

Malaysia's Foreign Policy

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At the outset, I wish to mention that Malaysia's foreign policy has always been pragmatic, independent and principled - putting national interests at the forefront while balancing them up with principles, norms and laws governing international relations. As an extension of domestic policy, Malaysia's foreign policy has, therefore, been designed with the purpose of defending and promoting the country's national security, economic and other vital interests. Malaysia is multi-racial, multi-cultural and multi-religious country where survival and economic development depend on racial harmony and political stability. It is also a small trading nation that depends on a peaceful and just international order. Since independence in 1957, Malaysia's foreign policy has been premised on the following fundamental principles:-

- (a) Mutual respect for the independence, sovereignty and territorial integrity of nations.
- (b) Mutual non-aggression and non-interference in the internal affairs and peaceful settlement of disputes.
- (c) Peaceful co-existence and mutual benefit in relations.

Foreign policy of any country has to function in a dynamic environment. Malaysia's foreign policy is no exception. Various geographical, historical, social and political determinants contribute to shaping the nature of Malaysia's foreign policy and the conduct of the country's international relations. Added to this is the external environment, or what may be termed as the systemic determinant, which becomes increasingly important with the advent of globalisation and in the wake of the era of communication and information technology. But the basic objective remains the same, i.e. the pursuit of Malaysia's national interests.

A closer look at Malaysia's foreign policy since 1957 would show its steady evolution characterised by notable changes in emphasis, which took place with changes in Malaysia's political stewardship.

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A markedly anti-Communist and pro-Western posture with close links to the Commonwealth under Tunku Abdul Rahman, our first Prime Minister, gave way to one based on non-alignment, neutralisation and peaceful co-existence. Under his successor, Tun Abdul Razak, as a member of the Organisation of Islamic Conference (OIC), Malaysia began to identify itself as a "Muslim nation". The search for new friends substantially increased the importance of Non-Aligned Movement (NAM) to Malaysia. Investments from other than British sources began to be welcomed. A period of consolidation ensued under the third Prime Minister, Tun Hussein Onn with Association of South East Asian Nations (ASEAN) becoming the cornerstone of Malaysia's foreign policy following the collapse of Saigon (now Ho Chi Minh City) in 1975, the withdrawal of the US military presence from Southeast Asia and the invasion of Kampuchea (now Cambodia) by Vietnam.

A more dramatic shift occurred when Dr Mahathir bin Mohammad took over as the fourth Prime Minister in 1981. Malaysia's foreign policy stance began to take a much greater economic orientation than ever before, coupled with a strong and nationalistic defence of the rights, interests and aspirations of developing countries and advocacy of south-south co-operation. Numerous new initiatives were undertaken by Dr. Mahathir during his premiership. These include :-

- (a) Antarctica as the common heritage of mankind.
- (b) The look east policy (LEP).
- (c) Reverse investment.
- (d) East Asia Economic Caucus (EAEC).
- (e) Group of 15 (G15) - ASEAN Mekong Basin Development Co-operation.
- (f) Islamic Unity.
- (g) Championing of the cause of developing countries on major issues like environment, human rights and democracy.

The evolution of Malaysia's foreign policy under successive Prime Ministers reflected a pragmatic response to the geopolitical and economic changes of their times. But whilst change has become a general feature of Malaysia's foreign policy, continuity

has also been evident. Both the change and continuity mark a higher level of confidence and maturity the country had acquired in the conduct of its international affairs.

With the attainment of independence, strenuous efforts were made by Malaysia to build friendly relations and promote various areas of cooperation with like-minded countries, particularly those like India whose leaders had been working closely with our leaders in the pre-independent Malaya. As the country's international stature began to grow, more diplomatic relations were established with other countries including the newly independent nations. Today Malaysia has 110 diplomatic missions throughout the world including all countries of Southeast Asia.

Malaysia attaches great importance in having good working relations with countries in the region of Southeast Asia. Bilaterally, cooperation continues to expand in areas such as trade and investment, education and human resources development, science and technology, culture, and tourism. A constructive approach had been taken to resolve outstanding problems including those related to overlapping claims and determination of land and maritime boundaries. Diplomatic efforts are made to ensure that bilateral relations do not get adversely affected with our neighbours. Agreeing to refer the overlapping territorial claims that Malaysia has with Indonesia and Singapore to the International Court of Justice (ICJ) indicates the extent to which Malaysia is prepared to go in achieving solutions to bilateral problems. The establishment of separate joint commissions between Malaysia and Brunei, Indonesia, the Philippines, Thailand, Laos and Vietnam has also provided a useful framework to develop wide-ranging bilateral co-operation in all fields of mutual interest.

Bilateral relations with other Asian, African, Middle-Eastern, and Latin American countries would continue to be pursued without neglecting our traditional economic partners in Europe and America. Japan, the European Union, the US, Australia and the Republic of Korea would remain Malaysia's major trading partners as well as source of investment and technology, particularly in connection with the establishment of Malaysia's multimedia super corridor.

In Malaysia's foreign policy perspective ASEAN and regional ties will continue to be the cornerstone of foreign policy. To Malaysia, ASEAN remains an important regional organisation as it serves

the purpose of promoting cooperation with countries in the region, as well as in maintaining peace and stability through intra-ASEAN dialogue and cooperation. Since its establishment, ASEAN has developed and refined various mechanisms and arrangements to promote trade, investment and other collaborative activities.

Malaysia will continue to push for strengthening of ASEAN as a regional grouping. In the post-cold war situation, which has observed the emergence of competing regional economic groupings and uncertainty in the regional security environment, Malays believe that a strong and successful ASEAN is not only an economic necessity but also a strategic imperative. A prosperous, consolidated and stable ASEAN at peace with itself and with its neighbours provide the best guarantee for the security of the entire Southeast Asia and East Asia region. Co-operation within ASEAN is now firmly entrenched. ASEAN is not about to lose its dynamism, viability and relevance. The increasing interest towards ASEAN and requests made for sectorial dialogue partnership by a number of Asian, African, and Latin American countries, reflect the high esteem accorded by them to ASEAN as a regional organisation. Today, Malaysia and others are making serious efforts towards the realisation of an ASEAN Community. This is to be realised through the building of the followings :-

- (a) The ASEAN Security Community.
- (b) The ASEAN Economic Community.
- (c) The ASEAN Socio-Cultural Community.

In addition, focus will continue to be given to ASEAN+3 and ASEAN Regional Forum (ARF), and the settlement of disputes in the South China Sea. Through regional dialogue processes such as the ARF, Malaysia will work to promote greater understanding, transparency, mutual trust and regional stability by fostering in particular stable strategic relations among major players present in the region such as China, Japan, Russia and the United States. In the context of ASEAN+3, Malaysia remains a firm advocate of the strategic and economic importance of cooperation with China, Japan and the Republic of Korea.

On 14 December 2005, Malaysia hosted the first East Asia Summit (EAS) in Kuala Lumpur. Participated by all ASEAN countries, Australia, China, India, Japan, New Zealand and Republic of Korea, the EAS would be a forum for dialogue on broad strategic

issues of relevance. Malaysia views the EAS as an integral part of the regional architecture which comprises other fora such as ASEAN, ASEAN+3 and the ARF. EAS could play an important role in ensuring a stable and conducive environment that would contribute to the overall development of the East Asian region.

At the multilateral level, Malaysia has and will continue to be active in the OIC, Commonwealth, NAM, and the UN. Such fora are useful in promoting co-operation between member states, in finding solutions to global problems and in establishing common ground rules that will guide the peaceful conduct of international relations. Malaysia will continue to use the platform available to speak on global issues like human rights, environmental degradation, transnational crime, refugees, democracy, the role of women and reforms of the UN Security Council. We believe that the UN should continue to be effective in dealing with global developmental issues, peace and security, humanitarian activities, international crisis and cases of violations of the UN Charter and principles of international law - in a fair and equitable manner.

At the same time, Malaysia remains equally pre-occupied with other critical issues such as combating international terrorism. Following the rise of terrorism, Malaysia has been working closely with all countries to ensure that not only is terrorism eradicated, but also the root causes which motivate people to resort to terrorism, are addressed. Malaysia believes that international efforts to combat terrorism should be carried out in an impartial and objective manner, in accordance with the principles of international law. We believe that a universally accepted definition of terrorism is important to enable the international community to take concerted and targeted action against those who have been defined as terrorists. Malaysia also believes that measures against international terrorism should not infringe upon the sovereignty and territorial integrity of countries.

As part of our ongoing efforts to counter terrorism, Malaysia has set up the Southeast Asia Regional Centre for Counter Terrorism (SEARCCT). This Centre is meant to serve as a regional centre focusing on training, and conduct of capacity building collaborative programmes with other countries. Currently, it has a joint programme with the United States. Similar projects are being discussed with Japan, Australia, the UK, Canada, Germany and the EU.

Another issue of concern to Malaysia is the proliferation of weapons of mass destruction. It is important; therefore, that Malaysia's foreign policy be geared towards ensuring that more and more nations sign and ratify the relevant international conventions such as the Nuclear Non-Proliferation Treaty (NPT), the Comprehensive Test Ban Treaty (CTBT), Biological Weapons Convention (BWC), Chemical Weapons Convention (CWC) and the Convention on Land Mines (CLM).

Like other countries, Malaysia is also concerned with continued tension and conflict in the Middle East. Malaysia, as Chairman of both the OIC and NAM, remains committed in its support to Palestine towards achieving self-determination and the establishment of a sovereign and independent Palestinian state. Malaysia will support President Mahmoud Abbas and Palestinian people in their struggles to achieve their objectives. Israel must vacate all occupied Arab territories to ensure that peace and stability prevail in the region. Malaysia had welcomed the *Putrajaya* Action Plan, adopted at the end of the Conference on Peace in Palestine that was held in Malaysia in March 2005. The plan among others stated the following:—

- (a) The United Nations Resolutions on the Israeli-Palestinian conflict must serve as a logical starting point for the restoration of Palestinian rights.
- (b) There must be a total and complete Israeli withdrawal from Gaza and the West Bank to its pre-1967 borders.
- (c) A sovereign and independent Palestinian state should be established on the Gaza and West Bank with Jerusalem as the shared capital of both Palestine and Israel.
- (d) Palestinian refugees should be allowed to return to both Israel and the new Palestinian state.

On Iraq, Malaysia has been playing an active role, urging the UN and the US, to seek an amicable solution to the country's crisis. Malaysia is of the view that the UN, as the world body, has the best credentials to assist Iraq in political process and create conducive environment to enable the international community to take part in peace-building and reconstruction efforts of the country.

Malaysia had also welcomed the elections of the Transitional National Assembly held in Iraq on 30 January 2005 and the appointments of Jalal Talabani as the new President, Ibrahim Jaafari as the new Prime Minister and other Cabinet Ministers of the Iraqi Transitional Government. Malaysia is supportive of Iraq's efforts towards achieving political stability and return to normalcy. In this regard, Malaysia is of the view that there is a need for a comprehensive approach incorporating security, governance, economic revival, justice and the rule of law.

With regard to NAM, Malaysia would make every effort to further enhance the unity, cohesion and solidarity among member countries to ensure that not only the voice of NAM is heard but views are sought by the big powers and international organisations before major decisions are made.

Let me briefly touch on Malaysia's bilateral relations with India.

As I had mentioned earlier, India was among the first countries to establish diplomatic relations with the then newly independent Malaya in 1957. Both countries have enjoyed close and cordial relations through traditional trading links and people to people contacts. Close friendship nurtured between our leaders had further cemented our relationship. A large number of Malaysians of Indian origin helped to spur growth of multi-faceted areas of cooperation between Malaysia and India.

Today, India is Malaysia's largest trading partner in South-East Asia. Bilateral trade between the two countries has increased significantly during the last two years. In 2004, total trade between Malaysia and India was recorded at RM16.3 billion (US\$4.2 billion) as compared to RM12.2 billion (US\$3.2 billion) in 2003, an increase of 25 per cent from the previous year. Malaysia's exports to India showed an increase of 15 per cent with export valued at RM11.41 billion (US\$3 billion) in 2004 as compared to RM9.64 billion (US\$2.53 billion) in 2003. Similarly, imports from India registered an increase of 47 per cent with import valued at RM4.89 billion (US\$1.29 billion) in 2004. The balance of trade which has persistently been in Malaysia's favour, over the last few years stood at RM6.51 billion (US\$1.71 billion).

Bilateral trade between Malaysia and India is expected to grow steadily in 2005. For the period of January to September

2005, total trade stood at RM 13.8 billion (US\$3.63 billion). Malaysia's exports to India amounted to RM10.8 billion (US\$2.84 billion) while total imports reached RM 3.02 billion (US\$795 million).

The bulk of Malaysia's exports to India is crude petroleum, constituting almost 30 per cent of Malaysia's total exports. Other major exports to India are electrical and electronics products, palm oil, chemicals and chemical products, sawn logs and sawn timber. Major imports from India are food (cereals, vegetables and fruits), meat and meat preparations, organic chemicals, non-ferrous metals, iron and steel as well as textile yarn and fabric. There is vast potential for bilateral trade to increase further. To do this, we need to increase and diversify the range of products and services between our two countries. To further boost our economic relation, Malaysia and India have agreed to negotiate a Comprehensive Economic and Cooperation Agreement (CECA), which when concluded would greatly enhance economic cooperation.

Apart from trade, collaboration in the fields of tourism, civil aviation, investment, education, science and technology, infrastructure development and energy are the sectors that have contributed in bringing our two countries closer. The growth in tourism traffic has resulted in increase in flight frequency between our two countries. Now private airlines from India have started or are about to commence operations to Malaysia. This would lead to more people-to-people contact creating better understanding of each other's culture and provide them opportunities to explore new business possibilities. The number of tourists from India totalled 2,14,781 last year. I am confident that contacts between our people will continue to grow in the future.

As Malaysia progresses toward achieving its Vision 2020, other new areas of collaboration with India are bound to develop. India is known for its strength in Information and Communication Technology, pharmaceuticals and biotechnology. Malaysia too is focusing on these sectors and together both our public and private sectors can forge a partnership that would be mutually beneficial.

India has become a major investor in Malaysia. Currently there are more than 45 Indian companies in Malaysia's Multimedia Super Corridor. Malaysia welcomes more investment from India especially in the area of biotechnology. Likewise, many Malaysian

companies are venturing into projects in India, including infrastructure development, a sector of high priority to the Indian government. To date, Malaysian construction companies have completed 39 projects worth US\$1.49 billion. Most of these projects were in the construction of highways. Given India's Look East policy and greater participation and interest in intensifying economic cooperation with ASEAN countries, the prospects for closer relationship are indeed very bright.

At regional and international levels, Malaysia and India share common membership of the NAM, the Commonwealth, the Group of 15 (G15), the Group of Seventy Seven (G77) and the Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC). Through these fora, both Malaysia and India have played an active role to defend and promote the interests of South countries and for South-South cooperation to continue its momentum. Given its history as one of the founder members of the NAM, Malaysia hopes that India would continue to play an active and inspiring role in the continuing efforts towards revitalising NAM in order to enhance its unity, coherence and solidarity.

Finally, Malaysia-India bilateral relations could be projected to grow further as our cooperation and the momentum of India's participation in ASEAN activities increases. As a Dialogue partner of ASEAN and a member of ARF and now as a participant in the EAS, India have more avenues to share its views with Malaysia and other ASEAN countries to work together on mutually beneficial areas of cooperation in the development of the South East Asia and the East Asia region. I am confident that increased interactions between our leaders at regional meetings will send the right signal to stimulate greater interest among our people to work closer so that we can march forward in partnership for peace, progress and shared prosperity of our region. There is a strong commitment on the part of our leaders to further widen and deepen our multi-faceted relations.