

**High Commission of India  
Kuala Lumpur**

**Brief on India-Malaysia Bilateral Relations**

India established diplomatic relations with the Federation of Malaya (predecessor state of Malaysia) in 1957 immediately after 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. PM Abdullah Badawi (2004-2009) took some important initiatives to develop a closer relationship with India. This trend was strongly reinforced by PM Dato' Seri Mohd. Najib Tun Abdul Razak. Presently, India and Malaysia have developed close political, economic and socio-cultural relations. There is a considerable goodwill for India in Malaysia at people to people level, which hosts the third largest PIO community in the world.

India and Malaysia are witnessing growing engagements in all aspects of bilateral relationship, including political, economic and trade, defence and security, tourism and education, health, human resources, public administration, etc.

**Bilateral VVIP visits**

**Visit of Malaysian Dignitaries to India**

- PM Tuanku Abdul Rahman-1962
- Two visits of Agong (King) prior to 1974
- Agong (King) V-AI-Sultan Almu'tasimu Billahi Muhibbuddin Tuanku Al-Haj Abdul Halim Mu'adzam Shah Ibni Al-Marhum Sultan Badlishah-1974
- PM Tun Hussein-1979/ 1980
- PM Dr. Mahathir bin Mohamad-1983/1987/1993/1994/ 1996/1997/ 2002
- PM Dato' Seri Abdullah Ahmad Badawi-2004
- PM Mohd Najib Tun Razak-2010 /2012/ 2017/ 2018

**Visit of Indian Dignitaries to Malaysia**

- PM Pt. Jawaharlal Nehru-1954
- President Dr. Rajendra Prasad-1958
- Vice President Dr. Zakir Hussein-1966
- PM Smt. Indira Gandhi-1968
- President Shri V.V. Giri-1973
- President Shri Fakhruddin Ali Ahmed-1977
- PM Shri V.P. Singh-1990

- PM Shri P.V. Narsimha Rao-1995
  - Vice President Shri Krishan Kant-1997
  - PM Shri Atal Bihari Vajpayee-2001 /2003
  - PM Dr. Manmohan Singh-2005/2010
  - PM Shri Narendra Modi-2015/2018
- During the visit of PM Dr. Manmohan Singh visited Malaysia from 26-28 October 2010. During the visit, the two leaders agreed to establish a **Strategic Partnership**, thus placing bilateral ties at a higher level than at any time since the 1960s.
  - PM Shri Narendra Modi undertook an official Visit to Malaysia on 23 November 2015. PM Modi also participated in the ASEAN-India Summit and East Asia Summit on 21-22 November 2015. During the visit, a Joint Statement on **Enhanced Strategic Partnership** between India and Malaysia was issued.
  - The visit of PM Najib Razak in March-April 2017 marked the 60th anniversary of India-Malaysia diplomatic relations. It was PM Najib Razak's third visit to India since assuming office in 2009.
  - On 25-26 January 2018, PM Najib visited India again and participated at the 25th anniversary celebration to mark India's engagements with ASEAN. He also accepted India's invitation to be one of the Guests of Honour among other ASEAN Heads of State/Government at the 69th Republic Day Parade.
  - PM Shri Narendra Modi visited Malaysia on 31 May 2018 to congratulate newly elected Malaysian PM Dr. Mahathir Mohamad.

### **Bilateral Institutional Mechanisms**

The following institutional mechanisms have been established between India and Malaysia:

- **Joint Commission Meeting (JCM):** Foreign Ministers of both countries head a Joint Commission. It held its fifth meeting in Kuala Lumpur on 3 May 2011.
- **Foreign Office Consultations:** Last meeting of the Secretary-level FOC was held in January 2015 in New Delhi.
- **India-Malaysia Defence Cooperation Meeting (MIDCOM):** The 11th Malaysia-India Defence Cooperation Meeting (MIDCOM) chaired by the Secretaries of the two Defence Ministries, was held in Kuala Lumpur on 21 November 2018.
- **India-Malaysia CEOs' Forum:** During PM Dr. Manmohan Singh's visit to Malaysia from 26 to 28 October 2010, both countries established an

India-Malaysia CEOs' Forum to develop enhanced partnership and cooperation at the business level. The last meeting of reconstituted CEOs' Forum took place in Kuala Lumpur on 14 February 2019.

- Joint Working Group on Counter Terrorism and Transnational Crime
- Joint Committee on Science and Technology
- Joint Working Group on Information Technology
- India-Malaysia Joint Working Group on Labour
- India-Malaysia Joint Working Group on Higher Education
- India-Malaysia Joint Working Group on Renewable Energy
- India-Malaysia Joint Working Group on Public Administration
- Bilateral Technical Meeting on Cooperation in the Field of Traditional Medicine

### **Bilateral Agreements/ MOUs**

The two countries have signed a number of Agreements and Memoranda of Understanding from time-to-time in different sectors, the prominent among which are: MoU on Defence Cooperation (1993); Agreement on Promotion & Investment (1993); MoU between Security Commissions of Malaysia and India (1993); Agreement on Double Taxation (2001); MoU on Employment and Welfare of Workers (2009); MoU on Cooperation in the field of Higher Education (2010); Cooperation relating to provision of Technical Assistance Services on Highway Management & Development (2010); Revised Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (2010); Comprehensive Economic and Cooperation Agreement (CECA) (2010); the bilateral Extradition Treaty (January 2011); Mutual Legal Assistance Treaty (2012); MoU on Cooperation in Renewable Energy (2012); MoU on Cooperation and Mutual Assistance on Custom Matters (2013); MoU on Cooperation in the field of Public Administration and Governance (2013); MoU on Tourism (2013); MoU on Cooperation in the field of Traditional Systems of Medicine (2013); MoU on Cooperation in IT & Services (2013); MoU on Cyber Security (2015); MoU on Cultural Exchange Program (2015); MoU between NITI AAYOG and PEMANDU (2015); Revised Air Services Agreement (2017); MoU on Cooperation in the Field of Sports (2017); MoU between Malaysian Palm Oil Board (MPOB) and Institute of Chemical Technology (ICT), India (2017); MoU on Mutual Recognition of Educational Degrees and Certificates between AIU and MQA(2017); and MOU on UN Linkages with Malaysia in November 2018.

### **Economic & commercial relations**

- Economic and commercial relations are the mainstay of our bilateral partnership. A bilateral Comprehensive Economic Cooperation Agreement (CECA) covering goods, services and investment has come into effect from 1 July 2011. India and ASEAN have also signed an FTA covering goods, services and investment.
- In 2018-19, the bilateral trade was US\$ 17.24 billion, with India's exports being US\$ 6.43 billion and imports being US\$ 10.81 billion.

Thus, with strengthening bilateral economic and commercial relations, Malaysia has emerged as 13th largest trading partner for India while India figures among the ten largest trading partners for Malaysia.

➤ **Bilateral Trade India-Malaysia:**

Year Trade	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Export</b>	3.98	4.44	4.19	5.81	3.70	5.22	5.70	6.43
<b>Import</b>	9.47	9.95	9.22	11.11	9.08	8.93	9.01	10.81
<b>Total</b>	13.45	14.39	13.41	16.92	12.78	14.15	14.71	17.24

[\* Values in US \$ billion. (Source: Department of Commerce, GOI)]

- India's major exports items to Malaysia are mineral fuels, mineral oils; aluminum and articles thereof, meat and edible meat offal, iron and steel, copper and articles thereof, organic chemicals, nuclear reactors, boilers, machinery and mechanical appliances; electrical machinery and equipment; etc.
- India's major import items from Malaysia are 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, aluminum, organic chemicals, iron and steel and miscellaneous chemical products.

### Investments

- As DPIIT, Malaysia ranks as the 24<sup>th</sup> largest investor in India with FDI inflow of US\$ 932.19 million which constitutes 0.22% of total FDI inflows of US\$ 421 billion into India during the period April 2000 to March 2019.
- The largest presence of Malaysian construction companies outside Malaysia is in India. The prime interest for Malaysian companies to invest in India is infrastructure and construction sector with a particular focus on roads and highways, railways and up-gradation of airport and ports. Other sectors are telecommunications, ICT, engineering, power, oil & gas etc.
- Indian investments in Malaysia: Indian companies have invested in 242 manufacturing projects of over US\$ 2.62 billion (RM 8.74 billion) in Malaysia which includes investment of RM 5.5 billion (approx. US\$ 1.37 billion) by around 135 Indian companies in the manufacturing sector creating 15,000 jobs till September 2018. (Source: MIDA, GoM)
- Prominent Indian investors/projects include Recron Malaysia SdnBhd

(owned by the Reliance group), Sabah Forest Industries (owned by Ballarpur Industries Limited of the Avantha Group), Tamco Switchgear (owned by Larsen & Toubro), UNZA Malaysia (owned by Wipro), Ranbaxy Malaysia, Melaka Manipal Medical College in Melaka and the Melaka International College in Nilai, among others. Veeda Clinical Research Organization, Ahmadabad has set up its advanced research unit at Ampang Hospital in Kuala Lumpur. Biocon India has set up its first overseas manufacturing and research facility in Johor Bahru in Malaysia in partnership with Biotech Corporation of Malaysia.

- Presently, there are more than 150 Indian companies, including 61 Indian joint ventures and 3 Indian Public Sector Undertakings operating in 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 banking, insurance, information technologies, education, biotechnology, healthcare, etc.
- IRCON started its operation in Malaysia in the year 1988, and till date has executed numerous major projects for KTMB & Government of Malaysia. IRCON has commissioned 15 projects involving 580 km of track rehabilitation and about 298 km of new lines.
- In April 2010, the Malaysian Central Bank approved the commercial license for a consortium of three Indian banks – Bank of Baroda (40%), Andhra Bank (35%) and IOB (25%) - to operate in Malaysia. CIMB Bank of Malaysia started its investment banking and brokerage business in India in 2013. ICICI has a Representative office in Malaysia. GIC Re also has a presence in Malaysia.

#### **Defence Cooperation:**

- India's defence relations with Malaysia have gained momentum during recent years. The MoU on Defence Cooperation signed in 1993 is the cornerstone of defence relations between the two countries. The Malaysian Defence Minister visited India in June 2006 and in April 2017. Our Raksha Mantri visited Malaysia in January 2008 and again in November 2015 (multilateral).
- Regular Staff Talks between the Services at apex level have been extremely successful and have made meaningful contribution in enhancing defence cooperation.
- The eleventh Malaysia-India Defence Cooperation Meeting (MIDCOM) chaired by the Secretaries of the two Defence Ministries, was held in Kuala Lumpur on 21 November 2018. An MOU on UN Linkages with Malaysia was signed, first one after the Defence Cooperation Agreement of 1993.

- Regular Staff Talks between the services at apex level have been extremely successful. The 6th Army to Army Staff Talks were held in May 2017 in Kuala Lumpur. The 8th Air Force to Air Force Staff Talks were held in Kuala Lumpur on 14-16 February 2018. The 7th Navy to Navy Staff Talks were held in July 2018.
- Indian Air Force Pilots trained Malaysian counterparts on Su-30 MKM aircrafts in 2008-2010, of which initial phase of the training was conducted in India and final phase in Malaysia.
- Following the disappearance of Malaysian airlines flight MH-370 flying from Kuala Lumpur to Beijing on 8 March 2014, India extended all necessary assistance to the Malaysian authorities and deployed six ships and five aircraft to undertake the search operations in Bay of Bengal region. Subsequently, India also deployed C130J and P8I Search and Rescue (SAR) aircraft to assist in search of the ill-fated MH 370 flight.

## **Education**

- About 2,000 Indian students are studying in Malaysia, while an estimated 4,000 Malaysian students are studying in India, mostly medicine.
- An MoU on Higher Education was signed on 20 January 2010 during PM Najib's visit to India. Two meetings of the JWG on Higher Education have already taken place in October 2011 and April 2013.
- India has offered 45 slots under ITEC program for 2018-19 and 3 slots under ICCR General Scholarship Scheme. India also offers 20 scholarships for Malaysian nationals to study traditional medicine in Indian institutes/colleges under Ministry of Ayush.
- Since 2007, 268 Malaysians have attended different courses offered by 87 institutions under ITEC. An MoU for mutual recognition of degrees between Malaysian Qualification Agency (MQA) and Association of Indian Universities (AIU) was signed during the visit of PM Najib to India in April 2017.
- The Indian Council for Cultural Relations (ICCR) offers 2 scholarships under the General Scholarship Scheme (GSS) and 2 scholarships under the Education Exchange Programme (EEP) every year. Malaysians pursuing Bachelor courses in India can also avail scholarships under the Scholarship Programme for Diaspora Children (SPDC).
- India also offers 20 seats under the AYUSH Scholarship Scheme to Malaysia to pursue Bachelor degree in Ayurveda, Siddha, Unani and Homeopathy medicine in Indian institutions / colleges.

## **Indian Scholarship & Trust Fund (ISTF)**

- The Indian Scholarship and Trust Fund was created in 1946 by PM Nehru to benefit and assist Malaysian-Indian students on an annual basis. The unclaimed quarantine amount deposited by the Indian workers who came to Malaya during the colonial days by Ships became the seed money for ISTF. Over the years, the corpus of the Fund has been augmented by contributions from other Indian PMs, including Shri Narendra Modi who gave additional grant of RM 3 million during his visit to Malaysia in November, 2015. The current corpus of the ISTF is deposited as Fixed Deposits (FDs), from which the interest accrued is disbursed as scholarship every year. The selection of the deserving and meritorious students is done by an independent Selection Committee consisting of eminent Malaysian educationists and academicians. Since 2006, more than RM1.8 million has been disbursed from the ISTF, benefitting more than 700 Malaysian Indian students. For 2018-2019, 55 Malaysian-Indian students studying in various universities in Malaysia, were awarded a total of RM 290,000 in scholarship.

## **Traditional Medicine**

- India and Malaysia signed a MoU on cooperation in the field of Traditional Systems of Medicine in October 2010. Ayurveda, Siddha, Unani and Homeopathy systems are practiced in Malaysia. In addition to the AYUSH Information Cell in Indian Cultural Centre since 2010, one Ayurveda doctor and two therapists, and a Siddha doctor have been deputed to Malaysia for the last four years. AYUSH experts (three Ayurveda experts and two Siddha experts so far) are also being periodically deputed for short periods to deliver lectures, consultations, conduct seminars and periodical training to Malaysian doctors, professionals and others.
- The Indian High Commission brought out a book on Ayurveda in English and Bahasa Malaysia language for dissemination among Ayurveda practitioners in August 2016.
- The 4th Bilateral Technical Meeting on Cooperation in the Field of Traditional System of Medicine was held in Kuala Lumpur on 27 December 2016. The 5th Bilateral Technical Meeting was held in New Delhi in January 2018. The 6th meeting was held on 6 August 2019 in Kuala Lumpur, in which Indian delegation was led by Joint Secretary AYUSH, Sh P N Ranjit Kumar.
- An MoU was signed in Jaipur on 5 December 2016 between National Institute of Ayurveda, Jaipur and Universiti Tunku 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

University Tunku Abdul Rahman (UTAR) and the Central Council for Research in Ayurvedic Sciences (CCRAS) was signed on 1 April 2017 during the State Visit of PM Najib to India.

### **Cultural Cooperation/IDY celebrations:**

- A new Indian Cultural Centre, Kuala Lumpur, under ICCR was established in February 2010 which conducts classes in Carnatic Vocal, Kathak dance, Yoga, Hindi language and Tabla by trained teachers from India and Malaysia. The Centre was renamed as Netaji Subhash Chandra Bose ICC by our PM during his visit to Malaysia in November 2015.
- 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. It was a huge success. 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.
- High Commission has been celebrating International Day of Yoga since 2015. For the first time in 2018, the Mission partnered with local organizations, including GOPIO and Brahma Kumaris to celebrate IDY 2018 on a nationwide scale. The month-long celebrations in June-July 2018 were held at over 35 venues across Malaysia, involving over 10,000 participants. The Federal Territory of Kuala Lumpur itself witnessed 22 yoga related programmes. School children of more than 20 Tamil Primary Schools enthusiastically participated in the celebrations.
- For IDY 2019, events are being organised at 60 different venues, including over 40 schools targeting more than 15,000 people. Curtain Raisers were organized at Petronas Twin Tower, Torana Gate in Brickfields and Batu Caves temple in early June 2019, followed by flagship event at Batu caves on 23 June 2019.

### **Persons of India Origin (PIOs)**

- Total number of Persons of Indian Origin is around 2.75 million (about 9% of Malaysia’s population). 90% of PIOs speak Tamil and the rest speak Telugu, Malayalam, Punjabi, Bengali, Gujarati, Marathi, etc.
- Malaysia has been sending the largest contingent to the Pravasi Bharatiya Divas and currently there are six PBS Awardees from

Malaysia, namely TunSamyVellu, Tan Sri Somasundaram, Tan Sri Vadiveloo, Tan Sri Ajit Singh, Tan Sri Datuk Ravindran Menon and Tan Sri Dr. Thambirajah Muniandy. Datuk Sri G. Palanivel, former 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 January 2014. In 14th PBD held at Bengaluru in January 2017, Datuk Sri Dr. S Subramaniam and Dato Seri Utama Samy Vellu participated as guests of honour. The largest ever Malaysian contingent (around 527) led by Tan Sri SA Vigneswaran, the president of the Upper House and also president of MIC participated in PBD Convention in Varanasi in January 2019.

### **Indian community/ Consular/Manpower Issues:**

- There are approx. 2,25,000 NRIs in Malaysia.
- In terms of attending to problems being faced by the Indian community, especially the Indian workers, institutionalized structures for grievance-redressal are in place. Pravasi Bharatiya Shayata Kendra (PBSK) at the High Commission ensures welfare and safety of distressed Indian nationals. The PBSK is a 24X7 grievance redressal centre that provides assistance such as repatriation, immigration facilitation, resolution of disputes with employers etc.
- 9,150 Emergency Certificates were issued to Indian nationals in 2018 as compared to 6,683 in 2017.
- 1,41,533 visas were issued to Malaysian nationals in 2018 as compared to 1,75,896 in 2017.
- In an effort to offer prompt and hassle-free consular/visa/passport services to the applicants, an “Online Appointment System” has been put in place in June 2019 to reduce waiting period. All emergency cases, such as death cases or cases where people (Indians and others) are required to travel to India urgently are dealt with on a priority basis.
- There are almost 20,000 Hindu temples and over 120 Gurudwaras in the country.

### **Tourism and Civil Aviation Sector Cooperation**

- Air links have improved significantly following a bilateral agreement in 2007 to increase the seat capacity to six major destinations in India and provision for multiple destinations and designating any number of airlines to operate on the India-Malaysia routes. A revised ASA was signed in New Delhi in April 2017 during the visit of PM Najib.

- India is the sixth largest source country for inbound tourism to Malaysia with over 6,00,000 Indian tourists visiting Malaysia in 2018. Malaysia was the sixth largest source country for foreign tourists visiting India with 3,22,126 Malaysian tourists. An MoU on Tourism was signed during our PM's visit to Malaysia in 2010.
- Presently, there are over 224 weekly flights connecting 19 Indian cities with Malaysia. Three Malaysian carriers, Malaysian Airlines, Malindo Air and Air Asia fly to India. They cover 19 cities and operate 213 flights weekly.
- IndiGo, presently the only Indian carrier, started its flights on KL-Delhi and KL-Bengaluru routes from 15 November 2018. IndiGo Flight from Kuala Lumpur to Chennai has been in operation since August 2019.

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