

Malaysia woos Indian businesses, SMEs to gain

by [Mohit Khandelwala](#) on September 9th 2010 and filled under [Small and Medium Enterprise \(SME\)](#)

Even while promoting Malaysia as a strategic business destination, Malaysian Deputy Prime Minister Muhyiddin Yassin has expressed an interest to invite Indian business units to invest into Malaysia. This development is likely to encourage numerous Indian SMEs planning to invest in Malaysia to explore business opportunities in the latter country. Notably, Malaysia is India's second largest trading partner among ASEAN countries and a significant chunk of India's exports to Malaysia come from sectors such as food and manufactured goods, which have ample SME-presence. Incidentally, over 100 Indian firms are operating in Malaysia, many of which are joint ventures between the two nations. This may encourage more Indian SMEs to seek avenues for tie-ups with Malaysian companies and expand their businesses. Meanwhile, the Comprehensive Economic Cooperation Agreement between the two countries is also in the pipeline which is likely to facilitate trade and investments between India and Malaysia further. Some of the key areas which have been identified for economic cooperation are also sectors that have fair presence of SMEs such as IT, pharmaceuticals and biotechnology and manufacturing industries.