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Russia-Malaysia: Cooperation Despite Global Challenges

Sometimes you come across figures that are mind-boggling. This is one of these– 40%. This is the exact dynamic demonstrated by the growth of trade turnover between Russia and Malaysia in 2025.

This figure is not due to the low base effect. This represents a concrete outcome of bilateral cooperation, notwithstanding the global challenges characterizing the present-day world. Our countries have found a way to quickly ramp up the scope of their partnership.

The second notable figure: Moscow-based companies account for nearly one-third of over $4 billion in trade turnover between the two countries.

At Accelerated Pace

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By all means, Moscow’s leading position in the Russian-Malaysian trade turnover is natural to a certain degree. The metropolitan city is traditionally a major economic hub of the country. Its enterprises manufacture an extensive range of in-demand products. Over the past decade, the city has been purposefully building a new industrial structure, based on high technologies, innovations and sustainability.

The outcome is the accelerated development of digital and space technologies, robotics, biotech, unmanned and modern transport systems, new energy sources, aerospace, and advanced healthcare.

Today, there are about 4,6 thousand industrial enterprises operating in Moscow, and every third of these is a high-tech enterprise.

Over the past five years, manufacturing production has grown 2,3 times. Manufacturing of computers, electronics and optics increased by 5,4 times, production of machinery and equipment, primarily industrial robots – by 7,5 times, medical devices and equipment – by 3,4 times and so on. The metrics for Moscow exceed the Russian national average.

The Special Economic Zone (SEZ) Technopolis Moscow has become a key hub for innovative industry. This hub produces microelectronics, medical equipment, and pharmaceuticals—including unique drugs developed in Moscow—as well as transportation systems, new materials, energy-efficient solutions, and software.

Six cross-industry clusters have been created and are actively developing on the basis of the Moscow SEZ: photonics, microelectronics and information technologies, pharmaceuticals, medical equipment, and the Federal Center for Unmanned Aerial Systems etc. By 2030, there will be at least 13 such clusters.

In total, Moscow exports products and services to 155 countries.

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High-Tech Fueled Growth

High technologies are a specific feature of both Moscow and Russian economies and a gateway to understanding one of the reasons for the impressive growth of the Russia-Malaysia trade turnover.

In 2024, Malaysia ranked 33rd in the global innovation index, significantly ahead of Russia, but it lagged far behind in the Information and Communication Technology Development Index. Last year, Russia joined the ranks of global leaders, while its capital city ranks in the top five cities worldwide for technological and spatial development.

These data are not meant to stroke the egos of Moscow or Kuala Lumpur. It speaks volumes about the significant potential for states to develop productive high-technology cooperation, about common interests. High technologies are of interest both to Russia and Malaysia, and these two nations have a lot to offer each other.

Malaysia is one of the largest producers of electronics and electrical equipment, measuring equipment, as well as chip components. The share of these products in Malaysian exports is over 35%. The country is the world leader in chip manufacturing. Russia’s innovative development requires Malaysian products.

On the other hand, Malaysia’s interests go far beyond “hardware”. The nation is striving to move from the position of an observer in advanced areas of global research and development and to play a major part in this development. The national leadership regards science, technology, and innovation as a crucial factor in ensuring the country's sovereignty.

Russia can help Malaysia with this, because, first of all, Russia is back as a global state, setting science and technology progress trends. Second, unlike Western companies, Russia is eager to conduct joint development activities.

Western countries, which created the modern high-tech industry of Malaysia, adhere to the "black box" principle. They built their production facilities in the country, but never shared relevant competencies. Malaysians were trained to do manual operations, but were kept away from developing new products.

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Beyond Production To Creation

Another business mission to Kuala Lumpur, arranged by the Moscow Export Center (MEC) at the end of last year, illustrated the profound difference between Western and Russian approaches to cooperation. 15 Moscow-based IT, analytical instrumentation, neurotechnology and healthcare companies showcased their solutions to potential partners in Malaysia.

“Moscow and Kuala Lumpur are not just exchanging experiences. A strong practical partnership is developing between our capitals. The Mayor of Kuala Lumpur, for instance, is interested in our „digital city twin” project. This is a 3D-model of all urban infrastructure, used for planning, monitoring and real-time control, including utility networks, transport hubs and built-up areas. Moscow is ready to share its developments with Malaysia”, - says Tatyana Kasatkina, Director of the Digital Economy Department of the Moscow Department of Information Technologies.

Natalia Murina, Vice-Rector for Technological Development and Commercialization of the Russian Biotechnology University also named use of biotechnologies to increase agriculture productivity and sustainability as a promising area for cooperation. “We proposed to develop together with Malaysian universities biopreparations resistant to tropical climates, and also to create a competitive fermentation technology for waste from palm oil and rice production”.

“Russia has a strong chip design sector, whereas Malaysia specializes in semiconductor testing and packaging. Thus, if a chip is designed in Russia, tested and packaged in Malaysia, and then a finished product is assembled for ASEAN country markets, costs will be reduced by about 20-25%”, - Mikhail Labudin, Director of the Association of Clusters, Technology Parks and SEZ of Russia, shared his assumptions.

And Russian Ambassador to Malaysia Nail Latypov said that Russia is ready to offer Malaysia solutions for the construction of high-power nuclear power plants and small modular reactors. Russia has unique expertise and technologies. The Akademik Lomonosov floating nuclear thermal power plant (FNCPP) has been successfully operating for five years in the port of the Russian city of Pevek, above the Arctic Circle.

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Under Favorable Conditions

“Development of digital urban infrastructure, commercialization of innovations in vaccines, carbon capture and storage, clean energy—including nuclear—and the application of nuclear technologies in healthcare and agriculture are promising areas of cooperation between our countries”, - says Chang Lih Kang, Minister of Science, Technology and Innovation. The Minister also included in the list joint development of technology ecosystems, start-up accelerators and artificial intelligence education.

To boost cooperation, Malaysia is fostering an ever more favorable environment for Russian companies. These changes facilitate the expansion of Moscow and Russian companies into the Malaysian market and further into Southeast Asia.

An office of the Moscow-based SPLAT Global company has been operating in Malaysia since 2022. From Kuala Lumpur, the company reached out to 11 South-East Asian countries. Regional operations of the company had been so successful that it managed to take 3% of the online commerce market in the region. “Everyone is amazed at how quickly SPLAT managed to capture such a large market share, - says Yevgeni Demin, SPLAT Global co-founder. – It took 15-20 years for such corporations as Colgate and Sensodyne”.

“Kaspersky Lab” set up its Malaysian distribution network in 2023. The company offers its cybersecurity solutions for government agencies, businesses and private users. Today, an anti-virus platform by Kaspersky is used, for example, in the municipality of Kulim.

Softline, a leading system integrator specializing in software engineering, QA, business/system analysis, and IT support services, is opening its office in Malaysia as well.

And during a recent business mission, Steplife company has signed an agreement with a Malaysian partner to supply of high-tech components for prosthetic and orthopedic products. The agreement is for more than □100 million (about $1,5 million) over the next three years.

“High technologies and innovations are the most promising areas for Russian-Malaysian cooperation, - Vladimir Ilyichev, Deputy Minister for Economic Development of Russia. – Today, it's important to diversify our trade turnover. Russian companies are ready for this. We see genuine interest and willingness of our Malaysian partners to move forward in this direction”.

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