SPECIAL ASSESSMENT

FEBRUARY 2005

The Asia-Pacific and the United States 2004–2005

Malaysia and the United States 2004–2005: The Best of Times?

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KEY FINDINGS

- Malaysia and the United States have a robust relationship underpinned by strong fundamentals that include counter-terrorism cooperation, burgeoning trade links, and important military-to-military ties.
- The Bush administration emphasizes the positives in the relationship, such as shared values and beliefs, and has praised Malaysia for its leadership role in Southeast Asia and the wider Islamic world.
- U.S.-Malaysia relations continue to improve under the leadership of Prime Minister Datuk Seri Abdullah Badawi, whose quiet and modest personal style stands in sharp contrast to that of his acerbic predecessor, Dr. Mahathir bin Mohamad. On a visit to the White House in July 2004, Prime Minister Abdullah characterized relations as "the best they have ever been."
- Despite the strong fundamentals Malaysian politicians are not averse to publicly articulating differences of opinion with the United States. Malaysia has been critical of the U.S. for its perceived unilateralist policies, military action in Iraq, and, as Kuala Lumpur sees it, America's failure to address the "root causes" of terrorism, foremost among them a resolution of the Palestinian issue. However, Prime Minister Abdullah has also publicly criticized Muslim countries for their lack of good governance and poor socio-economic conditions which, in his opinion, provide the breeding ground for Islamic extremism.
- During 2004 the Malaysian government stressed that security in the strategically vital Strait of Malacca should be the primary responsibility of littoral states and has downplayed the link between terrorism and piracy. However, Malaysia has welcomed U.S. offers to help increase maritime security through intelligence and information exchange, training, and technical assistance.

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OVERVIEW

Malaysia is an increasingly important partner of the United States for a host of political, economic, and security reasons. Despite policy differences, the occasional public spat, and media mischaracterizations, in reality U.S.-Malaysia relations are quite robust and underpinned by strong fundamentals such as counter-terrorism cooperation, burgeoning trade links, and important military-to-military ties. Since the September 11, 2001 terrorist attacks, government-to-government ties have improved considerably despite Malaysia's opposition (albeit muted) to U.S.-led military operations in Afghanistan and Iraq. Under the leadership of Prime Minister Datuk Seri Abdullah Ahmad Badawi, the environment of U.S.-Malaysia relations has become warmer and friendlier. This is partly an issue of personality, as Prime Minister Abdullah is not as outspoken or as critical as his predecessor Datuk Seri Dr. Mahathir bin Mohamad, but also a reflection of the importance Kuala Lumpur places on its relationship with the United States.

In December 2004 Deputy Secretary of State Richard Armitage described Malaysia as "a political, economic, and strategic partner of great and growing importance." The Bush Administration has emphasized the positives in the relationship while downplaying the negatives. In the same speech Armitage pointed out that Malaysia and the U.S. were both democratic and multicultural countries that shared common values and beliefs. Armitage praised Malaysia for its leadership role in Southeast Asia, the Islamic community, and wider world. Washington recognizes Malaysia's regional and global influence. Malaysia is not only a key member of the Association of Southeast Asian Nations (ASEAN) but also concurrently chair of the 57-member Organization of Islamic Conference (OIC) and the 117-member Non-Aligned Movement (NAM). Washington holds up Malaysia as a good example of a Muslim-majority country that combines religious tolerance and moderation with high levels of socio-economic development. Prime Minister Abdullah, himself an Islamic scholar, is seen as personifying these positive attributes. For instance, the Prime Minister has often spoken of the need to fight extremism in all religions. In a speech before the World Council of Churches in Kuala Lumpur in August 2004, Abdullah warned: "We cannot allow our religions to be torn apart by extremist impulses and exclusivist doctrines. We must be committed in promoting the value of peace, tolerance, and plurality." In the same speech the Prime Minister called for more interfaith dialogue and the need to stress common religious values such as peace, friendship, and cooperation.

Politically, a number of developments served to strengthen U.S.-Malaysia relations in 2004. In March, Prime Minister Abdullah's political party the United Malays National Organization (UMNO) won a landslide victory in the general election, securing 90 percent of seats in the national parliament and a majority of state representatives in all but one state. The victory was in large part attributed to Abdullah's image as a gentle, uncorrupt, and pious statesman. Since taking office in October 2003, Abdullah has vowed to root out corruption in Malaysia. He has also cancelled some of the hugely expensive mega projects that were the hallmark of the Mahathir era. One of the most important aspects of the election was the poor performance of opposition conservative Islamist parties, particularly Parti Islam SeMalaysia (PAS). PAS had made impressive electoral gains at the expense of UMNO at the 1999 election, mainly as a backlash against the 1998 arrest and imprisonment of Mahathir's former deputy, Anwar Ibrahim. However, PAS's star fell in the wake of the September 11 terrorist attacks, and the replacement of Mahathir by

Abdullah in October 2003. Washington was quietly pleased with the outcome of the March elections, partly because of PAS's virulent anti-Americanism, but mainly because Malaysian voters had rejected a radical Islamic political agenda.

Four months after his election victory, on July 19, Prime Minister Abdullah met with President George W. Bush at the White House. Abdullah took the opportunity to stress the strong fundamentals in U.S.-Malaysia relations. The Prime Minister declared bilateral relations to be "the best they have ever been," adding "[y]ou cannot judge our bilateral relations simply on the basis of what you hear, that we may have some policy differences on Iraq or on Palestine the foundation of bilateral relations has remained strong all the time." Two months later a long running sore in U.S.-Malaysia relations was removed with the release from prison of former Deputy Prime Minister Anwar Ibrahim. The Clinton administration had criticized Anwar's 1998 arrest and subsequent imprisonment on charges of corruption and sodomy in August 2000 as being politically motivated. On September 2, in a surprise move, Malaysia's high court quashed the sodomy conviction against Anwar and freed him. The U.S. State Department called Anwar's release "a victory for the rule of law and judicial process in Malaysia." Anwar credited his release to Abdullah's non-interference in the judicial process.

As far as the November 2004 U.S. presidential election was concerned, the Abdullah government remained scrupulously impartial. It did not endorse calls by Mahathir for American Muslims to vote against Bush in favor of the Democratic Party candidate Senator John Kerry. The comment that President Bush was "the cause of all tragedies in the Muslim world" was vintage Mahathir, but he was only speaking as a private citizen. Prior to the election Prime Minister Abdullah had stated that he would be able to work with whichever candidate won. Articles in the Malaysian press suggested that Kuala Lumpur might have preferred a Kerry victory because of the previous Democratic administration's emphasis on multilateralism and closer involvement in the Middle East peace process. However, other factors suggest that the Malaysian government was happy to see the incumbent re-elected: under Bush, Malaysia has enjoyed high-level access in Washington, received more counter-terrorism assistance, and has not been criticized for using the Internal Security Act (ISA), which allows the government to detain suspects for up to two years without trial. On Bush's re-election, Abdullah offered his congratulations, adding that he hoped a reelected Bush administration would firmly commit to resolve the Israeli-Palestine issue quickly based on the Middle East Peace Roadmap and that a sovereign and independent Palestine would emerge in 2005. This gives another firm indication of where Malaysia would like Washington to invest its diplomatic energy in the Global War on Terror (GWOT).

One of the strong fundamentals underpinning U.S.-Malaysia relations is close economic interaction. Total bilateral trade between Malaysia and the U.S. currently stands at $36 billion. Malaysia is now the United States' tenth largest trade partner, having knocked Singapore into eleventh place. The U.S. is also Malaysia's number one trade partner and largest single source of foreign investment. In May 2004 Washington and Kuala Lumpur concluded a Trade and Investment Framework Agreement (TIFA) aimed at expanding and liberalizing trade and investment between the two countries. TIFA also paves the way for a U.S.-Malaysia Free Trade Agreement (FTA).

The defense relationship between Malaysia and the United States is much closer than is widely presumed. But unlike neighboring Singapore, the Malaysian government has deliberately chosen to downplay this particular aspect of bilateral relations for domestic political reasons. First and foremost, the issue is seen as sensitive for Malaysia's ethnic

Malay population. And secondly, at the rhetorical level at least, Malaysia has argued since the early 1970s that the security of Southeast Asia should be provided by the ASEAN states themselves, with less reliance on external powers. Yet Malaysia, like the majority of its ASEAN partners, continues to facilitate, or quietly assent to, a U.S. military presence to ensure regional stability. Malaysian Defense Minister Datuk Seri Najib Tun Razak has described U.S.-Malaysia defense ties as a "well-kept secret" the full extent of which was not revealed until 2002. About fifteen to twenty U.S. Navy vessels visit Malaysian ports each year, some of which undergo repair and maintenance at Lumut dockyard in Perak; the U.S. Army and Navy Seals conduct training in Malaysia each year; and Malaysia provides jungle warfare training for U.S. military personnel. Close U.S.-Malaysia military-to-military ties were in evidence in 2004. In July U.S. and Malaysian forces conducted the annual Cooperation Afloat and Readiness Training (CARAT) exercise, now in its tenth year. The aim of CARAT is to improve combined capabilities and interoperability between U.S. armed forces and those of Malaysia, Thailand, the Philippines, Singapore, and Brunei (exercises are held sequentially with each country). In another signal of Malaysian support for a continued U.S. military presence in Southeast Asia, the aircraft carrier USS *John C. Stennis* sailed into Port Klang in the Malacca Strait in September.

IRAQ, ISLAM, AND TERRORISM

In the days following September 11, 2001, Mahathir condemned the attacks in New York and Washington and pledged Malaysia's help in defeating the scourge of terrorism. However, Mahathir was also critical of the philosophy underpinning Washington's GWOT. The Malaysian government opposed U.S. military action in Afghanistan and later, more vehemently, in Iraq. Mahathir warned that the U.S. emphasis on eliminating the threat posed by terrorism through military means was ill conceived and counterproductive. Instead, Mahathir argued, the United States and its allies would do better to address the "root causes" of terrorism, particularly the Palestinian problem. Nevertheless, these differences of opinion in no way hindered U.S.-Malaysia counter-terrorism cooperation. Malaysia provided U.S. agencies with valuable information and intelligence, helped interdict terrorist funding, and has arrested nearly 100 alleged terrorists. Malaysia plays host to the Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT) which is supported by the United States.

Under Prime Minister Abdullah there has been much continuity; Malaysia continues to cooperate with the United States at the operational level, but has criticized its policies in Iraq and the GWOT. Perhaps the only major difference has been in the tone of the criticism, as Abdullah is much less given to acerbic comments than his predecessor. On the issue of Iraq, the Malaysian government has maintained its position that the U.S.-led invasion was unlawful and unnecessary. During 2004 government ministers stated several times that Malaysia's position had been vindicated because the United States had failed to find any Weapons of Mass Destruction (WMD) in Iraq or prove a credible link between Saddam Hussein's regime and the al Qaeda terrorist network. In January 2004 Foreign Minister Datuk Seri Syed Hamid declared that Washington's real reason for going to war in Iraq was regime change, not the prevention of WMD proliferation or the defeat of terrorism.

During 2004 Prime Minister Abdullah himself criticized the Iraq operation on a number of occasions. In July, at a conference of Malaysian Heads of Mission, Abdullah

spoke of the dangers of America's unchecked power in the international system and the "uneasiness world-wide that a single country is globally dominating all the military, economic, political, and cultural dimensions of power." Another theme Abdullah addressed was how the U.S. occupation of Iraq had shattered the "inviolability of national sovereignty." The Malaysian Prime Minister welcomed the June 2004 transfer of sovereignty to the Iraqi government, but has consistently called for a greater role for the United Nations in rebuilding the war-torn country. Although Abdullah opposed the invasion, he has pledged Malaysia's support for reconstruction efforts in Iraq, and to rally OIC support for such efforts. During his meeting with President Bush in July, the Prime Minister promised to send a "sizeable medical team" to Iraq. However, as the end of the year approached, there were no signs that such a mission would be dispatched any time soon, much to Washington's disappointment. The deteriorating security situation in parts of Iraq has presumably been a disincentive for the Malaysian armed forces to send a medical mission.

Like his predecessor, Abdullah has urged the United States to pay greater attention to the "root causes" of terrorism. In the view of the Malaysian government, one of the most important factors fueling Islamic radicalism is the unresolved status of Palestine. In its opinion, Palestine has become symbolic of the frustration felt by Muslims around the world at their unfulfilled aspirations. The Malaysian government has called on the United States to pursue a more even-handed policy in the Middle East, and throw its full weight behind the goal of full Palestinian sovereignty by 2005. At his speech before the U.N. General Assembly in September 2004, Abdullah spoke of the "unaccomplished missions of peoples struggling for independence and aspiring for sovereign states of their own," and that terrorism could only be eradicated if there was a "comprehensive and just solution" to the Palestinian problem.

In addition to urging a faster resolution of the Palestine problem, the Malaysian leader has called on Western countries to stop tarnishing the image of the Muslim world with "unfair stereotypes." Abdullah has argued that it is unfair for Western countries to equate "violence, poverty, and indignity" with Islam, as these are problems common to all societies. He has also spoken of the need to debunk the idea that there is a "Clash of Civilizations" between the Western and Islamic worlds. The Prime Minister has argued that the members of al Qaeda and its affiliates are only a small number of people, and that there are more than a billion Muslims who live ordinary and peaceful lives. Abdullah has condemned Muslim terrorists who do "evil things in the name of Islam." According to the Malaysian leader they do not speak for the religion, and their activities are misguided and give Islam a bad name.

It should be pointed out that Abdullah has been fairly even-handed in his criticism. In August, in a major speech on Islam, Abdullah highlighted the problems that beset the Islamic world; differing interpretations of the Koran leading to violent conflict; high levels of poverty, malnutrition, and illiteracy in Muslim countries; and the lack of democracy and political pluralism. It is poor governance and socioeconomic conditions, argued the Prime Minister, that leave Muslim youth vulnerable to extremist ideas and ultimately terrorism. Abdullah called on Muslims to confront these "ugly realities" and strive for an "Islamic renaissance" built on poverty eradication, economic growth, education, access to education and employment for women, and increasing cooperation both within the Muslim world and between Muslim and non-Muslim countries. It is this kind of even-handed, moderate, and constructive comment that has won Abdullah friends in Washington.

MARITIME SECURITY IN THE MALACCA STRAIT

How best to ensure security in the Strait of Malacca led to some controversy between Malaysia and the United States in the first half of 2004. The Strait of Malacca, which straddles Indonesia, Malaysia, and Singapore, is one of the world's most strategically important waterways. More than 50,000 vessels per year traverse the strait, carrying one-third of global maritime trade and half the world's oil. Historically, piracy has always been a problem in the area, but in recent years the number of violent attacks has increased. Security experts have expressed concern that terrorist groups might hijack oil or chemical tankers in the strait and turn them into "floating bombs" designed to destroy port facilities in Southeast Asia. Other scenarios posit terrorist groups deliberately sinking vessels in the narrow strait, thereby disrupting world trade and increasing the cost of freight, insurance, and oil.

In March 2004 Admiral Thomas Fargo, Commander, U.S. Pacific Command, testified before Congress concerning the Proliferation Security Initiative (PSI) and Regional Maritime Security Initiative (RMSI) both of which are designed to increase cooperation between the United States and other countries to identify, track, and interdict maritime security threats. Admiral Fargo said that one option under consideration was maritime interdiction carried out by special forces or marines aboard high-speed vessels. However, the Southeast Asian press interpreted Admiral Fargo's comments as implying the U.S. was considering stationing military personnel in the vicinity of the Malacca Strait. Both the Malaysian and Indonesian governments reacted angrily to these press reports. They rejected the idea on the grounds that the presence of U.S. forces would infringe their sovereignty and that it would fuel Islamic extremism in the region. Both Kuala Lumpur and Jakarta argued that security in the strait should be left to littoral states. Singapore, however, believes that the security of the Malacca Strait should also involve "stakeholders" such as interested countries, shipping companies, and multilateral bodies. The Malaysian government has sought to downplay the link between piracy and terrorism in the strait.

In June the U.S. government moved to end the controversy. At the Shangri-La Dialogue in June Defense Secretary Donald Rumsfeld said the RMSI proposal had been misrepresented and that the U.S. would not take action without consulting its allies in the region. On 21 June Admiral Fargo met with Prime Minister Abdullah and Defense Minister Najib Razak in Kuala Lumpur. Admiral Fargo assured his hosts that it was never the intention of the U.S. to station forces in the Malacca Strait. Both Malaysia and Indonesia have welcomed U.S. offers to help increase maritime security through intelligence and information sharing, training, and technical assistance. A positive outcome despite the controversy was the agreement in late June between Malaysia, Indonesia, and Singapore to begin coordinated naval patrols in the Malacca Strait. The first patrols began in late July and since then the Indonesian Navy has reported a sharp decline in piracy attacks. However, the International Maritime Bureau (IMB) has argued it is too early to judge the success of the patrols.

WMD PROLIFERATION

Since 9/11 Malaysia has extended full cooperation to the United States to prevent the proliferation of WMD capabilities. However, early in 2004 the Malaysian government felt slighted by comments from President Bush. The issue arose when Bush gave a speech at the National Defense University (NDU) in Washington D.C. on 11 February. Bush's speech was devoted to the issue of WMD proliferation, and in it he spoke about the Pakistani scientist Abdul Qadeer Khan's sale of nuclear technology to countries such as North Korea, Iran, and Libya. Bush revealed that one of Khan's middlemen, a Sri Lankan by the name of Bukhari Sayed Abu Tahir, was living in Malaysia. Tahir's company had ordered high-speed gas centrifuges from a Malaysian company, Scomi Precision Engineering. Tahir claimed the equipment was for use in the oil and gas industry in one of the Gulf States. The equipment was shipped to Dubai but then reloaded onto ships bound for Libya. In late 2003 German and Italian authorities intercepted the shipment. Libya had intended to use the centrifuges to enrich weapons grade plutonium. The seizure of the shipment occurred while British and American officials were in talks with Libya over its WMD program. Shortly thereafter, the Libyan government agreed to cease its WMD efforts, a major coup for the Bush administration's counter-proliferation efforts.

The NDU speech irked the Malaysians because Bush singled out Malaysia without mentioning any other countries involved in Khan's network. Moreover, the Malaysian government felt the President had called into question Malaysia's commitment to non-proliferation by allowing the shipment to go ahead. What made the issue even more sensitive was the fact that Prime Minister Abdullah's son, Kamaruddin Abdullah, was one of Scomi's company directors. The Bush administration moved quickly to defuse the situation. Undersecretary of State for Arms Control and International Security, John Bolton, issued a statement on February 16 clearing the Malaysian government and Scomi of any complicity in the illegal proliferation of weapons technology. This was followed by a State Department statement on February 21 that fully acknowledged Malaysia's cooperation in the campaign against WMD proliferation. Tahir was deemed a national security threat and arrested by the Malaysian security services in May 2004.

OUTLOOK FOR 2005

During his trip to Washington in July, Prime Minister Abdullah remarked that Malaysia was a "principled friend" of the United States and that as such was "prepared to speak with candor." In 2005 Malaysia will continue to speak candidly to the United States, especially over U.S. policies and actions it disagrees with. Kuala Lumpur will continue to press the Bush administration on the Palestinian issue and for a greater role for the U.N. in the reconstruction of Iraq. But despite differences of opinion, the strong fundamentals—operational counter terrorist cooperation, economic linkages, and military-to-military ties—will continue to underpin U.S.-Malaysia relations.

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