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PM: Plan cross-border collaboration carefully

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LANGKAWI, Sun. - Cross-border collaboration between Malaysia and Thailand has to be well planned and carefully executed as any radical change would be disruptive and destabilising, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said it should initially involve the border areas and a step-by-step approach should be adopted. Both sides should also put aside any suspicion, seek areas of agreements and carry out the needed action.

Addressing the Malaysia-Thailand technology and business partnership dialogue at a hotel here, the Prime Minister said although borders were not barriers as before, they still defined important differences and comparative advantages.

"They hold potential and create numerous opportunities and at the same time, present obstacles to the full exploitation of each other's resources," he said at the opening of the two-day dialogue, which was also attended by Thai Prime Minister Thaksin Shinawatra.

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

"We also need to minimise damage to the local businesses and the workers of both countries. There would be some disruption but these could be minimised," he said.

"It will need skill and a lot of patience. Malaysia has had experience in the field of integrating the economy."

He said although the Asean Free Trade Area (Afta) was aimed at integrating the economy of member countries, Dr Mahathir said they should also experiment with greater integration among neighbouring countries on a bilateral scale.

"Because we are not as homogenous as the Europeans, we must begin by experimenting with limited integration."

The co-operation between Malaysia and Thailand in the border areas could show Asean the way for other cross-border growth areas.

"If it works, and it is likely to work if there is goodwill and sympathetic consideration by all concerned, then the area designated can be enlarged.

"Perhaps, there can be a degree of integration of the five southern provinces of Thailand and the northern States of Kedah, Perlis and Kelantan."

Citing the European Union as a good guide for cross-border collaboration, the Prime Minister said Malaysia and Thailand could exploit the potential and opportunities of their common border areas.

Although Thailand had a very low cost of living compared to Malaysia, it did not mean that the purchasing power of the Thais was lower.

This factor, he felt, might help Thailand to contribute to the lowering of costs in Malaysia while Malaysia could help increase the income and growth of the Thai economy.

But Dr Mahathir reminded the audience, comprising mainly businessmen and senior government officials from both countries, of the downside elements as well.

"An influx of cheap Thai products can push Malaysian products off the shelf and render Malaysian industries non-viable. Lower wages for Thai

workers would cause unemployment for Malaysian workers.

"The purchasing power of Malaysians can push up prices and cause inflation in Thailand. This would undermine the cost advantage of Thailand."

Dr Mahathir said Malaysia and Thailand had played significant roles in the development of modern day regionalism, an evolution that happened not by accident but rather the historical evolution of proximity and neighbourliness.

He spoke of the long tradition of association and closeness between the King of Siam and the Malay states. Although at times there were wars between the two sides, they had not made the Malays and the Thais eternal enemies as often happened to many countries.

"To this day, people of Siamese origin live in Malaysia as full citizens and Malays in Thailand do likewise. As independent nations, we work closely as neighbours and as members of Asean."

The Prime Minister, however, said not all ideas could be accepted or implemented immediately; there were national interests and other reasons to be considered which could hinder the acceptance of these ideas.

While it was easy to make decisions, Dr Mahathir said implementing them was another matter because while leaders could have reached some agreement, the understanding and spirit of co-operation was not prevalent at the ground level.

"While the decision makers know what they mean and want, the implementers may not. And when implementers do not understand, they cannot be expected to implement the decision. It is therefore important that decision makers, to a certain extent, at least practise a hands-on approach."

On the resolutions and decisions of the dialogue, Dr Mahathir said it would be significant even if only a little percentage of them were carried out.

"So let us put aside our suspicions, seek areas of agreements, decide and then go back to implement the needed action," he said.