

## **INDEE KUALA LUMPUR 2008**

**September 25, 2008**

**Inaugural Session**

### **Welcome Address by Rakesh Shah, Chairman, EEPIC India**

It is, indeed, a proud privilege for EEPIC India morning to welcome you all to the formal inauguration of INDEE 2008 Kuala Lumpur. This unique event is supported by the High Commission of India, Kuala Lumpur and 10 leading trade organizations of Malaysia. Coinciding with the prestigious Malaysia-India Economic Conference, EEPIC India is today honored to showcase the diverse capability of India's engineering enterprise before the dynamic entrepreneurs of Malaysia.

A warm and hearty welcome to the YB Tan Sri Muhyiddin Yasin, Minister of International Trade and Industry Malaysia, who is graciously representing our most distinguished Guest-of-Honour, YAB Dato' Sri Mohd Najib Tun Abdul Razak, Hon'ble Deputy Prime Minister of Malaysia. Your presence at this inaugural ceremony is a tremendous source of encouragement for us and reflects the Malaysian Government's unstinted support in promoting business ties between our two countries. My grateful thanks to you, Excellency, for kindly honoring us with your inspiring presence.

H.E. Mr. Ashok K Kantha, our dynamic High Commissioner in Malaysia, perhaps, requires no introduction here, but Ladies & Gentlemen without his constant guidance and advise, INDEE Kuala

Lumpur 2008 would not have seen the light of the day. A warm welcome to you, Sir.

To the captains of industry in Malaysia and other ASEAN countries, a most affectionate welcome from the people of India. Our governments are in the process of heralding a new destiny for our people with the signing of the Indo-ASEAN Treaty later this year. It now falls on us to join hands to realize the potential that has been beckoning us for so many years.

The legendary human rights activist Martin Luther King Jr. once said and I quote, “The time is always right to do what is right”. Unquote. Ladies and Gentlemen, as I stand before you this morning, I marvel at those prophetic words of one of the world’s most inspiring leaders. Indeed, the time is just right for us to be together and do what is right for the people of South and South East Asia. For too long we have allowed the dogmas of the past to stifle us from realizing the unique opportunities that have been before us.

The idea of one particle giving another mass is a bit counter-intuitive. But the world’s scientific community at the European Organization for Nuclear Research or CERN is precisely trying to figure how one entity can impart mass on all the others by simply floating by and interacting with them. While scientists grapple with the “God Particle”, we in business and industry have known through sheer practice that when one enterprise connects with another, considerable mass and energy is created, generating wealth and benefiting both.

Excelencies, Ladies & Gentlemen, INDEE 2008 Kuala Lumpur is an attempt by EEPC India to do just that. We are here to build synergy that will energize the multidimensional opportunities that exists between the entrepreneurs of our nations. We have today with us 169 companies to share with you all the advances that we have made through the last six decades. INDEE or Indian Engineering Exhibition is a trademark product of the EEPC India and this exhibition is the 19<sup>th</sup> such exhibition that our Council is holding around the world.

The time for INDEE 2008 Kuala Lumpur is perfect! India, which has been growing at 9% for the last couple of years, is expected to grow at a rate between 7.5% to 8% in the current fiscal year. According to the Asian Development Bank, Malaysia is expected to grow at 5.4% this year and speed up to 5.9% in 2009. Our two countries are working on a Comprehensive Economic Cooperation Agreement (CECA). Two rounds of negotiations have been completed and the third round is expected to be held in Kuala Lumpur next month. What is even more inspiring is the growth in bilateral trade ties between our countries. The bilateral trade between India and Malaysia amounted to \$4.14 billion for January-June 2008, up from \$2.94 billion during the same period last year. Malaysia's exports to India were \$3.69 billion and imports from India stood at \$1.67 billion during January-June this year. With regard to engineering trade, India's exports increased from USD 361 million in 2006-07 to USD 747 million in 2007-08. In turn, India's imports from Malaysia increased by 52% from USD 372 million in 2006-07 to USD 569 million in 2007-08.

Malaysian companies have invested close to \$250 million in India last year. The major sectors of investments have been in construction, power generation, telecommunications, logistics and the resort sector. Exciting prospects remain in areas like biotechnology, pharmaceuticals, information technology and financial services between our two nations.

At this INDEE, the entrepreneurs from this region will witness the engineering enterprise of India. The 169 companies who are here belong to a cross section of our country's economic scale of production. The products range from light engineering to heavy and sophisticated engineering.

India's engineering sector is at a transformational stage. Increasingly, our companies are realizing that in order to remain competitive in the world economic order, they will have to move up the value chain. India's foreign trade policy is also actively designed to promote the manufacture and exports of higher value added or high technology intensive goods. It is precisely for this reason that Malaysia is so critical for our engineering industry and perhaps why INDEE Kuala Lumpur an indispensable pre-requisite.

Indo-Malaysian trade rose by 23% in 2007, but trade in engineering goods grew by a whopping 80%. This growth, while impressive, hides the potential that exists. For instance, in 2007, Malaysia imported 17 engineering tariff lines which amounted to USD 18.23 billion. These included items like, electrical transformers and apparatus, automobiles and parts, wrist watches, electro magnets as well as

ships and boats of various kinds. India's share in this large scale imports by Malaysia is less than 3%. For one who believes that the future beckons, a low share implies opportunity. It is for this very reason EEPIC India decided to be in Malaysia and INDEE Kuala Lumpur is our humble offering to Malaysia.

Ladies & Gentlemen, India has just concluded FTA negotiations with ASEAN. Under the FTA, India and ASEAN will bring down the tariffs to zero on 71% of products by December 31, 2012 and another 9% by 2015. Tariffs on another set of 8% to 10% of the products will also be brought down to 5%. This is where both countries are likely to gain.

With the FTA with ASEAN and the expected CECA with Malaysia, we are likely to witness greater integration that will give rise to more intra-industry trade between the engineering companies of our countries. Thus, INDEE 2008 Kuala Lumpur has the possibility of laying the foundation stone of the paradigmatic shift likely in the next decade or so.

With trade comes investment, joint ventures and possibilities of technology transfers as well as financial collaborations. India requires infrastructural investments of USD 350 billion in the next five years, according to India's Planning Commission and for which our Government has already begun initiating measures. Malaysian companies have already joined this huge investment opportunity back

home and our exhibition here will hopefully bridge the possibilities of such partnership in a range of engineering sectors.

Ladies and Gentlemen, the ladder of success is best climbed by stepping on the rungs of opportunity. Today the world financial order, particularly, in the USA, is in grave crisis. We should certainly be concerned, but not despair. Global integration is now a way of life and INDEE 2008 Kuala Lumpur shows the way forward for the businesses of our two countries. It used to be said that Indians revel in screw-driver technology. But that is no longer true. With the Indian economy growing at 8% plus in the last couple of years, FDI investment into India touching double digit figures and average tariff rates close to ASEAN rates, the Indian engineering sector today competes with the best in the world, innovating and benefiting from learning by doing.

May I, once again, welcome you all to INDEE 2008 Kuala Lumpur and thank all our honorable dignitaries for their gracious presence and encouragement on this occasion? May I also extend the very best to all the participants from India and Malaysia for a most profitable interaction in the next three days?

Before I conclude let me take this opportunity to personally invite you to Hall no,3 to the INDEE 2008.

Thank you.