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Thaksin proposes cluster concept for 'win-win' business partnerships

LANGKAWI, Sun. - Thai Prime Minister Thaksin Shinawatra wants Malaysia and Thailand to tap the potential offered by the close proximity between the two countries in order to develop "win-win" business partnerships.

This, he said, could be done through the "cluster concept" in sectors such as tourism, automotive, food production, information and communications technology and other high technology industries.

Under the cluster concept, businesses which use common material are based together in specific areas or "clusters."

Thaksin said this when delivering one of the two keynote addresses at the two-day inaugural Malaysia-Thailand Technology and Business Partnership Dialogue at a hotel here today.

The other keynote address was delivered by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Citing the rubber industry as an example, Thaksin said Thailand and Malaysia were successful in elevating rubber prices to the most reasonable levels.

"On what to go on (from here) is to link the rubber industry with others such the automotive and furniture industries," he said.

High value-added auto parts could be made from latex and rubber materials such as seat, tyres and car accessories, he said.

For the furniture industry, Thaksin said Thailand could supply rubber wood to factories and create more value in product development.

"Many investments are waiting for industrial clusters to emerge across borders. Leading corporations that are established in Thailand and Malaysia will play an important role in transferring know-how to the interdependent clusters," he said.

Thaksin said local entrepreneurs would benefit from the cluster concept as they would be able to take part and use their homegrown expertise to start up an industry with an assurance of lower risk.

"The bordering clusters, I should emphasise again, will perform as a key driver for building higher competency, sharing knowledge and collective learning between Thai and Malaysian entrepreneurs."

Thaksin said strategic partnerships between Thai and Malaysian businesses were needed, as they would help both countries draw from each other's strength to ensure success.

"We cannot fight alone and we cannot survive if we are left behind standing alone. So we have to stay together and get closer under strategic alliances."

Thaksin said economic ties between Malaysia and Thailand had reached an intersection.

"The private sectors from the two countries are meeting the public sector of the other one and vice versa. This alliance will serve specific purposes such as shared resources, additional capital, knowledge transfers and more exchanges of human resources."

Thaksin said it would take time to make such dynamic and proactive partnerships to succeed, but Malaysia and Thailand could shorten the lag by supplementing the business dialogue with other well-established regional economic cooperation programmes.

These include the Indonesia-Malaysia-Thailand Growth Triangle and free trade agreements, which would then be expanded to other parts of Asean, such as Singapore, Indonesia and the Mekong subregion.

Thaksin and Dr Mahathir later witnessed the signing of a joint declaration on the Malaysia-Thailand Dialogue Co-operation Framework.

The document was signed by Science, Technology and Environment Minister Datuk Law Hieng Ding and Thailand's Minister of Science and Technology Phinij Jarusombat.