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Satisfying and fruitful year

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THE last one year can best be described as the fruition of strong ties between Malaysian and Indian businessmen and offering new business prospects in the region.

"It has been a special year for Malaysia-India relations and, for me, it has been a satisfying and happy experience to be here to see it flowering," said Indian High Commissioner Veena Sikri, in an interview in conjunction with India's 53rd Republic Day celebrations.

The affable representative of the world's biggest democracy and Asia's third largest economy has been in Kuala Lumpur since 2000.

Indian Prime Minister Atal Bihari Vajpayee's visit to Kuala Lumpur in May 2001 was described as successful with the signing of seven government-to-government and 16 business-to-business/memorandum of understandings.

"The implementation is as important as the sealing of agreements, which is why the last one year has been satisfying because we are seeing the flowering (of that stage)."

Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to India, after six years, yielded favourable results.

"His visit to Hyderabad, the other software hub of India, helped him to see for himself the advances in software development of IT-enabled services, the IT sector and knowledge, areas of great interest for Malaysia."

Dr Mahathir's discussions with President A.P.J. Abdul Kalam and Vajpayee in New Delhi subsequently was a significant event.

Another is the culmination of the Asean-India summit in Cambodia.

India developed its relationship with Asean from being a sectorial partner to a dialogue partner and subsequently being part of the Regional Trade and Investment Area before evolving into being the only country with which Asean has a separate summit (outside the Asean+3).

Malaysia has been the "co-ordinator country" for Asean-India relations in the last three years.

"So that gives Malaysia a special role in the relationship and is significant in more ways than one."

A road map for greater economic integration was drawn up at the first Asean business summit in New Delhi.

Captains of various Asean industries attended.

"Dr Mahathir's keynote address 'Asia in 2020:Challenges and Prospects' calling for India to use Malaysia as a gateway to Asean impacted Indian businesses."

It brought out the real synergies between Asean and India. The combined market of 1.5 billion people provides a compelling rationale for strengthening business relationships.

"This whole development of Malaysia-India-Asean relationship comes at a time when the Indian economy has been experiencing a steady growth of six per cent per annum for the last decade," she added.

"In 2002, the Indian economy grew by 5.8 per cent and this has been focused on five to six areas. This has opened up the gates for Malaysia to be a great business partner for India and Malaysia to be a gateway to Asean."

She cited the telecommunication sector as a potential area of co-operation especially in cellular telephones.

Last year, the Indian cellular telephone subscriber market grew by 90

per cent to 10 million, a small figure by Indian standards.

With the scope of a 60 to 70 per cent annual growth, she suggested that Malaysia tap its strong points in the ancillary industries of the telecom sector, namely cellular phone manufacturing and chip manufacturing, in India without needing to look to the West.

India's strong process of economic reforms in the last 10 years by exercising decontrol, delicensing and de-regulation offers great possibilities for foreign businesses.

Malaysian businesses have gone into Indian roads projects and the infrastructure sector and, today, they have projects worth more than RM5 billion and completed RM1 billion, and with another RM5 billion in the pipeline.

She said India's large and comfortable foreign reserves of more than US\$70 billion (RM266 billion) had only led the Government to further deregulate by removing capital controls and going for full capital convertibility.

This means that Indian investors are also encouraged to invest abroad and eye Malaysia as an investment destination.

"Which coincides with what Malaysia is saying: let Malaysia be the gateway to Asean for the Indian investor looking abroad."

She has urged the Malaysian Government to hold roadshows in India similar to the ones it holds in the West.

She said there were 57 joint venture projects between both nations.

These include palm oil refining, manufacture of drugs and pharmaceuticals, manufacture of textiles and yarn, glass containers, automobile-associated activities, speciality chemicals, steel furniture, rubber products and services in IT.

She said India's IT sector, which continued to enjoy at least 30 per cent growth annually despite muted global figures, needed to work together with Malaysia in a smart partnership.

The visits of the chief ministers of Kerala, Andhra Pradesh, Chattisgarh and Jharkand augured well for bilateral business ties as were similar visits by the Perak Menteri Besar and Malaysian ministers.

There are 24 Indian companies operating in the Multimedia Super Corridor.

One of the Indian public sector undertakings, IRCON International Ltd, has completed a rail link in Johor.