

**The Official Dinner In Honour Of The Honourable Mr Atal Bihari Vajpayee Prime Minister Of The Republic Of India**

Seri Perdana, Putrajaya 14 May 2001

It gives me great pleasure to extend a warm welcome to The Hon. Atal Bihari Vajpayee, Prime Minister of India and distinguished members of his delegation to Malaysia. We are deeply honoured by your visit and hope that you and members of your delegation will have a pleasant and fruitful stay in Malaysia.

2. I regret that the Honourable Prime Minister had to postpone his visit to Malaysia last February due to the tragic earthquake in Gujarat. Allow me, once again, to convey through the Honourable Prime Minister my most profound condolences and sympathies to the bereaved families of the victims for the loss of their beloved ones.

3. I recall with fond memories my own visit to your beautiful country in December 1996 during which members of my delegation and I were received with warmth and great hospitality. Since then, several exchanges of visits have taken place between our two countries. I believe that through a series of contacts and interactions we would be able to strengthen greatly our relations in all fields for our mutual benefit.

4. Your Excellency's visit is indeed opportune. The discussion that we had this morning has provided us with the opportunity to take stock of and identify ways to further enhance our bilateral relations. I am convinced that the Bilateral Agreements and Memoranda of Understanding signed during your visit will provide further impetus in forging closer cooperation between our two countries.

5. I am happy to note that India continues to be Malaysia's biggest trading partner in South Asia. For the year 2000, total bilateral trade amounted to 10.07 billion Ringgit (2.23 billion U.S. Dollar). While the trade balance has continued to be in Malaysia's favour, we hope that such imbalance could be narrowed through the expansion and diversification of our overall trade.

6. As we look forward to closer trade relations, we should also be prepared to face a certain level of competition without being subservient to the politics of protectionism. With the entry into force of the World Trade Organisation (WTO) Agreement, the impact of the opening of domestic markets will be certain to stir up domestic resistance in sectors where local industries have had traditional Government subsidies. Indeed, this has already been manifested through

the difficulties encountered in the export of Malaysian palm oil to India, which is not only being resisted by coconut oil producers and anti-palm oil campaigns, but also the tremendous increase in tariffs levied on palm oil as compared to other edible oils. I believe that no product, however efficiently produced, can bear infinite tariff increases. It will also be unproductive and retrogressive if better and cheaper goods produced by developing countries themselves should become less accessible and more expensive to the ordinary people due to increasing tariffs, especially when such tariffs favour similar import from developed countries. It is important, therefore, that we seek each other's counsel and remain positively engaged to share the benefits of lower costs of production of essential commodities.

7. On the investment side, we welcome India's gradual liberalisation of its domestic economy. To date, Malaysia's cumulative investments in India, which are mainly in the infrastructure sector such as highways, power development projects and modern port development, stands at 1.7 billion Ringgit (451.31 million U.S. Dollar). From the Indian side, we are encouraged to note that since 1995, a total of 38 industrial projects with a total capital investment of 669.5 million Ringgit were approved. We are also pleased that the Indian Railway Construction (IRCON) is currently undertaking the construction of a railway link in Malaysia, which is expected to be completed in January 2002. With India's rapid progress in the Information Technology industry, we also look forward to India's participation in our Multimedia Super Corridor.

8. Your visit will no doubt strengthen relations not only between India and Malaysia, but also between India and countries in Southeast Asia. The absence of conflict between ASEAN member states and India and the common perceptions on various issues relating to regional peace and stability have facilitated co-operation at various international fora. In less than a decade, India has gained acceptance into the dialogue process of ASEAN and the ASEAN Regional Forum (ARF). Through the ARF process, we have become more aware of each other's strategic concerns and more conversant with the dynamics and realities of the political and security environment. ASEAN has committed itself to a Zone of Peace, Freedom and Neutrality and opposes the presence of nuclear armaments. In this regard, we are happy to note that India has given a public commitment to become a legal party to the Nuclear Free Zone in South-east Asia, which in fact is a new dimension in intra-regional cooperation. We are also optimistic that India, together with Malaysia, Country Co-ordinator for the ASEAN - India Dialogue for the period from July 2000 to July 2003, could play a positive role in checking

the spread of nuclear proliferation and demonstrating commitment to the goals of nuclear disarmament and the elimination of weapons of mass destruction.

9. I believe that it would not be incorrect to say that India has assumed a new awareness and desire to be counted amongst the leading nations of Asia. This is a legitimate aspiration for a country that is statistically regarded as one of the ten fastest growing economies today. We trust and hope that India will stay committed to the process of peaceful negotiations in the settlement of conflicts in the region.

10. Globalisation is also a subject of interest to both our countries. The impact of globalisation is not confined to the economic sphere. The political structure and social matrix of a state is neither isolated nor immune from the effects of globalisation. Globalisation is expected to bring about a greater degree of interdependence among nation-states as their economic as well as political activities become interlocked. It is most unfortunate, however, that developing countries are not able to share the benefits of globalisation in a fair and equitable manner. Developing countries need to seriously address globalisation. Malaysia also looks forward to working closely with India in meeting the challenges of globalisation.

11. In conclusion, let me once again welcome you and members of your delegation to Malaysia and hope that you will have a productive and memorable visit.