

INDIA – MALAYSIA

Bilateral Relations in the 21st Century

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India – Malaysia Bilateral Relations in the 21st Century

First Edition

Chief Editors

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ABOUT SRCAS

Sri Ramakrishna College of Arts & Science (Formerly known as SNR Sons College) continues its journey in the field of higher education in the 37th year. It is situated at the heart of the city and has a beautiful campus sprawling over an area of 15.9 acres with excellent infrastructure. It is affiliated to Bharathiar University and accredited by National Assessment and Accreditation Council since 2001, with A+ in its 4th cycle. It is recognized by the UGC Act under sections 2f & 12B from 2007. The college enjoys autonomous status since 2004. It is an ISO 9001:2015 certified college. The college is under the STAR College Scheme of the Department of Biotechnology (DBT), Government of India since 2019. The college secured 56th Rank in the National Institutional Ranking Framework (NIRF) in 2024.

ABOUT THE DEPARTMENT

PG and Research Department of International Business was started in the year 1998. The department offers BCom IB and MCom IB programs, that offers exposure to complexities of International dimensions of several disciplines such as Foreign Trade, Export Import Documentation, Supply Chain Management, Logistics Management, Foreign Exchange Management, HR Management, International Marketing, International Finance as well as International Economics and Social culture. It helps students tackle challenges of a complex multicultural, multilingual and a globally competitive environment as well as expose them to managerial challenges of International trade and of working under different jurisdictions.

ABOUT ICWA

The Indian Council of World Affairs (ICWA) was established in 1943 as a non-official, non-political, and non-profit think tank dedicated to international relations. Declared an institution of national importance in 2001, it is headed by the Vice President of India. ICWA has hosted landmark events such as the 1947 Asian Relations Conference led by Sarojini Naidu and the 1994 conference on the United Nations. Its headquarters, Sapru House in New Delhi, was inaugurated by Pandit Nehru in 1955 and named after its founder Sir Tej Bahadur Sapru. Nehru was a frequent visitor, engaging with scholars and diplomats. The Council regularly organizes conferences and discussions, including a major 2009 event on China with scholars from 15 countries. The premises have also nurtured institutions like IDSA and the School of International Studies.

ABOUT THE INTERNATIONAL CONFERENCE

The International Conference on "India-Malaysia Bilateral Relations: Strengthening Economic, Strategic, and Cultural Ties in the 21st Century" highlighted the growing partnership between the two nations across key sectors. It focused on expanding trade and investment opportunities, enhancing defence and maritime cooperation, and fostering cultural and educational exchanges. The event brought together diplomats, policymakers, scholars, and industry leaders to explore avenues for collaboration. Emphasis was placed on people-to-people ties, technological partnerships, and regional stability.

SUB THEMES

1. Economic Relations

- Trade and investment opportunities
- Technological and industrial collaborations
- Infrastructure development and digital economy

2. Strategic and Security Cooperation

- Defense and maritime security
- Regional and global strategic partnerships
- Counter-terrorism and cyber-security collaboration

3. Cultural and Educational Exchanges

- Indian diaspora and their role in Malaysia
- Bilateral educational initiatives and research partnerships
- Promotion of tourism and heritage conservation

4. Sustainable Development and Innovation

- Joint efforts in climate change mitigation
- Renewable energy and environmental sustainability
- Smart cities and innovation-driven partnerships

Message from Principal & Secretary



It is with great pride and pleasure that I welcome you to the International Conference on “India–Malaysia Bilateral Relations: Strengthening Economic, Strategic, and Cultural Ties in the 21st Century” and to the publication of its edited book of research articles. This event embodies our institution’s vision of fostering academic excellence, cross-cultural understanding, and meaningful collaboration on issues of global importance.

At Sri Ramakrishna College of Arts & Science, we believe that knowledge exchange across borders is the cornerstone of progress. This conference, in collaboration with the Indian Council of World Affairs (ICWA), provides a dynamic platform where scholars, industry experts, policymakers, and students can engage in constructive dialogue, explore innovative solutions, and strengthen the bonds between India and Malaysia. The topics discussed—ranging from economic partnerships to sustainable development—hold immense significance for shaping a shared and prosperous future.

I extend my heartfelt appreciation to the editorial board for their meticulous efforts in ensuring the quality and coherence of this volume, and to all contributors whose insightful research has enriched its content. I also commend the convenor, organizing committee, and all supporting members for their dedication in bringing this event to fruition. May the ideas exchanged and the collaborations initiated here continue to inspire impactful work beyond the confines of this conference.

Hearty Congratulations

Dr. B. L. Shivakumar

Principal and Secretary,

Sri Ramakrishna College of Arts & Science,
Coimbatore.

Message from Research Fellow, ICWA Representative



I am so privileged and humbled to express my gratitude to the sponsoring Agency ICPR (Indian Council of Philosophical Research) for such a novel initiative to fund such Seminars in commemoration of International Day of Yoga 2024. I would like to acknowledge the support extended by the Management and Principal for organising such Academic events. This one-day Seminar on “Yoga for Health, Happiness and Harmony” organised by PG and Research Department of International Business in association with Youth Red Cross finds a way to promote a deeper understanding of Yoga as a holistic discipline. Many enthusiastic cracked it in their submission of papers which is included in our publication in Edited Book Chapter with ISBN at free of cost to recognize their splendid work.

I am so delighted and felicitations to the Coordinator, Organising Committee members and Student Co-ordinators.

Dr. Sripathi Narayanan

Research Fellow,
Indian Council of World Affairs, New Delhi.

Message from Convenor



It gives me immense pleasure to extend my heartfelt greetings to all participants, contributors, and dignitaries of the International Conference on “India–Malaysia Bilateral Relations: Strengthening Economic, Strategic, and Cultural Ties in the 21st Century”. This conference marks a significant milestone in our academic journey, bringing together scholars, policymakers, industry leaders, and students to explore the evolving dynamics between two vibrant nations.

The PG & Research Department of International Business, Sri Ramakrishna College of Arts & Science, has always strived to foster intellectual dialogue on globally relevant issues. This event, in collaboration with the Indian Council of World Affairs (ICWA), reflects our commitment to advancing research and strengthening international academic partnerships. The conference not only provides a platform for the exchange of ideas and knowledge but also aims to inspire actionable strategies for mutual growth in areas such as trade, strategic cooperation, cultural exchange, and sustainable development.

I extend my sincere gratitude to the editorial board for their meticulous review and to all contributors of research articles whose scholarly works have enriched this edited volume. I am confident that the deliberations and scholarly contributions compiled herein will serve as a valuable resource for academicians, practitioners, and policymakers. My sincere appreciation goes to all authors for their rigorous research, to the organizing committee for their tireless efforts, and to our esteemed guests for gracing this occasion with their presence. Together, let us continue to build bridges of understanding and cooperation that transcend borders.

Dr. I. Parvin Banu

Convenor,

Associate Professor & Head,

PG & Research Department of International Business,

Sri Ramakrishna College of Arts & Science,

Coimbatore.

Message from ICWA International Conference Coordinator



It is with great pride and satisfaction that I introduce this edited volume, published with an ISBN, emerging from the Indian Council of World Affairs (ICWA), New Delhi sponsored International Conference on “India–Malaysia Bilateral Relations: Strengthening Economic, Strategic and Cultural Ties in the 21st Century”.

The conference, organized by the PG & Research Department of International Business, Sri Ramakrishna College of Arts & Science, Coimbatore, brought together eminent academicians, researchers, policy experts, and practitioners to engage in constructive dialogue on the evolving partnership between India and Malaysia. The deliberations emphasized the importance of deepening cooperation in diverse spheres, including trade and investment, strategic maritime collaboration, cultural exchange, education, and technology-driven development.

This edited book is a tangible outcome of those deliberations, reflecting scholarly insights and policy-oriented perspectives that are both timely and relevant. I am confident that this volume will contribute meaningfully to academic discourse and serve as a reference point for researchers, policymakers, and students interested in international relations and bilateral cooperation.

I extend my sincere appreciation to ICWA for their invaluable support, to all contributors for their academic rigor, and to the editorial team for their dedication in bringing this work to fruition.

Dr. R. Sivaramakrishnan

ICWA International Conference Coordinator,

Assistant Professor,

PG & Research Department of International Business,

Sri Ramakrishna College of Arts & Science (Autonomous),

Coimbatore.

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**STRENGTHENING INDIA–MALAYSIA ECONOMIC COOPERATION
THROUGH DIGITAL TRADE AND INNOVATION**

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Abstract---India and Malaysia share a longstanding diplomatic and economic relationship, which has grown stronger over the years. As the world moves toward digital integration and smart economies, there is a growing need for both nations to align their strengths in digital trade and innovation. This paper presents an overview of the current economic ties, introduces the opportunities digital trade presents, highlights key innovation areas, and offers recommendations to build a robust economic partnership. Statistical insights are provided to reinforce the potential of these initiatives.

Keywords---India–Malaysia Trade, Digital Economy, Innovation, Fintech, Bilateral Cooperation

1. Introduction

India and Malaysia are two rapidly growing economies with shared colonial history, cultural similarities, and expanding economic ambitions. While traditional trade partnerships have been the bedrock of their relations, the digital revolution offers a fresh, transformative avenue. As India rolls out Digital India and Malaysia accelerates MyDigital, both countries now have the infrastructure and ambition to deepen economic ties through digital trade, fintech innovation, and collaborative research.

The key question is: How can both nations benefit mutually in a digital-first world?

2. India–Malaysia Trade at a Glance

Trade between India and Malaysia has seen healthy growth in the last decade. In 2023–24, bilateral trade reached USD 20.4 billion, making Malaysia India’s third-largest trading partner within ASEAN.

- **India's exports to Malaysia: USD 7.8 billion**
- **India's imports from Malaysia: USD 12.6 billion**

(Source: Indian Ministry of Commerce, 2024)

India primarily exports petroleum products, machinery, and pharmaceutical items. Malaysia, in return, exports palm oil, electronics, and chemical products. However, digital goods and services accounted for less than 5% of total bilateral trade — highlighting a massive opportunity for diversification.

Moreover:

- **Malaysia ranks 35th** among foreign investors in India.
- **Over 150 Indian** companies are currently operating in Malaysia, mainly in IT, infrastructure, and biotechnology.

Despite these numbers, the economic relationship is yet to fully embrace the digital economy frontier.

3. Unlocking Potential: Digital Economy and Trade

Both India and Malaysia are investing in digital infrastructure:

- **India's UPI system** recorded over **10 billion** transactions in a single month in 2023.
- Malaysia's Duit Now platform processed over **650 million** transactions in 2023, a **45%** year-on-year growth.

(Source: NPCI & Bank Negara Malaysia)

A potential UPI–Duit Now integration could serve over 6 million Indian tourists visiting Malaysia annually and simplify remittances for the 2.5 million-strong Indian diaspora in Malaysia.

Other growth avenues:

- **Cross-border e-commerce** is expected to grow by **18% CAGR** in the Asia-Pacific region by 2030.
- India's digital exports (**IT, SaaS, fintech**) are projected to reach **USD 130 billion** by 2025.

(Source: NASSCOM, 2024)

By collaborating on fintech platforms, cloud services, AI-enabled logistics, and cybersecurity, India and Malaysia can co-create a resilient digital trade ecosystem.

4. Strategic Innovation: A Joint Growth Engine

Malaysia's innovation ranking improved to **36th in the Global Innovation Index (2023)**, while India rose to **40th**. Both countries are steadily climbing the ladder of innovation-driven growth.

Malaysia has over **3,800 startups**, with key clusters in Kuala Lumpur and Penang.

India is home to over **100 unicorns**, with strengths in fintech, edtech, and healthtech.

Key collaboration ideas:

- **Joint research labs in AI, robotics, and climate tech**
- **Startup exchange programs**
- Malaysia's Cyberjaya Tech Park could be linked with India's Bengaluru and Hyderabad tech hubs
- Bilateral hackathons for solving urban planning, education, and health challenges

By forming a Malaysia–India Digital Innovation Corridor, startups and innovators could co-develop and test scalable solutions across both markets.

5. Addressing the Challenges: A Reality Check

5.1 Regulatory Differences

Malaysia's PDPA (Personal Data Protection Act) and India's evolving Digital Personal Data Protection Act (DPDP 2023) differ in approach. This creates uncertainty for companies operating in both jurisdictions.

5.2 Cybersecurity Risks

As per the **IBM Cost of Data Breach Report 2024**, Malaysia experienced an average cost of **USD 2.4 million per breach**, while India saw **USD 2.2 million**. Both need tighter cross-border incident response mechanisms.

5.3 Digital Divide

- Internet penetration in urban Malaysia: **93%**
- In rural India: around **42%**

(Source: Internet and Mobile Association of India, MCMC)

Bridging this divide is crucial to ensuring inclusive digital trade.

5.4 Taxation Conflicts

India's Equalization Levy and Malaysia's Digital Service Tax (6%) could result in double taxation for digital service providers unless harmonized through a bilateral Digital Trade Agreement.

6. Cultural and Educational Bridges in the Digital Era

The Indian diaspora in Malaysia, estimated at **7% of the population**, plays a critical role in cultural diplomacy and economic cooperation. With technology enabling distance learning, virtual collaboration, and digital storytelling, cultural and educational exchanges are gaining new forms.

Recommended initiatives:

1. **Virtual exchange programs** between Malaysian and Indian universities
2. Launch of **joint MOOCs (Massive Open Online Courses)** on digital marketing, fintech, and trade policy
3. Establishment of **Bilateral Research Funds** for tech-based social innovation
4. Hosting an annual **India–Malaysia Digital Culture Festival** to celebrate heritage and promote tourism

These soft-power initiatives can strengthen the trust and goodwill required for sustainable economic ties.

7. Strategic Recommendations

To build a future-ready India–Malaysia economic corridor, the following steps are essential:

Focus Area	Recommendation
Digital Payments	UPI–DuitNow interoperability and real-time remittance corridors

Digital Trade Agreement	Establishment of a bilateral framework addressing taxation, data, IP rights
Innovation Ecosystem	Joint tech incubators, startup exchange platforms, and bilateral R&D funding
Cybersecurity	Shared training modules, incident reporting frameworks, and CERT collaboration
Education & Culture	Dual-degree programs, EdTech linkages, and digital heritage exchange festivals

These initiatives will not only boost economic growth but also create stronger diplomatic and cultural ties.

8. Conclusion

India and Malaysia are not just economic partners — they are allies navigating the shared future of technology, trade, and transformation. With the digital economy projected to contribute 25% of global GDP by 2030, both countries must act now to secure their place in this new world order.

The strategic convergence of India’s digital capacity and Malaysia’s innovation drive presents a rare and valuable opportunity. With the right mix of policy alignment, technology transfer, and people-centric initiatives, India and Malaysia can together redefine what 21st-century bilateral cooperation looks like — smart, inclusive, and future-focused.

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About the Book

This edited volume is the outcome of the One-Day International Conference on “India–Malaysia Bilateral Relations: Strengthening Economic, Strategic and Cultural Ties in the 21st Century” organized on 20th August 2025 by the PG & Research Department of International Business, Sri Ramakrishna College of Arts & Science, Coimbatore.

India and Malaysia share a rich legacy of trade, culture, and cooperation that has grown over centuries. In the 21st century, this relationship has expanded beyond traditional linkages to encompass strategic partnerships in economic development, maritime security, technology, higher education, sustainable development and people-to-people diplomacy.

The chapters in this volume bring together contributions from academicians, researchers, policymakers, and practitioners across disciplines. They explore key themes such as economic diplomacy, regional security in the Indo-Pacific, investment and connectivity, tourism and cultural diplomacy and the role of bilateral engagement in strengthening regional stability.

By combining theoretical insights with practical perspectives, the book provides a comprehensive analysis of India–Malaysia relations and highlights future pathways for deeper collaboration. It serves as a valuable resource for students, scholars, diplomats, business professionals and readers keen to understand the evolving dynamics of international relations in Asia.

At its core, this book underscores the vision of fostering mutual trust, shared growth and sustainable partnerships between India and Malaysia in the decades to come.



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