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Anwar Seeks New Old Friend in Indonesia

By Nawaljeet Singh

SYNOPSIS

Anwar's first foreign visit as Prime Minister was to Indonesia. As he begins his engagements with foreign leaders, Anwar is looking to harness the close historical ties he has with Indonesian leaders and opinion makers to calm and advance bilateral relations.

COMMENTARY

Anwar Ibrahim concluded his two-day trip to Indonesia on 9 January 2023 by [remarking](#) that the trip had “met its objectives”. It was his first official visit overseas since assuming premiership on 24 November. Anwar's inaugural visit came on the back of an official visit by Malaysia's foreign affairs minister to Indonesia in the last week of December 2022.

Improving trade, economic, and investment relations with Indonesia would be an important objective for Malaysia's own economic growth which is a key priority for the Anwar government. To do so, Anwar would need to establish a level of trust with Indonesian leaders while also signalling clear intentions to mitigate and resolve outstanding bilateral issues.

At a four-eye meeting with Indonesian President Joko Widodo (Jokowi) during the visit, Anwar discussed several regional issues pertinent to both countries. While both countries have several longstanding issues between themselves to iron out, Anwar's declaration of Indonesia as a “true friend” serves to improve the atmospherics for Malaysia and Indonesia to work collaboratively on regional issues to secure their own political and economic interests.

True Friend

In responding to media questions about his visit, Anwar [extolled](#) that Indonesia had accepted him as a “true friend”. He had also recognised Indonesia as a “loyal friend” at a time when he was “cast out, set aside, side lined.”

Anwar was presumably referring to the time he had been expelled from the United Malays National Organisation (UMNO) in 1998, removed from his post as Deputy Prime Minister and assaulted during investigations for criminal charges. Several Indonesian leaders including a former president had then [voiced their support](#) for Anwar.

Jokowi was [reportedly](#) the first foreign leader to call Anwar to congratulate him on his appointment as Malaysia’s 10th prime minister. Anwar had then too, emphasised that Indonesia had been a true friend of Malaysia before going on to share his hopes that the two countries could improve relations in several sectors.

Language of kinship and of a close relationship has been ever present in describing the Malaysia-Indonesia relationship, which is often described through the concept of [serumpun](#), literally translated to ‘of the same root’. Indeed, Indonesia as the first port of call for new Malaysian prime ministers is not uncommon – both of Anwar’s predecessors, Ismail Sabri Yaakob and Muhyiddin Yassin visited Jakarta for their maiden trips (but not Mahathir who chose Japan). Both too, had drawn attention to the close ties between countries of similar cultural roots.

Yet, Anwar’s repeated insistence and recognition, of their “friendship” differs in degree to his predecessors’ statements. Moreover, Anwar Ibrahim’s delegation this time had moved the needle on several key aspects of their trade relationship.

Indonesia-Malaysia Trade

[According to Malaysia’s Ministry of Foreign Affairs](#), Indonesia was Malaysia’s seventh largest trading partner globally and third largest within the Association of Southeast Asian Nations (ASEAN) in 2021, with trade valued at RM95.31 billion (S\$29 billion).

For the period between January and November 2022, Indonesia was Malaysia’s sixth largest trading partner globally and the second largest within ASEAN, with total trade increasing by 41.7 per cent, amounting to RM120.26 billion.

During the Anwar visit, eight memorandums of understanding (MOUs) between the private sectors of Malaysia and Indonesia were signed, with total projects estimated to be worth RM1.16 billion. A ceremony was also held to hand over 11 letters of interest (LOIs) by Malaysian companies to the head of a special agency tasked with managing and governing Nusantara city, the future capital of Indonesia.

Jokowi [said](#) he welcomed these LOIs, and said that they were in fields including health, construction, electronics, and real estate projects.

While previous visits by Malaysian leaders had discussed the possibility of trade and investment opportunities related to the relocation of Indonesia’s capital, they had failed to go further. Although LOIs and MOUs are not necessarily legally binding contracts, Anwar’s delegation’s ability to work with the Indonesian side to signal preliminary

commitment to make good on previously held discussions, boosted his administration's credibility – beyond rhetoric – with Jakarta and its business community.

Regional Issues

Of interest would be the ability of Anwar and Jokowi to have similar positions on issues of regional significance.

The two were [reported](#) to have discussed amongst others, the situation in military-ruled Myanmar, joint efforts to address their exports of palm oil and the rivalry between the United States and China. Anwar expressed full support for Indonesia's chairmanship of ASEAN which it assumed this month.

For Anwar and Malaysia, having Indonesia – a fellow Muslim majority nation and a leading power in ASEAN – on the same page allows both countries to have collective bargaining and negotiating power on issues of regional significance. This is not to say that they have perfectly aligned national interests on any one issue.

Bilateral Differences

Malaysia and Indonesia have had their differences. The relationship has been marred by recurrent issues of mistreatment of Indonesian migrant workers in Malaysia as well as longstanding unresolved issues of border demarcation on land and sea. Both sets of issues were acknowledged and discussed during the Anwar Ibrahim visit.

While Malaysia has attempted to rectify issues of mistreatment of migrant Indonesian workers through policy changes in recruitment, the mistreatment has persisted, leading Indonesia to ban new migrants from traveling to Malaysia for work, [even as recently as July 2022](#).

For Anwar and his colleagues, these pain points of the relationship must be managed, through both engagement with Indonesian leaders and concrete on-the-ground solutions.

Conclusion

Anwar's foreign policy agenda will reveal itself in due course. While he will have to prioritise his domestic challenges of managing coalition partners and delivering on his administration's promises to the electorate, continuously engaging foreign leaders especially that of close neighbours will remain a necessary if insufficient condition for his foreign policy goals.

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