

India – Malaysia Relations

India established diplomatic relations with the Federation of Malaya (predecessor state of Malaysia) in 1957. India is represented in Malaysia through the High Commission of India based in Kuala Lumpur. Malaysia is represented in India through their High Commission in New Delhi and Consulates General in Mumbai and Chennai.

High level visits

India and Malaysia have close and friendly relations and regular Summit level meetings. The last VVIP visit from Malaysia to India was the visit of Malaysian Prime Minister Mohd Najib Tun Razak in January 2010 and again on 20-21 December 2012 to attend the ASEAN-India Commemorative Summit. From India, the then Prime Minister Dr. Manmohan Singh visited Malaysia on 26-28 October 2010. During the visit of PM, a Framework for Strategic Partnership was agreed to, which envisions development of a multi-faceted relationship with a view to elevate bilateral relations to the level of a long term and strategic partnership. Several high-level visits have taken place at the Ministerial level over the last few years.

PM Shri Narendra Modi and PM Najib met on the sidelines of the India-ASEAN Summit/EAS in Nay Pyi Taw in November 2014 and agreed to take forward our strategic relationship. At the invitation of PM Najib, PM Shri Narendra Modi undertook an Official Visit to Malaysia on 23 November 2015. Earlier, Prime Minister Narendra Modi participated in the ASEAN-India Summit and East Asia Summit on 21-22 November 2015. The two Prime Ministers held official talks in Putrajaya and jointly inaugurated the Torana Gate in Brickfields, Kuala Lumpur, a gift from India to Malaysia. During the official talks reaffirmed their determination to take the Strategic Partnership between the two countries to the next level by deepening existing areas and exploring new areas of cooperation. Both Prime Ministers then witnessed the signing of one *Agreement on Cultural Exchange Programme for 2015-2020* and two MoUs on “*Cooperation in the area of Performance Management, Project Delivery and Monitoring related to Government Programmes & Delivery*” and “*Cooperation on Cyber Security*”. Following the official talks between the two Prime Ministers a *Joint Statement of Enhanced Strategic Partnership between India and Malaysia* was issued. The Joint Statement covers strategic partnership in several areas including Political Consultations; Trade & Investment; Defence & Security; Culture & Tourism; Education; Public Administration; Health & Traditional Medicine; Regional and International Cooperation; etc.

On 4 December 2016, Asian Business Leaders' Conclave 2016 was jointly inaugurated at Kuala Lumpur by the two Prime Ministers (*Prime Minister of India addressed the gathering through video link*).

Ministerial Visits

Minister of State (IC) for Commerce & Industry Mrs. Nirmala Sitharaman visited Malaysia in July 2015 to participate in RCEP Inter-sessional Ministerial Meeting. She also held a bilateral meeting with her counterpart. MOS (IC) visited Malaysia again to participate in ASEAN EAS/ASEAN-INDIA Economic Ministers' Meeting held in Kuala Lumpur in August 2015. Minister of State for External Affairs, Gen. (Retd.) Vijay Kumar Singh visited Malaysia in August 2015 to participate in 13th ASEAN-India Foreign Ministers' Meeting, 5th East Asia Summit Foreign Ministers' Meeting and 22nd ASEAN Regional Forum. MOS (VKS) had bilateral meeting with Dato' Sri Anifah Haji Aman, Minister of Foreign Affairs of Malaysia. MOS (VKS), jointly with Datuk Seri Reezal Merican Naina Merican, Deputy Foreign Minister of Malaysia, inaugurated 4th Round of ASEAN-India Network of Think-Tanks Meeting organized in Kuala Lumpur by Research and Information System (RIS), India and Institute of Strategic & International Studies (ISIS), Malaysia. Raksha Mantri Shri Manohar Parrikar led the Indian delegation for the ASEAN Defence Ministers' Meeting during 3-4 November 2015. During his visit, RM also held bilateral meeting with his Malaysian counterpart Datuk Seri

Hishammuddin Hussein. A 4-member delegation led by Minister for Industries, Commerce, Mines, IT, NRI Affairs and Urban Development, Shri K T Rama Rao, Government of Telangana visited Malaysia from 30 June-1 July 2016 and met with Dato' Seri Utama Samy Vellu, Special Envoy of Prime Minister on Infrastructure (Cabinet Minister) for India and South Asia,. The Minister also participated in business interactions organised by ASEAN India Business Council (AIBC), Malaysian Chapter organised by Malaysia-India Business Council (MIBC). The Minister called on PM Najib. He also met with Dato' Sri Idris Jala, CEO of PEMANDU and Advisor to PM of Malaysia. Minister for Labour, Employment, Training & Factories, Youth Services & Sports, Skill Development and Entrepreneurship of the Government of Andhra Pradesh, Shri Kinjarapu Atchannaidu led a 3-member delegation to Malaysia from 20-22 July 2016. The Minister called on Malaysian Minister of Domestic Trade, Cooperatives and Consumerism, Dato' Seri Hamzah Bin Zainudin and met the Deputy Minister of Plantation, Industries and Commodities, YB Datuk Datu Nasrun Datu Mansur, Government of Malaysia. The Minister attended the ASEAN India Business Leadership Conclave 2016 (AIBC) held at Kuala Lumpur on 21 July 2016. Earlier in 2015, there were Ministerial visits from states of Uttar Pradesh, Arunachal Pradesh, Rajasthan and Tamil Nadu to Malaysia.

From the Malaysian side, the Minister of International Trade and Industry Dato' Seri Mustapa Mohamed visited India and participated in the CII Partnership Summit, which was held in Jaipur, Rajasthan in January 2015. The Malaysian Minister of Works visited India in October 2015 leading a large number of prominent businessmen in the infrastructure sector. The Deputy Home Minister of Malaysia Dato' Nur Jazlan visited India in February 2016 and participated in the International Security Conference organised by the India Foundation in Jaipur and delivered the Valedictory Address. Malaysian Minister of Transport H.E. Liow Tiong Lai visited India in March 2016 and participated in India Aviation-2016 at Hyderabad. He also held bilateral meeting with Hon'ble Minister for Civil Aviation Shri Ashok Gajapathi Raju. Leading a trade delegation in May 2016, Malaysian MITI Minister visited India and held bilateral talks with Hon'ble MOS (IC) for Commerce & Industry. During his visit, the Malaysian Trade Minister also met officials from both the Andhra Pradesh and Telangana Governments at Hyderabad. MITI Minister met Industries & IT Minister Shri KT Rama Rao, Government of Telangana and discussed the possibilities of cooperation in various sectors in the state. Dr. Ahmad Zahid Bin Hamidi, Deputy Prime Minister & Home Minister of Malaysia visited India from 17-20 July 2016, during which he called on PM and had meetings with Home Minister and NSA for advancing cooperation on counter-terrorism, transnational crime and deradicalisation to combat the growing menace of ISIS.

Joint Commission meeting

The last meeting of the India-Malaysia Joint Commission, led by Foreign Ministers of both countries was held in Kuala Lumpur on 3 May 2011, where the entire gamut of bilateral relations was reviewed. There is also the mechanism of Foreign Office Consultations at Secretary-level between the two countries and the last meeting was in Malaysia on 12 March 2012.

Parliamentary interaction

The Parliament of India has constituted an India-Malaysia Parliamentary Friendship Group since October 2011. Tan Sri Pandikar Amin Mulia, Speaker of Dewan Rakyat (House of Representatives – the Lower House) of Malaysia, visited India in July 2013 and met the Speaker of Lok Sabha. Smt. Sumitra Mahajan, Speaker of Lok Sabha and Prof. P J Kurien, Deputy Chairman of Rajya Sabha visited Malaysia during 8-13 January 2016 and represented India in the 23rd Session of Conference of Speakers and Presiding Officers of Commonwealth at Kota Kinabalu, Sabah. Hon'ble Speaker also held bilateral meeting with Tan Sri Mulia, MP, Speaker of Dewan Rakyat. An Indian Parliamentary delegation comprising six Members of Parliament from both Lok Sabha and Rajya Sabha, led by Shri

Ravi Prakash Verma, Member of Parliament, Rajya Sabha paid a goodwill visit to Malaysia during 18-20 April 2016. The delegation called on the Malaysian Parliament Speaker and had interaction with the Heads of various Indian community associations.

Agreements and MoUs

Several Agreements and MoUs have been signed between the two countries, including in the field of Commerce, Avoidance of Double Taxation, Customs matters, Higher Education, Extradition, Mutual Legal Assistance in Criminal Matters, Tourism, Traditional medicine, IT and services, Cultural Exchange Programme, Public Administration and Governance, Air Service Agreement to name a few.

Defence & Security Cooperation

India-Malaysia defence relations have steadily grown over the years. A MOU on Defence Cooperation was signed in 1993. There have been visits by the Defence Ministers to each other's country and the last visit of Malaysian Defence Minister to India was in 2006 and that of Indian Defence Minister in January 2008. Malaysia-India Defence Cooperation meetings at the level of Defence Secretary are held regularly. Staff talks between the three services have been operationalized and are held regularly on annual basis. Service Chiefs from both countries regularly exchange visits. Joint exercises "Harimau Shakti" are held annually between the two countries and there is scope for its upgradation. Indian Air Force Training Team was deployed in Malaysia to train Malaysian pilots on the SU-30SKM aircraft from 2008 to 2010. Indian naval ships also make regular port calls in Malaysia; last visit was by the Eastern Fleet ships to Kemaman Port in June 2015.

Following the news of disappearance of Malaysian Airlines flight MH 370 from Kuala Lumpur to Beijing on 8 March 2014, India extended all necessary assistance to the Malaysian authorities and deployed six ships and five aircrafts initially to undertake search operations in Bay of Bengal region and thereafter deployed two search and rescue aircrafts namely C130J and P8i in Subang Airport, Malaysia to assist in search operations. Five passengers in the flight were Indian nationals and the High Commission of India had provided necessary assistance to the families of the five passengers.

Economic and Commercial Cooperation

Economic and commercial relations are the mainstay of the bilateral relationship. India and Malaysia signed Comprehensive Economic Cooperation Agreement (CECA) on 1 July 2010, which came into force from 1 July 2011. India has signed the Free Trade Agreement (FTA) in services and investments with the 10-member Association of Southeast Asian Nations (ASEAN) in September 2014. First CECA review meeting took place in New Delhi in December 2014.

An India-Malaysia CEOs Forum, comprising 18 CEOs from both sides, has also been set up in October 2010 to develop enhanced partnership and cooperation at the business level. The 7th meeting was held at Kuala Lumpur in August 2015.

Malaysia is our third largest trading partner in ASEAN and India is the largest trading partner for Malaysia from among the countries of the South, excluding China. Bilateral trade was registered at US\$ 12.02 billion in 2015 as against US\$ 13.84 billion in 2014 and US\$ 13.38 billion in 2013. As per latest statistics, bilateral trade during January-September 2016 stood at US\$ 8.71 billion. Trade is significantly biased in favour of Malaysia.

As per official figures (DIPP), Malaysia is currently the 25th largest investor in India with FDI inflows of US\$ 827.88 million from April 2000 to September 2016. Malaysian Foreign Direct Investment in India is primarily focused on Roads and Highways, Telecommunications, Oil &

Gas, Power plants, Tourism and Human Resources. The highest investment proposals have been in the Telecommunications, followed by Power Sectors, Oil Refining and Roads & Highways. Notable among these are investments by companies like Maxis Communications in Aircel, Axiata in IDEA Cellular Ltd, Khazanah in IDFC and Apollo Hospitals, AirAsia in civil aviation and several other investments. Malaysian construction companies' largest presence outside Malaysia is in India. There has been a surge in Malaysian private sector initiatives in India, particularly in the infrastructure sector. According to Malaysia's Construction Industry Development Board (CIDB), as on date, Malaysian companies have completed 53 highway & road projects worth RM 9.3 billion (US\$ 2.84 billion) in India. In addition, there are 7 projects valued at RM 1.1 billion (US\$ 0.34 billion), which are still under construction. There are about 87 Malaysian companies including joint venture companies operating in India which includes prominent entity like IJM (India) Infrastructure Limited, GMR Hyderabad International Airport Limited, Malaysia Airline System (MAS), Khazanah India Advisors Private Limited, AirAsia (India) Private Limited, Petronas Lubricants (India) Private Limited, Eversendai Construction Private Limited, Genting Lanco Power (India) Private Limited, Sunway Opus International Private Limited, etc. Under a partnership with Malaysian Airports, GMR completed airport in Hyderabad in 2008, and the second one in Delhi in July 2010. Scomi built the Mumbai monorail. An MoU on Cooperation relating to the Provision of Technical Assistance Services on Highway Management and Development was signed in December 2010.

On the other hand, as per Malaysian Investment Development Authority (MIDA), Indian cumulative investment into Malaysia from 1980-2014 has been around US\$ 2.31 billion. At present, there are more than 115 Indian companies including 61 Indian joint ventures, 7 Indian Public Sector Undertakings and 60 Indian IT companies operating in/from Malaysia. Their areas of operation are manufacture of Textiles and Yarn, Drugs and Pharmaceuticals, Glass containers, Automobile associated activities, Specialty Chemicals, Steel Furniture, Rubber Products, Services in Information Technologies, Education, Biotechnology, Healthcare, etc. Recron Malaysia Sdn Bhd (owned by the Reliance group) is the largest Indian company in Malaysia, which is one of the largest Synthetic and Textile integrated plants in the world. Ballarpur Industries Limited of the Avantha Group-owned Sabah Forest Industries, Larsen & Toubro Group's Tamco Switchgear are other major Indian companies in Malaysia. Mahindra Satyam has moved to a new premises, located at a 15-acre site in Cyberjaya, offered by the Malaysian Government for its Global Solution Centre (GSC) operations. Reliance Capital Limited's Malaysian unit to serve as a global hub for syariah-compliant financial products, expansion project of Melaka Manipal Medical College to establish a university campus in Negeri Sembilan with an estimated investment of RM 659 million (US\$ 215.4 million), advanced research unit at Ampang Hospital in Kuala Lumpur by Veeda Clinical Research Organization, Ahmedabad, Biocon investment worth US\$ 161 million to set up its first overseas manufacturing and research facility in Malaysia in partnership with Biotech Corporation of Malaysia are among recent private sector investments from India. Indian public sector undertakings particularly IRCON, HMT, EIL, BHEL, and IOC have been engaged with the Malaysian industrial sector since the 1970s. Government of India entities such as General Insurance Company of India, Air India and EdCIL are also active in Malaysia. The India International Bank, set up in 2012 in Malaysia, is a consortium of Bank of Baroda, Indian Overseas Bank and Andhra Bank.

Engineering Export Promotion Council of India (EEPC) participated in an engineering product exhibition, 'Metaltech' from 25-28 May 2016 at Kuala Lumpur with participation of 12 prominent exporters from India and set up an India pavilion at the exhibition. Indian Pavilion was inaugurated by the High Commissioner. Gem & Jewellery Export Promotion Council of India (GJEPC) organised a Roadshow in Kuala Lumpur on 7 June 2016. The Chemical and Allied Export Promotion Council of India (CAPEXIL) organized a buyer seller meet on 27 September 2016 at Kuala Lumpur in which 10 leading India's export companies from focused industry sectors (Oil and Gas, Printing, Construction Material, Stainless Steel, Rubber Products, Recycling, Natural Stones and Metal Powder Fields) participated. Apparel Export

Promotion Council of India (AEPC) organised a buyer-seller meet at Kuala Lumpur on 17 October 2016 to promote exports of readymade garments from India to Malaysia.

Connectivity and Tourism

Air links have improved significantly following a bilateral agreement in 2007 to increase the seat capacity to six major destinations in India and a provision for multiple destinations and designating any number of airlines to operate on the India–Malaysia routes. The two sides have finalized a revised Air Services Agreement in October 2011 and internal approvals are being sought. To date, there are about 170 weekly flights connecting various destinations of India and Malaysia. On 6 December 2016 at Nassau, Bahamas, during the ICAO Air Services Negotiation Event (ICAN 2016), India and Malaysia discussed matters relating to the operation and signed revised ASA. India is the sixth largest source country for inbound tourism to Malaysia with around 7 lakhs Indian tourists visited Malaysia in 2015 against 9 Lakhs in 2014. Malaysia is the tenth largest source country for foreign tourists visiting India with an estimated 1.6 lakhs Malaysian tourists visited India in 2015 against 2 lakhs in 2014. An MoU on Tourism was signed during our PM's visit to Malaysia in 2010.

Education Cooperation

Every year, nearly 2000 Indian students come to study in Malaysia, while nearly 1500 Malaysian student enrol themselves in Indian colleges. Out of these, more than 95% of Malaysian students join for Medical and Dental courses in India. India and Malaysia also have an MOU on Higher Education since January 2010. In addition, India offers to Malaysia about 25 slots under ITEC and 5 under the Colombo Plan. India also offers nearly 30 scholarships for studies in graduate, post-graduate and research programmes in universities in India.

Cultural Links

Indian Cultural Centre, Kuala Lumpur, under ICCR was established in February 2010 and conducts classes in Carnatic Vocal, Kathak dance, Yoga, Hindi language and Tabla by trained teachers from India and Malaysia. More than 500 students have benefited by the classes at ICC. ICC collaborates with various cultural institutions in Malaysia to promote Indian culture in various parts of Malaysia. ICC also hosts a Library and an AYUSH Information Cell to disseminate authentic information on AYUSH systems of medicines. The Indian Cultural Centre is taking proactive steps to reach out to other States of Malaysia as well to spread the message of Indian culture and art. Till June 2015, more than 600 students have been benefited from the classes conducted at ICC, Kuala Lumpur. Indian Cultural Center was renamed as Netaji Subhash Chandra Bose Indian Cultural Centre (NSCBICC) by Prime Minister during his visit to Malaysia in November 2015.

Traditional medicine

India and Malaysia signed an MoU on cooperation in the field of Traditional Medicine in October 2010. Traditional and Complementary Medicine (TCM) Division, Ministry of Health of Malaysia has been working to popularize AYUSH systems in Malaysia. Ayurveda, Siddha, Unani and Homeopathy systems are practiced in Malaysia. In addition to the AYUSH Information Cell in Netaji Subhash Chandra Bose Indian Cultural Centre (NSCBICC) since 2010, one Ayurveda doctor and two therapists have been deputed to Malaysia for the last 4 years. AYUSH experts (3 Ayurveda experts and two Siddha experts so far) are also being periodically deputed for short period to deliver lectures, consultations, conduct seminars and periodical training to Malaysian doctors, professionals and others. India also offers 20 scholarships for Malaysian Nationals to study Traditional medicine in Indian Institutes/colleges. The Indian High Commission has brought out a book on Ayurveda in English and

Bahasa Malaysia language for dissemination among Ayurveda practitioners which was released by MOS (VKS) during his visit to Malaysia in August 2015.

Persons of Indian Origin (PIOs)

Malaysia has one of the largest communities of Persons of Indian Origin in the world, numbering close of 2 million (about 7 to 8% of Malaysia's population). The overwhelming numbers of PIOs are Tamil speaking, with significant people speaking Telugu, Malayalam and Punjabi as well. The Malaysian Indian Congress is the dominant political organization of the PIOs since pre-independence, and is a member of the ruling coalition since independence, but of late several smaller splinter political organizations have emerged. There is also significant PIO support to two Opposition Parties – the PKR and DAP, which has more Indian community MPs in the Lower House than the Malaysian Indian Congress.

Malaysia has been sending the largest contingent to the Pravasi Bharatiya Divas and currently there are five PBS Awardees from Malaysia, namely Dato' Seri Samy Vellu, Tan Sri Somasundaram, Tan Sri Vadiveloo, Tan Sri Ajit Singh and Tan Sri Datuk Ravindran Menon. Datuk Seri G. Palanivel, Minister of Natural Resources and Environment of Malaysia and President of Malaysian Indian Congress was the Chief Guest at the 12th Pravasi Bharatiya Divas held in New Delhi in 2014.

Indian Community

There are over 130,000 Indian expats legally employed in Malaysia in skilled and semi-skilled category. A bilateral MoU on Employment and Welfare of Workers signed in January 2009 establishes an institutional framework to deal with issues concerning Indian workers. Illegal immigration and human trafficking from India into Malaysia is a matter of concern to both Governments. 3 Joint Working Group meetings at the Secretary-level have already been held so far.

The High Commission of India, in collaboration with the Ministry of Culture of India, organized the first Festival of India in Malaysia between March-June 2015 where 45 events were held in 100 days in all major cities of Malaysia. The Festival culminated after the holding of the first ever International Day of Yoga on 21 June 2015. During his visit to Malaysia in November 2015, Prime Minister released a bilingual (English and Bahasa Malaysia) book on Yoga, titled "Yoga for Holistic Health" at Ramakrishna Mission Malaysia where he also unveiled a 12 ft Bronze Statue of Swami Vivekananda.

Useful Resources:

High Commission of India, Kuala Lumpur website:

<http://www.indianhighcommission.com.my/>

Indian Cultural Centre High Commission of India, Kuala Lumpur website:

<http://www.icckl.com.my/>

January 2017