

**Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S,
Kolkata.**

India-Malaysia Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is a Profile Report depicting the Embassy of Malaysia.

2. India established diplomatic relations with the Federation of Malaya (predecessor state of Malaysia) in 1957. The two countries enjoyed a strong relationship in the 1960s as a result of the personal friendship between Prime Ministers Jawaharlal Nehru and Tunku Abdul Rahman Putra. PM Abdullah Badawi (2004-2009) and former PM Dato' Seri Mohd. Najib Tun Abdul Razak took many initiatives to develop closer ties with India.

3. There has been growing engagement in all aspects of our bilateral relationship since the elevation of India-Malaysia relations to Enhanced Strategic Partnership, during the visit of PM Shri Narendra Modi to Malaysia in November 2015.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. Economic and commercial engagement has become an important pillar of India-Malaysia Enhanced Strategic Partnership. Bilateral trade between the two countries has been steadily growing to reach US\$20.01 billion in FY 2023-24. Malaysia has emerged as 16th largest trading partner for India while India figures among the 10 largest trading partners for Malaysia. Malaysia is also our 3rd largest trading partner in ASEAN.

5. India's primary exports to Malaysia consist of mineral fuels, mineral oils, aluminium and related articles, meat and edible meat offal, iron and steel, copper and related articles, organic chemicals, nuclear reactors, boilers, machinery and mechanical appliances, electrical machinery and equipment, and more.

6. India's major import items from Malaysia are palm oil, mineral fuels, mineral oils, electrical machinery and equipment; animal or vegetable fats and oils and their cleavage products; nuclear reactors, boilers, machinery and mechanical appliances; copper and articles thereof, wood; wood charcoal, aluminium, organic chemicals, iron and steel and miscellaneous chemical products. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

**The Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20
to 2023-24 are as follows:**

The Export-Import statistics from 2019-20 to 2023-24

(US Dollar Billion)

S. No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	6.36	6.06	7.00	7.16	7.26
2.	Import	9.79	8.37	12.42	12.73	12.75
3.	Total Trade	16.15	14.43	19.42	19.89	20.01

(Source: Doc, Ministry of Commerce & Industry)

Bilateral Investments

B. Malaysia's Investments in India

- Malaysia ranks as the 31st largest investor in India with FDI inflow of US\$ 3.3 billion. Besides this, investments worth US\$5 billion have been announced by various companies in the fields of renewable energy especially green hydrogen, green ammonia and also infrastructure projects.
- Around 70 Malaysian companies, including joint ventures, have established operations in India, focusing on diverse sectors like infrastructure, healthcare, telecommunications, oil and gas, power plants, tourism, and human resources.
- Among major Malaysian Companies with presence in India are Petronas, Malaysia's National Oil Company which has been operating in India for the past three decades; Gentari (wholly-owned RE arm of Petronas), with total investment in India's Renewable Energy Sector at an estimated US\$4.5 – US\$5 billion; IHH Healthcare in addition to many construction companies invested in highway and road projects.

India's Investment in Malaysia

- There are more than 150 Indian companies, including 61 Indian joint ventures and 3 Indian Public Sector Undertakings operating in Malaysia. Indian companies have invested in around 250 manufacturing projects of over US\$ 2.62 billion (Source: MIDA, GoM). Prominent Indian investors/projects include Biocon Malaysia, Recron Malaysia SdnBhd (owned by the Reliance group), UNZA Malaysia (owned by Wipro), Ranbaxy Malaysia, Melaka Manipal Medical College in Melaka and the Melaka International College in Nilai, among others.
- Over the last three decades, the number of Indian IT companies in Malaysia has grown significantly with cumulative investments of over US\$250 million. Some among these are: Tech Mahindra, Tata Consultancy Services, Infosys, Ramcosystems, WIPRO Limited etc.

C. Other Major Areas of Cooperation:

- Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and Mauritius for cooperation in the fields of defence, economic and commercial links, technical cooperation and culture.

Recent High Level Ministerial visits

- Minister of Foreign Affairs of Malaysia Dato' Sri Saifuddin Abdullah visited India on June 15-17, 2022 to take part in the Special ASEAN Foreign Ministers Meeting in New Delhi on June 16, 2022. EAM Dr S Jaishankar and FM Abdullah held bilateral meeting on June 17, 2022.
- The then Minister of Human Resources of Malaysia Mr. Sivakumar Varatharaju Naidu, visited India from 7-13 January, 2023 on the invitation of the EAM to take part in the 17th PBD Convention in Indore. A 150 member Malaysian delegation took part in the PBD 2023 at Indore.
- The Regent of Pahang HRH Tengku Hassanal Ibrahim Alam Shah visited India from 7-12 April 2023 for the Commemorative event marking 50 years of Project Tiger in India and the launch event of the International Big Cats Alliance (IBCA).
- Hon'ble Minister of State for External Affairs and Parliamentary Affairs Shri V Muraleedharan visited Malaysia on May 31- June 2, 2023 on a working visit. MOS held bilateral meetings with H.E. Datuk Mohamad bin Alamin, Deputy Minister of Foreign Affairs of Malaysia and H.E. YB Ramkarpal Singh, Deputy Minister at Prime Minister's Department (Parliamentary Affairs) and discussed wide-ranging issues on further deepening bilateral cooperation.

Bilateral Initiatives and Collaboration

- **Trade Settlement in Indian Rupees:** Trade between India and Malaysia can be settled in Indian Rupee (INR) in addition to the current modes of settlement in other currencies beginning 1st April 2023. India International Bank of Malaysia (IIBM) is the first Bank in Malaysia that has operationalised this mechanism by opening a Special Rupee Vostro Account through its Corresponding Bank in India i.e. Union Bank of India.
- **ASEAN INDIA Business Summit in March 2023:** The 5th ASEAN-India Business Summit & ASEAN-India Business Excellence Awards was organized by ASEAN-India Business Council in partnership with High Commission of India in Kuala Lumpur joined by Malaysian Ministry of International Trade and Industry and Federation of Indian Chambers of Commerce & Industry.
- **India-ASEAN Startup Summit (IASS) 2023, December 2023:** The Summit was held on 12-13 December 2023 at Kuala Lumpur with participation from 35 startups from India led by Startup India, Department of Science & Technology and T-Hub in Hyderabad.
- **India Investment and Trade Promotion Roadshow 2024, 21 February 2024:** The roadshow was held on 21 February 2024 at Kuala Lumpur with the Indian delegation led by H.E. Mr. Rajesh Kumar Singh, Secretary, DPIIT, Ministry of Commerce.
- **India-Malaysia defence relations have steadily grown over the years.** The MoU on Defence Cooperation signed in 1993 is the cornerstone of defence relations between the two countries which allows for widening the scope of existing bilateral cooperation to include joint ventures, joint development projects, procurement, logistic and maintenance support and training. Amendment to the MoU was signed in July 2023, during the visit by Hon'ble RM to Malaysia. First regional office of HAL was also inaugurated in Kuala Lumpur during the visit.

□ The 12th edition of the MIDCOM took place on 19 Sep 2023 at New Delhi. The meeting was co-chaired by Defence Secretary Shri Giridhar Aramane and Deputy Secretary General (Policy), Malaysia Mr Mohd Yani bin Daud.

➤ Regular Staff Talks between the services at apex level have been extremely successful. Indian Navy ships regularly pay port visits to Malaysia, which provides opportunity to both navies to interact and engage with each other and also foster bonds of lasting friendship. India has been a regular participant at the Langkawi International Maritime and Aerospace Exhibition (LIMA) and Defence Services Asia (DSA) Exhibition in Malaysia.

Education

□ India and Malaysia signed a Memorandum of Understanding (MoU) in 2010 for bilateral cooperation in higher education. About 4,400 Indian students are studying in Malaysia in public and private universities mainly in the streams of engineering, medicine, business administration and social sciences. There are close linkages between the Indian and Malaysian higher educational institutions with over 500 MoUs/Agreements.

➤ An estimated 3,000 Malaysian students are studying in India. India offers 40 slots to Malaysia under the Indian Technical & Economic Cooperation (ITEC) programme annually. The Indian Council for Cultural Relations (ICCR) offers 3 scholarships under the General Scholarship Scheme (GSS) and 2 scholarships under the Education Exchange Programme (EEP) every year to Malaysia. India also offers 20 seats under the AYUSH Scholarship Scheme. Since 2007, about 319 Malaysians have attended different courses offered by around 82 institutions under ITEC.

Traditional Medicine

□ India and Malaysia signed a MoU on cooperation in the field of Traditional Systems of Medicine in October 2010. AYUSH experts are also periodically deputed for short periods to deliver lectures, consultations, conduct seminars and periodical training to Malaysian doctors, professionals and others.

□ An MoU for setting up an Academic Chair on Ayurveda between University Tunku Abdul Rahman (UTAR) and Institute for technical Research in Ayurveda (ITRA) was signed.

□ The 7th Bilateral Technical Meeting (BTM) on Cooperation in the Field of Traditional Medicine took place in Goa on 8 December 2023 in Goa.

Cultural Cooperation

□ An Indian Cultural Centre under ICCR was established in Kuala Lumpur in February 2010 to provide classes in Carnatic Vocal, Kathak dance, Yoga, Hindi language by trained teachers from India and Malaysia. The Centre was renamed as Netaji Subhash Chandra Bose Indian Cultural Center (NSCBICC) by PM Narendra Modi during his visit to Malaysia in November 2015.

□ The 9th International Yoga Day celebrations were held at the iconic Batu Caves Complex on Wednesday, 21st June 2023. Over 1,000 yoga enthusiasts participated in the mega event, which included people from all walks and ages including members of the diplomatic community, senior

officials of the Government of Malaysia, NGOs, members of various community, cultural and yoga associations in Malaysia.

□ High Commission in partnership with Think City Penang and the local Indian Diaspora associations and schools in Penang organised "Reminiscing Rabindranath Tagore" to commemorate Guru Rabindranath Tagore at Dewan Budaya, Universiti Sains Malaysia, Penang on 29 November 2023 in Penang. Other celebrations held during the year included World Sanskrit Day, celebration of Hindi Diwas, Gandhi Jayanti, Parakram Diwas, Ambedkar Jayanti among others.

Indian community /Persons of India Origin (PIOs):

Malaysia has the third largest Indian diaspora in the world (2.9 million). The number of Persons of Indian Origin is around 2.75 million (about 6.8% of Malaysia's population). 90% of PIOs speak Tamil and the rest speak Telugu, Malayalam, Punjabi, Bengali, Gujarati, Marathi, etc. There are approx. 185,000 NRIs both skilled and unskilled in Malaysia. India is the 5th largest source country for inbound tourism to Malaysia. The Government of Malaysia announced visa-free travel for Indian Nationals from 01 December 2023 until 31 December 2024 to promote inbound tourism to Malaysia whereas India has allowed Malaysian nationals to travel to India for tourism on a gratis 30 day double entry tourist visa since 1 July 2024. There are 211 flights (as of May 2024) being operated weekly between India and Malaysia, from Kuala Lumpur to 11 destinations in India.

Source: www.mea.gov.in