

19/10/2002

## Asiatic partnership

WITH the world's second largest population of 1.1 billion, it is surprising that India's huge economic potential has only been recently recognised. This was partly because for a long time, unlike the more dynamic Asian countries such as Malaysia and South Korea, the Indian economy was relatively closed and influenced by leftist economic policies. But all this has changed with its more market-friendly economic reforms.

The environment is therefore conducive for a strengthening of mutually beneficial economic ties between India and Asean. Malaysia has always looked upon India as an important player in Asia because of its sheer size and population. Prime Minister Datuk Seri Dr Mahathir Mohamad, while addressing the first India-Asean Business Summit, has called on India and Asean to work together for a comprehensive economic partnership. To meet the challenges of globalisation and a new world order, Asian countries will be much better off if they co-operate and build up their economic resources together. If they go their separate ways, individual Asian countries could be weakened and may not be resilient enough to defend their legitimate economic interests against outside pressures. India could certainly do more to reduce tariffs, particularly in edible oils - a necessary first step to boost trade and its consequent spinoffs.

Malaysia and India, for instance, can work more closely to expand the investment opportunities available to entrepreneurs in both countries. Malaysian companies are already active in infrastructure such as road building in India but they should be encouraged to explore and invest in other areas in the vast sub-continent. The Indian software and IT industry is world-class and it would be advantageous for both countries if Indian software companies were to establish facilities in the high-tech Cyberjaya. Malaysians will be able to pick up new skills working with talented Indian software professionals.

However, India is more than just software and IT. It is also moving ahead in other key sectors such as biotechnology, life sciences and space technology. It is also good in such basic fields as mathematics and statistics. Clearly, there is much to look forward to in an Asean-India economic partnership.