

Malaysia and India to upgrade bilateral Free Trade Agreement

Malaysiakini

30 August 2024

Bernama

Malaysia and India are looking to enhance their economic relationship through an upgraded Free Trade Agreement following Prime Minister Anwar Ibrahim's recent visit to New Delhi.

During their bilateral meeting, Anwar and his Indian counterpart Narendra Modi discussed close cooperation in several areas such as the digital economy, semiconductor manufacturing, artificial intelligence, infrastructure, food security, and tourism.

"We will elevate whatever cooperation that we have towards a more comprehensive cooperation to cover all these pillars," Investment, Trade, and Industry Minister Tengku Zafrul Abdul Aziz told Bernama.

He said the Malaysia-India Comprehensive Economic Cooperation Agreement, which was signed in 2011 and covers mainly trade and investment, will be upgraded.

"Both prime ministers have given us the timeframe of three months to revert on what are the areas that we want to focus on, and establish the parameters for the upgrade," said Zafrul, who travelled to India with Anwar.

The range of topics discussed between Malaysia and India during Anwar's visit also creates significant potential business opportunities in emerging technologies, renewable energy, chemicals and petrochemicals, and manpower development.

Trade between Malaysia and India topped US\$16.5 billion (US\$1=RM4.372) last year.

India is Malaysia's 11th-largest destination for exports and 12th-largest source of imports.

In changing trade trends, Malaysia's exports of electrical and electronics products to India have grown significantly while the share of primary commodities has declined from two-thirds two decades ago to one-third of all exports now.

Similarly, Indian exports, which had a big share of agricultural items earlier, now have a large amount of petroleum products and engineering goods.

The semiconductor sector holds huge potential for cooperation with India, Anwar emphasised in his speech at the Indian Council of World Affairs think-tank on Aug 20.

Anwar said Malaysia is the world's sixth largest semiconductor exporter and "our country's expertise lies particularly in the assembly, testing, and packaging segments of the semiconductor value chain" whereas India's capabilities in software are "almost unparalleled".

- Bernama

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malaysiakini.com/news/716950>