

# India, Malaysia boost semicon, defence ties



Prime Minister Narendra Modi during a meeting with Malaysian Prime Minister Anwar Ibrahim (right) in Kuala Lumpur on Sunday. During Modi's visit, the two nations signed 11 agreements

PHOTO: PTI

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India and Malaysia on Sunday signed 11 agreements, including for greater cooperation in the fields of semiconductors, and disaster management, with Prime Minister Narendra Modi and his Malaysian counterpart, Anwar Ibrahim, appreciating efforts by both sides to promote the usage of local currencies, Rupee and Malaysian Ringgit, for trade settlement.

Modi concluded his two-day visit to Kuala Lumpur on Sunday afternoon with the two sides resolving to expand their trade beyond last year's \$18.6 billion, increase investments as well as cooperation in defence, healthcare and tourism. Modi said that both sides are committed to peace and stability in the Indo-Pacific.

A joint statement by the two sides stated that both the PMs "appreciated the continued collaboration between Reserve Bank of India and Bank Negara Malaysia to promote usage of local currency settlement in bilateral trade and investments, and encouraged industries on both sides to further facilitate the invoicing and settlement of trade in local currencies, that is, Indian Rupee and Malaysian Ringgit." The two countries announced a collaboration between NPCI International Limited (NIPL) and PayNet Malaysia to establish bilateral payment linkages.

The Malaysian PM reaffirmed his country's commitment to remain a reliable supplier of sustainable palm oil. The two leaders discussed deeper collaboration in oil palm cultivation, value-chain development of palm oil, including downstream, higher value-added palm-based products. Both sides also agreed for structured engagement on timely resolution of market access matters. In the energy sector, the two sides spoke of collaboration in large scale solar energy initiatives, and also

agreed to further streamline mobility of workers and professionals between the two countries.

The two leaders 'emphasised' the importance of the Malaysia-India Comprehensive Economic Cooperation Agreement and the ASEAN-India Trade in Goods Agreement (AITIGA). "Both leaders welcomed the ongoing review of AITIGA to make it mutually beneficial, trade facilitative and relevant to current global trading practices," according to the joint statement.

"With the support of friendly countries such as Malaysia, India will further expand its relations with ASEAN. We agree that the review of the AITIGA should be completed expeditiously," Modi said.

This was the PM's first visit to Malaysia after the two countries elevated ties to a comprehensive strategic partnership in August 2024. The PM couldn't attend the East Asia Summit that was held in October in Kuala Lumpur because of pressing engagements at home.

At a press conference at his official residence in the administrative capital Putrajaya, Ibrahim said that the India-Malaysia agreements are "really comprehensive and we believe that we can advance this and execute in a speedy manner with the commitment of our both governments." Ibrahim termed the efforts to use local currencies for bilateral trade as 'remarkable'. On security and defence cooperation, Modi said cooperation in counter-terrorism, intelligence sharing, and maritime security will be strengthened. "Along with AI and digital technologies, we will advance partnerships in semiconductors, health, and food security," he said. He said the Indo-Pacific region is emerging as the world's growth engine. "We, along with ASEAN, are committed to development, peace, and stability throughout the Indo-Pacific region," Modi said.