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Malaysia's ASEAN Chairmanship in 2025

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SYNOPSIS

Prime Minister Anwar Ibrahim is likely to remain focused on domestic issues while his administration continues to prepare for Malaysia's chairmanship of ASEAN. Nevertheless, Malaysia's priorities during its 2025 chairmanship will be indicative of Malaysia's foreign policy ambitions under the current administration.

COMMENTARY

Malaysia has begun preparations for its chairmanship of ASEAN in 2025. Two announcements last month signal Malaysia's intention to be adequately prepared to set out and achieve its goals for the ASEAN chairmanship in 2025. The first was an [announcement](#) that three clusters have been formed under the purview of the Ministry of Foreign Affairs, Ministry of Investment, Trade and Industry, and the Ministry of Tourism, Arts, and Culture, respectively. The second was a [statement](#) by Malaysia's foreign minister that Prime Minister Anwar Ibrahim intends to chair periodic meetings to prepare for Malaysia's chairmanship.

The Anwar administration has been preoccupied with domestic politics and policymaking. This preoccupation is likely to continue in the coming year. Nevertheless, Malaysia's priorities during its 2025 chairmanship will be indicative of Malaysia's foreign policy ambitions under the current administration. Malaysia is expected to use its chairmanship to strengthen cooperation with and among member states to promote ASEAN's role in managing key regional affairs.

Malaysia's Historical Role in ASEAN

Malaysia is one of the five founding members of ASEAN and has historically played a significant role in pushing the organisation to deal with emerging realities in the region.

Malaysia is widely known to have pushed for and, at the height of the Cold War in 1971, succeeded in introducing ASEAN's declaration of a Zone of Peace, Freedom and Neutrality (ZOPFAN), which aspired for the Southeast Asian region to be "free from any form or manner of interference by outside powers". Later, then Malaysian Prime Minister Mahathir Mohamad, along with other leaders, was instrumental in pushing for an expansion of ASEAN's membership to include all Southeast Asian countries, despite the United States' criticism of the inclusion of junta-ruled Myanmar. With the entry of Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999, ASEAN turned from a subregional grouping to a regional grouping with an enhanced role in promoting a regional order.

Malaysia had also played a key role in advancing the establishment of the ASEAN Charter, which, since its adoption in 2007, has conferred ASEAN a legal personality. In terms of economic development, Malaysia proposed the formation of the East Asia Economic Caucus in 1997 for ASEAN to engage with East Asian countries – Japan, South Korea, and China – by establishing a regional free trade zone. While the initial proposal was rejected mainly because of opposition from Japan, the United States, and some member states, it did evolve into a forum (ASEAN+3) for ASEAN's broader engagement with the three East Asian countries.

Malaysia's most recent chairmanship of ASEAN in 2015 oversaw the establishment of the "ASEAN Community" through the Kuala Lumpur Declaration on ASEAN 2025, which commits member states to move towards establishing a globally competitive single market and production base, with a free flow of goods, services, labour, and investments in Southeast Asia.



As one of the five founding members of ASEAN, Malaysia has played a historically significant role in pushing the organisation to deal with emerging realities of the region, such as overseeing the establishment of the "ASEAN Community" through the Kuala Lumpur Declaration on ASEAN 2025 during its most recent ASEAN chairmanship in 2015. *Image from Wikimedia Commons.*

Following the outbreak of violence in Rakhine State in 2016, then Prime Minister Najib Razak, together with other Malaysian leaders, criticised the atrocities committed by the security forces of a fellow ASEAN member, Myanmar. Initially, Najib called for ASEAN to set aside its non-interference approach in order to tackle regional issues such as the repression and migration of the Rohingyas. When Malaysia was unable to use ASEAN to promote action against Myanmar, it disassociated itself from the ASEAN Chairman's statement on the humanitarian situation in Rakhine State for omitting to mention the Muslim Rohingya as an affected community. Malaysia's then foreign minister, Anifah Aman, went further to say that since ASEAN was unable to handle the issue, Malaysia would seek other forums to raise the matter.

Such efforts by Malaysia and its leaders point to its role as a key member of ASEAN in the past decades. It has attempted to use its respected voice within the body to foster cooperation among members to further ASEAN multilateralism, at the same time using ASEAN as a foreign policy tool to advance its national interests.

For its upcoming chairmanship, the Anwar administration might seek to revitalise Malaysia's status as a key ASEAN member, given that Malaysia's engagement with regional issues has diminished over the past years due to its inward focus on domestic political instability.

Malaysia's Chairmanship

The South China Sea issue remains a pertinent one in ASEAN's agenda, with China and the ASEAN states reaching agreement in 2023 on new guidelines to accelerate negotiations for a binding code of conduct (COC). While there was a delay in issuing a joint communique at the end of the 48th ASEAN Foreign Ministers' Meeting during Malaysia's previous chairmanship in 2015, the statement included a section on the South China Sea, albeit without explicitly mentioning China. Malaysia showed its determination to include statements on the South China Sea following the ASEAN Summit and ASEAN Foreign Ministers Meeting during its chairmanship, but it could not secure a joint declaration for the ASEAN Defence Ministers Meeting Plus.

As the chair in 2025, Malaysia will have to balance its national interests with those of other member states while keeping to ASEAN's consensus-based approach to handling regional issues. As a claimant state itself, Malaysia had in August 2023 [rejected](#) the new "China Standard Map Edition 2023" issued by China's Ministry of Natural Resources. The map showed a 10-dash line which claimed maritime areas off Sabah and Sarawak that were disputed by Malaysia. Even as Malaysia seeks to maintain its ability to obtain a favourable outcome on negotiations on South China Sea-related issues, it will seek to avoid giving China the impression that it is pushing its agenda too strongly, given its desire to maintain political and economic ties with Beijing.

On the economic front, Malaysia has pushed strongly for initiatives to enhance intraregional economic cooperation. Tengku Zafrul Aziz, Malaysia's minister of Investment, Trade and Industry, recently [spoke](#) about the need for ASEAN countries to coordinate and complement their economies to enjoy the spillover effects of foreign direct investments into the region. He further posited that ASEAN's geopolitical neutrality allows for it to continue engaging China and other trading partners.

While Malaysia is likely to attempt to build on ASEAN's current initiatives to foster stronger economic cooperation among its members, the scope of these plans will depend on the state of the world and regional economies. Multiple supply chain disruptions, partly caused by two ongoing wars outside Southeast Asia, caused sharp rises in commodity prices in 2023. Inflation rates in the major economies of the world remain high even as they are expected to lower in the coming year. Malaysia, during its previous chairmanship, had made headway towards addressing protectionist practices among member states by delivering the formal establishment of the ASEAN Economic Community.

Great power rivalry between the United States and China persists and has led to a war of tariffs and counter tariffs. While such competition and other market conditions have caused price hikes for some products, it has also brought about opportunities for ASEAN. Diversification of supply chains beyond China has seen some manufacturing companies move to Southeast Asia. During its chairmanship, Malaysia may seek to work with other ASEAN members to promote cooperation in gaining the benefits from such foreign investment inflows.

Another ongoing issue that is likely to persist on ASEAN's agenda in 2025 is the civil war in Myanmar. A shift in the civil war was evident in 2023, with resistance groups unifying against the forces of Myanmar's State Administration Council. Malaysia, which houses about 200,000 displaced persons from Myanmar, supports the ASEAN Five-Point Consensus (5PC) to help reach a peaceful and sustainable solution in Myanmar. Anwar has suggested that ASEAN could do more to help resolve the conflict while also mentioning that Myanmar should be "[carved](#)" out for now. As chair in 2025, Malaysia could be expected to find new ways of engaging the relevant stakeholders of the conflict. If it does so, Malaysia's standing may be boosted among its Southeast Asian peers looking for an end to the civil strife in Myanmar.

Conclusion

Prime Minister Anwar is likely to remain focused on domestic issues while his administration continues to prepare for the ASEAN chairmanship. The goals and priorities Malaysia eventually decides on and the conduct of the chairmanship itself will in turn constitute one aspect of the administration's approach to US-China competition.

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