

India-Malaysia Relations - Expanding Cooperation

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India-Malaysia Relations Latest News

- India and Malaysia signed multiple agreements during Prime Minister Narendra Modi's visit to Kuala Lumpur in February 2026, marking a strategic deepening of bilateral ties.

India-Malaysia Bilateral Relationship

- **Historical and Civilisational Links**
 - India and Malaysia share deep civilisational connections dating back over two millennia, shaped by trade, religion, language, and cultural exchanges across the Indian Ocean.
 - Elements of Indian culture, including Sanskrit influences and Hindu-Buddhist traditions are visible in Malaysia's historical evolution.
 - Modern diplomatic relations were established soon after India's independence, with consistent political engagement since then.
- **Political and Diplomatic Engagement**
 - India and Malaysia elevated their relationship to a **Comprehensive Strategic Partnership** in 2024, reflecting growing political trust.

- High-level visits, regular foreign office consultations, and cooperation at multilateral forums such as the United Nations and ASEAN-led platforms form the backbone of diplomatic engagement.
- Malaysia has supported India's demand for **permanent membership of a reformed UN Security Council**, reinforcing political convergence.

• Trade and Economic Cooperation

- Malaysia is India's 3rd largest trading partner within ASEAN. Between April 2000 and March 2025, Malaysia invested about US\$ 1.27 billion in India.
- Bilateral trade between the two countries stood at **US\$ 19.86 billion in 2024-25**, comprising **Indian exports worth US\$ 7.32 billion and imports valued at US\$ 12.54 billion**.
- Owing to its strategic location along the **Strait of Malacca** and the **South China Sea**, Malaysia is a key pillar of India's Act East Policy and an important partner in India's maritime connectivity strategy.
- **India's major exports** include petroleum products, engineering goods, meat and dairy products, and organic chemicals, while **India's major imports** from Malaysia consist of vegetable oils, machinery, electrical equipment, and minerals.

• Defence and Security Cooperation

- Defence ties have expanded steadily through joint exercises, maritime cooperation, and capacity building.
- As maritime neighbours in the Indian Ocean and Indo-Pacific region, both countries share concerns over freedom of navigation, maritime security, and non-traditional threats such as piracy and terrorism.
- Intelligence sharing and counter-terrorism cooperation have gained prominence in recent years.

• Diaspora and People-to-People Ties

- The Indian diaspora in Malaysia, numbering over 2 million, plays a crucial role in strengthening bilateral ties.
- Persons of Indian Origin are active in Malaysia's politics, business, education, and culture.
- Educational exchanges, tourism, and cultural diplomacy further enhance people-to-people relations.

• Shared Regional and Global Platforms

- Both countries actively engage through **ASEAN**, the **East Asia Summit**, and the **Indian Ocean Rim Association (IORA)**.
- India recognises ASEAN centrality in the Indo-Pacific, while Malaysia supports India's Act East Policy, creating strategic alignment at the regional level.

News Summary

- During Prime Minister **Narendra Modi's** visit to Kuala Lumpur, India and Malaysia agreed to significantly broaden cooperation across multiple high-priority sectors.
- The two sides signed **11 agreements and MoUs**, covering areas such as defence cooperation, semiconductors, digital technologies, health, and energy
- A major highlight was the framework agreement on **semiconductor collaboration**, reflecting both countries' intent to integrate into global supply chains for advanced manufacturing.
- India invited Malaysian investment in electronics, AI, renewable energy, and healthcare, while showcasing domestic reforms aimed at improving ease of doing business.

- Both leaders strongly reaffirmed a **zero-tolerance approach to terrorism**, explicitly condemning cross-border terrorism and calling for global cooperation against terror financing, radicalisation, and misuse of emerging technologies.
- Prime Minister Modi stressed that there would be “no double standards, no compromise” on terrorism.
- Defence cooperation is set to expand further, particularly in maritime security, intelligence sharing, and joint capacity-building initiatives.
- The two sides also agreed to enhance cooperation in multilateral fora, including the UN and the Financial Action Task Force (FATF).
- Another notable development was the decision to **promote trade settlement in local currencies**, the Indian Rupee and Malaysian Ringgit, to reduce transaction costs and dependence on third-country currencies.
- Malaysia reiterated its support for India’s permanent membership in a reformed UNSC.
- India also announced the establishment of a new **Indian Consulate General in Malaysia**, aimed at improving consular services and strengthening diaspora engagement.
- The visit underscored the strategic convergence between the two countries on Indo-Pacific stability, ASEAN centrality, and reform of global governance institutions.

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