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The Impact of Anwar's Support for Palestine on US-Malaysia Relations

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SYNOPSIS

Despite the opposing positions of the United States and Malaysia on the Israel-Palestine conflict, their broader bilateral relations are likely to remain on track.

COMMENTARY

On 13 January 2024, more than 1,000 people [attended a rally](#) near the US embassy in Kuala Lumpur to call for an immediate ceasefire in the Israel-Palestine conflict. The turnout reflected the strong sentiment in Malaysia against Israel and the US support for Israel. More than 30 non-governmental organisations participated in the gathering. However, the Malaysian government has not issued any statement about the rally, which was part of a ["Global Action Day for Gaza"](#).

In the three months since the 7 October attacks by Hamas and other Palestinian armed groups on Israel and the latter's military response, Prime Minister Anwar Ibrahim has repeatedly expressed Malaysia's support for the Palestinians while [criticising](#) Israeli actions as "the height of barbarism". This stance is in keeping with Malaysia's long-standing policy on the Israel-Palestine issue.

Anwar's grandstanding on the Palestinian cause is at odds with Washington's continued support for Israel's military offensive against Hamas in Gaza.

This has strengthened perceptions that Malaysia under the Anwar administration has taken a backseat in engaging the United States. The fewer high-level bilateral exchanges and visits from both sides stand in stark contrast with Malaysia's official

engagements with the United States' geopolitical rival, China. Nevertheless, Malaysia and the United States have long-standing and strong cooperation in some areas, and their differences on the Israel-Palestine conflict are not new. While diplomatic atmospherics remain lukewarm, Malaysia and the United States can be expected to preserve their relationship and not let this issue significantly damage bilateral ties.



The Palestine Solidarity 10k Association rally in Kuala Lumpur, Malaysia, October 2023, is one of the numerous rallies in Malaysia reflecting strong support for Palestine and against Israeli aggression in Gaza. *Image from Wikimedia Commons.*

Anwar's Public Statements

Anwar's stance on Palestine has been delivered domestically in parliament in Putrajaya, at public rallies attended by thousands of Malaysians, and through ministry press releases.

Abroad, in San Francisco, he spoke passionately at the Asia-Pacific Economic Cooperation (APEC) Economic Leaders Meeting chaired by US President Joseph Biden, [reminding](#) the US president about the need to adhere to the principles of justice and human rights. In Riyadh at the 8th Extraordinary Islamic Summit of the Organisation of Islamic Cooperation (OIC), Anwar [called on members](#) to use diplomatic resources "on every stage" and in "every dialogue" to institute a ceasefire to the hostilities in Gaza and expedite humanitarian assistance to Palestinians. Similarly, Anwar's working visits to Istanbul and Cairo in October 2023 discussed growing concerns about the scale of casualties in Gaza with the respective leaders.

Anwar's statements have been widely covered by Malaysian media outlets. The video of a portion of Anwar's speech at the APEC Economic Leaders meeting uploaded on his social media account on X, with captions in English and Bahasa Melayu, has garnered 1.2 million views.

At a time when Anwar's approval ratings have dipped ([from 68% in December 2022 to 50% in November 2023](#)) and given that he leads a coalition that critically needs the support of Malay-Muslim voters, his vociferous and numerous public statements come

across as politically expedient. They are viewed as efforts to boost his Islamic credentials with the Malay-Muslim population domestically and paint him as a Muslim leader speaking out of concern for the global *ummah*.

US-Malaysia Relations

As he attempts to shore up domestic political support, Anwar's messaging on the Palestine issue, especially on the international stage, might seem confrontational towards the West, particularly the United States.

The [Hamas International Financing Prevention Act](#), which was passed by the US House of Representatives with bipartisan support on 7 November 2023, is aimed at identifying and imposing sanctions on foreign entities who knowingly and materially assist Hamas. The United States and European Union have designated Hamas a terrorist organisation because of its armed resistance against Israel.

In a written reply to a question in parliament about the government's stance on the Hamas International Financing Prevention Act, Anwar [said](#) his government was closely monitoring developments in the legislation and that "any sanctions against Malaysia can also affect the assessment of the United States government and US companies towards Malaysia, as well as affect US companies' investment opportunities in Malaysia."

The United States has been one of Malaysia's important partners for decades. It is Malaysia's third largest trading partner and had foreign direct investments in Malaysia worth [US\\$13.2 billion](#) in 2022, a 4.6% increase from 2021. In November 2023 Anwar announced that Malaysia had secured a total of [RM63.02 billion](#) (US\$13.4 billion) in proposed investments from the United States.

Reflecting their shared strategic interests in security matters, Malaysia and the United States also cooperate closely on counterterrorism and maritime domain awareness, and participate frequently in bilateral and multilateral training exercises such as Exercise Keris Strike and Exercise Bersama Warrior. The United States has provided military training and assistance to Malaysia. For example, in recent years the United States has donated 12 maritime surveillance drones to Malaysia as part of the US Maritime Security Initiative.

On the other hand, Malaysia has established official contacts with Hamas in recent years. On 7 November 2023, in parliament, Anwar insisted that his administration will "continue our relationship with Hamas". In mid-October, Anwar had a [phone conversation with Ismail Haniyeh](#), the head of Hamas' political bureau, during which he expressed Malaysia's unwavering support for the Palestinian people.

As Malaysia maintains its support for the Palestinian cause, US companies face negative sentiments in Malaysia, which Anwar's pro-Hamas rhetoric has helped fuel. In recent months, American food franchises such as McDonalds, Burger King and Starbucks, among others, faced boycotts over their alleged support for Israel.

Continued investments into Malaysia from the United States are important for an Anwar administration that saw the ringgit [plunge to a 25-year low in October 2023](#) and

is still struggling to boost the Malaysian economy and alleviate Malaysia's [cost of living crisis](#). Together with concerns about business costs relating to the boycotts, any sanctions imposed by Washington through the Hamas International Financing Prevention Act would influence assessments of the US government and US companies looking to do business in Malaysia.

Three Diplomatic Notes

In parliament on 31 October 2023, Anwar – responding to a question about the form of threats that Malaysia had purportedly received from Western countries – [said](#) that Malaysia had received three official notes from the United States. They addressed Malaysia's reluctance to label Hamas a terrorist organisation. Anwar, who has not condemned the initial 7 October attacks by Hamas, had earlier [said at a rally on 24 October](#) that he had received multiple threats from Western countries following Malaysia's support for Palestine. The US government has not released a statement about the three notes.

According to Anwar, [the démarches had also asked Malaysia](#) “to use diplomatic channels to urge a country to not take advantage of the conflict by using a proxy to get involved in the Gaza conflict”. While he did not specify the country in question, it is likely to be a reference to Iran, with its ties to the Hezbollah militant group in Lebanon. Malaysia's ambassador to the United States, Nazri Aziz, said the US State Department had [expressed its displeasure](#) with Anwar's statements that criticised Israel. The US government has not commented on Nazri's comments or on Anwar's statements about the démarches.

Anwar had adopted critical positions against certain US policies before he assumed office, such as its interventionist policies in the Middle East, and against Israel's policies towards the Palestinians. These positions are popular with the Malaysian mainstream and would not be entirely surprising to the US government.

Conclusion

Tensions over Anwar's political grandstanding and his administration's insistence on continuing relations with Hamas and refusal to label the group a terrorist organisation have raised questions on the outlook of US-Malaysia bilateral relations. These differences and the absence of high-level meetings between both sides since 7 October make bilateral atmospherics appear subdued. However, while Anwar's pro-Hamas stance may be distasteful to the US government and officials, given their mutual strategic interests, both sides are likely to keep broader relations on track.

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