

Malaysia, India to begin free trade mid-2011
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Malaysia and India announced today that a long delayed trade accord between the two countries would take effect by July 2011, increasing two-way trade to 15 billion dollars by 2015.

"I'm glad to officially announce that the agreement will come into effect in 2011.

"That will signify a huge strategic move... and establish a strategic and stronger bilateral relationship," Prime Minister Najib Razak told a joint news conference after a meeting with Indian counterpart Manmohan Singh.

Kuala Lumpur and New Delhi will ink the Comprehensive Economic Cooperation Agreement (CECA) by January next year, according to a joint-statement.

It will cover trade in goods and services, investment and economic cooperation.

Singh arrived in Malaysia Monday for a three-day visit in a bid to bolster ties with the third largest Southeast Asian economy.

India was Malaysia's 12th largest trading partner in 2009, and the pact is expected to further boost trade and investment between the two countries.

Two-way trade peaked in 2008 at 10.52 billion dollars but fell to 7.06 billion dollars in 2009 due to the global economic downturn.

Singh said the deal will further strengthen trade ties. "I'm confident this agreement will transform our economic engagement in a very substantial way," he said.

India has invested in 95 projects in Malaysia's manufacturing sector worth 1.1 billion dollars, creating 13,032 jobs.

- AFP

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