

India and Malaysia: Seeking broad-based Engagement

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Abstract

The economic engagement between India and Malaysia, a major ASEAN member, has been evolutionary and this paper presents some of its rudimentary and institutional aspects. It discusses the macro-economic indicators including those pertinent to trade policy, structural reforms, WTO tariff profiles and investment regimes, among others, in both countries. The paper also carries a discussion on Malaysia Economic Transformation Model (PEMANDU) which follows the concept of '1Malaysia' to position it as a high-income country by 2020. The paper also analyses the bilateral trade pattern and highlights the provisions of the India-Malaysia Comprehensive Economic Cooperation Agreement (CECA). Further, the revealed comparative advantage (RCA) index of India and Malaysia in all 99 sectors of trade in goods at two-digit HS level has been calculated and few areas with potential for cooperation have been identified. Finally, the paper suggests the way ahead to strengthen bilateral cooperation.

Keywords: India-Malaysia CECA, PEMANDU, ASEAN, RCA.