

**THE OFFICIAL DINNER HOSTED BY HIS EXCELLENCY HEGDE DEVE
GOWDA PRIME MINISTER OF INDIA
NEW DELHI, INDIA, 20 DECEMBER 1996**

Let me first of all, thank you, Mr. Prime Minister, for your warm words of welcome and kind tribute to the Government and people of Malaysia. I would also like to express my appreciation for the gracious hospitality and excellent arrangements accorded to me, my wife and members of my delegation since our arrival yesterday. It has always been a pleasure for me to be in India, since I always feel that I am among friends here, and during my stay here, I look forward to seeing a bit more of this great country.

2. Last month, during the Sixth Summit meeting of the Group of 15 in Harare, we had the opportunity to meet and discuss a wide range of issues of common interest, in particular on ways to draw our two countries closer together through cooperative endeavours. My visit here today is to reaffirm Malaysia's commitment to this spirit of South-South Cooperation. We will have the opportunity to explore new avenues to strengthen and deepen the close bonds of friendship and cooperation between our two countries. Our discussion this evening has been fruitful in charting the future course of our relations and I am happy with your Government's willingness and commitment to pursue our common goals. I am confident that together we can chart a new era of cooperative relationship, especially in the economic and commercial fields, that will ensure progress and prosperity for our peoples.

3. In this context, I am happy to see the growing trend in the trade and economic cooperation between our two countries during the last few years. Bilateral trade had exceeded the one billion dollar mark in 1995 and during the last nine months it has exceeded US\$1.16 billion dollars. While this impressive growth in our trade augurs well for the future, it still constitutes a small proportion of our global trade. At the same time the range of goods traded are confined to a few commodities and semi-manufactured items. Much more needs to be done if we are to realise the full potentials of our trade. The private sector must be encouraged to explore new range of products and establish mutually profitable linkages. Our chambers of commerce should play a more aggressive role to promote and assist our exporters and importers in identifying and sourcing for new range of products. We have a long history of trading links and a reservoir of goodwill and familiarity that can be mobilised to expand our trading potentials.

4. Malaysia is following with keen interest the rapid economic changes that are taking place in India. The liberalisation and de-regulation exercise have brought accelerated economic progress and transformed the country into an attractive investment centre in South Asia. I am confident that as India continues to deepen and broaden her reform programmes, she will emerge as a formidable economic tiger in Asia. Malaysia welcomes the opportunity to exchange experiences and expertise with India. Our entrepreneurs and investors are keen and ready to enter into a mutually rewarding partnership with their Indian counterparts, to jointly undertake and develop infrastructural projects such as

highways, power, telecommunications, ports and other areas where we have the experience and capabilities. The large private sector delegation accompanying my visit here is evidence of their interest and keenness to participate in India' s economic development.

5. With globalisation and the breaking down of national barriers, it has become imperative for us to stay competitive to ensure a place for us in the global market. Here the private sector has a crucial role to play. While the sector has been the main engine of growth domestically, it needs to absorb new technologies and keep pace with the rapid development taking place in the international arena. Our comparative advantage will be diminished unless new technologies are efficiently absorbed and new ideas adopted. Our private sectors must be prepared to form strategic alliances to maximise each other' s comparative advantages.

6. Malaysia and India possess the ability and capacity to form strategic linkages particularly between our private sectors. Collaboration and cooperation especially in the fields of science and technology, software development, precision machine tools and information and aerospace technology are some areas where opportunities exist for cooperation and development. Additionally, our entrepreneurs should also look beyond our respective borders and explore the feasibility of teaming up to participate in joint venture projects in third countries. I am confident that with the existing favourable economic environment in Asia, Latin America and certain areas of Africa, there are tremendous opportunities for our private sectors to cooperate and participate in the economic development of these regions.

7. Malaysia' s own experience in economic liberalisation, deregulation and privatisation has generated sustained economic growth for more than a decade. There are tremendous opportunities and possibilities for India' s private sector to actively participate in our economic development. At the same time, India' s admission as a full dialogue partner of ASEAN and a member of the ASEAN Regional Forum, has opened new possibilities of cooperation with countries in the region. This linkage with one of the most dynamic regional groupings will further complement our strong bilateral bond. Malaysia looks forward to this new era of cooperative relationship with India.

8. We discussed at great length in Harare, on the need for countries of the South to work together and resist attempts by the North to impose conditionalities and selectivity in the conduct of international trade and investment. Cooperation among the developing countries is a necessity if we are to ensure that our plight and concerns are taken seriously. Many issues were introduced to stifle our economic development and I am not surprised if there will be many more in the future. We must therefore maintain regular consultations and stand ready to articulate our views and concerns at the appropriate fora. Only through a consistent and collective approach can we ensure our success.

9. Malaysia-India relations have survived the test of time. Given the dynamic changes globally, the time is now opportune for the two countries to build on the

existing reservoir of goodwill, understanding and friendship, an edifice of mutually beneficial economic and commercial linkages that will accelerate our economic progress and ensure peace and prosperity for our peoples. The present environment offers tremendous possibilities and opportunities. We should not allow it to slip by.