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KL can benefit from Delhi's policy

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MALAYSIA has the potential to benefit from India's recent move to increase its overseas investments.

The Indian Government has recently eased its investment policy to encourage investors to further explore overseas opportunities.

Indian High Commissioner Veena Sikri said the country has gone through a deregulation exercise, easing the procedures for investments in projects of up to US\$100 million (US\$1 = RM3.80).

"It is a major relaxation for overseas investments," she told reporters

after a luncheon organised by the Kuala Lumpur and Selangor Indian Chamber

of Commerce and Industry (KLSICCI) in Kuala Lumpur yesterday.

She said Malaysia could be the main destination of these investments by providing a conducive business environment.

Veena said businessmen from India are now scouting for opportunities in Malaysia as well as other Association of South-East Asian Nations (Asean) countries.

"So, we must create opportunities for the marriage (between Indian and Malaysian investors) to take place," she said.

She said India views Malaysia as an important market in Asean and the country accepts the call made by Prime Minister Datuk Seri Dr Mahathir Mohamad for India to make Malaysia a gateway to the Asean market.

Malaysia is India's largest trading partner in Asean, followed by Singapore and Thailand. In terms of Indian investment, Thailand tops the list, followed by Singapore and Malaysia.

Veena said among the sectors that Indian investors would be interested in include railway, pharmaceuticals and food processing.

Others include textile and fashion, home furnishing, power, information technology (IT), bio-technology, automotive ancillary, specialty chemical and manufacturing of CD-Roms.

She said Indian companies have already established a presence in the Malaysian railway sector while more companies are entering the country's pharmaceutical industry.

"Food processing has great potential as Malaysia is a big importer of food while India has the largest food-based industry such as milk, wheat, rice and fresh fruits," she said.

Veena said joint ventures between Malaysian and Indian businessmen are possible in these sectors.

The power sector also promises bright prospects as Indian manufacturers

are very experienced in power generation turbines.

"We can have synergy in IT as India has a lot of software experts while

Malaysia has good hardware infrastructure.

There are currently 29 Indian companies which have Multimedia Super Corridor status and the number will grow in the future, she said.