

The authors' views are their own and do not represent the official position of the Institute of Defence and Strategic Studies of the S. Rajaratnam School of International Studies, NTU. These commentaries may be reproduced with prior permission from RSIS and due recognition to the authors and RSIS. Please email to Editor IDSS Paper at RSISPublications@ntu.edu.sg.

No. 077/2023 dated 26 September 2024

Malaysia-China Relations under Anwar Ibrahim's Unity Government: A Return to the Special Relationship?

Ngeow Chow Bing

SYNOPSIS

Malaysia-China relations are strengthening under the leadership of Anwar Ibrahim. This commentary dissects how several opportune moments have allowed the bilateral relationship to consolidate and why Anwar has broad support in his government to pursue stronger ties with China.

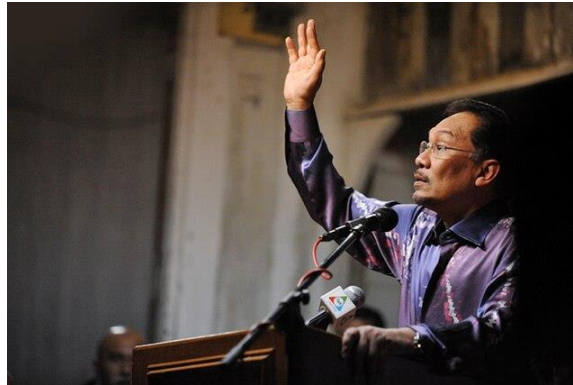
COMMENTARY

In [a recent interview](#) with a Chinese state newspaper, China's ambassador to Malaysia, Ouyang Yujing, described the current state of Malaysia-China bilateral relations as being at one of its highest points since the establishment of diplomatic ties in 1974. Since coming to power in November 2022, Anwar Ibrahim and the "Unity Government" that he leads has indeed been strongly positive towards China.

Anwar visited China twice in 2023, and China was the first country outside of ASEAN that he officially visited. During his first visit in March–April 2023, Anwar praised China's leader Xi Jinping effusively and endorsed his main international concept, the "Community of Shared Future". Chinese premier Li Qiang reciprocated the visit in June 2024 and both countries signed a very upbeat [joint statement](#).

Anwar has often vigorously [defended](#) the China-friendly foreign policy of his government, while insisting that Malaysia has remained "[fiercely neutral](#)" in navigating the intricacies of the increasingly contentious geopolitical dynamics in the region and beyond. Still, given the seemingly closer relationship that Anwar has forged with China

while relations with the United States appear to be rather indifferent, [questions](#) were raised as to whether Anwar has shifted Malaysia's foreign policy away from the West.



Malaysian prime minister Anwar Ibrahim has turned out to be consistent with his predecessors in viewing China as a key economic partner and in pursuing strong bilateral relations with Beijing while still actively reaching out to various actors, such as the United States. *Image from Wikimedia Commons.*

Forming and Testing the “Special Relationship”

Anwar's approach towards China is broadly consistent with the established tradition in Malaysia's foreign policy. Since 1990s, Malaysia-China relations have generally been cordial and positive, notwithstanding some occasional ups and downs. Towards the last few years of the administration of Najib Abdul Razak (2009–2018), the relationship was especially robust in a wide range of policy domains, from economics and culture to politics and even defence.

This improvement took place even when China's growing forcefulness in the South China Sea started to [alarm](#) Malaysia's foreign and security policy establishment. Overall, the narrative of a [“special relationship”](#) between Malaysia and China generally [prevailed](#) in the public sphere.

Between 2018 and 2022, however, doubts, uncertainties, and hesitations were more salient. Najib's fall from power in 2018 caused his engagements with China to fall under heavy scrutiny by his successor, Mahathir Mohamad, especially regarding a flagship project under China's Belt and Road Initiative (BRI), the East Coast Rail Link (ECRL) in Malaysia.

The successful renegotiation of the ECRL in April 2019 stabilised bilateral relations. Nonetheless, apart from trade remaining robust and growing, bilateral relations did not reach the previous height in those four years, affected in particular by the subsequent [political instabilities](#) within Malaysia, restricted and limited interactions during the pandemic years, and [troubling incidents](#) in the South China Sea.

Opportune Timing for Reinvigorating Bilateral Ties

Opportune moments to reinvigorate Malaysia's ties with China awaited Anwar when he came into power. A series of anniversaries (10th anniversary of comprehensive strategic partnership in 2023; 50th anniversary of diplomatic ties in 2024) created useful opportunities for both sides to inject momentum and positive optics into their relationship via various commemorative activities, forums, press coverage, bilateral statements and agreements, and high-level meetings.

Another opportune moment came in July 2024, when Malaysia assumed the position of [ASEAN country coordinator for relations with China, a role it](#) will play for three years. A country coordinator can play a [subtle but effective role](#) in directing and shaping ASEAN's relations with its designated dialogue partner. As country coordinator for relations with China, Malaysia will co-chair ASEAN meetings with China and will have influence over the way meetings are convened and conducted, which can affect outcomes as well. The past two ASEAN country coordinators for relations with China were Myanmar (2021 to 2024) and the Philippines (2018 to 2021), both of which were less than effective.

Moreover, Malaysia will become ASEAN chair in 2025. Given that after Malaysia, the rotating ASEAN chair is likely to skip Myanmar and go to the Philippines, and given the deteriorating state of China-Philippines relations, it may not be lost on China that the crucial years to consolidate ASEAN-China relations will be 2024 and 2025 and that it serves China's interests to be supportive of Malaysia's role in ASEAN.

The installation of the current king of Malaysia, Sultan Ibrahim Iskandar of Johor, in early 2024 (he had assumed the role in late 2023) also came at this juncture. Malaysia's rotating constitutional monarchy does not have executive powers and does not dictate policies, but the personality of the monarch can make a difference.

The current king has a [reputation](#) for being outspoken and strong-willed, and the sheer force of his personality could be an "X" factor in Malaysia's relations with China. The king concluded a four-day visit to China in September 2024 (in conjunction with the 50th anniversary of relations), with a [strongly positive affirmation](#) of the current direction of the bilateral relationship.

The coalescence of these favourable and timely occasions has positively propelled Malaysia-China relations.

Anwar Ibrahim and the Unity Government

The above opportune moments provide an enabling space for the strengthening of ties with China but still require key policymakers to be determined to utilise them for said purpose. Anwar Ibrahim is the key person here.

There are not many cabinet members in the Unity Government experienced in foreign affairs. The three key cabinet positions relating to Malaysian foreign policy, namely the ministers of foreign affairs, of defence, and of investment, trade and industry, are all helmed by politicians from parties other than Anwar's Parti Keadilan Rakyat or his closest allies in the Pakatan Harapan coalition. Instead, these positions are all held by the grand old United Malays National Organisation (UMNO).

As the ruling party for decades until 2018, UMNO had presided over a significant improvement in relations with China in the past. The politicians who were appointed by Anwar to take up the above-mentioned positions are all established figures in UMNO, more experienced in local politics than in foreign affairs, and tend to prioritise continuity and stability over change, and cautiousness over bold initiatives.

While they are steady and reliable hands in administering the bureaucracies and in implementing Anwar's ideas, it is harder to determine the extent to which they can provide the necessary counsel, second opinion, or balanced restraints to Anwar's judgements and decisions in foreign policy matters. Anwar also probably feels that he has a better reading of the geopolitical dynamics than most of his cabinet colleagues, having travelled extensively and meeting with foreign leaders frequently even before becoming prime minister.

In this sense, Anwar has an outsized role in shaping the country's foreign policy directions. Initially thought of as being closer to the West, Anwar has turned out to be quite different from such expectations. Consistent with all his predecessors, Anwar sees China as a key economic partner and a crucial source of the technology, capital, and knowledge necessary for Malaysia's industrial upgrade. What is more interesting is his [genuine appreciation of Chinese culture and civilisation](#).

Anwar also assesses that [multipolarity is inevitable](#) and adjusting to this trend is both necessary and even preferable. His worldview easily aligns with China's official position, which China is only happy to reinforce.

Concluding Thoughts

Is the "special relationship" between Malaysia and China back on track? Rhetoric-wise, both Malaysian and Chinese leaders will welcome the endurance and persistence of such a narrative. Nonetheless, as Malaysian scholar Kuik Cheng-Chwee [argued](#), if one looks beyond the rhetoric, Malaysia is not entirely "tilting" towards China, as it is still actively reaching out to various actors and has continued a quiet but substantial defence cooperation with the United States.

Nevertheless, two issues could complicate the "special relationship". Anwar's continuation of Malaysia's long-standing diplomatic, moderate, and low-profile approach in managing the South China Sea issue with China has worked so far, notwithstanding the occasional hiccups. But should China become more assertive in pressing its claims against Malaysia, the latter's threat perception of China will shift accordingly.

The second issue, ironically, revolves around economic ties. China's extraordinary export capacity is putting a lot of manufacturers in Malaysia [under stress](#). Trade frictions with China will increase as Malaysia is forced to undertake protective measures.

NGEOW Chow Bing is Associate Professor and Director of the Institute of China Studies at Universiti Malaya. He was also Visiting Senior Fellow with the Malaysia Programme at the Institute of Defence and Strategic Studies (IDSS), S. Rajaratnam School of International Studies (RSIS), in September 2024.