

INDIA-MALAYSIA BILATERAL RELATIONS

India established diplomatic relations with the Federation of Malaya (predecessor state of Malaysia) in 1957 immediately on Malaysia's independence. The two countries enjoyed a strong relationship in the 1960s as a result of the personal friendship between Prime Ministers Nehru and Tunku Abdul Rahman Putra. The relations continued on an upward trajectory. PM Abdullah Badawi (2004 - 2009) took this relationship forward with some important initiatives. This trend has been strongly re-enforced by the current Prime Minister, Dato' Sri Mohd. Najib Tun Abdul Razak, after he assumed the office of Prime Minister in April 2009.

During the visit of PM Dr. Manmohan Singh in October 2010, a Strategic Partnership was established, thus placing India – Malaysia ties at a higher level than at any time since the 1960s. PM Najib attended the India-ASEAN Commemorative Summit in New Delhi in December 2012. 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, as a symbol of India-Malaysia Friendship. Both Prime Ministers witnessed the signing of an Agreement on Cultural Exchange Programme for 2015-2020 and two Memorandum of Understanding (MoU) on Cooperation in the area of Performance Management, Project Delivery and Monitoring related to Government Programmes & Delivery and on Cooperation in Cyber Security. Following the official talks between the two Prime Ministers a **Joint Statement of Enhanced Strategic Partnership between India and Malaysia** was issued. On 14 December 2016, Asian Business leaders Conclave 2016 was jointly inaugurated at Kuala Lumpur by the two Prime Ministers (*PM Shri Modi addressed the gathering through video link*).

Marking 60 years of bilateral diplomatic relations, PM Najib paid a State Visit to India from 30 March-4 April 2017. On 1 April, PM Najib and PM Shri Narendra Modi held bilateral talk which covered all aspects of India-Malaysia relations and global issues of mutual concern. While addressing the press, the two leaders noted that the relations between the two countries were at a "historic high" and addressed various aspects of our multi-faceted relations. The two leaders witnessed exchange of 7 MoUs/agreements covering areas of Air Services, proposed development of a urea plant in Malaysia, sports, entrepreneurship development, mutual recognition of education qualifications, technology development in field of palm oil, and development of 4th generation Technology Park in Andhra Pradesh. Following the bilateral talk, a comprehensive Joint Statement on 60th anniversary of India-Malaysia diplomatic relations was released. During his visit to India, PM Najib called on Hon'ble President and Hon'ble Vice President. He also met EAM in New Delhi; Governor and Chief Minister of Tamil Nadu in Chennai; and Chief Minister of Rajasthan in Jaipur. On 3 April, PM Najib addressed the meeting of Malaysia - India Business Forum jointly organised by CII, FICCI and ASSOCHAM in New Delhi. The

Business Forum witnessed exchange of 31 MoUs between Indian and Malaysian companies worth US\$36 billion, covering areas such as construction, pharmaceutical, education and training, the halal industry and bilateral economic relations.

Minister of State(IC) for Commerce & Industry Ms Nirmala Sitharaman visited Malaysia in July 2015 to participate in RCEP Intersessional Ministerial Meeting and again in August 2015. MOS (IC) for Commerce & Industry visited Malaysia again to participate in ASEAN EAS/ASEAN-INDIA Economic Ministers' Meeting held in Kuala Lumpur. 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. Raksha Mantri Shri Manohar Parrikar led the Indian delegation for the ASEAN Defence Ministers Meeting during 3-4 November 2015.

From the Malaysian side, the Minister of International Trade and Industry visited and participated in the Partnership Summit, which was held in Jaipur, Rajasthan in January 2015 and again in May 2016. Later in April 2017, he visited India as part of PM Najib's delegation during his State Visit to India. 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 Counter Terrorism Conference organised by the India Foundation in Jaipur and delivered the Valedictory address on behalf of the Dy PM and Home Minister of Malaysia. Malaysian Minister of Transport Liow Tiong Lai visited India in March 2016 and participated in India Aviation-2016 at Hyderabad. Later in April 2017, he was also part of PM Najib's delegation to India. The Malaysian Minister of Tourism and Culture visited India several times in 2016-17. Dr. Ahmad Zahid Bin Hamidi, Deputy Prime Minister & Home Minister of Malaysia visited India in July, 2016, during which he called on PM and had meetings with Home Minister and NSA for advancing cooperation on counterterrorism, transnational crime and deradicalisation to combat the growing menace of ISIS.

Defence relations between India and Malaysia have grown steadily. MoU on Defence Cooperation signed in 1993 is the corner stone of defence relations between the two countries. The Malaysian Defence Minister (now PM) visited India in June 2006 and our Raksha Mantri visited Malaysia in January 2008 and again in November 2015 (multilateral). The 10th Malaysia-India Defence Cooperation Meeting (MIDCOM) chaired by the Secretaries of the two Defence Ministries, was held in New Delhi on 18 Jun 2013. The Indian Navy ships regularly port at Malaysia which provides opportunity to both navies to interact and understand each other and also foster bonds of lasting friendship. Indian Coast Guard Ships also make regular port calls to Malaysia and interact with Malaysian Maritime Enforcement Agency. Following the disappearance of Malaysian Airlines flight MH-370 from Kuala Lumpur to Beijing on March 8, 2014, India extended all necessary assistance to the Malaysian authorities and deployed six ships and five aircrafts to undertake the search operations in Bay of Bengal region. Subsequently India also deployed C 130J and P8I Search and Rescue (SAR) aircrafts to assist in search of the ill-fated MH 370 flight.

During our PM's visit to Malaysia in October 2010 both sides agreed to establish a Joint Working Group (JWG) to combat the threat of terrorism. The bilateral Extradition Treaty has been signed (January 2011) and ratified on 13 February 2011 and the Treaty on Mutual Legal Assistance in Criminal Matters signed (March 2012) and ratified on 12 November 2012.

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. Hon'ble Speaker of Lok Sabha Smt Sumitra Mahajan and Hon'ble Deputy Chairman of Rajya Sabha visited Malaysia in January 2016 and represented India in the 23rd Session of Conference of Speakers and Presiding Officers of Commonwealth at Kota Kinabalu, Sabah. 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.

Economic and commercial relations are the mainstay of the bilateral partnership. A bilateral Comprehensive Economic Cooperation Agreement (CECA) covering goods, services and investment has come into effect from 1 July 2011. In Trade in Goods both sides have offered ASEAN Plus commitments and In Trade in Services both sides have exchanged WTO Plus offers, with Malaysia making significant commitments in the categories of Contractual Service Suppliers and Independent Professionals in commercially meaningful sectors including accounting and auditing, architecture, engineering services, medical and nursing and computer related services. The first review meeting of India-Malaysia CECA took place at New Delhi in December, 2014. The Revised Double Taxation Avoidance Agreement was signed (in May 2012) and ratified (in December 2012). An MoU on Customs Cooperation was signed in June 2013. An MoU on IT was also signed during our PM's visit in October 2010. The 2nd Joint Commission on Science & Technology was held in Kuala Lumpur in July 2011.

Malaysia is our third largest trading partner in ASEAN besides Indonesia and Singapore. India is the largest trading partner for Malaysia from among the countries of the South Asia, excluding Singapore and China. India-Malaysia bilateral trade in 2016 was US\$ 11.72 billion (RM 48.62 billion). Malaysia's exports to India were worth US\$ 7.72 billion and imports from India were valued at US\$ 4.00 billion in 2016. India was Malaysia's 10th largest trading partner in the world, accounting for 3.3 per cent share of Malaysia's global trade. Malaysia is 11th largest trading partner for India during FY 2016-17 (Apr-Feb) moving 3 places up from 14th position in 2015-16. India is 7th export destination for Malaysia.

During the visit of former Prime Minister Dr. Manmohan Singh, the two Prime Ministers formally launched the India-Malaysia CEOs Forum in Kuala Lumpur on 27 October 2010 to promote greater business-to-business cooperation. The CEOs Forum has since been re-constituted. The 7th MICEOF meeting, which was the first meeting of the reconstituted Forum, took place in New Delhi on 31 March 2017 during PM Najib's visit to India.

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. 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 in July 2016. On 4 July 2017, Shri P. Narayana, Minister of Municipal Administration and Urban Development of Government of Andhra Pradesh visited Malaysia to study Malaysian urban integrated transport system, particularly use of BRT and MRT. Shri Manpreet Singh Badal, Minister of Finance of Punjab visited Malaysia from 7-9 July 2017 and attended the 1st ASEAN Sikh Economic and Entrepreneur Summit-2017 as the Chief Guest. Dr. Montek Singh Ahluwalia former Deputy Chairman of Planning Commission also attended the Summit as Guest Speaker. A Confederation of Indian Industry (CII) delegation of nine CEOs of Indian (MNC) companies led by Dr Naushad Forbes, Chairman, CII International Council and Co-Chairman of Forbes Marshall Pvt Ltd visited Malaysia from 25-26 July 2017 and called on Malaysian Minister of International Trade & Industry, Minister of Works, Minister of Health and Chief Minister of Selangor State besides MIBC, KPMG, Invest KL and Invest Selangor to explore fresh investment and business opportunities between both the countries.

In April 2010, the Malaysian Central Bank approved the commercial license for a consortium of three Indian banks - Bank of Baroda, Andhra Bank and IOB – to operate in Malaysia, in fulfillment of a commitment made by the Malaysian PM to our PM during his visit to India. The new banking entity, India International Bank, launched commercial operations on 11 July 2012. CIMB Bank of Malaysia has opened its Representative Office in Mumbai since August 2011. ICICI has a Representative Office in Malaysia.

As per official figures (DIPP), Malaysia is currently the 25th largest investor in India with FDI inflows of US\$ 829.17 million from April 2000 to December 2016. However, if the Mauritius route is also included, the investment of Malaysia in India could be as high as US\$ 7 billion. In addition to the investments, Malaysia has also undertaken US\$ 6 billion worth of projects in India.

As per the latest data (December 2015), 87 Malaysian companies including joint venture companies are operating in India.

As per latest data available from 1980 to 2016, Malaysian Investment Development Authority (MIDA) have informed that Indian companies have invested in 242 manufacturing projects over US\$ 2.62 billion in Malaysia including 8 projects in 2016 for USD 297 million. There are over 150 major Indian companies, including more than 60 IT ventures, operating in Malaysia. IRCON International Ltd. has been actively engaged in the development of railways in Malaysia since 1988, and it executed a double tracking project (Seremban – Gemas) worth about US\$1.1 billion in July 2013. Phase I of the said project was completed on 30 April 2011, while Phase II was completed in July 2013.

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. Revised Air Services Agreement was signed in April 2017 during PM Najib’s visit to India. The two sides have finalized a revised Air Services Agreement in October 2011 and internal approvals are being sought. To date, there are about 150 weekly flights connecting various destinations of India and Malaysia.

India is the sixth largest source country for inbound tourism to Malaysia with 6,38,578 Indian tourists visited Malaysia in 2016. Malaysia is the tenth largest source country for foreign tourists visiting India with an about 2 lakh Malaysian tourists visited India in 2016. A MoU on Tourism was signed during our PM’s visit to Malaysia in 2010.

India and Malaysia signed an MoU on cooperation in the field of Traditional Medicine October 2010. In addition to the AYUSH Information Cell in Netaji Subhash Chandra Bose Indian Cultural Center (NSCBICC) since 2010, one Ayurveda doctor, two therapists and and one siddha doctor and have been deputed to Malaysia. AYUSH experts 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. In December 2016, Ministry of Health of Malaysia launched ‘Traditional and Complimentary Medicine Practice Guideline on Varmam Therapy’ and launch of a pilot study on Vermam Therapy as complimentary treatment for orthopaedic and rehabilitative patients at Sungai Buloh Government Hospital.

An MoU was signed in Jaipur on 5 December 2016 between National Institute of Ayurveda, Jaipur and UniversitiTunku Abdul Rahman (UTAR), Malaysia to strengthen, promote and develop cooperation in the fields of education, training, research, publication and popularization of Ayurveda system of medicine on the basis of equality and mutual benefit. Another MoU for setting up an Academic Chain on Ayurveda between UniversitiTunku Abdul Rahman (UTAR) and the Central Council for Research in Ayurvedic Sciences (CCRAS) was signed during the visit of PM Najib to India in April 2017.

About 2000 Indian students are studying in Malaysia, while an estimated 8000 Malaysian students are studying in India. Most of the Malaysian students studying in India are studying medicine. A MOU on Higher Education was signed on 20 January 2010 during PM Najib’s visit to India. India offers about 25 slots under ITEC and 5 under the Colombo Plan.

A new 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. Indian Cultural Centre was renamed as Netaji Subash Chandra Bose Indian Cultural Centre by Prime Minister during his visit to Malaysia in November 2015.

Malaysia has one of the largest communities of Persons of Indian Origin in the world, numbering around 2.7 million (about 9-10% 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. Malaysia has been sending the largest contingent to the PravasiBharatiya Divas and currently there are six PBS Awardees from Malaysia, namely Dato Seri SamyVellu, Tan Sri Somasundaram, Tan Sri Vadiveloo, Tan Sri Ajit Singh, Tan Sri Datuk Ravindran Menon and Tan Sri Dr. ThambirajahMuniandy,

There are approx. 2,44,000 Indian expatriates, both skilled and unskilled and another 75,000 or so “undocumented” or illegal workers in Malaysia. 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 from India into Malaysia is a matter of concern to both Governments.

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21 August 2017