



Confederation of Indian Industry

India Malaysia

Growing Together

AUGUST 2024

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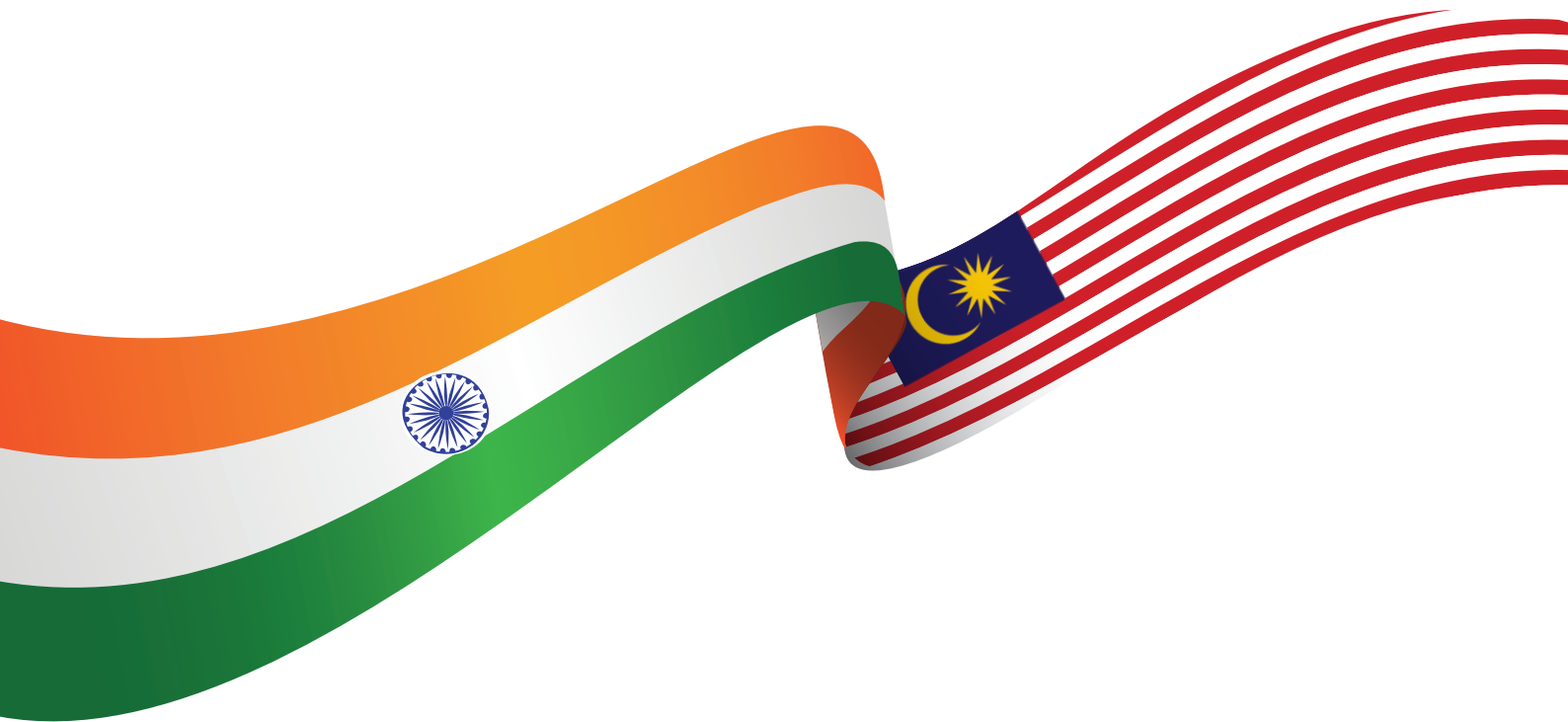
India
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INTRODUCTION



India established diplomatic relations with the Federation of Malaya, the predecessor state of Malaysia, in 1957. Since then, the two nations have enjoyed a traditionally friendly relationship, marked by regular high-level exchanges between their leaders.

In 2022, India and Malaysia celebrated 65 years of diplomatic relations. Economic and commercial ties form the backbone of their bilateral partnership, with the Comprehensive Economic Cooperation Agreement (CECA), covering goods, services, and investment, coming into effect on 1 July 2011.

India-Malaysia defence relations have also grown steadily over the years. Initially focused on military training, these ties have expanded to include the supply of defence equipment and enhanced security dialogues. The 1993 Memorandum of Understanding (MoU) on Defence Cooperation serves as the foundation of their current defence relationship, paving the way for joint ventures, development projects, procurement, logistical support, and training.

Economy of Malaysia

Malaysia, a member of Association of South East Asian Nations (ASEAN), has a population of around 33 million. Kuala Lumpur, the capital of Malaysia, is also its largest city with a population of over 1.8 million.

GDP of USD 416 billion in 2023 and per capita GDP of over USD 13,000 as per IMF estimates

Pro-business economy with total trade exceeding USD 575 billion in 2023; ranked 2 in trade connectivity in Southeast Asia

Services dominated economy with a vibrant startup community and a seamless business environment with 16 FTAs

Key industries in Malaysia include semiconductors, machinery and electronics, automotive, aerospace, healthcare, palm oil and rubber and tourism, among others

Malaysia's top exports are electronics, mineral fuels, machinery and palm oil

Total exports were USD 313 billion in 2023. Total imports were USD 266 billion



Indian Economy

Resilient, Dynamic and Diversified

USD 3.7 trillion economy, 5th largest economy; expected to become the 3rd largest economy in 2027 - IMF

GDP growth rate of 8.2% during 2023-24

Upgraded growth forecast of 7% for FY 2024-25 due to improved prospects for private consumption in rural areas - IMF

Highest ever exports at USD 777 billion in 2023-24

Median age of 29 years

Foreign exchange reserves at ~USD 674.91 billion

Committed fiscal prudence

Hefty increase in government spending on infrastructure; capex target at INR 11.11 trillion (USD 134 billion) in 2024-25, amounting to 3.4% of GDP

The Indian economy is one of the fastest-growing and most dynamic in the world. It has a population of over 1.4 billion people, a large and diverse market, and a rich cultural heritage.

Share of private consumption in GDP at current prices is more than 60%

Gross investment around 34% of GDP in 2023-24

A young and skilled workforce

India has the second-largest labor force in the world, with more than half of its population under the age of 25. India also has a strong education system, producing millions of graduates every year in various fields such as engineering, science, medicine, and management.

Largest working age population at 995 million in 2025

A resilient and diversified economy

India has a well-balanced economy, with a mix of agriculture, industry, and services.

Largest producer of milk, pulses, spices, and cotton

2nd largest producer of wheat, rice, fruits, and vegetables

India also has a strong industrial base, with sectors such as textiles, chemicals, pharmaceuticals, automobiles, and information technology.

Rapid growth in manufacturing of basic metals, vehicles, transport equipment, and pharmaceuticals in 2023-24

India's services sector is the fastest-growing in the world.

Largest exporter of IT services

Largest producer of generic drugs in the world, pharmaceutical exports surged by 9.6% in 2023-24.



A huge domestic market

India has a large and growing consumer market, with a rising middle class and increasing disposable income. India has more than 1.2 billion mobile phone users, almost 820 million internet users, and more than 300 million online shoppers.

Rural market of more than 900 million people

A global player

India is an active and influential player in the global arena, with strong diplomatic and strategic ties with many countries. India is also a nuclear power and has one of the world's largest space programmes and achievements such as launching satellites, sending missions to the moon and Mars, and developing indigenous rockets and missiles.

Successful landing of Chandrayaan 3 on the Moon. India became the first country to land on the south pole of the moon.

These are some of the positives of the Indian economy that make it an exciting and promising place to be in. The General Elections held in 2024 represented India's vibrant democratic traditions and ensured policy continuity in economic management.

BY 2047*

Expected to grow
to USD 32 trillion
GDP by 2047

Manufacturing
to grow to
USD 6.2 trillion

Exports of goods and
services to grow to
USD 8 trillion

*CII calculations



India's Recent Economic Policies

Setting A New Growth Foundation



Abolition of angel tax; revision in new income tax regime; corporate tax rate reduced to 35% for foreign companies in Union Budget 2024

Business Reform Action Plan (BRAP) for 300+ reforms for state governments

India Industrial Land Bank for land availability

Proposal for simplification of rules and regulations for Foreign Direct Investment and Overseas Investment

Introduction of Employment Linked Incentive scheme for 41 million youth with an allocation of INR 2 trillion

Budget provision of USD 134 billion for infrastructure development

100% FDI under automatic route for most sectors; custom duty reduced for critical minerals, electronics, and precious metals, among others

National Single Window System for central and state government approvals

Introduction of IndiaAI Mission, with an allocation of over INR 103 billion, to catalyze India's AI ecosystem

Promoting women-led development with an allocation of more than INR 3 trillion

Open API platforms under India Stack, including Aadhar, Unified Payments Interface (UPI), Bharat Bill Payments, Goods & Services Tax Network (GSTN)

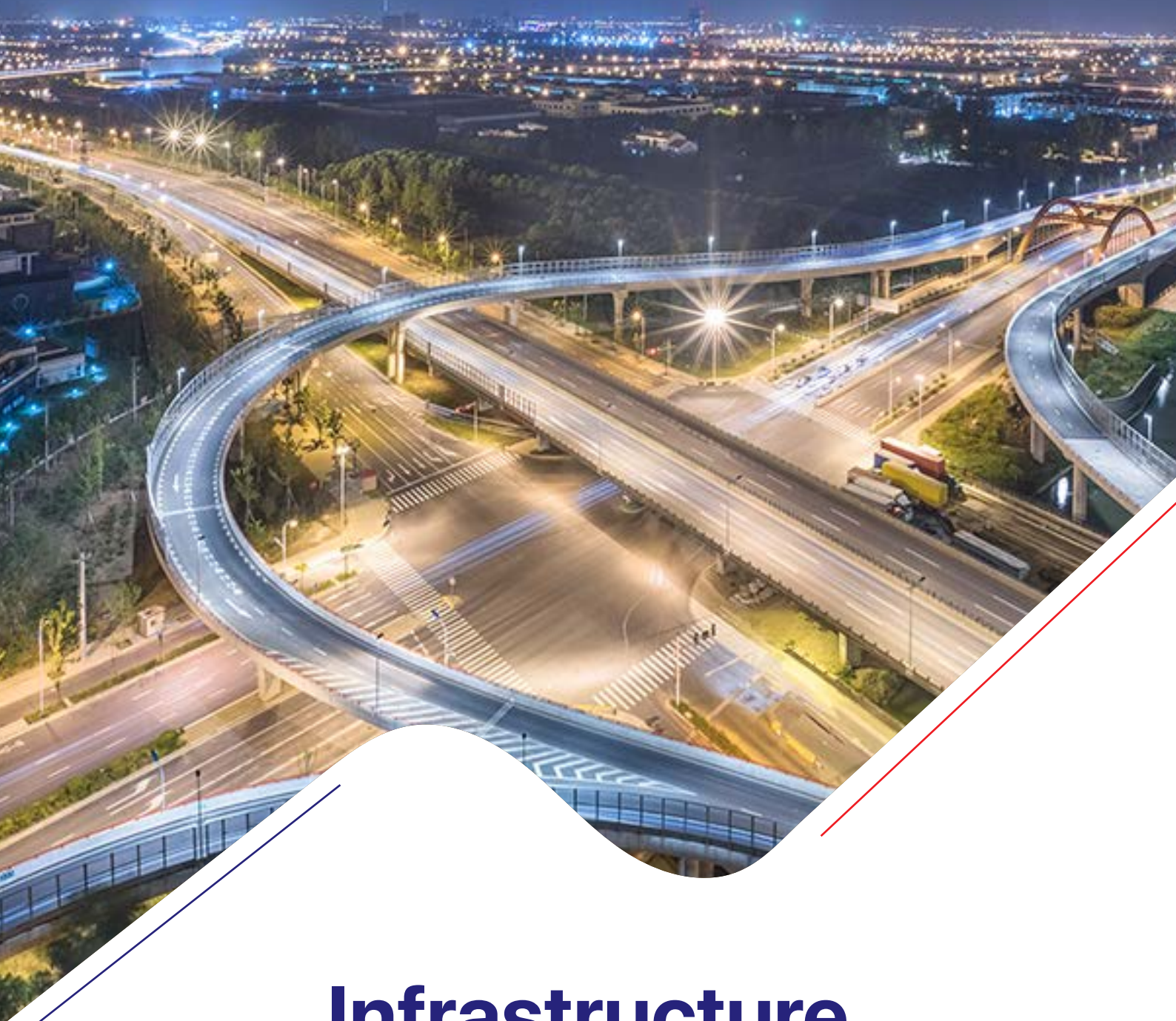
Venture capital fund of INR 10 billion will be set up for space economy

The Government's 'Aatmanirbhar Bharat' (self-reliant India) initiative is a comprehensive set of reforms that aims to boost the domestic economy's productive potential and make it more resilient to shocks.

India's Union Budget 2024 focuses on poor, women, youth, and farmers with policy measures for employment, manufacturing, agriculture, urban development, and energy security, among others. The budget further reinforces Government's commitment towards a self-reliant India.

It also offers incentives for investors such as abolition of angel tax, rationalises India's tax structure and adheres to fiscal prudence.

Retail inflation has moderated within the central bank's target band of 2-6% in recent months, further strengthening domestic macroeconomic stability.



Infrastructure

Building the Framework



TRANSPORT AND LOGISTICS ON THE FAST TRACK

NEW POLICIES

Gati Shakti – GIS based technology platform for multimodal connectivity

National Logistics Policy

National Infrastructure Pipeline with around 9,828 projects

National Asset Monetisation Pipeline of about USD 70 billion over 4 years

National Bank for Financing Infrastructure and Development (NaBFID)

High growth in public expenditure on infrastructure in 3 consecutive budgets

ROADS

2nd largest road network spanning a total of 6.7 million km

60% increase in national highways in 9 years

Total length of national highways - 146,145 km as on January 2024

Sale of passenger vehicles in 2023-24 increased by 8.4% to 4.22 million, a new peak

FASTag for toll payments

Till March 2022, 25,904 km of rural road has been constructed using plastic waste

100% FDI (automatic route) in roads and highways sector

AVIATION

Air traffic touched a new peak of 471k passengers daily

154 million domestic air passengers in 2023-24

India to become the third largest aviation market in the world by 2024

Number of airplanes is expected to grow to 1,100 by 2027

Doubling of airports from 74 in 2014 to 148 in 2023

Fall in GST rate of MRO services from 18% to 5%

100% FDI in MRO services

PORTS

818 million tonnes of cargo handled in 2023-24 in major ports. Cargo traffic handled by all key ports stood at 677.22 million tonnes during 2023-24 (April-Jan)

23,240 vessels handled in 2023-24

Maritime India Vision 2030 identifies 150+ initiatives across various maritime sub-sectors

Automation underway at major ports

National Logistics Portal-Marine and Sagar-Setu app

Gearing up for handling green hydrogen. Aim to convert coastal and inland waterways shipping to renewable energy in the next five years



Manufacturing

Advancing to the Next Level



Poised to reach USD 1 trillion by 2025-26	Production Linked Incentive (PLI) schemes for 14 sectors	Semiconductor mission with an outlay of USD 10 billion
Promotional policies for Micro, Small and Medium Enterprises	11 industrial corridors with 32 projects underway to develop industrial cities with plug-and-play infrastructure	3rd largest shopper base globally with 140 million online consumers

The Indian manufacturing industry is diversifying into higher value-added production of goods such as auto components, specialty chemicals, engineering goods and electronics.



Innovation

New Horizons for Growth



Global Innovation Index – Ranked
40th in 2023 from 81 in 2018

180 innovation centres set up by
Fortune 500 companies

3rd largest startup centre with over
140,000 startups, 110 unicorns

90k patents filed, over 100,000
patents granted in 2023-24

India's talent resources of millions of new graduates in engineering, computer science and management each year with high technical skills offer immense opportunities for innovation initiatives.



India Digital Stack

India is in the midst of a digital revolution, thanks to its ambitious and visionary India Stack initiative. India Stack is a set of open APIs that enable developers, businesses, and citizens to access various digital services and platforms in a seamless and secure manner. India Stack aims to create a digital infrastructure that can support the delivery of various public and private services, such as identity verification, payments, e-signatures, data sharing, consent management, and more.

India Stack is not just a technological innovation, but also a social and economic one. It empowers millions of Indians to access digital services that were previously inaccessible or costly. It enables the government to provide better governance and transparency, and to reduce corruption and fraud. It also fosters innovation and entrepreneurship, as it lowers the barriers to entry and creates new opportunities for value creation.

India Stack is a game-changer for India's digital economy, as it is transforming various sectors and industries, such as banking, education, healthcare, agriculture, e-commerce, and more. India Stack is enabling financial inclusion, digital literacy, telemedicine, smart farming, online retail, and more. India Stack can also help India achieve its Sustainable Development Goals (SDGs), such as poverty eradication, gender equality, health and well-being, quality education, and more.

India Stack is a unique and inspiring example of how technology can be leveraged for social good. It is a testament to India's spirit of innovation and collaboration. It is a vision that can inspire other countries and regions to adopt similar digital solutions for their own development and growth. India Stack is not just a stack of APIs, but a stack of possibilities.



Bilateral Trade and Investments

Key Malaysia – India Agreements

MoU on Defence Cooperation (1993)

Agreement on Cooperation in Science and Technology (1998)

MoU on Mutual Recognition of Educational Degrees and Certificates (2017)

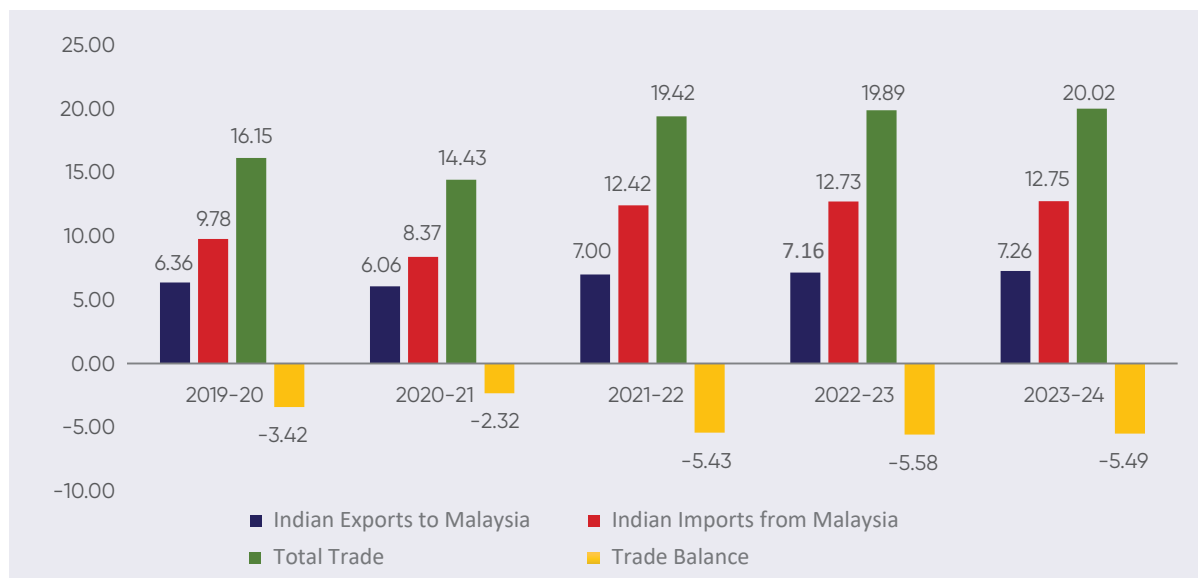
MoU on Cooperation in Tourism (2010)

Comprehensive Economic and Cooperation Agreement (CECA) (2011)

MoU on Cyber Security (2015)

MoU for Cooperation in Broadcasting between Prasar Bharti and Radio Television Malaysia (RTM) (2023)

India-Malaysia Trade: 2019-20 to 2023-24, USD billion



Source: Ministry of Commerce & Industry

Total trade between India and Malaysia increased from USD 16.15 billion in 2019-20 to around USD 20 billion during 2023-24. During the five-year period, trade between the two sides registered a Compound Annual Growth Rate (CAGR) of 5.52%.

Indian exports to Malaysia increased from USD 6.36 billion in 2019-20 to USD 7.26 billion in 2023-24, growing at a CAGR of 3.35%.

On the other hand, Indian imports from Malaysia expanded from USD 9.78 billion in 2019-20 to USD 12.75 billion in 2023-24. Indian imports from Malaysia grew at a faster rate than Indian exports to the region during the same five-year period and recorded a CAGR of almost 7%.

India's trade deficit with Malaysia stood at USD 3.42 billion during 2019-20. The trade deficit further increased to USD 5.49 billion in 2023-24, on account of rising Indian imports from Malaysia.

India's Top Exports to Malaysia in 2023-24, USD million

HS Code	Commodity	Exported Value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	1,799.61
76	Aluminium and articles there of	1,094.76
02	Meat and edible meat offal	577.76
84	Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof	516.00
29	Organic chemicals	295.55
89	Ships, boats and floating structures	209.23
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts	203.05
10	Cereals	180.74
15	Animal or vegetable fats and oils and their cleavage products; pre. edible fats; animal or vegetable waxes	158.16
71	Natural or cultured pearls, precious or semiprecious stones, precious metals clad with precious metal and articles thereof; imitation jewellery ; coin	145.78

Source: Ministry of Commerce & Industry

The top Indian export to Malaysia was mineral fuels and oils (HS 27) with an export value of USD 1.8 billion during 2023-24, followed by aluminium and articles (HS 76), with an exported value of USD 1.1 billion. Other top exports from India to the region were in the categories of meat products (HS 02), machinery and mechanical appliances (HS 84), and organic chemicals (HS 29), among others.

India's Top Imports from Malaysia in 2023-24, USD million

HS Code	Commodity	Imported Value
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	2,925.75
15	Animal or vegetable fats and oils and their cleavage products; pre. edible fats; animal or vegetable waxes	2,451.76
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts	1,485.06
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1,065.11
29	Organic chemicals	507.05
39	Plastic and articles thereof	470.21
74	Copper and articles thereof	403.55
38	Miscellaneous chemical products	370.35
76	Aluminium and articles thereof	346.69
72	Iron and steel	322.96

Source: Ministry of Commerce & Industry

Mineral fuels and oils (HS 27) was India's top import from Malaysia during 2023-24, with an import value of USD 2.93 billion, followed by animal or vegetable fats (HS 15), which recorded an import value of USD 2.45 billion. Other top imports from Malaysia to India were in the categories of electrical machinery and equipment (HS 85), machinery and mechanical appliances (HS 84), and organic chemicals (HS 29), among others, during the same period.

Investments

Cumulative FDI from Malaysia to India amounted to USD 1.22 billion between the April 2000 and March 2024 period.

Malaysian Companies in India

With a progressive FDI policy regime and a business-friendly environment, India has established itself as one of the most preferred investment destinations globally. Malaysian investments in India are mainly concentrated in automotives, fast-moving consumer goods, infrastructure, human resources, healthcare, oil and gas, renewable energy, and across various engineering and construction projects.

Major Malaysian Projects in India

Malaysia's National Oil Company Petronas has a growing presence in India over the past two decades and covers crude oil trading, liquified petroleum gas, petrochemicals, lubricants, renewables etc

Malaysia based IHH healthcare acquired a stake of more than 31% in India's Fortis Hospitals during 2018 by infusing USD 600 million

Major focus of Malaysian investments in India has been the construction and infrastructure sectors, with particular focus on roads and highways, railways and upgradation of airports and ports

Select Malaysian Investments in India

Scomi Engineering Berhad

Khazanah Nasional Berhad

Cradle

Maxis Communications

Axiata

UEM Builders Berhad

TM International

As there are significant opportunities present across sectors in India, Malaysia can significantly benefit by stepping up its investments to India

OPPORTUNITIES IN INDIA



Skill Development & Mobility

With India entering the demographic window of opportunity, around 1.1 billion people will be in working age group by 2047.

With one of the youngest populations globally and high competitive advantage of youth, India will remain the largest provider of human resources in the world.

India has the requisite talent & skill base to cater to domestic and global needs.

Cooperation areas

Greater exchanges & information sharing on skill requirements

Collaboration on digital apprenticeships

Joint partnerships in creating training infrastructure

Partnerships on skills & language training programmes

India's skill development initiative provides a plethora of opportunities for Malaysian companies

National Skill Development Corporation (NSDC) under the aegis of MSDE handles B2B MoUs which also facilitates recruitment, migration and training services



Infrastructure

National Infrastructure
Pipeline project count
stands at 9,828 covering 34
sub-sectors

India plans to spend
USD 1.4 trillion on
infrastructure through NIP in
the next five years

FDI in Construction (Development) and Construction (Infrastructure) activity sectors stood at USD 26.54 billion and USD 33.52 billion respectively, between April 2000–December 2023.

Cooperation areas

Smart
Cities

Sustainable
infrastructure

Transport
and logistics

Smart construction
machinery

Industrial
townships

Roads &
highways

Water &
sanitation



Renewable Energy

3rd largest solar power generator in 2023

Best performance in Climate Change Performance Index (CCPI) in 2024 among G20 countries, with an overall rank of 7 globally

LiFE being promoted for adoption of environment-conscious lifestyle

Target of 500 GW by 2030

1000+ GW potential

5 million tonnes of green hydrogen aim by 2030

World's largest RE park in Gujarat with generation capacity of 30 GW

Cooperation areas

Solar PVs

Biomass energy

Energy storage

Smart grids

Energy management systems

Green bonds

Skill development

Cooperation in ramping up India's energy infrastructure and in key fields

Solar rooftops, bio-fuels, green hydrogen, waste management (biogas sector)



Manufacturing

CAPITAL GOODS AND COMPONENTS

Electrical equipment market forecast to reach USD 125 billion by 2027

Indian construction equipment market to grow at 15% CAGR for next 5 years

Urban Infrastructure Development Fund to come up for infrastructure in Tier 2 & 3 cities

Scheme on Enhancement of Competitiveness in the Indian Capital Goods Sector Phase II launched

Engineering exports in 2023-24 at USD 109.3 billion

Cooperation Areas

Earth-moving equipment

Textile machinery

Machine tools

Metallurgical machinery Components

Water & sanitation equipment

Rainwater management

Sustainable construction materials

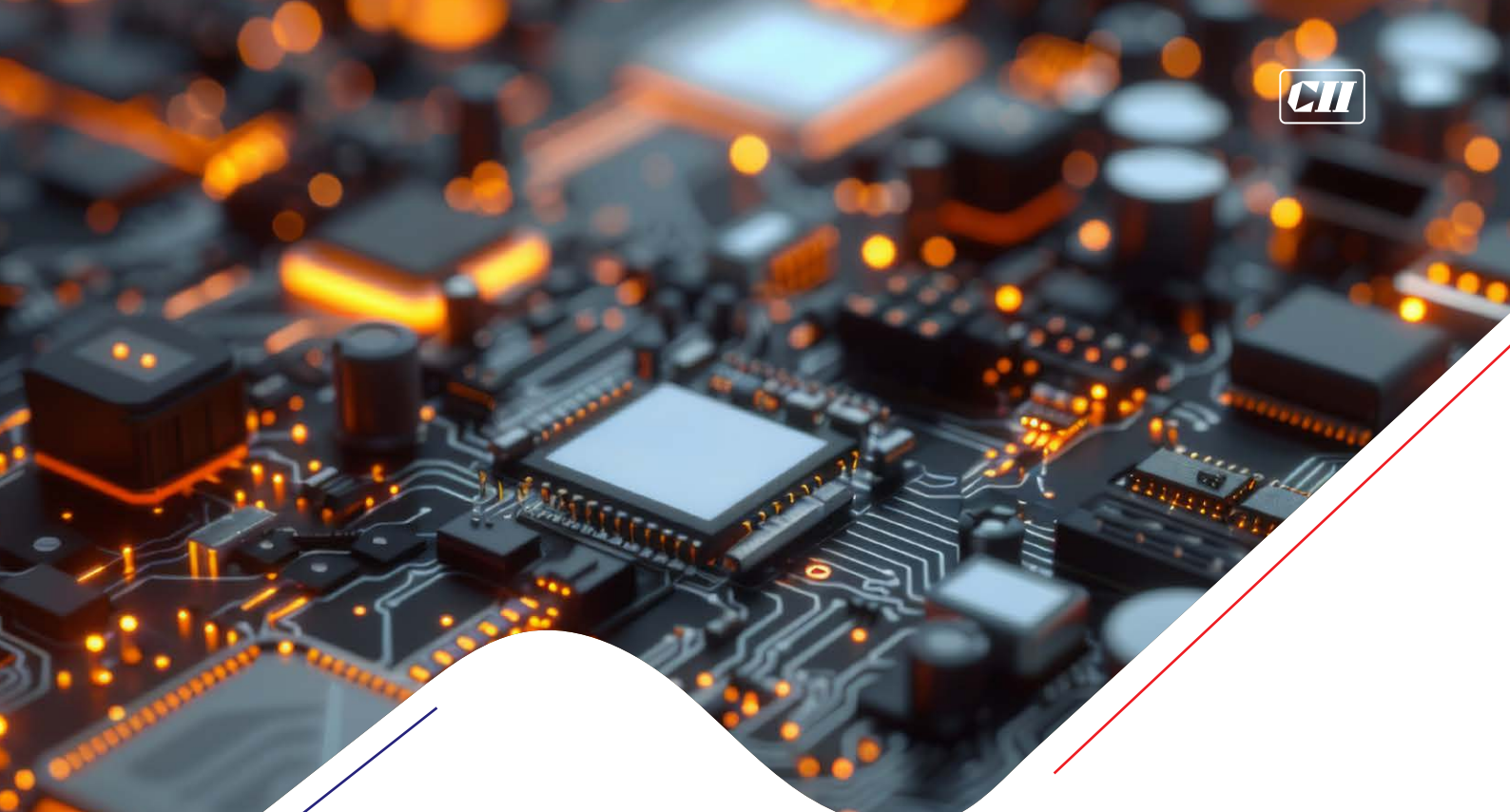
India's policies

100% FDI permitted under automatic route

Massive infrastructure construction mission underway

Hybrid Annuity Model and EPC model for roads & highways

Asset monetisation for 100 highways underway



Electronics

Valued at USD 155 billion;
aims to reach USD 300
billion by 2026

2nd largest mobile
manufacturer and smart
phone market in the world

Wide range of
products

Cooperation areas

Manufacturing
for exports

R&D

Semiconductor
fabrication

Skill development
& training

Smart Manufacturing and
Automation Solutions



Services

RESEARCH AND DEVELOPMENT

A corpus of USD 12 billion proposed for the research and innovation ecosystem. Research output grew by 54% in 2017-22.

Cooperation areas

Infrastructure support

Joint research projects

Faculty training and exchange programs

Student exchanges

IT AND BPM

India is the global export hub for software services, with the IT and software exports expected to cross USD 200 billion in 2024. The Indian IT & business service market is expected to grow by USD 20 billion by 2025 while India's software industry is projected to reach USD 1 trillion by 2030.

India has the largest market share in the global services sourcing industry, third largest and fastest growing hub for technology startups and No.1 in digital skills readiness.

Cooperation areas

IT and BPM sector

Software development

Cloud computing

Data analytics

Artificial intelligence

Cybersecurity

Digital marketing

TOURISM

India is one of the most diverse and attractive tourism destinations in the world, with a rich cultural heritage, natural beauty, wildlife and adventure.

India received over 9.23 million foreign tourists in 2023, generating USD 28.07 billion in foreign exchange earnings.

Cooperation areas

Hotel development

Travel services

Destination management

Marketing and conferences

Shopping tourism

RETAIL AND E-COMMERCE

India is Asia's 3rd largest retail market and 4th largest globally and is projected to reach USD 2 trillion by 2032.

Indian E-commerce industry is expected to witness a fivefold growth to reach USD 300 billion by 2030.

India is set to become second largest e-commerce market by 2034.

Cooperation areas

Knowledge sharing

Market entry support

Technology collaboration

Cross border E-commerce

Retail with Digital Retail

Cultural exchange

Skill development



GLOBAL CAPABILITY CENTRES (GCC)

It is estimated that India's domestic GCC market could reach USD 110 billion by 2030. As of 2022, there are 1,580 GCCs in India with 1.66 million employees. In the first half of 2023, 18 GCCs were established in tier-1 cities such as Mumbai, Pune and Bengaluru.

Bengaluru, Hyderabad, and Chennai have become key Global Capability Centre hubs with Bengaluru and Hyderabad together leading the GCC leasing activity at a cumulative share of 60% from 2020 to 2023.

Opening global capability centres in India is easier due to lower wages, real estate costs and low rental costs. India is expected to have 1,900 GCCs by 2025.

Office rentals in India are among the lowest in Asia.

The Government offers tax incentives for setting up global capability centres in special economic zones.

Cooperation areas

Product Development
and Innovation hubs

Artificial Intelligence, Machine Learning,
and Natural Language Processing

Cybersecurity

OPPORTUNITIES IN MALAYSIA



Digital Innovation and ICT

The Information & Communication Technology (ICT) sector offers several investment opportunities in high-end, value added services and highly competitive top talent of a global reach.

Malaysia's ICT sector contributed 23.2% to Malaysia's GDP and digitalisation is a major focus for the government. MyDIGITAL is an initiative by the Malaysian Government to increase digitalisation in Malaysia's economy and transform the country into a digitally driven, high-income nation and regional leader by 2030.

Malaysia ICT market is estimated to be approximately USD 27.20 billion and grow at 7.57% CAGR

USD 4.6 billion Industry Digitalization Transformation Fund for digitalisation and innovation efforts

13,712 job opportunities in the Malaysian ICT sector

The Malaysia Cyber Security Strategy (MCSS) 2020-2024 has been allocated USD 434 million to upgrade the country's cybersecurity measures

The Malaysia Digital (MD) initiative launched in 2022 aims to drive equitable digital access and knowledge within the Malaysian population

Cooperation areas

Data Centers

Telecom Security

Mobile Marketing & Advertising

Software Development

Information Security Services

Smart Cities

Digital Health Technologies

Innovation and Research activities



Renewable Energy

Malaysia currently has a current renewable energy (RE) capacity of 25% in the national installed capacity mix, and is targeting a 31% share by 2025. Malaysia’s renewable energy market size is approximately 10.11 Gigawatt (GW) and is expected to grow 4.45% CAGR over the next five years to 12.58 GW.

RM 2.5 billion in approved renewable energy investments in Malaysia. 93.5% of these investments are domestic, with 6.5% of investments coming from foreign investors

There are 666 approved RE projects in Malaysia with 652 of these being solar projects

MyRER forecasts RM 33 billion economic spillover by 2035, and 47,000 RE jobs created

Cooperation areas

Biogas

Mini-hydro

Development of Solar Energy including Solar PV cells

Clean Energy, including Green Hydrogen

Biomass

Wind Energy

Skill development

Facility management



Tourism and Hospitality

Malaysia was the most visited country in Southeast Asia last year with 29 million tourist arrivals

The Government of Malaysia introduced a ten-year transformation plan, the National Tourism Policy (NTP) 2020 – 2030, to position Malaysia as a top 10 tourist destination

Malaysia has 5 UNESCO World Heritage Sites

Unique advantages of history, culture, cuisine, climate, etc.

Tourism and Hospitality contributed 19.8% to Malaysia's GDP in 2023

Cooperation areas

MoU on Tourism signed in 2013

MoU on a Cultural Exchange Program was signed in 2015

Development of specialized tourist products and facilities for Indian travelers

Island tourism

Healthcare

Malaysia has one of the fastest growing healthcare sectors in Southeast Asia with health expenditure projected to grow at a rate of 8.3% CAGR over the next five years. Malaysia's medical device industry is projected to grow at a 8.5% CAGR rate over the next five years and reach a valuation of USD 3.6 billion.

India is known for being globally competitive in the healthcare market for its generic pharma products and can help in reducing the country's healthcare costs. Both sides can benefit from closer cooperation in the healthcare sector.

Cooperation areas

MoU on Cooperation in the field of Traditional Systems of Medicine was signed in 2013

Research & Innovation in biotechnology

Diagnostics

Medical Devices

Superspeciality hospital facilities

Training of doctors and nurses

Medical value tourism from Malaysia to India



Agri-food

Malaysia's food market is projected to grow by 8% CAGR over the next three years and reach a market size of USD 69.4 billion.

Malaysia's halal food segment was most recently valued at USD 31 billion and is projected to reach a valuation of USD 47.6 billion next year

Palm Oil contributed 2.4% to Malaysia's GDP in 2022

Cooperation areas

Sustainable agriculture

Promoting access to land, technology, and overseas markets for small-scale farmers in both countries

Bilateral investments and development of India-Malaysia agricultural supply chains

Precision agriculture

Organic farming



E-commerce

Malaysia's E-commerce industry is quickly becoming one of the largest in the Southeast Asia region, growing by 20% in 2022 alone. Malaysia's E-commerce market was valued at USD 10.19 billion in 2023 and is expected to grow at a rate of 13.6% CAGR, reaching a market valuation of USD 16.98 billion in 2027.

Similarly, India has a robust E-commerce industry with a valuation of USD 70 billion. Therefore, both countries can increasingly cooperate on developing and linking their emerging E-commerce industries.

Cooperation areas

Facilitating technology transfer between India and Malaysia on payments infrastructure such as UPI

Investment in training, skill-development, and knowledge exchange programmes in Universities to improve familiarity with E-commerce and upskill workers in the industry

Developing dedicated funding vehicle for E-commerce startups in India and Malaysia

Joint efforts to promote collaboration between Indian and Malaysian E-commerce companies

Warehousing and border facilities



Manufacturing

Malaysia's industry employs 28.3% of Malaysians and contributes 39.2% to GDP, which means that it is a significant component of the Malaysian economy. Furthermore, manufacturing exports of Malaysia are projected to grow by 5.4% in 2024, led by exports of Electric and Electronic (E&E) goods, which comprise 40% of all exports. Therefore, manufacturing in Malaysia is an established and growing sector of the Malaysian economy.

Malaysia is increasingly promoting and investing in its manufacturing industry through initiatives like the New Investment Policy (NIP). The NIP has streamlined all national investment related policies and prioritises sectors like E&E, aerospace, and chemicals for investment. Altogether, the NIP targets 4-5% Gross Fixed Capital Formation (GFCF) per year.

Finally, Malaysia's National Semiconductor Strategy (NSS), announced this year, will allocate USD 5.33 billion over the next decade to build domestic semiconductor firms, train over 60,000 people in chipmaking, and attract RM 500 billion of domestic and foreign direct investment in the sector.

Potential Areas of Collaboration

Establish joint innovation hubs or co-working spaces in both countries to serve as incubation centers for manufacturing startups

Provide bilateral grants, subsidies, and financial incentives to manufacturing firms that work on collaborative projects or have operations in both countries

Facilitate joint research and development projects, allowing industry to collaborate on cutting-edge technologies and innovative solutions

Develop joint educational programs and courses focused on entrepreneurship, innovation, and startup management in the semiconductor space



Financial Technology

Malaysia's fintech industry is currently estimated to be valued at USD 46.63 billion and is projected to grow by approximately 15.56% over the next five years. The Malaysia Digital Economy Corporation (MDEC) was established in 1996 to transform Malaysia into a leading digital economy through programs like Malaysia Digital. Finally, the Bank Negara Malaysia (BNM) has launched a regulatory sandbox to facilitate innovation in the fintech sector.

Potential Areas of Collaboration

Establish bilateral financing vehicle that invests in Malaysian and Indian fintech companies

Facilitate dialogues between regulatory bodies in India and Malaysia to standardise regulations on Fintech companies

Establish technology transfer programs between fintech companies to jointly develop products for both Malaysian and Indian markets



Education and Training

The Malaysian education industry is robust with over 5.61 million graduates and 300 diploma granting colleges in the country. Malaysia's Private Higher Education Institutions (PHEI) are expected to grow at a rate of 5-6% annually until the end of the decade. Additionally, Malaysia has a plethora of international campuses from international universities like Monash University, University of Southampton, University of Reading.

Potential Areas of Collaboration

Facilitate student exchange programs between Indian and Malaysian colleges and universities

Establish international campuses of Indian institutions like IIT in Malaysia

Invest in Indian cultural studies centres at Malaysian college and universities to educate the population on India

CII Engagement with Malaysia

CII in partnership with Malaysia-India Business Council (MIBC) has organised the meeting of reconstituted India-Malaysia CEOs Forum coinciding with the visit of H.E Anwar Ibrahim, Prime Minister of Malaysia to India during August 19-21, 2024.

CII in partnership with High Commission of Malaysia in India organised an industry seminar to showcase Malaysia as an ideal business and leisure destination to select Indian industry representatives in April 2024.

India - Malaysia Strategic Business Summit organised by Confederation of Indian Industry (CII) in partnership with Malaysia External Trade Development Corporation (MATRADE), Malaysia India Business Council (MIBC) and Malaysia Investment Development Authority (MIDA) on 8 February 2022 over a virtual platform.

With the strengthening of India-ASEAN relations, opportunities were discussed by government and industry of both sides during the Indo – ASEAN Business Summit 2021 organized by the Ministry of External Affairs and CII.

To facilitate a closer economic and commercial partnership between the two countries, the High Commission of India, Kuala Lumpur, and the Confederation of Indian Industry (CII) have taken the initiative of bringing out the publication - "Doing Business in Malaysia: Handbook for Indian Business".



Confederation of Indian Industry

CII MARKET FACILITATION SERVICES

The Confederation of Indian Industry (CII) works towards enhancing competitiveness and creating business opportunities for industry through a range of specialised services and strategic global linkages. In this direction, a key initiative by CII was the launch of the Market Facilitation Services (MFS) in 2019, an endeavour towards building the Global Indian Corporation. MFS' strategic objective is to leverage CII's deep roots, long-standing alliances and extensive networks with global governments, businesses and chambers of commerce to offer targeted trade and investment services in the form of market research, intelligence and analyses.

CII's Market Facilitation Services (MFS) division lends an undeniable advantage by offering in-depth research, strategic analyses, and ability to reach out to government and business stakeholders in different geographies for generating business intelligence on overseas markets.

MFS is a fee-based, bespoke market research advisory platform offering a wide spectrum of services.

Assessment of Export Markets

- Research on business intelligence and strategic analyses of global markets to highlight product-level export potential
- Ready-to-use quantitative and qualitative analyses for international business strategy formulation and expansion

Market and Sectoral Analyses

- Customised market research on countries and sectors to help globalising Indian companies assess new geographies and market segments
- Structured analyses to highlight growth potential and addressable market size for sectors and products, sector-specific risks, and an understanding of competitive landscapes

Market Entry/Investment Advisory

- Advisory for companies looking at investing in global markets
- Comprehensive one-stop information on company incorporation, market segments, market trends, value chains, tax, and legal imperatives, etc., to facilitate go/no-go investment decisions

Potential Partner & Buyer Identification

- Assistance with identification of potential partners and buyers for products and services
- Significant time and cost savings in business development efforts with ready-to-use lists of potential buyers and partners

Representative Credentials

Canada F&B market entry advisory report

Market process outsourcing projects

Indonesia competitor analysis report

Philippines market entry advisory report

Egypt F&B market analysis report

Vietnam Market Entry Advisory Report

Ethiopia market entry advisory report

Indonesia pharmaceuticals manufacturing market analysis report

Assessment of export markets for engineering goods at the 6-digit HS code level

Technical partner search across the US and Europe for engineering goods company

Why CII

Largest industry organisation in India

Industry connect with **9000+** members

65 offices in all regions of India

8 offices overseas (Australia, Egypt, Germany, Indonesia, Singapore, the UAE, the UK and the USA)

Works on **policy advocacy** for a conducive investment climate

Institutional partnerships with **350** counterpart organisations in **133** countries

Supports enterprises in business development & competitiveness

CII is the ideal partner for companies looking at seamless integration in overseas markets.

For more information, please contact
Ms Bhavna Seth Ranjan | E: bhavna.ranjan@cii.in



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government, and civil society through working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for Industry.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. The premier business association has around 9000 members, from the private as well as public sectors, and an indirect membership of over 300,000 enterprises from around 286 national and regional sectoral industry bodies.

With 65 offices, including 10 Centres of Excellence in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian Industry and the international business community.

Confederation of Indian Industry

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2024-25, CII has identified "Globally Competitive India: Partnerships for Sustainable and Inclusive Growth" as its Theme, prioritizing 5 key pillars. During the year, it would align its initiatives and activities to facilitate strategic actions for driving India's global competitiveness and growth through a robust and resilient Indian industry.

With 70 offices, including 12 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 300 counterpart organizations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.

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