that while India and Malaysia looked 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 that with the coming into force of the World Trade Organisation (WTO) Agreement, the impact of the opening of domestic markets would be certain to stir up domestic resistance in sectors where local industries had had traditional government subsidies.

"Indeed, this has already been manifested through the difficulties encountered in the export of Malaysian palm oil to India, which is not only being resisted by coconut oil producers and anti-palm oil campaigns, but also the tremendous increase in tariffs levied on palm oil as compared to other edible oils," he said.

On investment, Dr Mahathir said Malaysia welcomed India's gradual liberalisation of its domestic economy.

To date, Malaysia's cumulative investments in India, which are mainly in the infrastructure sector, such as highways, power development projects and modern development, stand at RM1.7 billion.

"From the Indian side, we are encouraged to note that since 1995, a total of 38 industrial projects with a total capital investment of RM669.5 million were approved.

"We are also pleased that Indian Railway Construction (IRCON) is currently undertaking the construction of a railway link in Malaysia, which is expected to be completed in January 2002," the prime minister said.

On international issues, Dr Mahathir said Vajpayee's visit would no

doubt strengthen the relations not only between India and Malaysia but also between India and countries in Southeast Asia.

"The absence of conflict between Asean member states and India and the common perceptions on various issues relating to regional peace and stability have facilitated cooperation at various international fora," said Dr Mahathir.

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