

## Understanding Historical Geography in furtherance of India-Malaysia Relations

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**Abstract:** India and Malaysia have immeasurable potentialities in the form of commonalities and complementarities. The broad correspondence is predisposed to geographical setting in several aspects, like tropical monsoon rhythm, bioclimatology, landforms and agronomy. Their discernible crop-specializations and preeminence in the production of such crops testify to the geographical factors and historical processes. Their shared cultural ethos and economic strategies, portraying a deep cultural footprint, serve as a natural catalyst for promoting mutually beneficial bilateral relationship. Their common membership in various multilateral forums, such as NAM, G-15, Commonwealth, WTO, ARF, EAS and IOARC offer scope for their enhanced participation in the regional and international issues concerning their national interests. With exponential increase of bilateral trade from US \$ 0.6 billion (1992) to US \$ 10.5 billion (2008), Malaysia has emerged India's second largest trading partner (in Southeast Asia) and India as the largest trading partner of Malaysia (in South Asia). Significantly, Malaysia is the second biggest ASEAN state with FDI of about US \$ 5 billion (2009) in India, as against India's FDI of US \$ 1.47 billion in Malaysia. Their proven expertise for transfer of technology and investment in each other country simply subscribes to mutual cooperation. Sharing experience and best practices in the field of public administration and governance is yet another arena of cooperation as much as defense-related cooperation in military training and operating systems. Their quiet and constructive diplomacy dissolved misunderstandings and apprehensions over the treatment of ethnic Indians in Malaysia, who constitute the second largest in Southeast Asia. Given the bountiful prospects, India and Malaysia need to harness the compatible potentialities on win-win situation which simply smacks of symbiotic modality.

India has a deep 'geographical and cultural footprint' in Malaysia that serves as a natural catalyst for both to get associated more with common concerns and interests than with compulsions. A comprehensive understanding of the geographical and cultural environments does subscribe to greater degree of correspondence between these two geographically proximate nations on either side of the Bay of Bengal. The regional entity, further reinforced by geometric symmetry as much as geomatical location, tends to sustain the spirit of regional cooperation and harness the potentialities for further integration. If the commonalities are based on physical attributes, there are certain complementarities testifying to geographical causation of history, what is simply underlining the geographical determination on historical momentum.<sup>1</sup> Thus, geographical factors and historical processes offer immeasurable potentialities in the form of commonalities and complementarities becoming conducive to a mutually dependable relationship between India and Malaysia, the two Indian Ocean littoral states across the Bay of Bengal.

### **Basic Linkages owing to Geographical Causation of History**

Far beyond the perception of these two countries from the political map, historical geography does offer us a vivid account of the historical processes as being influenced by geographical factors. But for the variations incidental to latitudinal position and altitude, there is broad semblance discernible in geological structure and the resultant landforms between India and Malaysia. The Main Range in peninsular Malaysia and the mountainous relief (upto Crocker Range) in Eastern Malaysia are only an extension of the Himalayan Ranges of Territory series (65-225 million years), which are geologically young and unstable; and hence the resultant landforms with steep and rugged slopes. The rise of sea level during the post-glaciation period (about 15-20,000 years ago) had deprived both India and Malaysia of the vast stretches of coastal plains. The mountains running parallel to the coast in the peninsular India and peninsular Malaysia have been responsible for the spatio-temporal variations in the rainfall distribution manifesting in floods (on the windward side) and droughts (on the leeward side). This hydrographic situation warrants water management practices in the areas experiencing both rainfall-surplus and deficit conditions.

Tropical monsoon rhythm has been yet another factor of historical and economic significance. On account of their northerly location close to the equator, India and Malaysia have well pronounced parallelism in the incidence of same bioclimatic zones (tropical evergreen / rainy, tropical monsoon / deciduous) and soil types. Further, the entire Bay of Bengal experiences wet (rainy) summers and dry winters as well as cyclonic storms. The history of maritime contacts across the Bay of Bengal did testify to the sailing routes being much in accordance with the direction of monsoon winds. Bay of Bengal, a gift of 'Mother Nature,' posed no major climatic obstacles to the early navigations.

If the long coastline, owing to the peninsular and insular character, led to the emergence of coastal trading stations, the vast stretch of coastal plains have begun to develop similar economic strategies governed by tropical monsoon climate. Thus, India and Malaysia possess semblance in agricultural typology and cropping pattern with predominance of subsistence farming. There are limited prospects for intra-regional trade, either for India (with other SAARC member states) or Malaysia (with other ASEAN countries), on account of similar types of economies breeding in commodity-competition. But agricultural economy was evolved onto the stage of exportation, thanks to the introduction of rubber, oil palm and coffee in Malaysia by the British colonial masters on the basis of their research on the agro-climatic conditions in this regard. Thus, agricultural economies with pronounced crop-specializations have since then become complementary in nature, with least susceptibility to commodity-competitiveness. Furthermore, remarkable variations in arable land, crop production and yields do invariably subscribe to interdependence owing to surplus or deficit of agricultural produce (see Table-1). Mutual dependence for mineral resources like tin, hard coal, crude petroleum, bauxite timber and forest products has become imperative so much as rice, wheat, maize and palm oil. The set of commonalties inherited from geography and complementarities acquired through British colonial legacy need to be harnessed on symbiotic modality.

### Survival of Indian Culture and Indian Community

All along the trading contacts sustained between the two opposite shores of Bay of Bengal, the spread of Indian culture was of tremendous historical significance of cultural geography of this region for over 1500 years from the beginning of the Christian era. Like the spread of Hinduism and Buddhism from India to Southeast Asia, Islam was yet another religious faith that influenced the Malay society. Malay peninsula served as the gateway to Southeast Asia had naturally become a harbinger of immigrants mostly of merchants and traders during the pre-modern period. The relationship between India and Malay had been one of equals. Malaysia portrays deep imprint of intense interaction discernible in the language and literature, religion and philosophy, art and architecture, customs and manners. Indian cultural traditions in Malay, as in the case of Southeast Asia, survived the invasive Western influence. Though the British colonization had eclipsed the past linkages between India and Malay, there began a new pattern of migration into Malay region, responding to the economic opportunities. Approximately 2.0 million Indians went to Malay as indenture labour or Kangani system during the 1852-1937 period. It was about the same time that the 'free' or 'passage' migration of traders and artisans took place until the middle of 20<sup>th</sup> century; the 1911-1930 period, for instance, witnessed largest annual inflow of Indians, approximately 90,000, into Malaysia. After independence small number of professionals working for Indian joint ventures and other institutions migrated to Malaysia. At the dawn of this century, there are 1,665,000 Indians, either as immigrants or descendants of recent immigrants, in Malaysia constituting 7.3 per cent of the total population of 22.89 million. Indian Community in Malaysia ranks second among the Southeast Asian countries, next to Myanmar (2,542,000 accounting for 5.0 per cent of the total), even as Indians (307,000) constitute 9.71 per cent of the Singapore's population. Indian community, largely engaged in rubber and palm plantations, contributes 2.0 per cent to Malaysia's GDP.<sup>2</sup>

The quiet and constructive diplomacy dissolved the misunderstandings and misapprehensions of India and Malaysia on the issue of ethnic Indians in Malaysia, who (1.8 million) constitute 7-8 per cent of Malaysia's 27.0 million people.<sup>3</sup> The Hindu Rights Action Front (HINDRAF) issue in November 2007 and the ban on the intake of Indian workers (making up 8 per cent of the 2.0 million registered foreign workers) in Malaysia in late December 2007<sup>4</sup> have become catalysts in the deterioration of bilateral relations. In the midst of rhetoric pictures painted by several sections concerned with the issue, wisdom has prevailed upon India to realize that "we have no right under international law to act as the de jure protector of the interests of the Indian-origin Malaysians," though "we have a right to expect that Kuala Lumpur will address these causes." What is simply expected of Malaysia is the need for getting itself relieved from the colonial mindset on ethnic equations. It is the right time for India to be reminded of the Jawaharlal Nehru's advice to the Indian Diaspora "to integrate themselves fully into the countries of their adoption as their loyalties should lie primarily with the countries of their choice."<sup>5</sup> Nehru was thus "careful not to cross the line of solidarity and sympathy for Malayan Indians". This laid the foundation of independent India's policy towards its vast diaspora that remains valid<sup>6</sup>.

### **Bilateral Relations: A Mixed Bag:**

India and Malaysia had a good start in their relations. India extended liberal financial assistance to the newly independent Malaysia. The first Prime Minister of Malaysia Tunku Abdul Rahman, remained "unwavering in his friendship and understanding towards India". Of all the countries of Southeast Asia, Malaysia alone came out openly in support of India, when India was invaded by China in 1962. Tunku Abdul Rahman, who happened to be in India at that time, vehemently criticized China's brazen military attack on India. On his return to Malaysia, he raised a fund in aid of India. However, bilateral relationship has not augured well to accrue the benefits as could be expected out of compatible potentialities. Though the ties are said to be "rocky,"<sup>7</sup> there was a sort of "diplomatic fatigue" in the absence of enthusiasm to deepen the bilateral relations.<sup>8</sup>

Nonetheless, the relations were termed 'close and friendly' with frequent exchange of high level visits—3 Indian Presidents to Malaysia, 2 Vice-Presidents, 6 Prime Ministers and 16 Ministers. On the Malaysian side, besides the visit of the King in 1974, all the Prime Ministers visited India, with Mahathir bin Mohammad standing at the top (6 visits). There were 22 Ministerial visits exchanged, standing at the top was the Works Minister Samy Velu with half-a-dozen visits.<sup>9</sup> There were frequent bilateral visits exchanged by the parliamentarians-- 3 each from either side especially in the last 5 years since 2004.<sup>10</sup> Evidently, these high level visits have preponderantly been accomplished in the last 10 years to 2009, as can be noted from (Table.2). If the observation of India- Malaysia watchers that "India had blipped mildly on Malaysia's radar" for over two decades<sup>11</sup> is any indication, India got less attention from Malaysian key decision- makers. This is vindicated by the fact that there were several instances when India and Malaysia had pursued different policies and opinions that afflicted bilateral relations; implicitly, Malaysia seemed to have overlooked its old NAM ally during the Cold War period. Even after India embarked on its Look East Policy to refurbish its historical and cultural ties with its eastern neighbours, India did not receive expected support from Malaysia on India's membership in APEC; and its Former prime minister, Tun Dr Mahathir Mohamad, continued to oppose India's membership in the East Asia Summit (ASEAN + 6 formulation) keeping its position in line with China.<sup>12</sup> It became "a contentious issue even to the point of discord" between India and Malaysia.

Of late, Malaysia had also been in supportive of Indian candidatures to various multilateral bodies, as for instance, Somnath Chatterjee, Indian Lok Sabha Speaker to Inter Parliamentary Union (IPU) of the Asia-Pacific. India reciprocated its gesture by way of supporting the candidature of Mohd. Shafie for the post of Chairman of Commonwealth Parliamentary Association(CPA) in August 2008.<sup>13</sup> Indian Parliament has so far provided training slots to 30 Malaysian parliamentary officials at the Bureau of Parliamentary Studies and Training.

### **Enhanced Participation and Cooperation:**

Through an MOU on cooperation in the fields of Civil Service, Personnel Management and Public Administration, India and Malaysia shared experiences and benchmarked best practices in the following 15 areas (Table-3), as listed in the Work Plan under the aegis of Joint

Working Group on Civil Service.<sup>14</sup> Similarly, all bilateral agreements (save the cultural Agreement of March 1978) and the MOUs (except the one on defense cooperation) have all been concluded in the last 10 years, as evident from Table-4.

All these simply testify to the growing realization of complex interdependence in areas of mutual interest. If Malaysia is of extreme strategic significance to India, Malaysian economy cannot afford its isolation from India which is vibrant market place and a source of both skilled and non-skilled labour. Malaysia's earlier hesitant attitude towards India was altered by an approach embarked on deeper engagement with India in an economically globalizing world. Thus, their membership in various multilateral forums such as NAM, G-15, G-77, Commonwealth, WTO, ARF, EAS and IOARC speak of their wide convergence of foreign policy objectives and also offer considerable scope for their enhanced participation and cooperation in the regional and international issues.

### **Defense-related Cooperation:**

As a part of its 'defense diplomacy,' towards Malaysia, India has focused on developing an integral defense relationship through joint military exercises (like MILAN), training of defense personnel in operating systems, such as Sukhoi or MIG airplanes and defense cooperation and training under the Indian Technical and Economic Cooperation, besides trade in military equipment. The MOU on defense cooperation (1992) led to the setting up of Malaysia-India Defense Cooperation Meeting (MIDCOM), co-chaired by the Defense Secretaries and held alternatively in India and Malaysia. All said and done, the annual meetings of MIDCOM have not been a regular feature, insofar as there were no meetings at all until 2001 when the first ever meeting was held in Kuala Lumpur; and the latest (7<sup>th</sup>) meeting was held in 2009.<sup>15</sup> India's expertise in maritime security is very much needed for protecting the Malacca Straits from non-traditional security threats. The defence-related cooperation is "not sub-optimal," though viewed as "not-enough."

### **Phenomenal Trade Growth, despite Trade-Irritants:**

It is definitely a matter of nostalgia that the trade between these two littorals across Bay of Bengal dated back to the beginning of Christian era. Though the trading relations until liberalization were sluggish, the bilateral trade registered an exponential increase from US \$ 0.6 billion (1992) to US \$ 10.5 billion (2008).<sup>16</sup> (see Table-5). Thus, India has emerged as Malaysia's largest trading partner in the South Asian region and Malaysia as India's second largest partner in Southeast Asia. The trends in trade flows and growth rates, as can be discernible from Table-5, make us happy over the substantial growth accomplished in the recent times. About the same time, growth rate of total trade has been fluctuating highly, even during the last 10 years. In a similar fashion, exports and imports are marked by glaring fluctuations; their growth rates also have never been consistent with the line of expectation. The bilateral trade has always been in favour of Malaysia. This has been the trading pattern bearing no semblance with the claims of improvement in the trading ties. The meandering course in the bilateral trade tends to infer that India and Malaysia are unequal trading partners.

The trade basket, instead of containing commodities of competitive in nature, has transformed to become complementary in nature, as evident from Table-6 & 7 furnishing product/commodity-wise break-up of Indian exports/imports to/from Malaysia from 2002 onwards. Yet, there is conspicuous inconsistency in the value of Indian exports to Malaysia (Table-6). Though all the commodities have registered an overall increase, certain categories, like food items, mineral fuels and machinery & transport equipment have suffered high fluctuations. On the other hand, Indian import items, as can be observed from Table-7, point out the spiraling behaviour of the items, like animal & vegetable oils and food items, have been impressively on the increasing trend. These shortcomings are the reminders of trade-irritant-factors, such as tariffs and bureaucratic rigidities, inhibiting the chances for India and Malaysia enjoying truly complementary trading relationship, especially in the agricultural produce.

### **Impressive Investments:**

Significantly, Malaysia is the second largest in India with more than 210 FDI approvals, valued at US \$ 1.83 billion (1991-2007), as against India's cumulative investment of US \$ 1.47 billion in Malaysia during the 1980-2008 period.<sup>17</sup> India has been associated with the transformation of Malaysia from an exporter of primary products into an industrialized and broad-based economy. There are 160 Indian companies including 69 joint ventures involved in palm oil-refining, power, railways, ICT, biotechnology, manufacturing industrial goods, higher education, pharmaceuticals, chemical products, healthcare, financial services and banking, agriculture and related sectors, auto companies and wood and pulp industry. Of much significance is the Multimedia Super Corridor wherein 60 Indian IT companies have their offices established. On the other hand, Malaysia is involved in pipeline, oil refineries, telecommunication and electrical equipment industries, besides highway and other infrastructure development projects.<sup>18</sup> Their proven expertise for transfer of technology and investment in each other country is indicative of an ideal environment for simply subscribes to mutual cooperation. That the bilateral investments, "not up to the mark," is "not the problem of economics but of politics,"<sup>19</sup> if the lack of political-will and the hesitancy are any indication

### **China Factor influencing the India-Malaysia Relations**

Malaysia has been determined to break the Chinese domination of the economy and the Indian domination of the professions, and to create strong Malay business and professional classes. Its policy of imposing the Malay language on the education system was nothing but systematic positive discrimination in favour of Malays. Though it led to a decisive shift of power in favour of the Malays, this policy resulted in great resentment in the Malaysian Chinese and Indian communities. Malaysia's approach toward its economic relationships with China and India lacks in any clarity. Malaysia which doesn't like disrupting the delicate balance between both countries by aligning itself economically with India in order to contain any threats from China, commits itself to maintaining an equidistant position from both economies. Malaysia at the same time is cautious of not having shown any favour either of the ethnic communities in Malaysia which owe their origins to both countries; and hence implicit reluctant to transcend its current links with both China and India.<sup>20</sup> All said and done, China got succeeded in winning the appreciation of Malaysia and other Southeast Asian nations. During the Asian financial crisis in 1997, China did not depreciate its currency; instead, China helped regional countries to cope

with the crisis through both economic and financial measures. On other hand, despite its much prophesied objectives of Look East Policy, India mildly responded to the economic melt-down in Southeast Asia; nor did the newly formed BIMSTEC (Bay of Bengal Initiative for Multilateral Scientific and Technical Cooperation) (1997) embark on a strategy to assuage the hardships of Southeast Asian countries. Most gruesomely, BIMSTEC lacunae was conspicuous by the absence of Malaysia as a member, despite its being a littoral state of Bay of Bengal. It was a glaring anomaly as much as Mekong Ganga Cooperation that missed the membership of China in it. All said and done, Malaysia like any other ASEAN member-state seeks to reduce their economic dependence on China,<sup>21</sup> given the quantum of China's export earnings in 2005, for instance, to US \$763.2 billion being 20 per cent higher than ASEAN's exports of US \$ 626.9 billion.<sup>22</sup>

### **Towards Symbiotic Modality**

India and Malaysia would then logically be destined to have closer political, economic and cultural ties strengthened without any scope for chance. India-Malaysia partnership was a classic case of mutual benefits and trust, given the popularity for Indian films, dances, music and arts vis-a-vis Indians positive perception of Malaysia's food, culture, weather and service costs. Such an integration simply portrays the principle of commensalism, with neither of them becoming a satellite to the other. This approach becomes sine qua non, given the bare fact that engaging India more deeply is surely to Malaysia's economic and security advantage;<sup>23</sup> and for India, repairing and improving relations with Malaysia is equally important.<sup>24</sup> Though Malaysia along with China advocated East Asia Summit process with ASEAN+3 member states as to be the main architects implicitly opposing the inclusion of India, Australia and New Zealand in 2005, Malaysia did not lapse much time in favouring 'strategic alliance' with India which on its part enhanced its economic and security ties with Malaysia, besides emerging as the largest trading partner in South Asia. Further, India's rising economy with large scientific reservoir has reminded Malaysia of India's strategic importance in the international affairs at a time when the multi-polar world is emerging.

That the "history, geography and economics have provided compelling logic for unity of purpose and action between us" was at the outset underscored by the Prime Minister, Shri Atal Bihari Vajpayee, in his address to the Institute of Diplomatic and Foreign Relations on "India and ASEAN – Shared Perspectives", at Kuala Lumpur on 16 May 2001<sup>25</sup>, who later in May 2002 once again in his address at Singapore laid emphasis on "the fundamental fact of geography that India is in the immediate neighbourhood of ASEAN".<sup>26</sup> India need to pursue action-oriented and inclusive approach in evolving Bay of Bengal Community that would invariably comprise Malaysia as a member; if it were be so, India's concept of extended neighbourhood would gain credence, lest India's inherent advantages of historical geography would remain a mere grandiose.

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Commodity	India	Malaysia
Rice	2 (2)	--
Sugarcane	1 (2)	--
Sgar	1 (1)	--
Tea	1 (1)	--
Tobacco	2 (2)	--
Wheat	2 (2)	--
Jute	1 (1)	--
Groundnuts	2 (2)	--
Maize	2 (6)	--
Palm Kernals	--	1 (1)
Palm Oil	--	1 (1)
Rubber	4 (4)	3 (3)
Hard Coal	2 (3)	--
Bauxite	3 (6)	--
Crude Petrolem	--	--
Tin	--	3 (3)
Tin Metal	--	3 (3)

**Table-1 : India - Malaysia Rankings of Production of Selected Commodities**

Note: The Rankings are at the level of the region encompassing India and Southeast Asia, and those in the parentheses are at the world level.

Source: Author's own compilation from the latest **Yearbooks of Far East and Australasia** (Routledge: London)

**Table-2: Visits from India to Malaysia**

Prime Minister Jawaharlal Nehru	1954, 1964
President Dr. Rajendra Prasad	1958
Vice President Dr. Zakir Hussain	1966
Prime Minister Indira Gandhi	1968
President Shri V.V. Giri	1973
President Shri Fakhruddin Ali	1977
Prime Minister V.P. Singh	1990
PM P.V. Narasimha Rao	1995
Vice President Shri Krishan Kant	1997
PM of India Shri Atal Bihari Vajpayee	May 2001 February 2003
MOS for Science and Technology, Shri Bachi Singh Rawat	October 2003
Minister for Textiles, Shri Shah Nawaz Hussain, Minister of State for I&B	December 2003



Shri Ravi Shankar Prasad and Minister of State for Commerce & Industry, Shri Satya Brata Mookherjee	
Minister for Shipping, Shri Shatrughan Sinha	February 2004
Minister of Power, Shri P.M. Sayeed	September 2004
MOS for Overseas Indian Affairs, Shri Jagdish Tytler	September 2004
Minister of Commerce and Industry Shri Kamal Nath	November 2004
Minister of Communication and Information Technology Shri Dayanidhi Maran	January 2005
Smt. P Lakshmi, Minister of State & Health Family Welfare	August 2005
Minister of Commerce & Industry Shri Kamal Nath	December 2005
Prime Minister Dr. Manmohan Singh	December 2005
Minister of State for External Affairs Shri Rao Inderjeet	April 2006
Defence Minister Shri A.K. Antony	January 2008
Minister of Railways Shri Lalu Prasad Yadav	May 2008
Minister of Communications and Information Technology Shri A. Raja	May 2008
Minister of Overseas Indian Affairs and Minister of Parliamentary Affairs Shri Vayalar Ravi	October 2008

Source: [http:// www.indianhighcommission.com.my](http://www.indianhighcommission.com.my)

**Table -2 (continued): Visits from Malaysia to India**

The King of Malaysia (Agong V)	1974
Prime Minister Tuanku Abdul Rahman	1962
Prime Minister Tun Hussein	1979
Prime Minister Tun Hussein	1980 (for CHOGM)
Prime Minister Dr. Mahathir bin Mohamad	1983 (for NAM) January 1987 December 1993 1994 (for G15) 1996 (To receive Jawaharlal Nehru Award International Understanding) October 2002 (for India-ASEAN Business Summit)
Dato' Seri S Samy Vellu, Works Minister	2000, 2001, 2003, 2004 and 2005
Datuk Amar Leo Moggie, Minister of Energy, Communications and Multimedia	March 2001
Dato' Seri Dr. Ling Liong Sik, Transport Minister	March 2001
Minister of Transport, Dato' Seri Ling Liong Sik	May 2002
Minister of Education, Mr. Musa bin Mohamad	August 2002
Minister of Domestic Trade and Consumer Affairs Tan Sri Muhyiddin Yassin	November 2002
Minister of Entrepreneur Development Dato' Seri	December 2003

Mohamed Nazri bin Tan Sri Abdul Aziz	
Prime Minister Dato' Seri Abdullah Ahmad Badawi	December 2004
Minister in the Prime Minister's Office Dato' Mustapa Mohamad	January, 2005
Datuk Peter Chin Fah Kui, Minister of Plantation Industries	March, 2006
Deputy Prime Minister and Defense Minister Dato' Sri Haji Mohd. Najib Bin Tun Haji Abdul Razak	June 2006
Minister of Science, Technology & Innovation Dr. Jamaluddin Jarjis	November 2006
Dato' Seri Albar Foreign Minister	February 2007
Dr. Koh Tsu Koon, Chief Minister of Penang	March 2007
Dato' Seri Dr. Chua Soi Lek Minister of Health	March - April 2007
Dato' Mustapa Mohamed, Minister of Higher Education	June 2007
Tan Sri Dr. Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia, Bank Negara	November 2007
Dato' Seri Rafidah Aziz, Minister of International Trade and Industry	December 2007
Pehin Sri Haji Abdul Taib Mahmud, Chief Minister of Sarawak	January 2008
Dato' Seri S. Samy Vellu, Minister of Works	January 2008
Dato' Seri Mohd. Zin Mohamad, Minister of Works	November 2008
Deputy Minister of Plantation Industries and Commodities Senator A. Kohilan Pillay	February 2009
Prime Minister Datuk Seri Najib Tun Razak	January 2010

Source: [http:// www.indianhighcommission.com.my](http://www.indianhighcommission.com.my)

### **Table-3: Cooperation with the Malaysian side in the identified areas:**

- (i) Human Resources Development
- (ii) Employer-Employee Relations
- (iii) Salary and Allowances of Civil Servants
- (iv) Public Pension System
- (v) Employee Welfare
- (vi) Alternative Systems of Public Service Delivery
- (vii) Rightsizing Government
- (viii) Clients/Citizens Charter Initiatives
- (ix) TQM and ISO Certification in Government
- (x) Training: Management and IT
- (xi) E-Government
- (xii) Civil Service matters for Management level
- (xiii) Anti-Corruption Strategy

- (xiv) VRS  
 (xv) Public Grievance Redress Mechanism (PGRM)

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**Table – 4: Bilateral Agreements**

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Cultural Agreement	30 March 1978
Cooperation in Science and Technology	12 September 1998
Trade Agreement	October 2000
Exemption of the Visa requirement for holders of Diplomatic and Official Passports	14 May 2001
Avoidance of Double Taxation and the prevention of Fiscal Evasion with respect to Taxes on Income	
14 May 2001	
Agreements in cooperation on Information Technology between NASSCOM (India) and PIKOM (Malaysia)	December 2004

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**Table – 4(Continued): Memoranda of Understanding**

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Defense Cooperation	1993
Air Service Operation	12 September 2000
Mutual Cooperation Relating to Investment, Construction, Privatization and Management of Seaports in India	14 May 2001
Cooperation on Information Technology and Services	14 May 2001
Cooperation in the field of Civil Service, Personnel Management and Public Administration	14 May 2001
Between Securities Commission of Malaysia and the Securities and Exchange Board of India in relation to Assistance and Mutual Cooperation	14 May 2001
On Space Technology between Antrix Corporation (ISRO) and MEASAT Satellite Systems Sdn Bhd.	December 2004

Technical Services Agreement concerning  
Hyderabad International Airport between Hyderabad  
International Airport Ltd and Malaysia Airport Holdings.

December 2004

**Table-5: Bilateral Trade Flows and Growth Rates, 1998-2008**

Year	India's Exports (US\$ mn)	Growth rate (%)	India's Imports (US\$ mn)	Growth rate (%)	Balance of Trade (US\$ mn)	Total Trade (US\$ mn)	Growth rate (%)
1998	481.30		1774.40		-1293.10	2255.70	
1999	529.00	9.98	2038.00	14.86	-1509.00	2567.00	13.80
2000	725.00	37.05	1925.00	(-) 5.54	-1200.00	2650.00	3.23
2001	772.42	6.54	1577.03	(-)18.08	- 804.61	2349.45	(-)11.34
2002	643.37	(-)16.71	1760.96	11.66	-1117.59	2404.3	2.33
2003	672.53	4.51	2510.93	42.59	-1838.40	3183.46	32.41
2004	1288.79	91.63	3002.75	19.58	-1713.96	4291.54	34.80
2005	1104.46	(-)15.00	3971.31	31.21	-2866.85	5075.77	17.34
2006	1356.69	22.84	5217.56	31.38	-3860.87	6574.25	29.52
2007	2108.54	55.42	6031.13	15.59	-3922.59	8139.67	23.81
2008	3105.9	47.30	7421.60	23.00	-4315.7	10,518.5	29.20
2009	2245.67	- 27.70	4826.19	- 34.89	- 2580.52	7071.86	- 32.77
2010	2477.60	10.06	6501.10	34.16	-4023.50	8978.70	26.51
2011	3327.80	34.6	9208.80	34.60	-5881.0	12536.60	32.7
2012	3825.24	4.2	9491.91	3.09	5669.90	13317.15	7.3

**Table-6: Indian Exports to Malaysia (Major commodity groups)(Million US\$)**

	Commodity Group	2002	2003	2004	2005	2006	2007	2008	2009
1	Food Items	199.13	219.46	436.39	307.83	336.76	488.08	921.4	646.39
2	Beverage & Tobacco	0.60	0.99	1.38	2.81	7.58	7.48	11.98	22.16
3	Crude	36.72	39.95	50.07	47.78	67.23	74.78	146.05	107.68

	Materials								
4	Mineral Fuels	1.84	3.44	54.95	12.26	30.85	166.89	237.44	163.38
5	Animal & Veg. Oils	3.86	2.35	7.05	7.58	11.63	22.73	126.39	25.66
6	Chemicals	82.89	102.26	163.35	201.00	258.12	280.87	330.43	375.94
7	Manufactured Goods	145.78	168.71	255.0	287.90	364.17	683.06	936.64	543.65
8	Machin.&Trans. Equipment	119.76	89.61	253.35	165.57	205.72	290.98	400.19	291.01
9	Miscellaneous Manufactures	30.5	25.6	42.56	46.81	46.12	60.36	66.11	56.43
10	Other Misc.	22.21	19.91	24.67	24.92	28.51	33.30	17.82	68.60
	Total:	643.4	672.5	1288.8	1104.5	1356.7	2108.5	3105.95	2300.90

**Table-7: Indian Imports from Malaysia (Major commodity groups)(Million US\$)**

	Commodity Group	2002	2003	2004	2005	2006	2007	2008	2009
1	Food Items	8.13	11.57	18.98	37.12	27.38	30.07	29.36	31.87
2	Beverage & Tobacco	0.29	1.00	1.23	1.57	3.24	4.84	4.61	5.27
3	Crude Materials	118.17	179.05	183.10	223.03	219.73	263.24	1094.38	360.74
4	Mineral Fuels	448.92	818.37	1061.3	1800.55	2765.28	2698.24	3559.54	1478.95
5	Animal & Veg. Oils	607.91	720.63	460.43	288.03	261.35	372.07	754.19	840.21
6	Chemicals	131.16	225.82	286.88	380.52	460.07	545.98	635.61	551.46
7	Manufactured Goods	86.25	95.88	160.21	229.72	298.04	466.50	483.9	354.27
8	Mach.&Trans.	315.09	394.30	750.58	885.60	1003.34	1436.23	1388.7	1048.66

	Equipment								
9	Miscellaneous Manufactures	34.19	50.63	58.97	94.10	142.48	170.03	192.96	139.33
10	Other Misc.	10.85	13.68	21.06	31.07	36.65	36.86	35.04	159.47
	Total:	760.9	2510.9	3002.8	3971.3	5217.6	6031	7412.61	4970.23

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