

Malaysia Inches Back Toward 'Elder Brother' China

China-Malaysia ties are on renewed if not controversial upswing under PM Muhyiddin's beleaguered administration

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On his first official visit to China as Malaysia's foreign minister, **Hishammuddin Hussein** sought to exude a touch of personal charisma. In a live televised press conference on April 2, he referred to his Chinese counterpart **Minister Wang Yi** as "elder brother," speaking in rehearsed Mandarin as he beamed with an ear-to-ear smile.

Appearing surprised by the remark and even visibly uncomfortable, Wang responded by saying: "We are brothers." Chinese social media users widely interpreted Hishammuddin's remark, which was broadcast on state media, as a show of Malaysia's respect and deference to China.

Back at home, however, Hishammuddin was widely criticized for a perceived diplomatic faux pas. Against the backdrop of China's increasingly assertive stance in the South China Sea, where the two countries have competing claims, the foreign minister was widely seen as kowtowing to Beijing.

For many Malaysians, the gaffe revived anxieties about rising Chinese influence in Southeast Asia and raised new questions about the country's foreign policy direction under Prime Minister Muhyiddin Yassin, with the two sides having officially committed to deepening cooperation in the post-Covid-19 era.

Moreover, the irony of Hishammuddin, a politician from the United Malays National Organization (UMNO) who earlier in his career had pandered to ethnic Malay Muslims by vowing to defend their interests in relation to Malaysia's own large ethnic Chinese community, striking such a cordial tone towards Beijing was not lost on many observers.

After being chided by Malaysian netizens, Hishammuddin took to Twitter to tamp down the controversy by implying he was merely practicing "Asian values" by showing respect to his senior Chinese counterpart. "Being respectful does not signify weakness," he said, stressing that his country upheld an independent foreign policy.

But that explanation failed to assuage opposition leader Anwar Ibrahim, who demanded that

Hishammuddin retract his comment and issue an apology to the country. Anwar said his remark signaled to the international community that "Malaysia's orientation as a neutral nation is changing under the Perikatan Nasional (PN) government."

The Parti Keadilan Rakyat (PKR) president voiced concerns that "allies and adversaries alike" may attempt to take advantage of Muhyiddin's weak political position and razor-thin governing majority to seek opportunities "to extract benefits in their engagements with Malaysia" at the expense of national interests, security and sovereignty.

Anwar, who analysts generally view as favoring the United States, went as far to claim that Hishammuddin's remark seemed to reflect Malaysia's status as a "foreign puppet," telegraphing an uneasiness with China shared by many across the Association of Southeast Asian Nations (ASEAN), particularly among political camps that lean more toward Washington than Beijing.

While the US has traditionally been an important player in Malaysian foreign policy and a key hedge against an ascendant China, that balancing act began to shift during the Donald Trump presidency, which saw China-ASEAN trade and economic relations deepen amid Washington's trade and tech wars against Beijing.

Prior to Muhyiddin taking power, Malaysia had already been a key node in China's Belt and Road Initiative (BRI) and host to its largest planned foreign infrastructure project, the multibillion-dollar East Coast Rail Link (ECRL). But with a shaky grip on power and Covid-19 battering the economy, Muhyiddin has little alternative but to lean toward Beijing, analysts say.

"In the case of Muhyiddin, because of the fact that he came to power through a backdoor government and also because of Covid-19 – the economy has stalled, foreign investment has stalled, everything has stalled – he really has no choice," said James Chin, director of the University of Tasmania's Asia Institute.

"It's obvious that no other country has the financial resources to invest as deeply in Malaysia. Malaysia is also very careful about how it projects its image. Although it has tried to appear neutral in terms of its actions, if you look carefully, they're moving closer and closer to China," he said. "China has also deepened its investments in Malaysia."

Indeed, the diplomatic incident overshadowed what was otherwise a constructive two-day visit that saw the two sides sign a memorandum of understanding (MoU) on the establishment of a high-level committee for post-Covid-19 cooperation that aims to provide "policy guidance for all aspects" of relations including BRI projects.

Plans to establish a Malaysian production base for Chinese-made coronavirus vaccines was also announced. The Southeast Asian nation has so far procured jabs produced by China's Sinovac Biotech and CanSino Biologics, both of which have underperformed in clinical trials and lagged behind Western-made vaccines Pfizer-BioNTech and Moderna in real-world results.

Malaysia announced earlier this month that it will receive 3.5 million doses of the single-shot CanSino vaccine that the company says is around 50-65% effective after one to six months of inoculation. Malaysia plans to use the shot mainly in rural areas and places where it is difficult for recipients to receive double injections.



Malaysia's Prime Minister Muhyiddin Yassin receives a first dose of the Pfizer/BioNTech Covid-19 vaccine at a government clinic in Putrajaya. Photo: Malaysia Department of Information / Maszuandi Adnan

The two sides also agreed in principle to the mutual recognition of digital "vaccine passports" that will eventually facilitate travel and generate stronger winds for Malaysia's economic sails. China's economy is firmly recovering, with gross domestic product (GDP) rising a record 18.3% year on year in the first quarter of 2021, according to recently released government data.

A trade breakthrough was clinched when Beijing – Malaysia's largest trading partner for 12 consecutive years – agreed to allow imports of Malaysian red palm oil, which had previously failed to meet China's color specification standards. Malaysia's economy relies heavily on exports of the commodity.

"Sino-Malaysian relations have generally remained stable over a prolonged period of time, such that their trade volume has consistently stayed at the top of all in Southeast Asia," said Oh Ei Sun, a senior fellow at the Singapore Institute of International Affairs. "The two countries value pragmatic interactions more than ideological differences."

Muhyiddin's pragmatism was on display when, shortly after Hishammuddin's visit to China, his administration announced that it had agreed to an upward price revision for the proposed ECRL, a 14% increase that will bring the total expenses up to 50 billion ringgit (US\$12.1 billion), the latest alteration of terms for a mega-project that had once been a bilateral sore point.

The ECRL was first launched in 2016 under the Najib Razak administration, which had elevated economic and defense ties with China, seen in its purchase of Chinese-made warships for the Malaysian navy. But the 1Malaysia Development Berhad (1MDB) scandal turned rising Chinese influence in the country into a political lightning rod.

Mahathir Mohamad took power under Pakatan Harapan (PH) in May 2018 after defeating Najib and UMNO at the ballot box. He rode a wave of fury and misgivings over Najib's alleged corruption and shady dealings with China amid suspicions, later substantiated, that he had siphoned off money from BRI projects funded by Chinese loans to pay 1MDB debts.

Mahathir shifted the tone of relations by warning of the risks of Chinese "debt traps" and what he saw as Beijing's "new version of colonialism." His administration initially canceled the ECRL, though in April 2019 it agreed to a revised proposal with a shortened route and total construction costs reduced by a third to 44 billion ringgit (\$10.6 billion).

The ECRL's latest revision under Muhyiddin, made on the basis that it enhances the overall viability of the mega-project, extends the line to 665 kilometers after it was shortened to 640 km from an initial 688 km. Services are due to commence in 2027 despite changes to the route – that is, unless a future Malaysian government opts to revise it again.



A map showing the ECRL's previous proposed route. Source: Facebook

Muhyiddin's administration has developed closer China-Malaysia ties despite lingering issues involving 1MDB-linked fugitives. Last year, Malaysia's Inspector-General of Police publicly

claimed that wanted Malaysian businessman Low Taek Jho, or Jho Low, is living in Macau under the apparent protection of Chinese law enforcement authorities.

At the time, China's embassy in Kuala Lumpur strongly rejected the claims as "groundless and unacceptable." Responding to questions about the allegations made by Malaysia's police chief in Parliament last year, Hishammuddin approached the issue with caution, stating that he "did not know if he (Low) is truly in China."

As an opposition politician in 2018, Hishammuddin publicly offered to help Mahathir's government find Low, acknowledging at the time his personal connections to China built through his experience liaising with Chinese officials as transport minister following the Malaysia Airlines MH370 disaster and as defence minister under Najib's administration.

Chin told Asia Times that the foreign minister's "elder brother" remark appeared to strike a chord precisely because "Malaysians already know that Hishamuddin is too close to the Chinese, and that Malaysia's foreign policy is too much aligned with China's interests. He merely confirmed what they were already thinking."

But not everyone perceived his remarks as negative or indicative of subservience to Beijing. Some analysts argue that Hishamuddin's personal brand of diplomacy has helped to boost Chinese goodwill towards Malaysia, putting the country on a better footing to achieve national goals.

"Broadly speaking, those Malaysians with vested interests in dealing with China tended to view the comment very positively and as a matter of fact, indeed hopefully heralding even closer collaboration. This is especially so during a period of economic hardship," said Oh. "Many of those who are Chinese-speaking view the comment rather positively."

Amrita Malhi, a research fellow at Australian National University, believes the episode hit a nerve because it "exposed the contrast between how many Malaysian politicians address ethnic Chinese Malaysians," who make up around 24% of the total population, "and how they address the People's Republic of China."

She pointed to a 2006 speech Hishamuddin gave at UMNO's Youth General Assembly for which he was later forced to <u>apologize</u>. "He waved a *keris* (dagger), and several other delegates referred to UMNO using it to defend Malay Muslims from Malaysia's minorities. So, his dramatic change of tone in this context has attracted some derision."

Malhi said remarks from Anwar and other opposition politicians were aimed at "portraying the government as hypocritical amateurs, who, for all their campaign rhetoric aimed at strengthening Malay Muslim rights, are unable to maintain Malaysia's historical non-alignment in the face of China's rising power."

"Pakatan Harapan's 2018 election campaign made artful use of this apparent contrast, arguing that while UMNO was pointing at Malaysian Chinese as the main threat to Malay power, it was also growing increasingly reliant on China's Belt and Road projects to fill the fiscal hole created by 1MDB," she added.

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