

# **Malaysia-Myanmar Relations Since 1958<sup>1</sup>**

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## **Introduction**

Although Malaysia established official diplomatic relations with Myanmar (formerly Burma) in 1958, it may, however, appear that the former only started paying attention to its relations with the latter since 1988, especially when Myanmar ended its almost three decades of self-imposed isolation. Contrary to this, Malaysia in fact has had a long history of close and cordial relations with Myanmar since 1958, although there were periods when relations between both took a downside. While Malaysia's relations with Myanmar can be categorised as close and cordial in the 1950s and 1960s, it however, became low key in the late-1970s and early 1980s. Nevertheless, from the late-1980s onwards, Malaysia-Myanmar relations once again rose to a significant level, especially during the administration of Tun Dr. Mahathir Mohamad (1981-2003).

From available evidence, it appears that Malaysia's relations with Myanmar were very much "personalised", often centered on the leaders of both countries. In another direction and inspite of the existence of fraternal relations between leaders of both states, it can be noticed that Malaysia's stance towards Myanmar has been riddled with inconsistencies and contradictions. This has been evident since 1988 when Malaysia has practiced a rather contradictory policy especially when it concerns Myanmar's slow pace of political reform and its abysmal human rights record. This is because while Malaysia has, on occasions, criticised Myanmar for its human rights violations, at the same time it has often back-tracked from its earlier pronouncements.

In this connection, this paper attempts to discuss and analyse the factors that have influenced and shaped Malaysia's relations with Myanmar since 1958. The paper will be divided into three major periods namely the pre-1988 period, relations from 1988 till 2003, and finally, relations since 2004. This is because while Malaysia had little economic interests in Myanmar in the pre-1988 period, its investments has grown since 1988, with economic priorities becoming the major driving force in its relations with the latter. Apart from that, Myanmar's self-imposed policy of isolation that was eventually aborted in 1988 too had its bearings on the relations between both countries. Not only did Myanmar remain relatively isolated on the one hand, Malaysia too had little interest in the latter, on the other.

## **The Pre-1988 Period: The Tunku, Tun Abdul Razak And Tun Hussein On Years**

Immediately after achieving independence and when Malaysia began forging close relations with countries around the world, relations with its neighbours in the region naturally received special attention. In the early years after independence, senior

ministers from Yangon (Rangoon) frequently made official visits to Kuala Lumpur, almost on an annual basis. It is said that Malaysian Prime Minister, Tunku Abdul Rahman, had very close and personalised relations with Myanmar's supremo, General Ne Win. In fact, both the Tunku and General Ne Win jointly donated a competition trophy to the Wimbledon Golf Club in London in the 1950s, for being regular golfers at the club.<sup>1</sup> Apart from that, Malaysia's Deputy Prime Minister, Tun Abdul Razak, visited Myanmar in December 1965 and again in December 1969, when attending the Southeast Asian Peninsular (SEAP) Games.<sup>3</sup> However, when the Association of Southeast Asian Nations (ASEAN) was formed in 1967, General Ne Win decided to keep Myanmar out based on his personal perception that the association did not qualify as non-aligned. This was mainly due to the fact that both Thailand and the Philippines had allowed foreign bases and the presence of foreign troops in their respective countries.<sup>4</sup>

For Myanmar, on the other hand, its sour relations with the People's Republic of China (PRC), at least from 1948 till the late-1960s, and the tensions created by the Cold War, especially in Asia, necessitated close relations with its immediate neighbours. These considerations were amongst the many that remained at the core of relations between Malaysia and Myanmar in the late-1950s and at least till the late-1960s.

During the Tun Abdul Razak years (1970-1976), the close relationship between Kuala Lumpur and Yangon continued to foster such that Tun Razak managed to establish a close rapport with General Ne Win. In fact, the establishment of Malaysian Armed Forces Staff College (MAFSC) was to some extent inspired by Tun Razak's visit to Myanmar's Armed Forces Staff College.<sup>5</sup> The fostering of close relations with Myanmar during the period was also in line with Malaysia's foreign policy review in 1971 with its renewed emphasis on the region. As regionalism now became the cornerstone in Malaysia's foreign policy, enhancing closer relations with its regional neighbours naturally became its priority. Tun Razak not only fostered good relations with the ASEAN member countries but also the other countries in region, which included Myanmar as well.

Further, in 1973, while visiting Malaysia, General Ne Win's talks with Tun Razak created speculations that Myanmar was about to join ASEAN. This was mainly due to the fact that, in October 1972 Myanmar had stated at the United Nations General Assembly (UNGA) session in New York that it "fully recognizes ASEAN's objectives of making the [region] a zone of peace."<sup>6</sup> Although Myanmar did join not ASEAN then, Tun Razak's effort to solicit Myanmar's support for ASEAN's Zone of Peace, Freedom and Neutrality (ZOPFAN) declaration was obviously a success. This was evident when, on several occasions, General Ne Win reiterated a similar stand that Southeast Asia should remain free from the rivalry between major powers. In fact, during the 1973 visit by General Ne Win to Malaysia, he even spent a holiday with Tun Razak, in the latter's home state - a testimony of the close rapport between both.

In another direction, in 1974, Myanmar too made further overtures to strengthen relations with its neighbours in the Southeast Asian region. While the official visits from

the Malaysian side to Myanmar continued, there was also another visit by General Ne Win to Malaysia, with the latter showing his continued support for ASEAN's ZOPFAN policy - that was in reality a Malaysian initiative.<sup>7</sup>

After the demise of Tun Razak in January 1976, Tun Hussein Onn became Malaysia's third Prime Minister from 1976 till 1981. Although relations with Myanmar remained cordial, it however, took a low key especially taking into account the decrease in the number of top level official visits from both sides. However, one major visit by the new Malaysian Premier was in August 1976, when Tun Hussein Onn made a three-day informal visit to Yangon, before proceeding to Colombo for the NAM summit.<sup>8</sup> Apart from that, no major top-level visits were made by leaders from both sides after 1977, obviously signaling to the downside of relations.

At the same time, even Myanmar's earlier commitment of supporting ASEAN's ZOPFAN policy showed some marked changes after 1975, mainly due to the developments in Indochina. This was evident in a statement, in 1975, made by Myanmar's Foreign Minister, Hla Phone, in relation to the tum of events in Indochina. He stated that Myanmar was looking forward to a "new era of real independence, peaceful coexistence and mutually beneficial cooperation among the countries in the region, free from outside interference."<sup>9</sup> The fact that Myanmar was now distancing itself from ASEAN was evident when Hla Phone suggested the creation of "a new Southeast Asian community of nations built up on the basis of the norms of international behaviour...<sup>10</sup> Further, in 1977, while Myanmar lauded ASEAN's efforts at making the Southeast Asian region as a zone of peace, freedom and neutrality, it however insisted that the countries in the region should remain "independent and neutral, free of foreign military troops and bases"<sup>11</sup> - a statement obviously made in relation to the continued presence of American bases in the Philippines.

It is obvious that Malaysia's relations with Myanmar became relatively insignificant from 1977 onwards especially considering the low level of diplomatic exchanges between both countries. All the same, it however did not mean that Malaysia completely ignored Myanmar because, the period after 1977 and at least till 1986, did witness a small number of high level diplomatic visits, especially in the early 1980s. For example, in 1983, Malaysian's Deputy Prime Minister, Musa Hitam, made an official visit to Myanmar and in February 1985, Malaysian Finance Minister Daim Zainuddin, paid a four-day official visit to Myanmar. Further, in 1986, Malaysian Minister for Public Enterprises, Rafidah Aziz, made a visit to Yangon which was aimed at exploring the possibility of enhancing Malaysia's economic relations with Myanmar.

It can be observed that while relations between Malaysia and Myanmar during the Tunku years started off well, they were further strengthened during the administration of Tun Razak, mainly due to the latter's personalised contacts with Myanmar's stalwart, General Ne Win. However, the death of Tun Razak marked a shift in the closeness between both countries when relations took a low key due to a number of reasons. One was Malaysia's increased emphasis on ASEAN and its relations with the ASEAN member states. Apart

from that, Myanmar's policy of self-imposed isolation, its move towards socialism after 1974 and the establishment of close relations with socialist countries were probably the other consideration why Malaysia began "distancing" itself from Myanmar. Other factors that necessitated such a stance included the changing nature of the regional environment as well as Malaysia's own foreign policy priorities. As such, during the late-1970s and into much of the 1980s, Malaysia's relations with Myanmar reached its lowest ebb.

### **Relations From 1988 Till 2003: The Political Economy Of Constructive Engagement**

From the position of low key, the nature of relations between Malaysia and Myanmar began changing once again in the late-1980s and early 1990s. One major factor was when Myanmar ended its self-imposed policy of isolation and declared an end to socialism. In line with this, Myanmar initiated an open-door policy in 1989 and opened up its long closed economy to foreign enterprises. As such, most countries including Malaysia began looking for economic opportunities in Myanmar. It was under these circumstances that Malaysia once again started paying attention to relations with Myanmar namely during the Tun Mahathir years, such that close relations were re-established after almost a decade of minimized contacts. What perhaps facilitated the budding of close relations was the fact that the generals in Yangon "had high regards for Malaysia's leaders since the days of the Tunku and Tun Razak."<sup>12</sup> In addition, Myanmar had much to learn from Malaysia in terms of economic development especially after being a closed economy for almost three decades.

In reality, this was not the first time that the Malaysian leaders were courting Myanmar's military junta that came into power in 1962. When General Ne Win usurped power from the democratically elected government of U Nu in March 1962, the Tunku and even Tun Abdul Razak, continued to maintain a close rapport with General Ne Win. Therefore, it did not come as surprise at all when Tun Mahathir himself made overtures to establish a close rapport with Myanmar's military junta, namely Senior General Than Shwe.

During the Tun Mahathir years, a few major factors facilitated the development of close relations between Tun Mahathir and the military junta in Myanmar. Firstly, it was Tun Mahathir who himself initiated a policy of establishing a close rapport with the junta - policy that was very much driven by economic imperatives. At the same time, with the junta in dire need for some form of political legitimacy, admission into ASEAN thus became a priority for it and it is in this context that Malaysia began championing for its admission into the regional entity. The close relationship between both, in turn, created an impression amongst some in the international community that perhaps Malaysia was best posited to engage the Myanmar junta as many other earlier initiatives had miserably failed. Therefore, it was under these circumstances that the United Nations appointed former Malaysian diplomat, Tan Sri Razali Ismail, to engage the junta with the view of bringing about political change in the country.

### **The Mahathir Factor**

It is often said that a "special relationship" existed between Malaysian Premier, Tun Mahathir, and the military junta in Myanmar, especially General Than Shwe. On the close relations between Tun Mahathir and the generals in Myanmar, Jeshurun argues that "Mahathir had personally decided to keep Malaysia's Burma connections on an even keel, even though the two countries shared no significant economic or ideological commitments."<sup>13</sup>

Premier Tun Mahathir made his first official visit to Myanmar in February 1988, mainly to reciprocate the visit of Myanmar's Prime Minister, Maung Maung Kha, to Malaysia in July 1987. While senior ministers from Myanmar frequently visited Malaysia after 1988, Myanmar's supremo, General Than Shwe, visited Malaysia in August 1996. To reciprocate, in 1998, Tun Mahathir led a 46-member delegation to Myanmar whilst on a two-day official visit to the country. Apart from other Malaysian senior ministers, the trip also included Malaysian Foreign Minister, Dato' Seri Abdullah Ahmad Badawi. Although Tun Mahathir himself did meet Myanmar's democracy icon, Aung San Suu Kyi, probably to refrain from offending his host, Abdullah Badawi however, was allowed by the military junta to hold talks with Aung San Suu Kyi at her home in Yangon - making him the first ASEAN foreign minister to do so.<sup>14</sup> This created speculation that Malaysia was attempting to play a mediatory role in trying bring the generals in Yangon to open a dialogue with the country's major opposition party - the National League for Democracy (NLD). In fact, this was true to some extent as Tun Mahathir himself undertook a few initiatives to persuade the junta to open dialogue with the NLD and kept on pressing on the junta to improve its human rights record - an approach that was undertaken with extreme caution and on the quiet.<sup>15</sup>

Once again, in January 2001, the Malaysian Premier visited Yangon with the aim of exploring economic opportunities and expanding Malaysia's economic interests in Myanmar. However, frustrated with the slow pace of political change in Myanmar, Tun Mahathir lambasted the junta for failing to take concrete steps in bringing about political change in the country as well as improving its human rights record. During the visit, he bluntly told the leaders of the junta that Myanmar had become "an embarrassment to ASEAN" and as such the military junta must take the necessary steps to ensure political change in the country.<sup>16</sup> Also during the visit, Tun Mahathir held discussions with Myanmar's supremo, General Than Shwe, about the problems faced by Malaysian businessmen in Myanmar, especially that relating to the problem of corruption. He called on the Myanmar leaders to take necessary steps in tackling the problem as it remained a major impediment to the country's economic growth.

General Than Shwe reciprocated in September 2001, when he visited Kuala Lumpur and once again the issue of red tape and corruption was raised by Tun Mahathir, in his discussions with General Than Shwe. Upon his return, General Than Shwe not only fired and charged two senior ministers for corruption but also began taking measures to curb



the problem - although it was short-lived. Apart from that, Tun Mahathir also frequently wrote to General Than Shwe on the need to undertake political reform and improve the country's human rights record. Commenting on Tun Mahathir's rapport with General Than Shwe the following source reveals that:<sup>17</sup>

*General Than Shwe has repeatedly turned to the Malaysian prime minister for advice on how to end the country's political deadlock. It was Dr. Mahathir who told the senior General that he should start talking to the opposition leader, Aung San Suu Kyi and try to accommodate her.*

In August 2002, Tun Mahathir led a 300-strong delegation while on a two-day visit to Yangon, being his third visit since Myanmar was admitted into ASEAN in 1997. The major highlight of the visit was the official opening of the "Myanmar-Malaysia Business Opportunities Collaboration Conference" where both countries signed a contract for offshore oil and natural gas exploration at four blocks in the Tanintharyi division. Apart from that, two memorandums of understanding on the strategic development of Yangon as well as telecommunications services were also signed. During the same visit that was described as "a promotional trip for oil, gas, telecommunications and other Malaysian business interests", Tun Mahathir lashed out Myanmar's critics for exerting unnecessary pressure on the junta and argued that change in the country had to be gradual.<sup>18</sup> This major turnabout, contradictory of his earlier stance, was obviously due to all the business contracts that were signed during the visit.

It is clear from the evidence above that Tun Mahathir himself was the key mover and player in forging close relations with the Myanmar junta. This personalised relationship lasted at least till late-2002, after which Tun Mahathir began distancing himself from the generals in Yangon, mainly due to the failure of the junta to undertake concrete steps for political reform and the country's human records that had further worsened.

### **Malaysia and Myanmar's Admission into ASEAN**

Apart from forging close relations with the generals in Yangon, Tun Mahathir was also instrumental in pushing for Myanmar's admission into ASEAN in 1997, although initially it took a cautious policy. Malaysia decided to adopt a wait-and-see policy mainly due to the turn of events in Myanmar after the 1988 demonstrations, which in turn had thrown the country into a political crisis. Not only was Myanmar engulfed in a political stalemate, the country's human rights record had also deteriorated. On the other hand, Myanmar's military regime too did not show any signs or make any overtures indicating its keenness in joining ASEAN. It is therefore in the light of these circumstances that Malaysia did not advocate strongly for Myanmar's admission into ASEAN, at least from 1988 till 1995.

When in 1992 a proposal was made by some ASEAN members that Myanmar be allowed to attend the ASEAN Ministerial Meeting as a guest, Malaysia strongly objected on grounds of the country's poor human rights record. On this, Malaysian Foreign Minister

Abdullah Ahmad Badawi was quoted as saying that "it is their [Myanmar] desire to come out of isolation but they will have problems if their credentials on human rights and freedom are bad."<sup>19</sup> In addition, Malaysia was also critical of Myanmar's human rights violations against its Rohingya Muslim minorities, where a series of serious human rights violations took place from 1990 onwards.

However, from 1995 onwards, Malaysia began advocating Myanmar's admission into ASEAN despite some reservations from the other ASEAN members as well as the international community. Available evidence suggests that this change was mainly driven by Malaysia's economic priorities and especially its attempt to capitalise on Myanmar's open-door policy. In addition, Premier Tun Mahathir also strongly believed that by admitting Myanmar into the regional entity, Malaysia and ASEAN as well, would be well posited to induce the country's military junta to undertake political change as the latter would be forced to subscribe to the norms of the regional organisation. Defending his position on why Malaysia decided to strongly advocate for Myanmar's admission into ASEAN, Tun Mahathir was quoted as saying that "if it [Myanmar] is outside, it is free to behave like a rogue or a pariah, while if it is inside, it would be subject to certain norms of behaviour."<sup>20</sup> Calling the approach as constructive engagement, Malaysia began strongly advocating for Myanmar's entry into ASEAN.

As such, Malaysia advocated a non-interventionist stand when it came to Myanmar's poor human rights record, even to the extent that the former came under criticism from many quarters of the international community. In fact, it was in Kuala Lumpur that both Myanmar and Laos were admitted into ASEAN in July 1997, despite strong objections from ASEAN's Western dialogue partners namely the United States, European Union (EU) and Australia.<sup>21</sup>

However, since 1997, there has been growing pressure on the ASEAN states urging them to exercise some form of leverage on the military junta to undertake political reform. Apart from Singapore and Thailand, Malaysia too has been one of the countries that have frequently undertaken initiatives to deflect criticism against Myanmar and has often lobbied at the United Nations (UN) for the toning down of UN resolutions, criticising Myanmar for its human rights violations. Myanmar, on the other hand, has used ASEAN and some of its member countries as a shield to deflect criticism leveled against it such that one Myanmar parliamentarian in exile remarked that "whenever the junta has been criticized by the international community, it has hidden behind ASEAN's skirt."<sup>22</sup> In this context, Tun Mahathir had in fact been the main advocate often defending Myanmar, at many multilateral forums, for its poor human rights record and slow pace of political reform, such that he was even labeled as an apologist of the Myanmar junta by some.

### **Trade, Investments and the Petronas Factor**

Malaysia began making inroads into the Myanmar economy from 1989 onwards when the country's military regime abandoned its more than two decades policy of socialism and opened the country's doors to foreign investments. From the Southeast Asian region itself and apart from Thailand and Singapore, Malaysia decided to move in to tap the

country's abundant natural resources. Although Malaysia's economic interests in Myanmar span from agriculture to the construction industry and engineering services, the main focus is, however, in the oil and gas industry where Malaysia's national oil company, Petronas, is actively involved. Apart from oil, Malaysia is also Myanmar's largest investor in the real estate sector, and especially in the hotel industry.

Hardly a year after Myanmar's admission into ASEAN in 1997, in March 1998, Tun Mahathir paid a two-day visit to Yangon with a large entourage of Malaysian businessmen. During the said visit, Tun Mahathir not only praised the country for opening up its economy but also stated that Malaysia had to cut back on its foreign investments in Myanmar due to the Asian financial crisis, but pledged to invest more in the country once the crisis was over. By then, Malaysia was already Myanmar's fourth largest investor in terms of projects approved that amounted to US\$587.17 million.<sup>23</sup>

Further, on 3 January 2001, Tun Mahathir made a six-day visit to Yangon where the first two-days were on an official basis while the next four days were a "private holiday." Although the official announcement by the Malaysian government stated that the visit was for Malaysia to explore economic opportunities in Myanmar but as the trip coincided with Razali Ismail's visit, the real reason, however, was obviously to provide moral support to the latter. The visit by Tun Mahathir included a trip to southern Myanmar, aimed at exploring economic opportunities in the region. Malaysia was also considering the possibility of establishing palm-oil and rubber plantations and acquiring an extension of fishing rights into Myanmar's southern waters. This was revealed by Tun Mahathir himself when he stated that "they [Myanmar] would like Malaysia to study the possibility of investing in Myanmar for the processing of raw materials, including fisheries ..."<sup>24</sup> Another major outcome of the visit was when the Malaysian government announced that it would begin to recruit workers from Myanmar to alleviate the country's shortage of labour in the manufacturing, construction and plantation sectors. Therefore, in January 2001, the Malaysian government granted 3,500 employment visas to the Myanmar War Veterans Organisation (MWVO), with a further more than 8,000 visas granted to the same organization in the first-half of 2002.<sup>25</sup>

In 2002, Tun Mahathir made yet another two-day visit to Yangon between 18-19 August, when he led an entourage of 300 Malaysian businessmen and managed to secure numerous business contracts. These included, amongst others, further offshore oil exploration concessions for Petronas, a rice deal between Padiberas Nasional Bhd. (Bernas) and a telecommunications deal with Maxis International Sdn. Bhd. In addition, both sides also discussed the prospects of relocating Malaysian's labour intensive industries to Myanmar.<sup>26</sup> It was also reported that as of March 2002, Malaysia was still Myanmar's fourth largest foreign investor, accounting for some 8.1 per cent of the total foreign direct investments in the country, involving some 28 Malaysian enterprises.<sup>27</sup>

When the British-owned Premier Oil announced its withdrawal from Myanmar in September 2002, Petronas took over its concessions in the Yetagun oilfield.<sup>28</sup> In August 2006, Myanmar signed another agreement with Petronas to undertake a feasibility study



on refining and transporting natural gas from the country to neighboring countries, namely Thailand. Further, in March 2007, it was reported that Petronas had entered into a joint venture with Myanmar Oil and Gas Enterprise (MOGE) to explore for oil and gas in seven offshore fields in the Andaman Sea.<sup>29</sup> Petronas' current upstream activities are in Blocks M-12, M-13 and M-14 in the Yetagun gas project as well as a cross-border pipeline transporting gas from the Yetagun field to Thailand. A subsidiary of Petronas, Petronas Carigali, currently owns a 40.9 per cent stake in the Yetagun gas field, on a joint venture basis with Japan's Nippon Oil and Thailand's PTT Exploration and Production (PTTEP). Apart from that, Petronas is also exploring in blocks M-15 and M-16, situated offshore in southern Myanmar. It is noteworthy to mention that Petronas has in fact made a strong presence in Myanmar and this has been mainly due to the close relationship between Kuala Lumpur and Yangon, especially during the Tun Mahathir years.

Apart from Petronas, two other Malaysian companies namely SapuraCrest Petroleum Bhd. and Rimbunan Petrogas are also involved in offshore oil and gas drilling in Myanmar. Rimbunan Petrogas, a subsidiary of a major Malaysian logging conglomerate known as Rimbunan Hijau, was granted offshore oil and gas exploration concessions over Block-A, off Myanmar's Rakhine coast in March 2007.<sup>30</sup> It has also been argued that the "petrodollars" earned by Myanmar's military junta is a major factor that has allowed for the continued survival of the regime, albeit its poor human rights record - a contribution that is partly made by Petronas.

In terms foreign investments, it was revealed in 2001 that Malaysia had some US\$595.5 million worth of investments in Myanmar, making it the country's fourth largest foreign investor, after Singapore, Britain and Thailand.<sup>31</sup> Although by 2005, Malaysian investments in Myanmar had increased to US\$660.7 million, involving some 26 projects, the main concentration of Malaysian investments remained in the oil and gas sector as well as real estate.

Prior to 1988, the bulk of Malaysia's exports to Myanmar consisted of palm oil while its imports were mainly rice. For example, in 1976, rice constituted 78 per cent of Myanmar's total exports to Malaysia, with the trade balance favouring the former. While palm oil still comprises the bulk of Malaysia's exports to Myanmar, Malaysia's imports from Myanmar since 1988 have changed and are mainly crude materials such as rubber, iron and steel.<sup>32</sup> In recent years, bilateral trade between both countries has grown, with the trade balance now favoring Malaysia. While bilateral trade between Malaysia and Myanmar was at US\$220.1 million in 2003, by 2004, it was valued at US\$256.2 million - an increase of 16.4 per cent when compared to 2003. From the total trade, Malaysia's exports to Myanmar in 2004 were valued at US\$149.3 million while its imports were at US\$106.9 million.<sup>33</sup> In fact, from among the ASEAN countries, Malaysia was then Myanmar's third largest trading partner, accounting for some 9 per cent of Myanmar's foreign trade.

### **The Razali Ismail Mission, 2000-2006**

Prior to the appointment of Tan Sri Razali Ismail, as the third special rapporteur of the United Nations (UN) to Myanmar, two other rapporteurs had served in the same capacity, namely Yozo Yokota, from 1992 till 1996, and Rajsoomer Lallah, from 1996 to 2000. While Yokota's mission was more of a fact finding venture, the tenure of Lallah was aimed at engaging the junta and opening a dialogue between the latter and the country's main opposition - the NLD. However, it eventually turned out to be an abject failure as Lallah was never allowed entry into the country. Although the military junta accepted the appointment of Yokota after much persuasion from the Japanese government, the junta simply refused to accept Lallah's appointment, leaving the UN no room at all for engaging the junta.

It is in the light of these developments that the appointment of Razali Ismail was therefore welcomed by many quarters of the international community, and mainly due to Tun Mahathir's close contacts with the junta.<sup>34</sup> Razali served in the said post from 2000 till 2006. In fact, the junta decided to accept Razali's appointment and allow his visits after Tun Mahathir himself convinced the junta to accept the said mission. According to one source:<sup>35</sup>

*Since August 2000, Razali, who is close to Mahathir, has been playing peace broker between the generals and the opposition party led by Aung San Suu Kyi. The two Malaysians [Mahathir and Razali] have won the trust of the generals, and through this exchange of high-level visits, Kuala Lumpur and Rangoon [sic] have forged a cozy relationship over the past few years. Even Aung San Suu Kyi has praised Razali's efforts to facilitate national reconciliation in her country.*

Obviously, Tun Mahathir's "close and cozy" relationship with Myanmar's top generals was the major reason for the initial limited success of Razali's missions. This was confirmed by one source which revealed that "PM Mahathir's closeness to the regime has helped open doors for Razali."<sup>36</sup> In fact, Razali was appointed in April 2000, and by 29 June 2000, he had made his first visit to Yangon where he met top leaders of the country's military junta as well as Aung San Suu Kyi. This was indeed a major accomplishment as most UN envoys were either not allowed entry or only allowed visits after long delays. As such, the first visit by Razali did create optimism among some in the international community about its possible success - although like the earlier missions it eventually failed. Nevertheless, two of the major successes of this mission were the opening up a dialogue between the generals and Aung San Suu Kyi in October 2000 and the release of Aung San Suu Kyi from house arrest on 6 May 2002.

However, from mid-2003 onwards, the Myanmar junta began ignoring repeated requests by Razali to proceed with his mission mainly due at least two internal developments in Myanmar. The first was the re-arrest of Aung San Suu Kyi on 30 May 2003 and the second was the sacking and eventual arrest of Myanmar's Premier, General Khin Nyunt,

on 18 October 2004. From the turn of events in Myanmar, it was obvious that the hardliners in the regime were in fact consolidating their grip on power. With the removal of General Khin Nyunt, the main personality behind the talks on the side of the generals, the confidence-building initiative that was started by Razali simply collapsed.

Disturbed by these events, in July 2003, Premier Tun Mahathir issued a warning to the junta, which he termed as a "reminder from a good friend", by suggesting that Myanmar be expelled from ASEAN. In the same vein, calling for the immediate release of Aung San Suu Kyi, Malaysian Foreign Minister, Syeh Hamid Albar, reiterated that "it is wiser for Myanmar to listen now."<sup>37</sup> However, a few days later, Tun Mahathir backtracked on his earlier stand when he stated that ASEAN can only expel Myanmar after reaching a consensus.<sup>38</sup>

Although Razali continued pressing the junta on the need to re-open the dialogue, he miserably failed, eventually leading to his resignation on 7 January 2006. For Malaysia, Razali's success would have meant a diplomatic victory as until then there was little that the international community had been able to do in trying to engage the military junta in Yangon. In the same vein, its failure not only embarrassed Malaysia but at the same time dashed all hopes for whatever little chance there was for a dialogue with the junta. What probably further embarrassed the Malaysian government was Razali's business venture in Myanmar through a Malaysian company known IRIS Technologies. The company, of which Razali had a 30 per cent stake, was awarded a contract for passports with biometric features by the junta - an involvement that was criticised by some quarters of the international community.

It was, therefore, under these circumstances that Tun Mahathir began distancing himself from the Myanmar junta until he left office in late-2003. Although Ibrahim Gambari, a Nigerian diplomat with the UN, has been appointed to replace Razali, the initiative to open a dialogue between the junta and the NLD, however remains in a stalemate.

### **Relations Since 2003: Abdullah Ahmad Badawi's Myanmar Policy**

In spite of a leadership transition in Malaysia in October 2003, there has been little change in Malaysia's policy towards Myanmar, although the personalised contacts that existed between the top leaders of Malaysia and Myanmar are now less evident. In terms of foreign investments, Malaysia remains Myanmar's fourth largest investor, with its investments predominantly in the oil and gas as well as real estate sectors.

However, there appears to be a change in Malaysia's stance towards the slow pace of political change in Myanmar and the country's abysmal human rights records, and in particular the continued detention of Aung San Suu Kyi. As such, Malaysia has on several occasions, lashed out at Myanmar and openly voiced its frustration on the failure of the Myanmar junta to undertake political change in the country. This is not surprising at all because when Prime Minister Abdullah Ahmad Badawi was serving as Malaysia's

Foreign Minister (1991-1999) during the Tun Mahathir years, he had warned Tun Mahathir against admitting Myanmar into ASEAN in view of its human rights violations. In December 2005 and in view of the deteriorating situation of human rights in Myanmar, Malaysian Foreign Minister, Syed Hamid Albar, was sent to Yangon to assess the situation as Malaysia then held the chairmanship of ASEAN. Not only was Syed Hamid's trip delayed by the junta for several months such that he only managed to make the trip in April 2006, but when he finally arrived in Yangon, he was given a cold shoulder and denied access to top leaders of the military junta as well as Aung San Suu Kyi. Frustrated with the treatment, Syed Hamid lashed out at the junta and suggested that "maybe Myanmar will change if we [ASEAN] leave them alone."<sup>39</sup> More importantly, it was then that ASEAN decided to withdraw its support for Myanmar from international forums - something it has always done since the early 1990s.

In relation, in early August 2006, Malaysian Premier Abdullah Ahmad Badawi voiced his concern over the problems faced by ASEAN over Myanmar. He stated that:<sup>40</sup>

*In our region, the situation in Myanmar is impacting up on the image and credibility of ASEAN ... Therefore we also hope that the government of Myanmar will take the necessary steps to enable Myanmar to soon move forward with the rest of ASEAN.*

The Malaysian Premier also called on ASEAN to "refine" its policy of non-interference in the light of present developments as well as the forthcoming ASEAN Charter. On the same note, Malaysian Foreign Minister, Syed Hamid, reiterated that "you cannot take the non-interference in absolute terms" as what mattered more than the policy was ASEAN's interests as a regional entity.<sup>41</sup> It has also been argued that Abdullah Ahmad Badawi has taken a quieter approach when it comes to persuading Myanmar to undertake changes - an approach that is yet to yield any favorable results.<sup>42</sup>

## Conclusion

It is evident from the discussion above that although Malaysia established official relations with Myanmar in 1958, with leaders of both countries enjoying a close rapport with each other, Malaysia's close links with Myanmar - both political and economic were only consolidated in the 1990s. For much of the earlier decades from the late-1950s till at least the late-1980s, Myanmar remained just another Southeast Asian country for Malaysia. However, this view dramatically changed in the late-1980s and early 1990s, when the country began opening up its doors to foreign investments.

While Malaysia's Myanmar policy prior to 1988 was driven by the need to foster cordial relations with immediate neighbours and geo-strategic imperatives, its policy since 1988, has been largely influenced by economic considerations. In doing so, Malaysia has consistently remained silent on human rights abuses in Myanmar and at times even acted as an apologist for the junta in Yangon. In fact, it is said that "he [Mahathir] has been an untiring supporter of the SPDC [State Peace and Development Council] and has always

ignored the serious human rights violations perpetrated by the regime.”<sup>43</sup> This was confirmed by yet another source that stated that "Malaysia has no illusions concerning the harshness of the SLORC rule.”<sup>44</sup> However, what is clear with the present administration is that the policy of "standing up" for the military junta appears to have ceased, at least for the moment, with Premier Abdullah Ahmad Badawi taking a more cautious stand on the issue.

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**NOTES**

<sup>1</sup> This article is a revised and expanded version of a paper presented at the 6th International Malaysian Studies Conference (MSC6) "Engaging Malaysian Modernity: 50 Years and Beyond," Kuching: Malaysian Social Science Association (PSSM), Faculty of Social Sciences, Universiti Malaysia Sarawak (UNIMAS), Institute of Malaysian & International Studies (IKMAS), Universiti Kebangsaan Malaysia (UKM) and Institute of Occidental Studies (IKON), UKM, 5-7 August 2008.

<sup>2</sup> Chandran Jeshurun, *Malaysia: Fifty Years of Diplomacy, 1957-2007*, Kuala Lumpur: The Other Press, 2007, p. 94.

<sup>3</sup> Asia 1967 Yearbook, Hong Kong: Far Eastern Economic Review (FEER), 1967, p. 125 and; Asia 1971 Yearbook, Hong Kong: FEER, 1971, p. 109.

<sup>4</sup> Jurgen Haacke, *Myanmar's Foreign Policy: Domestic Influences and International Implications*, Adelphi Paper No. 381, London: Routledge, 2006, pp. 41-42.

<sup>5</sup> Jeshurun, *Malaysia: Fifty Years of Diplomacy*, p. 194.

<sup>6</sup> Asia 1974 Yearbook, Hong Kong: FEER, 1974, p. 107.

<sup>7</sup> Asia 1975 Yearbook, Hong Kong: FEER, 1975, p. 139.

<sup>8</sup> Asia 1977 Yearbook, Hong Kong: FEER, 1977, p. 134.

<sup>9</sup> Asia Yearbook 1976, Hong Kong: FEER: 1976, p. 125.

<sup>10</sup> Ibid.

<sup>11</sup> Asia 1978 Yearbook, Hong Kong: FEER, 1978, p. 149.

<sup>12</sup> Jeshurun, *Malaysia: Fifty Years of Diplomacy*, p. 195.

<sup>13</sup> Ibid.

<sup>14</sup> Yap Mun Ching, "Burma and the Abdullah Factor," *The Irrawaddy*, Vol. 11, No.9, November 2003, p. 17.

<sup>15</sup> "Dr. Mahathir's dialogue with Myanmar's Generals: Comments by Larry Jagan," *Radio Singapore International (RSI)*, 22 August 2002, <http://www.rsi.sglenglish>

<sup>16</sup> Asia 2002 Yearbook, Hong Kong: FEER, 2001, p. 87; and "Mahathir has business in Myanmar," *Asia Times Online*, 6 January 2001, <http://atimes.com>

<sup>17</sup> "Dr. Mahathir's dialogue with Myanmar's Generals: Comments by Larry Jagan," Radio Singapore International (RSI), 22 August 2002, <http://www.rsi.sglenglish> See also, Bantarto Bando, "Mahathir's Myanmar policy not just empty rhetoric," The Jakarta Post. com, 29 July 2003, <http://old.thejakartapost.com>

<sup>18</sup> "Stop interfering, Mahathir," The Irrawaddy, Vol. 10, No.6, July-August 2002, p. 7.

<sup>19</sup> "Malaysia against inviting Myanmar to ASEAN meetings," The Straits Times (Singapore), 28 July 1992.

<sup>20</sup> "ASEAN stands firm on Burma's entry despite Western pressure," Agence France-Presse (AFP), 1 May 1997. See also, Ready, Aim, Sanctions, Bangkok: Alternative ASEAN Network on Burma (ALTSEAN-Burma), 2003, p. 110 and; David I. Steinberg, Burma: The State of Myanmar, Washington D. C.: Georgetown University, 2001, pp. 238-239.

<sup>21</sup> Seth Mydans, "Burmese regime wins role in Southeast Asian bloc," New York Times, 1 June 1997, <http://www.nytimes.com> For a critique of ASEAN's non-interference policy see, Kao Kim Hourn, ASEAN's Non-Interference Policy: Principles under Pressure?, London: ASEAN Academic Press, 2000.

<sup>22</sup> Marwaan Macan-Markar, "Myanmar: ASEAN's problem child," Asia Times Online, 11 June 2002, [www.atimes.com](http://www.atimes.com) For a critique of ASEAN's relations with the Myanmar junta see, Ralph Bachoe and Debbie Stodhard (eds.), From Consensus to Controversy: ASEAN's Relationship with Burma's SLORC, Bangkok: ALTSEAN-Burma, 1997.

<sup>23</sup> Burma's Regime on the Edge, Bangkok: ALTSEAN-Burma, 1998, pp. 6 & 16. 24 Burma: Tentative Steps, Bangkok: ALTSEAN-Burma, 2001, pp. 42-43.

<sup>25</sup> Burma: Smoke Screen, Bangkok: ALTSEAN-Burma, 2002, pp. 36-37.

<sup>26</sup> Ibid., pp. 31 and 63-64.

<sup>27</sup> Toshihiro Kudo and Fumiharu Mieno, Trade, Foreign Investments and Myanmar's Economic Development during the Transition to an Open Economy, IDE Discussion Paper No. 116, Tokyo: Institute of Developing Economies, 2007, p. 28. In fact, in 2002 alone, Malaysia emerged as Myanmar's top foreign investor investing some US\$44 million in the oil and gas sector in that year. See also, Ready, Aim, Sanctions, p. 76.

<sup>28</sup> "Premier Oil pulls out of Burma," The Irrawaddy, Vol. 10, No.7, September 2002, p. 5.

<sup>29</sup> "Malaysia's Petronas to search for oil off Myanmar," AFP, 31 March 2007.

<sup>30</sup> ASEAN Should Stop "Passing the Buck" on Burma, Bangkok: ALTSEAN-Burma, 2007, p. 5.

<sup>31</sup> Duan Tingchang, "Roundup: Myanmar-Malaysia bilateral relations enhanced," Xinhua News Agency, 21 August 2001, <http://news.xinhuanet.com>

<sup>32</sup> Mya Than, *Myanmar's External Trade: An Overview in the Southeast Asian Context*, Singapore: Institute of Southeast Asian Studies (ISEAS), 1992, pp. 88-89.

<sup>33</sup> Speech by Dato' Seri Rafidah Aziz, Malaysian Minister of International Trade and Industry, at the Malaysia-Myanmar Business Opportunities Seminar, Yangon, 14 March 2005, <http://portal.miti.gov.my>

<sup>34</sup> "The Envoys who tried and mostly failed," *The Irrawaddy*, Vol. 14, No. 10, October 2006, p. 9-11.

<sup>35</sup> Aung Zaw, "The Mahathir Touch," *The Irrawaddy*, Vol 10, No.5, June 2002, p. 18. <sup>36</sup> Some Talk, Little Action, Bangkok: ALTSEAN-Burma, 2002, p. 37.

<sup>37</sup> *Burma: Under Pressure*, Bangkok: ALTSEAN-Burma, 2003, p. 61.

<sup>38</sup> "ASEAN consensus needed on Myanmar, Malaysia says," *Kyodo News*, 22 July 2003.

<sup>39</sup> *Burma/Myanmar after the Crackdown*, Asia Report No. 144, Brussels: International Crisis Group (ICG), 2008, p. 11.

<sup>40</sup> Heda Bayron, "Southeast Asian Ministers say Burma Hurts ASEAN's Credibility," *Voice of America (VOA) News*, 25 July 2006, <http://www.voanews.com>

<sup>41</sup> "Abdullah seeks ASEAN shift for policy towards Myanmar," *The Associated Press*, 9 August 2006.

<sup>42</sup> Yap Mun Ching, "Burma and the Abdullah Factor," *The Irrawaddy*, Vol. 11, No.9, November 2003, p. 17.

<sup>43</sup> *Burma: Tentative Steps*, p. 43.

<sup>44</sup> Marvin C. Ott, "From Isolation to Relevance: Policy Considerations," in Robert I. Rothberg (ed.), *Burma: Prospects for a Democratic Future*, Washington D. C.: Brookings Institution Press, 1998, p. 78.