Post-liberalisation Bilateral Trade between India and Malaysia: Trends and Opportunities

Dr. Ravikesh Srivastava Professor FORE School of Management New Delhi – 110016 e-mail: <u>ravikesh@fsm.ac.in</u>

Abstract

Bilateral trade relations between India and Malaysia are amiable and trade flow between these countries has been increasing at high rate. Both the countries have been coordinating in various domains of economic, political, strategic and cultural activities. The existing bilateral trade mechanism include bilateral agreements on Avoidance of Double Taxation and Prevention Fiscal Evasion; Trade; Promotion and Protection of Investments; Economic and Technical Cooperation; Culture; Air Services; and Exemption of Visa Requirements for Diplomats and Officials. In addition, a number of Government agencies of India and Malaysia have signed Memorandums of Understanding. These are in the areas of mutual cooperation in investment, construction, privatisation and management of seaports, information technology, civil service personnel management and public administration. These initiatives have paved the way for massive growth in bilateral trade between India and Malaysia. But the recent comprehensive economic agreement is the mainstay of bilateral trade relations. This paper analyses the macroeconomic context of India and Malaysia, bilateral trade trends in goods, services and investment. This paper further highlights the present state and potentials of bilateral trade between India and Malaysia.

Key Words: Bilateral Trade, Globalization Index, ARIMA, Trend Analysis

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