

## India-Malaysia Energy Cooperation: The Next Frontier

### Key Takeaways

- India and Malaysia must establish a strategic partnership in the renewable and non-renewable energy sectors, where India can align closely with Malaysia's future-focused energy ambitions, highlighted at the 46th ASEAN Annual Summit 2025, linking it to Malaysia's National Energy Transition Roadmap 2023.
- The ASEAN Plan of Action for Energy Cooperation (2026-2030) outlines a path to deeper regional economic integration and identifies the promotion of energy innovation as a key focus area. Malaysia's deliverables on energy at the ASEAN level could pave the way for partners such as India.
- Malaysia's attempts to break ground on these aspects of energy cooperation find a natural affinity with India, whose own efforts under the One Sun, One Grid, One World, One Grid (OSOWOG) initiative have focused on creating regional grid connectivity systems to support renewable energy supplies.
- The ongoing crisis in the Strait of Hormuz has made diversifying energy sources and enhancing supply chain reliability an urgent priority across the region, including for India. Cooperation with Malaysia supports this goal, helping both countries reduce vulnerabilities associated with traditional energy supply routes.

**Rahul Mishra\* &  
Shashank Khandwe\*\***

*\*Associate Professor, Centre for Indo-Pacific Studies,  
School of International Studies, JNU*

*\*\*Doctoral Candidate, Centre for Indo-Pacific  
Studies, JNU*

### Modi's Malaysia Visit

Prime Minister Modi's visit to Malaysia on 7-8 February led to key outcomes, reinvigorating the Comprehensive Strategic Partnership with Malaysian Prime Minister Anwar Ibrahim. Both countries have strengthened bilateral cooperation through ASEAN's multilateral platforms. While PM Modi could not attend the East Asia Summit and other ASEAN+1 meetings in Malaysia last year, he marked India's commitment to ASEAN with his virtual presence. Prime Minister Modi's February visit – his third since 2014 – was well-timed, as India and Malaysia face major challenges, including trade tensions with the US, tariff wars, and

shifting regional commitments. These issues drive both countries as they seek stronger international positions.

India-Malaysia ties, built on more than two millennia old historical relations, premised on trade, culture and diaspora linkages, were elevated to a Comprehensive Strategic Partnership in 2024, offering both countries key opportunities for advancing bilateral and regional goals.

Alongside the diverse sectors of collaboration such as semiconductors, defence, and digital technologies, energy cooperation stands out as one of the primary drivers for transformative progress. Recent developments underscore a strategic intent: positioning India as an essential partner in Malaysia's ambitious energy transition.

With heightened tensions in the Strait of Hormuz, energy security has become a key priority for regional stakeholders, notably India. Deeper collaboration with Malaysia offers a mutually beneficial and strategic option for diversifying energy sources and improving supply reliability.

## Malaysia and ASEAN's Energy Ambitions

At the 46th ASEAN Annual Summit 2025, Prime Minister Anwar Ibrahim reaffirmed Malaysia's focus on sustainable growth. ASEAN's integration plan names energy innovation and green financing as priorities among the 18 Priority Economic Deliverables.

At the ASEAN Ministers of Energy Meeting in 2024, the *ASEAN Plan of Action for Energy Cooperation (2026-2030)* was first endorsed as a distinct component of these deliverables. The plan aims to improve the availability and accessibility of energy for a just and inclusive energy transition. It focuses on decarbonising regional supply chains and enhancing intra-ASEAN trade in energy essentials. Member countries aim to share best practices and encourage private-sector engagement to ensure the development and commercialisation of emerging energy technologies as necessary pillars.

Malaysia's leadership in this background holds meaning as its domestic energy innovations also come to fruition. At the onset, the *National Energy Transition Roadmap 2023 (NETR)* of Malaysia aims to boost the share of renewables in the domestic energy mix to 70 per cent by 2050. This ambition is supported by extensive measures, including tax incentives that extend the green investment allowances and targeted redirection of existing energy investments to renewables. The green financing mechanisms support corporate renewable purchases and focus on grid enhancement, enabling the utilisation of ASEAN power grids and helping position Malaysia as a critical node of regional energy innovation.

The *Large-Scale Solar (LSS) farms program* marked a milestone in the solar energy segment, as Malaysia leveraged artificial intelligence and data analytics to ensure optimal solar utilisation. This programme led to several technological collaborations. For example, TNB Renewables operates the Sepang LSS plant in Kuala Langat, Selangor. Singapore-based Envision Digital supports this operation by providing data analytics applications. The LSS programme established a competitive bidding scheme for private actors, administered by the Energy Commission Malaysia, to support transparent allocation and increased shares of renewables in the domestic energy mix. Solar energy represents a significant portion of Malaysia's renewable energy basket, second only to hydropower, and contributes substantially to the national goal of achieving 40% renewable energy capacity by 2040.

For India, the energy domain has remained a critical area of cooperation, with renewable energy sectors such as solar, biomass, green hydrogen, ammonia, etc., prominently featured in its policy measures. With agencies such as the International Solar Alliance (ISA), India has established a distinct identity by advocating sustainable energy solutions for Global South nations and by committing to building a network of like-minded countries.

## Energy Partnership: The Next Frontier for India-Malaysia-ASEAN Cooperation

In Southeast Asia, a natural synergy can be seen with India's ambitions, as the search for sustainable energy alternatives has sparked significant interest across domains which have remained relatively unexplored. One of these domains is the nuclear energy sector, and Malaysian interests are leading the developments. At the *15th Nuclear Energy Cooperation Sub-Sector Network (NEC-SSN) Meeting 2025*, the Malaysian energy ministry, PETRA, led discussions on potential partnerships with private actors and international organisations to support ASEAN's ambitious energy transition roadmap. Multilateral developments like these take place against the backdrop of individual attempts in Southeast Asian economies to incorporate nuclear power into their domestic energy mix. For Malaysia, the nuclear option remains critical to meeting sustainable energy ambitions and has been included in the *13<sup>th</sup> Malaysia Plan (2026-2030)* and is part of the broader objective of spending approximately 300 million Ringgits on the *National Energy Transition Facility Fund* under the NETR programme.

Leading the ASEAN energy deliverables, Malaysia has also strongly advocated for the *ASEAN Regional Grid (APG)* project, aiming to prioritise cross-border power connectivity and trade to achieve regional ambitions for sustainable energy. Malaysia's domestic experiences with grid connectivity, for example, the LTMS-PIP project with Laos, Thailand, and Singapore, have further legitimised this posture, along with the consistent

attempts to push for regional energy financing mechanisms and policy standardisation that would catalyse a smooth transition to a stable and diversified energy mix in Southeast Asia.

### Growing Synergies:

Malaysia's attempts to break ground on these aspects of energy cooperation find a natural affinity with India, whose own efforts under the *One Sun, One Grid, One World, One Grid (OSOWOG)* initiative have focused on creating regional grid connectivity systems to support renewable energy supplies.

India's action has created a potential platform for knowledge sharing and joint R&D among regional economies. While India has already attempted to establish a solar energy supply system with Singapore, deliberations with Malaysia could catalyse cooperation on mutual technology support, training mechanisms, and infrastructure. As Putrajaya continues to lead ASEAN's energy aspirations, interactions with a key regional energy player like New Delhi could be transformative. Malaysia's approach has not only ensured the potential of its domestic energy security but also empowered the region with sustainable and climate-resilient practices, steering ASEAN towards a sustainable energy landscape.

India must recognise and capitalise on the ambitious energy developments unfolding in Malaysia and Southeast Asia. Leveraging synergies across AI, semiconductors, and other high-tech domains can drive India-Malaysia partnerships, ensuring India plays an integral role in Malaysia's and ASEAN's future energy landscape.



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Zone IV B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi 110 003, India  
Tel.: +91-11-24682177-80; Fax: +91-11-24682173-74, E-mail: aic@ris.org.in; dgoffice@ris.org.in  
Website: www.ris.org.in; http://aic.ris.org.in

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