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India-Malaysia Relations: From Friends To Strategic Partners In The 21st Century

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ABSTRACT

The ties between India and Malaysia can be traced backed to ancient times and marked by different connection like linguistic, cultural and historical but the formal diplomatic relations was established with Malaya (predecessor state of Malaysia) in the year 1957. The two countries enjoy a strong friendship but past few decades despite having multiple challenges both nations have maintained steady cooperation in the field of Economics, Investments, Defence, Education, Cultural, Tourism and Parliamentary exchanges. Leaders from both the sides visited each other nations mutually. Recently when Malaysian Prime Minister Mr Anwar Ibrahim paid an official visit to India on 20 July 2024 India and Malaysia decided to upgrade its ties to a “**Comprehensive strategic partnership**” which reflected the elevation in the status which envisions development of multi-faceted relationships. The paper will discuss in detailed relationships and development in various sector and also discusses issues and challenges pertaining between both the nations.

In contemporary times interaction between nations has not only become complex but challenging as well as it is a general notion that the foreign policy of all states irrespective of size and power position is generally an expression of its national interest and it is varying according to the power position anchored by the geo political and geo strategic location of the states. It can be economic for those states which are underdeveloped and deprived of strength and development, for others it can be sometimes ideological domination.

Malaysia is not an unknown country to India, rather it's a country that it has known for ages with close cultural and people to people contacts, which has been an enabling factor to establish common ground today. The ties between India and Malaysia can be traced backed to ancient times and marked by different connection like linguistic, cultural and historical but the formal diplomatic relations was established with Malaya (predecessor state of Malaysia) in the year 1957. The high commission of Malaysia in New Delhi was establishes in the year 1957 and thus India become the one of the first country in which Malaysia establishes its diplomatic mission after gaining independence in 1957. The two countries enjoy a strong friendship but past few decades despite having multiple challenges both nations have maintained steady cooperation in the field of Economics, Politics, Defence, Cultural and Parliamentary exchanges. Leaders from both the sides visited each other nations mutually. Several Indian Prime Minister visited Malaysia in past includes: Pt. Jawahar Lal Nehru, 1954. Smt Indira Gandhi 1968, Mr V P Singh, 1990. Mr P V Narsimha Rao 1995, Mr Atal Bihari Bajpayee 2001/2003. Dr Manmohan Singh 2005/2010 Mr Narendra modi 2015,2018.

The milestone which placed bilateral ties at higher level than any time since 1960 was the Dr Manmohan Singh former Prime Minister of India's visit to Malaysia from 26-28 October 2010 and the leaders from both the nations agreed to establish **Strategic Partnership**. These relations were given further vigour when Mr Narendra Modi in the year 2015 undertook an official visit to Malaysia on Nov 23. Where Mr Modi also participated in ASEAN-INDIA Summit 2015 and East Asia Summit on 21-22 November 2015. During this visit a joined statement on **Enhanced Strategic Partnership** between India and Malaysia was issued.

Recently when Malaysian Prime Minister Mr Anwar Ibrahim paid an official visit to India on 19-21 August 2024 India and Malaysia decided to upgrade its ties to a **“Comprehensive strategic partnership”**. Speaking at Indian council of world affairs, Mr Anwar Ibrahim appreciated India's “unique multi aligned approach” and “astute and adept compartmentalisation of priorities and challenges” that he said Malaysia should also learn from dealing in global issues.

ECONOMIC AND COMMERCIAL RELATIONS

India's prominence as world fifth largest economy marching towards the coveted US \$ 5 trillion mark coupled with its large territory and population. The economic and commercial relations among both the nations strengthen day by day with this bond bilateral economic and commercial relations, Malaysia has emerged as the 16th largest trading partner for India while India figures among the top 10 largest trading partner for Malaysia which is also the 3rd largest trading partner of India in ASEAN. The bilateral trade between the two countries are going to reach **US\$20.01 Billion in FY 2023-24**. From July 2011. Comprehensive Economic Cooperation Agreement (CECA) covering goods services and investment have come into effect, which aims is to enhance social and economic benefits, improve living standard and ensure high and steady growth in real incomes by expansion of trade activities among both the nations. This economic relation will also align with the India's ACT EAST POLICY and supporting the ASEAN centrality.

Bilateral trade figures since 2018-19

Year -Trade	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (April to Mar)
Export	6.43	6.37	6.06	6.99	7.15	7.26
Import	10.81	9.78	8.39	12.42	12.74	12.75
Total	17.24	16.15	14.45	19.41	19.89	20.01

Table 1- Trade figures

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

INVESTMENT

In terms of investment, Malaysia is the 31th largest investor in India with the FDI inflow of US dollar 3.3 billion. The major FDI in India is primarily focussed on automotive, fast moving consumer goods, infrastructure, health care but above all highest investments proposals have been in telecommunications, followed by fuels (power and oil refinery) roads and highways.

Companies like PETRONAS (Malaysia's national oil company) which has a growing presence in the petrochemicals move recently in 2019 started operations in the renewable energy sector through Ampulus Solar; it aims to target 3GW renewable energy capacity for Malaysia by 2024 and believes that in meeting the demands India will be a crucial partner.

In construction sector largest presence of Malaysian Construction Company outside their home is in India with prime interest in the roads highways railways and up gradation of ports and airports. In addition to investment Malaysian companies have undertaken US dollar 4 Billion worth projects in India, key Malaysian companies like Apollo hospitals and YES bank have made notable inroads into the Indian market.

Around 150 Indian companies had also invested in Malaysia which includes Public sector undertaking and joint Indian ventures in Malaysia around 250 on-going manufacturing projects were of **US \$ 2.62 billion** (Source –MIDA GoM). There are various investor projects like Recron Malaysia SdnBhd , Biocon Malaysia (owned by reliance group) .IT sector has also blossomed in Malaysia over the past three decades. Companies like Infosys, Wipro ltd. Ramcosystems etc. had achieve growth significantly.

DEFENCE RELATIONS

Despite having multiple challenges such as geopolitical shift and trade restrictions the strategic collaboration between both the nations continues and the **MOU on defence cooperation signed in 1993** is the cornerstone of defence relations between both the countries.

Last year Defence minister of India, Mr Rajnath Singh paid official visit to Malaysia from July 10-11, 2023 where both the ministers approved amendment in MOU On defence cooperation between India and Malaysia signed in 1993 through exchange of letters during this visit first **regional office of HAL** was also inaugurated in **Kuala Lumpur**. Apex level staff talks between tri forces officials takes place at regular intervals. 9th Army to Army staff meeting **takes** place in Hyderabad in 2023 June. 10th Air force staff meeting takes place in Kuala Lumpur from 15-17 March 2023. 8th Navy to Navy talks between Indian Navy and Royal Malaysian Navy was concluded in Kuala Lumpur from May 30- June 4, 2022.

The 12th meeting of Malaysia-India Defence Cooperation Committee (MIDCOM) was held in New Delhi on September 19, 2023. The meeting was co-chaired by Defence Secretary Shri Giridhar Aramane and Deputy Secretary General (Policy), Malaysia Mr Mohd Yani bin Daud. During the meeting, both sides reviewed the outcomes of the two sub-committee meetings namely Sub Committee on Military Cooperation held on July 27, 2023 and Joint Sub Committee on Defence Science Technology and Industry Cooperation held on September 18, 2023. **LIMA-** Langkawi International Maritime and Aerospace is one of the largest maritime and aerospace exhibitions in Asia-Pacific region; India had been a regular partner in the exhibition.

DEVELOPMENTS IN THE EDUCATION SECTOR

Education is an integral part of our relationships. A large number of Indian students are studying in Malaysia as per estimates around 4400 Indian students are studying in public and private universities of Malaysia mainly in the stream of medicine, engineering and social sciences. Around 3000 Malaysian students are also pursuing their studies in India. Around 30 % doctors of Malaysia have been studied in India. The Indian side also offer various scholarships to the Malaysian national students. The two nations signed the MoU in the year 2010 for bilateral cooperation in the higher education during Prime Minister Dato seri Najib visit to India.

Year	2011-12	2012-13	2013-14	2014-15	2015-16
No. of students selected	51	66	52	65	64
Total amount disbursed (RM)	103,000	158,000	171,600	193,620	194,880

Table2- Showing number of students selected, amount of financial assistance disbursed during the time period 2011-2015

Tourism

Tourism has become a way of life and millions of new travellers are looking for exceptional travel experiences as a way of life Tourism Industry plays a significant role in country's economic growth and thus generates avenues for the employment generation. Tourism is a new boon and among one of the fastest growing sector it has an impact on trade, job creation, infrastructure, investment and social inclusion as well. The labour intensive nature of this sector has a multiplier effect of employment in related sector. The most striking highlight part of this sector is as it employs more women and youth as while comparing to other sector.

India is 5th largest source country for the inbound tourism to Malaysia in the year 2022, over 2.5 lakh Malaysian tourist visited India The new rules of providing visa free travel to Indians were from 1 December 2023 till 31 Dec 2024. Whereas government of India has allowed Malaysian nationals to travel to India for tourism on a gratis 30 days double entry on a tourist visa since JULY 2024. In terms of connectivity there are around 211 flights (as of June 2024) being operated weekly between India and Malaysia.

Recently to strengthen the relationship India and Malaysia have signed a Memorandum of Understanding (MoU) on 20TH Aug 2024 between the Ministry of tourism, Government of Republic of India and the Ministry of tourism art and culture, Government of Malaysia. The main objective of this MoU is to promote and marketing tourism product and services, tourism research training and development, encourage investment in tourism infrastructure and exchanging information. This step will give further fillip to tourist arrivals.

CONCLUSION

The above analysis concludes that a considerable progress has been made in the relationship status among the two nations i.e. India and Malaysia. From what was seen as just a friendship tie-up a few decades ago, the relationship status has moved to Strategic partner in the Indo-Pacific region and various components and factors had contributed to this strong bond. Despite having various contrasting ideologies in the Cold War era both the nations has moved significant steps in the post-cold war era to the extent, that defence tie-ups moved ahead to joint military exercises and thus building the mutual trust. This relationship when seen from security point is considered an inevitable to manage the increasing influence of China in global order in general and South China Sea in particular. Geopolitics and balance of power are the underpinning of international relations. Being a democratic polity, a pluralistic society and a market economy, India will grow with others, not separately. Malaysia is also an important player in Association of Southeast Asian nations (ASEAN) regional organisation.

But with all this there are certain impediments in the relationship with India and Malaysia like, Malaysia's rejection of repeated request of Indian authority for extradition of Zakir Naik, who is accused in money laundering cases and hate speech, Past few years back when India passes the CAA citizenship amendment act and the reorganisation of state of Jammu and Kashmir. Malaysia's strong criticism has created a further wedge between India and Malaysia. The detention of hundreds of Malaysians during the COVID-19 pandemic also created tension between the two nations. However the increasing investment by Chinese authority. Malaysia is one of the top 10 belt and road initiative destinations by investment amount, with some of the most expensive projects in the region. Beijing's effort to build infrastructure across the globe help to exert its influence.

Nevertheless, During the COVID-19 pandemic Malaysia was amongst the first few countries included into the VANDE BHARAT mission. Now the common problems faced by both the nations domestically and externally requires cooperation which the Malaysia has been gradually increasing which can also be witnessed by the recent visit of Mr Anwar Ibrahim to India in August 2024 and upgraded the status to a Comprehensive strategic partnership.

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