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Joint action to bring Thais, Malaysians closer

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"ACTIONS speak better than a thousand resolutions," Prime Minister Datuk Seri Dr Mahathir Mohamad said at the Malaysia-Thailand Technology and Business Partnership Dialogue in Langkawi. Taking the cue, the two sides agreed to meet in two months in smaller groups to follow up on the resolutions for closer co-operation.

The organisers could not have asked for greater support. The presence of the two Prime Ministers during the dialogue was a "tacit approval of the work to be done" and the Cabinets by their consent to the Thailand-Malaysia partnership dialogue are in fact promoting co-operation.

However, the potential for greater co-operation has not been fully exploited. Despite the formation of the Asean Free Trade Area (Afta) to integrate the economies of the 10-member states, the two countries can show the way for closer co-operation along the border areas. They can begin with a greater degree of integration of the five southern provinces of Thailand and the northern Malaysian States.

Trust, understanding, goodwill and consideration are needed to spur cross-border growth.

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

There is also need to ensure that national and domestic integration is gradual and carefully executed as it involves national interests and may disrupt local businesses and workers.

"In the designated border areas, the two countries' comparative advantage should be identified and offered to investors from both countries and to foreigners," Dr Mahathir said, adding that care should be taken to ensure minimal damage to local businesses and workers of both countries.

The existing road and rail links between Kuala Lumpur and Bangkok and beyond can enhance the distribution of goods and services in the two countries. The enhancement and further improvement of communication links in the region can help with the development of a corridor stretching all the way from Kuala Lumpur to Bangkok. There is already a nucleus along the corridor with various industries scattered on both sides of the boundary.

There is potential to expand further two-way trade in goods and services with lower tariffs and the combined market of 90 million. The flow of products traded between the two countries could be increased by expanding linkages between SMEs.

Currently, Malaysia is Thailand's fifth largest trading partner with two-way trade last year amounting to US\$6.45 billion (RM24.5 billion), accounting for 4.8 per cent of Thailand's total external trade for the year.

Based on Thai statistics, Malaysian exports to Thailand amounted to US\$3.62 billion and imports US\$2.84 billion.

Malaysia is the second largest Asean investor in Thailand with investments totalling US\$582.1 million or 32.9 per cent of total Asean investments in Thailand. However, according to Minister of International Trade and Industry Datuk Seri Rafidah Aziz, Thai investments in Malaysia are still small, totalling US\$56.8 million or 0.6 per cent of total Asean investments in Malaysia.

The two countries have played significant roles in the development of modern day regionalism. This needs to be developed further. Thai Prime

Minister Thaksin Shinawatra pointed out that as "superstrategic partners" Malaysia and Thailand must join hands to advance regional ties to a new dimension. It is for the private sectors of the two countries to take up the challenge.

According to Thaksin, this could be called a "matrix relationship" where the partnership has come to an intersection of boundaries and where the private and public sectors of each country can meet each other.

With globalisation, the borderless world, deregulated world and demands put on developing countries by the developed nations, it is imperative that Thailand and Malaysia harness and mobilise their collective strengths.

According to Tan Sri Dr Ahmad Zaharuddin Idrus, joint chairman of the dialogue organising committee, "we (have to) become more creative and innovative". Human resource development, research and development and capacity building are equally essential in meeting the new challenges and moving up the development ladder.

Over the two days, Malaysia and Thailand identified a number of areas for further exploration, development and co-operation.

To begin with there will have to be a paradigm shift from competition to collaboration in a number of areas.

These include the automotive sector, eco-tourism, agro-biotechnology and agriculture, aviation, and information and communications technology.

The possibility of the two countries jointly producing an "Asean car" and making Malaysia and Thailand a regional hub was brought up by the participants. With tourism playing an important role in the economies of both countries the dialogue participants recommended that an integrated network of travel agents and tour operators be established in both countries and that joint promotion and marketing ecotourism be established.

Tourism will be further promoted with a budget airline linking the holiday resorts of the two countries and servicing smaller Thai towns such as Phuket and Koh Samui from airports in Ipoh, Kuala Lumpur and Kota Kinabalu. This was mooted by Dr Mahathir.

It is heartening that the two sides, including the private sectors, have given their full commitment to follow up on the decisions at all levels. This is to ensure that the resolutions are translated into actual work programmes with specific schedules.

By setting aside suspicions of each other, seeking areas of agreement and with trust, understanding and goodwill, Thailand and Malaysia will show the way for a win-win, productive and beneficial co-operation across borders.