

DATE:21/1/2010

Fast track two trade pacts, PM urges India

DATUK Seri Najib Razak praised India's economic growth and suggested that bilateral economic relations with that country be consolidated and taken to a higher level.

"The bilateral economic relationship we now have has taken many years to establish. It is now time to consolidate our efforts and establish a platform to take our collaboration to a higher level.

"I believe the time has come to move forward towards a resolution that will spur economic growth for both our nations.

"I would like to propose a year-end deadline for our governments to conclude negotiations for the establishment of the Malaysia-India Comprehensive Economic Cooperation Agreement.

"Such an agreement will spur additional bilateral trade and investment, as well as creating job, investment and economic opportunities for both of our peoples."

Najib said this when addressing businessmen at a Malaysia-India Business Forum at the Taj Palace Hotel here yesterday. The forum is a gathering of some of the top



names in the Indian and Malaysian business communities.

The prime minister went even further when he suggested that the Asean-India Free Trade Agreement be concluded comprehensively as soon as possible. The agreement came into force on Jan 1 this year but covers only trade-in-goods.

"If I may suggest, let us also fast track those negotiations and conclude the other two limbs of the agreement — covering services and investment — by August this year," said Najib, who is on an official visit here.

Elaborating on what he referred to as "building strategic partnership", the prime minister acknowledged that Malaysia and India have contrasting economies, but he believed that each had comparative advantages that

could benefit the other.

Trade between the two countries topped US\$10 billion (RM34 billion) in 2008. Malaysia's purchases from India consisted largely of agricultural products, while its exports to India included fuel, palm oil derivatives and manufactured goods, mainly electronic goods.

"The potential to expand beyond this list is obvious. India has high quality technology to serve diverse sectors, and vast experience in a wide range of sciences. Malaysia, on the other hand, needs expertise in biosciences, ICT and education. It makes sense for us to look to India as a key source for them," he said.

In urging Indian businessmen to also invest in Malaysia, the prime minister said the biotechnology industry had been identified as a major engine of growth for Malaysia, with contribution of at least five per cent to the country's GDP by 2020.

"We invite Indian biotech companies to participate in the development of this industry and to take advantage of the incentives

that are being offered."

Najib also called on Indian businessmen to raise funds or list their entities in Malaysia. The World Bank, the Asian Development Bank and the International Finance Corporation have all generated funding through the Malaysian bond market.

"There is every reason for optimism for Indian companies seeking to raise funds or list their entities in Malaysia."

In an off the cuff remark just before ending the speech, Najib said he would look into improving visa application procedures to facilitate two-way business relations.

The same applied to making more flights available as this could further enhance business transactions besides people-to-people contact, which could effectively contribute towards better relations.

The prime minister's day started with a private morning meeting with several top Indian businessmen. This was followed by an official welcoming ceremony at the presidential palace.