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Mahathir-Integration

COLLABORATION IN BORDER AREAS CAN PAVE M'SIA-THAI ECONOMIC INTEGRATION

LANGKAWI, July 27 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today cooperation between Thailand and Malaysia in the border areas should show the way for greater economic integration between the two neighbours and other Asean countries.

The prime minister said that if it worked in the border areas, which he believed it was likely to if there was goodwill and sympathetic consideration by all concerned, then the designated area could be enlarged.

"Perhaps there can be a degree of integration of the five southern provinces of Thailand and the northern Malaysian states of Kedah, Perlis and Kelantan," he said in his keynote address at the Malaysia-Thailand Technology and Business Partnership Dialogue here.

His Thai counterpart, Thaksin Shinawatra, who is here for a two-day working visit, also delivered a keynote address and jointly opened the dialogue attended by about 300 businessmen and government officials from both countries.

Dr Mahathir said that while the Asean countries worked towards the Asean Free Trade Area (Afta), formed with the objective of integrating their economies, they should also experiment with greater integration with neighbouring countries on a bilateral scale.

He said that because Asean was not homogenous like Europe they must begin economic integration by experimenting with limited integration.

The European Union's experience was a good guide for cross-border collaboration, he said.

The introduction of the Euro had caused a rise in the cost of living in the Union where wages had gone up to compensate for this and as a result, the whole of Europe had become a high cost area, he said.

Cheap workers could not be obtained from the European low-cost countries anymore and they now had to come from Africa and Asia, bringing with them a number of social problems.

"If there is going to be greater integration between Malaysia and Thailand, it has to be very well planned and carefully executed.

"It should initially involve the border areas and a step-by-step approach should be adopted. Sudden radical change must be avoided," he said.

Dr Mahathir said that in the designated border areas, the two countries' comparative advantages should be identified and offered to inventors from both countries and foreigners.

Care should be taken that there would be minimal damage to the local businesses and the workers of both countries, he said, adding that there would be some destruction but these could be minimised.

"It will need skills and a lot of patience. Malaysia has had a lot of experience in the field of integrating the economy," he said, referring to the creation of a single customs area in the Federated Malay States and later a customs union when Malaya achieved independence in 1957.

He hoped that resolutions and decisions made at the dialogue would be explained to the implementers or the bureaucracy.

Dr Mahathir said that if this was not done, there would be practically no movement on the ground and they would have wasted their time.

Thaksin, in his address, said the two countries should stress the "Cluster Concept" to transform their collective strengths into new energy and bring about greater impact in business.

"I am confident that there are niches for Thai-Malaysian industries in the win-win state of affairs," he said.

He quoted the success of elevating rubber prices to the most reasonable level through Malaysian-Thai collaboration as an example of how the synergy could benefit both countries.

Thaksin also said that the two countries had to stay together and form a strategic alliance because they could not fight alone and survive, if left behind.

He described the Malaysian-Thai relationship today as super-strategic partners who had joined hands in advancing regional ties to a new dimension.

"We could probably call this "the matrix relationship", for the partnership here has come to an intersection across boundaries where the public sector from either of the two countries meets the public sector of the other one and vice versa," he said.

Thaksin outlined strategic alliances between technology and business partners that could be developed with common goals and relevant activities.

They are product testing and standardisation; pooling resources and sharing costs; training and human resource exchange; co-funding and venture capitals; joint supply chain with value creation; marketing and media collaboration and technology foresight.

He said that in the era of new economic paradigm, new tools had to be created for controlling erroneous function of capitalism.

He said fostering technology and business partnership through such dialogues was one of the tools to secure the region's economies in the new era.

The two-day dialogue is jointly organised by the Malaysian Industry-Government Group for High Technology (Might), the Thai National Science and Technology Development Agency (NSTDA), the Ministry of International Trade and Industry of Malaysia and the Ministry of Science and Technology of Thailand.

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