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5 decades of legacy: Malaysia-China relations

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INSTITUT PENGAJIAN CHINA
INSTITUTE OF CHINA STUDIES

**Understanding
BRI's evolution
in Malaysia**

**Global Civilisation
Initiative and
cultural diplomacy**



ISIS Malaysia

The Institute of Strategic & International Studies (ISIS) Malaysia is the country's premier think-tank, with a mandate to advance Malaysia's strategic interests. As an autonomous research organisation, we focus on foreign policy and security; economics and trade; social policy and nation-building; technology and cyber; and climate and energy.

We actively conduct Track-Two diplomacy, promoting the exchange of views and opinions at the national and international level. We have also played a role in fostering closer regional integration and international cooperation through forums, such as the Asia-Pacific Roundtable, the ASEAN Institutes of Strategic & International Studies network, Pacific Economic Cooperation Council, and Network of East Asian Think-Tanks.

Content

4	Foreword Datuk Prof Dr Mohd Faiz Abdullah	26	Paving the way to Global South solidarity Dr Ma Bo and Liu Yuhang
5	Long-term strategic view of Malaysia-China relations Datuk Prof Dr Mohd Faiz Abdullah	30	China's Global Security Initiative: Malaysian perspective Dr Ngeow Chow Bing
10	An ode to enduring ties Raja Dato' Nushirwan Zainal Abidin	34	Debunking the China overdependence myth Jaideep Singh
14	Constraints behind 'enduring' trade partnership Prof Dr Evelyn S Devadason	41	Putting down roots for lasting friendship Prof Dr Wang Ruifang
18	Understanding BRI's evolution in Malaysia Angeline Tan	45	Youth engagement key to deeper ties Ke Yan
22	Asserting agency in Digital Silk Road Farah Nabillah	49	Global Civilisation Initiative and cultural diplomacy Dr Nur Shahadah Jamil

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Editors' Note

This special edition of *ISIS focus*, “5 decades of legacy: Malaysia-China relations”, marks our first publication dedicated to exploring the Malaysia-China partnership. Commemorating 50 years of diplomatic ties, this issue offers a deep dive into the shared history and forward-looking aspects of a relationship that continues to shape both nations.

In 1974, Malaysia took a pioneering step as the first ASEAN country to establish formal diplomatic relations with China amid heightened geopolitical tensions and ideological divides. This bold move laid the foundation for a dynamic bilateral relationship, which in 2013 was elevated to a Comprehensive Strategic Partnership. Today, bilateral cooperation extends across sectors, such as trade, security, education, and cultural exchange, each playing a vital role in advancing shared interests and regional stability.

For this commemorative edition, we have commissioned contributions from esteemed diplomats and scholars, whose expertise provides readers with insights into critical aspects of Malaysia-China relations. The articles explore a diverse array of topics, including trade, strategic bilateral relations, Global South solidarity, security cooperation, the Belt and Road Initiative, and Digital Silk Road. These pieces collectively trace the evolution of the Malaysia-China relationship, addressing challenges and highlighting its strengths.

Notably, the former Ambassador of Malaysia to the People's Republic of China, Raja Dato' Nushirwan Zainal Abidin, reflects on China's economic potential and the outlook for our bilateral ties. Prof Wang Ruifang, President of Xiamen University Malaysia, shares valuable insights into the role of educational exchanges in fostering long-lasting friendships.

Rooted in shared history and cultural ties, this edition would be incomplete without examining the civilisational linkages and the impact of the Chinese diaspora. Articles on cultural diplomacy and youth exchanges highlight how these connections enhance understanding and strengthen Putrajaya-Beijing relations, underscoring the resilience and adaptability of our partnership.

We are privileged to have collaborated with the Institute of China Studies at Universiti Malaya on this project. Their expertise and support have enriched this project and helped bring it to life.

Foreword



Datuk Prof Dr Mohd Faiz Abdullah
Chairman
Institute of Strategic & International Studies (ISIS)
Malaysia

This special edition of *ISIS focus*, titled “5 decades of legacy: Malaysia-China relations”, commemorates the 50th anniversary of diplomatic ties between Malaysia and China. Exclusively dedicated to this relationship, this issue delves into a partnership that has been a constant source of growth and mutual benefit. Marking this milestone not only allows us to reflect on our shared history but also invites us to consider the potential of our future together.

Malaysia’s decision to establish diplomatic ties with China 50 years ago marked the beginning of a partnership that had adapted to the shifting regional and global landscape. Through the years, Malaysia has seen positive economic impact from this relationship, with China now our largest trading partner for the 15th consecutive year. Initiatives like Belt and Road have provided valuable platforms for advancing infrastructure, trade and digital connectivity – all key pillars for Malaysia’s continued development.

In 2013, this partnership was elevated to a Comprehensive Strategic Partnership, signalling a commitment to collaboration across sectors, such as trade, security, education and cultural exchange. These efforts reflect a relationship built on mutual respect and adaptability, with each nation contributing to and benefiting from this evolving partnership.

In this edition, we feature contributions from prominent diplomats and academics, whose expertise sheds light on topics central to the Malaysia-China relationship. Readers will find insightful discussions on trade dynamics, security cooperation, the Belt and Road Initiative, cultural exchanges and the influence of the Chinese diaspora.

We are especially grateful to the Institute of China Studies at Universiti Malaya for its collaboration on this publication, which has enriched our perspective and deepened the impact of this project.

May this publication honour the legacy of the past five decades and “illuminate” the journey ahead.



Long-term strategic view of Malaysia-China relations

**Relationship goes beyond bilateral ties, with both
countries supporting each other in multilateral fora
like ASEAN and BRICS**

Datuk Prof Dr Mohd Faiz Abdullah

Fifty years of any relationship must count for something, what of diplomatic ties between two nations with a rich civilisational history. And so it is with Malaysia and China as we commemorate this auspicious golden jubilee. Further, the significance of Malaysia having been the first in ASEAN to normalise relations with China in 1974 should never be lost when assessing the depth and breadth of this relationship, which has blossomed into a long-standing partnership, spanning across all sectors.

It was later upgraded to a Comprehensive Strategic Partnership in 2013 when President Xi Jinping made his maiden visit to Malaysia, espousing a vision to expand economic ties, strengthen security cooperation and deepen political, diplomatic and social engagement.

The economic significance of the bilateral relationship is even harder to overlook and its expansion nothing short of remarkable. As Malaysia's largest trading partner for 15 consecutive years, China took up 17.1% of Malaysia's total trade in 2023, climbing from less than US\$200 million in 1974 to US\$190.24 billion, representing nearly a thousand-fold jump.

Reaping rewards

Additionally, China is our largest export destination, with electronics and electrical (E&E) products, including semiconductors, taking the lion's share. There has also been increasing focus on durian exports as the popularity of this expensive delicacy skyrockets in China. Having begun exporting durian products and subsequently frozen durian since 2011, this year, Malaysia will go on overdrive with its durian diplomacy and begin exporting fresh fruit, unveiling a golden opportunity to internationalise the king of fruits, Malaysia's pride and joy in a hugely lucrative industry.

Malaysia-China trade and industry synergies cannot be overstressed as seen in Malaysia's strategic location, rich natural resources and

advanced manufacturing capabilities vis-a-vis the latter's vast consumer market and investment opportunities. Such a strategic alignment facilitates enhanced trade, supply chain resilience and infrastructure development.

Having been an early supporter of the Belt and Road Initiative (BRI), Malaysia stands to reap substantial benefit from flagship projects, such as the East Coast Railway Link, unlocking its potential to provide new sources of growth and economic development and opening frontiers of connectivity. Initially aborted with a change in political leadership, ECRL is now set to complete in 2026, enhancing connectivity in the peninsula while deepening regional economic integration with other ASEAN markets.

New BRI projects are also taking shape since Prime Minister Dato' Seri Anwar Ibrahim's maiden visit to China where he secured RM170 billion worth of investment commitments. When Chinese Prime Minister Li Qiang paid a state visit to Malaysia to commemorate the 50th anniversary in June, in the bag were additional investments worth RM13.2 billion, underscoring the firm commitment of both countries to expanding economic cooperation, bolstered by a long-term vision for deeper bilateral ties and mutual growth.

On Malaysia's strategic alignment

Given our geographical proximity and the significance of our economic ties, the Malaysia-China bilateral relationship is as natural as it is strategic. Of late, as major-power rivalry intensifies in the region, there has been much talk of Malaysia's supposed "pivot" to China, cynically likened to a "slouching from the beacons of democracy towards the purveyors of autocracy".

Quite apart from the fact that such a characterisation smacks of neo-colonial patronising harking back to the "civilising



Having been an early supporter of the Belt and Road Initiative, Malaysia stands to reap substantial benefit from flagship projects, such as the East Coast Railway Link, unlocking its potential to provide new sources of growth and economic development.

mission” of the past, the fact is there’s just no such leaning towards China let alone one that is too close for comfort that would see favouring the economic aspect of the relationship at the expense of more sensitive security issues. This simplistic view not only overlooks our long-standing and robust relations with the United States (as the FDI numbers would attest to) but also narrows the understanding of Malaysia’s choices as a binary between the US and China.

Discussions around Malaysia-China relations often dwell too narrowly on the short-term gains. In this vein, detractors who cite the lack of “substantive wins” on Anwar’s courting of China are missing the forest for the trees and in the process, unwittingly betraying myopia of the diplomatic kind.

While securing investments and enhancing trade are crucial, a more strategic, long-term perspective is essential. One meeting or state visit doesn’t define our strategic allegiances, nor should the 50th anniversary be viewed solely as an opportunity for

transactional benefits. Instead, it is a moment to reflect on the evolution of our ties, celebrate past achievements and plan for future collaboration. This milestone offers a renewed opportunity to deepen our relationship for sustainable, long-term strategic benefits. Granted there are no sure wins in diplomacy, but you have to take the current when it serves, maybe even suffering some initial setbacks for the eventual strategic gains.

Given the state of China’s experience in scaling up its industries and global leadership in advanced manufacturing and high-tech sectors, it is a natural partner for Malaysia’s industrial and technological transformation. It, therefore, comes as no surprise that recent Chinese investments are focused on the digital sphere and green technologies, reflecting our forward-looking partnership.

And this is certainly no one-way street, for Malaysia holds strategic importance to China as well, being its second largest trading partner in ASEAN. As a key participant in the Belt and Road Initiative and Digital Silk Road, Malaysia’s experience shines the light for the rest of ASEAN and other developing countries outside the region on how best to ride on these value chains, effectively bolstering China’s brand of economic diplomacy.

Strategic relations beyond bilateral ties

To be sure, the relationship between Malaysia and China extends beyond bilateral ties, with both countries actively supporting each other in the multilateral fora. Historically, Malaysia played a pivotal role in integrating China into the ASEAN process.

As host of the 24th ASEAN Ministerial Meeting in 1991, Malaysia invited the Chinese foreign minister as an observer in hopes of engaging China’s cooperation with the bloc. This paved the way for China to attain full Dialogue Partner status in 1996, ultimately evolving into a Comprehensive Strategic Partnership in 2021.

China's engagement with ASEAN, facilitated and encouraged by Malaysia, played a critical role in the formation of the ASEAN+3 mechanism in 1997. As a regional cooperation framework involving all 10 ASEAN member states and China, Japan and South Korea, ASEAN+3 promotes greater collaboration on the political-security, economic and sociocultural fronts in the East Asian region.

ASEAN's ability to rally China, Japan and South Korea to set aside their historical tensions to build a dynamic East Asian community demonstrates the potential of ASEAN+3 in reshaping the geo-economic and geopolitical landscape in the post-Cold War era. It signified a new era of international relations, with ASEAN in the driving seat.

Over time, international cooperation between Malaysia and China has advanced from firm to hale and hearty as our interests continue to align. This has coincided with the re-emergence of the Global South, a concept for which both Malaysia and China strongly advocate. To diversify our strategic relationships while engaging more deeply with the Global South, Malaysia has applied to join BRICS, which has already expanded to include Egypt, Ethiopia, Iran and the United Arab Emirates.



Joining BRICS is in no way indicative of a shift away from ASEAN but rather a demonstration of Malaysia's intent to diversify its strategic and economic horizons.

To anti-BRICS detractors, it bears reminding that Malaysia's foreign policy remains firmly anchored on the principles of regional integration and cooperation that ASEAN embodies. Joining BRICS is in no way indicative of a shift away from ASEAN but rather a demonstration of Malaysia's intent to diversify its strategic and economic horizons.

BRICS has the potential to foster greater economic cooperation with peer-emerging economies. Representing 40% of the world's population, BRICS currently accounts for one-fifth of global trade and this figure is expected to grow as the bloc expands. Economics aside, joining BRICS would also strengthen Malaysia's participation in multilateralism, especially with the Global South, to shape global economic policies and advance our collective pursuit of prosperity.

Malaysia has sought China's support for its membership into BRICS, a move which would complement the bilateral Comprehensive Strategic Partnership. Many have interpreted Malaysia's decision to join BRICS as aligning to China in the context of major-power competition, but this view overlooks the agency and importance of the other members, such as India or Brazil. BRICS is representative of the Global South, and the expansion of BRICS would further promote multipolarity and an equitable international order. More importantly, it provides a platform for a collective voice from the Global South.

Some have likened the prospects of BRICS to that of the G7. There are some projections that BRICS and its members will emerge as the major movers of the global economy. Malaysia's robust economic growth and transition towards high-income status position it as a natural fit, enabling it to contribute towards the interests of the Global South.

Building on foresight and vision

The Malaysia-China relationship has been rooted in foresight and strategic thinking.

Our forefathers made the bold decision to normalise relations with an isolated China in 1974 because they understood China's long-term strategic importance given the potential of its economy, the historical linkages between our countries and its pivotal role in geopolitical developments. This laid the groundwork for a partnership that has flourished over the decades, driven by mutual interests and shared aspirations.

We must continue to embrace the same foresight today and resist the temptation of

diplomatic myopia. Our bilateral relationship should not be measured against a tick-box of short-term wins but rather should be perceived from the prism of a strategic and symbiotic partnership.

By prioritising sustainable collaboration and focusing on mutual development, we can ensure that Malaysia continues to harness China's strengths while advancing our own goals. Together, we can build a resilient alliance that not only benefits our nations but also contributes positively to the world.



Datuk Prof Dr Mohd Faiz Abdullah

Chairman

Institute of Strategic & International Studies (ISIS)

Malaysia



An ode to enduring ties

Closer Malaysia-China ties lead to attitude of resolving rather than amplifying common challenges

Raja Dato' Nushirwan Zainal Abidin

I first visited China in 1995, when I was undergoing training at the Malaysian Institute of Diplomacy and Foreign Relations (IDFR). Obviously, Beijing was a different city compared with the gleaming metropolis that it is today. It was greyer, drabber and poorer. Bicycles dominated the roads, filling the city with never-ending chimes from their little bells while cars were essentially outdated Chinese marquees along with locally assembled models from Audi and Jeep – and the air thick with smoke from coal-fired plants.

But despite the “backwardness”, what impressed me most was the attitude of the people, particularly the young. I remember vividly the cleaner at my hotel, who helped me with my keycard, who ran down the stairs, all 14 floors and ran up again. When asked why he did not use the lift, he said that lifts are for guests only.

I was very impressed with his self-discipline and commitment – after all, he could just as easily have said that he did not understand me. I have often wondered what happened to him, as he would be in his mid to late 40s now. Perhaps he now owns the hotel or perhaps a chain of them. I remember thinking to myself then, with youths like him, China would go far very quickly. But I would not have guessed it would go this far, this fast.

But I suppose I should have. It is said that historically, when China is secure and organised, the Chinese are the most productive people on earth. Having viewed China over the past 30 years, I can attest to this view.

It is also said that China is an emerging nation. Having viewed China over the past 30 years, I dispute this view, for China is not an emerging nation, but a re-emerging one. Where China is, and where it will be, is in the natural order of things.

We should know. Malaysia (or polities which now constitute present-day Malaysia) has



It is far better to deal with a powerful China open to the world rather than a weak one with little interaction with the wider international community and with even less stake in the global system.

dealt with China for thousands of years. We have dealt with them when China was powerful, we have dealt with them when they were weak and we’re dealing with them when they are powerful again.

Friendly resolutions

From my viewpoint, it is far better to deal with a powerful China open to the world rather than a weak one with little interaction with the wider international community and with even less stake in the global system. Lest we forget, Malaysia’s struggle with the Malayan Communist Party, which China supported prior to the establishment of diplomatic relations in 1974, was a matter of life and death for our new nation.

It is for this reason Tun Abdul Razak Hussein’s decision to establish diplomatic relations with China, is for me, not only profound but a stroke of genius. It not only addressed the communist threat but also stabilised race relations in Malaysia, re-established longstanding relations rent asunder by ideological differences and paved the way for China to mend ties with non-communist Southeast Asia, leading to its eventual involvement in ASEAN.

Since then, economic, tourism, people-to-people, cultural and political links have grown by leaps and bounds, all of which bring benefits to Malaysians and Chinese alike.

More importantly, closer ties have produced deep strategic trust and promoted habits of the mind among policymakers and bureaucrats attuned to resolving rather than amplifying common challenges.

I use the term “common challenges”, rather than “problems” deliberately. Obviously, there will be differences in any relation as deep as between Malaysia and China. After all, there is a Malay saying “*Sedangkan lidah lagi digigit*” (Even the tongue gets bitten). But using the term “common challenges” means that we are not ascribing blame for the issue, which might be the result of external or historical reasons. It also means that both sides have an equal stake in seeing them resolved amicably. In time, it has also meant that both sides will not allow common challenges to colour overall relations.

Obviously, the South China Sea issue is a profound common challenge for both Malaysia and China. In this regard, when Prime Minister Dato’ Seri Anwar Ibrahim met with President Xi Jinping in Beijing in March last year, both leaders agreed that this issue would be resolved through dialogue.

This agreement was then reaffirmed in the joint statement adopted during Premier Li Qiang’s visit to Malaysia in June to commemorate the 50th anniversary of the establishment of diplomatic relations.

The joint statement stated that “The two sides will launch the bilateral dialogue on the management of maritime issues as early as possible to foster maritime dialogue and cooperation”. Consequently, I had the honour to co-chair the bilateral dialogue on 16 October in Pulau Langkawi with my Chinese counterpart, HE Chen Xiaodong, Vice-Foreign Minister.

During the dialogue, we shared insights into our maritime policies, shared experiences as well as views on areas of cooperation. Just as importantly, we had very frank, constructive, courteous and discreet discussions on matters of common interest.

Mutual respect goes long way

Having frank, constructive yet courteous conversations are what Malaysia has with our partners across the board, including with other neighbours with whom we have boundary issues. As Anwar has consistently said, Malaysia has boundary issues with all our neighbours, not China only.

The approach of having frank, constructive, courteous and discreet discussions among friends and partners is an expression of our belief that this is how you nurture bilateral relations which are fundamentally strong. It is also an expression of mutual respect and regard. Finally, it is also an expression of our proud and independent foreign policy.

I firmly believe that our independent foreign policy is good for Malaysia (otherwise, it would not have enjoyed overwhelming public support for so long). It is also good for our



The approach of having frank, constructive, courteous and discreet discussions among friends and partners is an expression of our belief that this is how you nurture bilateral relations which are fundamentally strong.

partners, including the major powers. For the latter, as their policies impact on the entire world, it is important that these policies are based on the honest and objective assessment from their friends.

Malaysia-China bilateral relations are more than 1,000 years old and will endure for

thousands more. Throughout that time, relations have overwhelmingly been positive. This history is evidence of something deeper – close relations have brought immense benefits for our people throughout the ages.

Long live Malaysia-China relations, may they endure eternally!



Raja Dato' Nushirwan Zainal Abidin

Director-General

National Security Council;

Former Ambassador of Malaysia to the People's
Republic of China (2019 - 2023)



Constraints behind 'enduring' trade partnership

Any derisking of supply chains or pursuing
China-free supply chains will be difficult
and disruptive

Prof Dr Evelyn S Devadason

Within the current geoeconomic framework, the pursuit of resilience in supply chain has emerged as a paramount concern both regionally and globally. The key to securing supply chains is diversification, that is, to increase the number and capability of suppliers of key materials to mitigate potential disruption. Derisking supply chains also includes intensifying regional supply chains and transitioning towards sustainable supply chains.

In the context of regional supply chains, where the density of the networks is in semiconductors, China occupies a dominant role, evolving from a market “creator” to a “priority” market by increasing the degree of direct dependence of Southeast Asia on China and its indirect trade linkages with third-party countries outside the region.

The regional trade interdependence is accentuated by the chip war between China and the United States, forcing the former to shift further to geopolitically closer partners. Evidentially, China’s exports are shifting to ASEAN, Europe, Russia and Central Asia, likewise, the three former markets are also becoming important import sources for China.

According to a 2024 report by the McKinsey Global Institute, the average “geopolitical

distance” of trade for China dropped by 4% between 2017 and 2023.

Accordingly, China diverted some of its investments to the region, particularly Malaysia. Based on media reports, there are about 55 mainland companies, mostly in semiconductors, located in Penang as of Q1 2024, compared with 16 before the US crackdown on China. China’s trade ties with Malaysia are, therefore, becoming distinct from its partnerships with others in the region.

Green tech driving trade

Malaysia, with its established China-centric supply chains in semiconductors, is witnessing new connections with the latter in green-tech industries. The ongoing trade disputes between the US and China have prompted a realignment – more of extensions than replacements – of supply chains from China to Malaysia to support the Chinese electric vehicles (EVs) battery production.

In the EV segment, a landmark project is the cooperation between the Chinese carmaker Geely Holding Group and the Malaysian conglomerate DRB-Hicom to build the Automotive High-Tech Valley in Tanjung Malim. This project could draw in strategic supplier partnerships to Malaysia and build green supply chains in the automotive sector.

The intensification of Malaysia’s reliance on China’s industrial inputs (production side) coupled with the new supply chain hot spots emerging around China have undoubtedly placed it as top priority for Malaysia in terms of supply chain stability.

Malaysia’s trade connections with China have also strengthened with green investments from the latter in manufacturing (renewable energy – solar cell and module industry) and large-scale infrastructure projects (steel and power plants, railway and construction). The bilateral trade engagement fuelled by the Belt and Road Initiative (BRI) is now



Malaysia’s trade connections with China have strengthened with green investments from the latter in manufacturing and large-scale infrastructure projects.

poised to broaden with shifts towards green technology and digital trade through several recent memorandums of understanding. Among them are the Second Cycle of the Five-year Programme for Economic and Trade Cooperation (2024-2028); Promoting Investment and Cooperation in Green Development; and Strengthening Investment Corporation in Digital Economy and the upgrade of the ASEAN-China free trade agreement (ACFTA).

While the robust and mature partnership between Malaysia and China has made them natural trading partners based on proximity, historical trade and interdependence (albeit asymmetric), the dynamism in recent collaborations is primarily strategic. The convergence of economic interests and geopolitical considerations is driving the depth and breadth of the bilateral connections.

China's expanding role in Malaysia's trade appears now more than ever indispensable because of the shared supply chains and deep integration.

Limitations to trade relationship

China's approach to digital trade – with an emphasis on digital services, such as cloud computing, platform economy and data services – and, more importantly, balancing digital sovereignty with integration, resonates with Malaysia's approach to digital cooperation. From a sustainability perspective, China's leading position in renewable energy and EV supply chains sets the foundation for deeper cooperation.

But digital and sustainable trade does not occur in a vacuum or in a bilateral context, as the “regulatory distance” in data governance and green mandates need to be addressed in a broader context or through region-wide frameworks since the factors governing market access include visibility (transparency), reporting (accountability) and leveraging on new technology.



The natural and strategic elements of this bilateral trade relationship underscore specific risks associated with China's role as an 'exporter' of external shocks through supply chains, competition, dumping concerns and trade tensions with big powers.

The reality is that China has already developed a peculiar data governance architecture, predicated upon domestic security that limits any form of harmonisation.

The natural and strategic elements of this bilateral trade relationship underscore specific risks associated with China's role as an “exporter” of external shocks through supply chains, competition in the value chain, dumping concerns and finally, China's own trade tensions with big powers resulting in negative spillovers for Malaysia.

Embracing the above risks, Malaysia continues to strengthen its trade links with China while maintaining its strategic independence (or non-alignment) through partnerships with other key regional and global players. The reason being any derisking of supply chains of Malaysia away from China or rather China-free supply chains is going to be difficult or disruptive.

That said, the supply chains are not complete in the region. Malaysia, therefore, still needs

to find the right approach and formulate its big power policy towards the US and European Union since the most desired markets to access include the largest ones beyond the region.

The Malaysia and China relationship, though enduring, remains somewhat constrained. Divergent legal and regulatory frameworks, active industrial policies along with sectoral protectionism limit the full optimisation of trade through supply chain integration.

Nonetheless, the trade agenda, namely, the green and tech-driven collaborations, is the

driving force taking the partnership to the next level. Arguably, a natural and strategic partnership like Malaysia and China could be considered a critical but not a sufficient enabler for deepening, greening and digitising supply chains.

More ambitious and forward-looking strategies, namely aligning trade regulations and improving cross-border data flows (access, usage and transfer), are needed with a political will that measures up to the ambition of addressing such difficult areas of bilateral trade cooperation.



Dr Evelyn S Devadason

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Understanding BRI's evolution in Malaysia

Domestic politics behind setbacks while China works on reimagining development strategy

Angeline Tan

Over the past decade, the Belt and Road Initiative (BRI) has emerged as a cornerstone of China's engagement with Southeast Asia, fostering strategic partnerships aimed at advancing economic development. Its imprints are best recognised by large-scale infrastructure projects, such as the East Coast Railway Link (ECRL), a flagship BRI project in Malaysia.

Since the BRI's launch in 2013, in addition to ECRL, Malaysia has collaborated closely with China on a series of mega-projects – i.e. the Malacca Gateway, Bandar Malaysia and Malaysia-China Kuantan Industrial Park.

Many of these mega-projects were signed in 2016 when then Prime Minister Datuk Seri Najib Razak inked 14 memoranda of understanding worth RM143 billion, cementing the deepening ties between the two nations. These projects aimed not only to enhance Malaysia's internal connectivity and promote equitable development but also position the country as a competitive player in the regional supply chain.

Controversies through domestic lens

While BRI promised substantial development gains for Malaysia, it also faced significant setbacks, notably with the 2018 change in government. The Pakatan Harapan (PH)

administration, led by Tun Dr Mahathir Mohamad, cancelled three major BRI projects, namely ECRL, the multi-product pipeline in Malacca and Trans-Sabah Gas Pipeline. Prime Minister Dr Mahathir criticised the contracts as “bloated to unjustified levels”, which fuelled allegations of the BRI as a debt trap.

However, a closer analysis reveals that these cancellations were driven by domestic political concerns, particularly over the Najib administration's involvement in the 1Malaysia Development Bhd (1MDB) scandal. Dr Mahathir clarified that these contracts revealed a “historic stupidity” on the part of his predecessors and that China isn't to be blamed. Hence, this move is better understood as a response to mismanagement and lack of accountability of the previous government.

After thorough renegotiation in 2019, the PH administration announced the revival of ECRL under more favourable terms. The new deal saw a cost reduction by RM21.5 billion, a revised route shortened by 40km and raised the participation of Malaysian contractors to 40%. ECRL would now cost RM44 billion for 640km. The willingness of the new government to negotiate with China demonstrated the resilience of the bilateral relationship, as well as the flexibility of BRI in addressing local concerns.



ECRL has seen significant progress and is on track to be completed by December 2026 but other BRI projects are facing more mixed outcomes.

It bears mentioning that BRI never lost its attractiveness in Malaysia. The suspensions created a misleading perception that PH was pushing back against Chinese influence or alleged debt trap when, in fact, they were calling for better local governance and improved oversight to ensure project transparency and accountability.

Since the fall of the PH government, ECRL has undergone several revisions. The Perikatan Nasional (PN) coalition increased cost to RM50 billion and extended the length to 665km. Later, the Madani government revised the deal to RM74.96 billion but

retained the 665km length. The ability of both administrations to increase cost without public criticism affirms that the controversy over ECRL was not about an alleged Chinese debt trap but points towards how ECRL was tied to Najib's image at the height of the 1MDB scandal.

Addressing strained projects

ECRL has seen significant progress and is on track to be completed by December 2026 but other BRI projects are facing more mixed outcomes. PN revived the Trans-Sabah Gas Pipeline in 2021 but there have been no updates on the project since then. Other Chinese projects inconsistently branded as BRI¹ have also faced challenges, such as Malacca Gateway, which was halted in 2018 after a series of legal setbacks. It was revived in 2023 but scaled down with a cost reduction of 98%.

Another project, Bandar Malaysia, cancelled in 2017, was revived under PH and the current Madani government has maintained it. Forest City, infamously regarded as a “ghost town”, has also been resuscitated when Prime Minister Dato' Seri Anwar Ibrahim announced in August 2023 the formation of a Special Financial Zone to promote Johor into a commercial district. Despite fluctuations, the BRI projects have demonstrated resilience against political changes and willingness to adapt to changing local needs.

These developments were also set against the backdrop of the Covid-19 pandemic, which saw a global slowdown in BRI. Despite significant disruptions and financial strains, BRI remained resilient and was propelled towards new directions. Adopting lessons from earlier BRI projects, the “new” BRI places more emphasis on community level impact. It aims to deliver more immediate and meaningful outcomes.

Towards ‘small and beautiful’ projects

Amid the pandemic, President Xi Jinping announced in 2021 that BRI would transition towards “small and beautiful” projects. It simply means that new BRI projects will be smaller in scale, with greater emphasis on sustainability, local impact and reduced financial risk. Vaccine diplomacy was among the first iteration of “small and beautiful” projects, as it enabled China to contribute to global public health at a time of dire need when developing countries were struggling to secure vaccine supplies.

The new BRI would also focus on more lucrative sectors, such as technology through the Digital Silk Road (DSR) and green transformation. DSR played a pivotal role in Malaysia during the pandemic, as investments in e-commerce and the digital economy helped sustain economic activity during lockdowns. China's aid in helping Malaysia accelerate digitalisation during this period of isolation also helped keep society connected, both locally and globally.

China's orientation towards green transformation is also compatible with Malaysia's Sustainable Development Goals. Green BRI initiatives include waste management projects, such as the collaboration between Citaglobal Bhd and Shanghai SUS Environment Co Ltd, to develop a waste-to-energy system in Pahang.

There is also a growing interest in the electric vehicles (EV) sector, as Chinese automotive brands like BYD and Great Wall Motors are setting up operations in Malaysia. Additionally, Malaysia is working towards producing a home-grown EV through the partnership between Proton Holdings Bhd and Zhejiang Geely Holding Group, while Gigafactory Malaysia Sdn Bhd and BAIC International Development Co are jointly

¹ There is no official scope or definition of what constitutes a BRI project, therefore, there are disagreements over whether Bandar Malaysia, Malacca Gateway or Forest City are BRI projects. Only ECRL has been officially and consistently recognised by both the Malaysian and Chinese governments as a BRI project.

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Amid the pandemic, President Xi Jinping announced in 2021 that BRI would transition towards ‘small and beautiful’ projects... with greater emphasis on sustainability, local impact and reduced financial risk.

developing EV battery technology assembled in Malaysia.

Role of BRI

Since its inception, BRI in Malaysia has focused on enhancing connectivity and driving economic development. While traditional BRI projects faced setbacks, many

of the challenges were, in fact, a reflection of domestic political dynamics rather than of issues with China as a partner.

However, it remains to be seen whether these projects will play a prominent role in bolstering Malaysia’s economic development. Despite the promises on its impact on local economy, because of the scale of mega-projects, most have not been completed and face significant delays. BRI’s transition towards smaller-scale projects will hopefully address these concerns of delivering more immediate and targeted impact.

Nevertheless, Malaysia’s active participation in BRI plays a role in strengthening the broader strategic partnership, as it reflects a commitment to deepening our longstanding relationship. Maximising engagement through BRI could enhance mutual trust and open doors for collaboration on other issues, such as bolstering regional security. Hence, given the potential gains for economic development and its implications for the broader strategic relationship, Malaysia will likely continue to embrace the BRI as a key partner.



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Asserting agency in Digital Silk Road

Amid fears of security risks, Malaysia prioritises growth and sovereignty

Farah Nabilah



The Digital Silk Road (DSR) has become a critical component of China's Belt and Road Initiative (BRI), aimed at enhancing digital connectivity globally. But in recent years, DSR has sparked concerns about its geopolitical implications and national security risks, particularly from Western nations.

Malaysia, a strategic Southeast Asian country, has benefited from its DSR involvement but must carefully balance opportunities with concerns around sovereignty and security. By strategically navigating DSR partnerships, Malaysia could exercise agency over its digital landscape while taking measures to mitigate risks and address international concerns.

DSR can be defined as a Chinese government policy to invest and support the expansion of digital infrastructure overseas, particularly with the countries involved in BRI. With DSR's rapid expansion, concerns about "digital authoritarianism" began to surface.

This term refers to the use of technology, particularly by state-sponsored entities, to monitor and control populations through mechanisms, such as mass surveillance, potentially undermining democratic values. The United States, for instance, has raised suspicions about Chinese technologies facilitating espionage through partnerships in DSR, alongside increasing publicly known cyberespionage activities by China.

There is possibility of technologies carrying their normative element. However, Malaysia's long-standing relationship with Chinese companies and historical analysis suggest that its approach to DSR partnerships is informed more by economic strategy than ideological alignment, overshadowing the espionage fears prevalent in the Western discourse.

Historical context of BRI

China's international digital expansion began in the 1990s with the "Going Out" strategy, which sought to grow its global

presence, especially in developing nations. This groundwork paved the way for private companies like Huawei and ZTE to join the tech expansion.

By targeting the Global South, China effectively extended its technological and economic influence long before DSR was formally introduced in 2017. In 1996, Malaysia launched the Multimedia Super Corridor (MSC) to transform itself into a knowledge-based economy by attracting global tech companies and fostering digital innovation. This initiative laid the foundation for Malaysia's collaborations with China.

In 2013, China began to partner with Malaysia following the signing of the Science, Technology and Innovation (STI) Cooperation Agreement, which emphasised the exchange of scientific and technological expertise. But some private companies started their foray into the country long before that. For example, Huawei had been deploying 3G and 4G networks throughout the nation since 2001.

By the time DSR was introduced in 2017, Malaysia was well prepared to leverage on the enhanced collaboration. The trust and foundation established through previous cooperation allowed Malaysia to benefit from DSR-related projects without drastically shifting its policy stances.

Huawei's 5G network

Malaysia's 5G deployment offers a compelling example of its pragmatic approach to digital partnerships within DSR. The government's internal dynamics, such as the debate over a state-owned single wholesale network, were more influential in shaping the 5G decisions than external security pressures.

Huawei had a strong presence in Malaysia's telecommunications market because of its established partnerships with local firms like Maxis and DiGi. Nevertheless, in 2021, Malaysia awarded the first 5G contract to



Malaysia's long-standing relationship with Chinese companies and historical analysis suggest that its approach to DSR partnerships is informed more by economic strategy than ideological alignment.

Ericsson instead of Huawei, as the former's bid was RM700 million lower than the next closest bidder.

Then Prime Minister Tun Dr Mahathir Mohamad (2018), who was critical and reevaluated China's BRI involvement related to 1MDB, did not reject the possibility of working with Huawei, acknowledging that its technological research capabilities were more advanced than Malaysia's. This can be supported by the fact that Huawei has been leading the standards in 5G and remains a leader in the 2024 GlobalData's 5G Radio Access Network (RAN) competitiveness report across all five categories. This sentiment reflected Malaysia's willingness to consider Chinese technology based on merits rather than rejecting it because of external pressures.

Recently, the Malaysian government opened public bidding for a second 5G network, citing the desire to prevent monopolies and ensure network reliability. Current Prime Minister Dato' Seri Anwar Ibrahim asserted Malaysia's tech neutrality and maintaining an openness to various technologies.

Malaysia continues to prioritise economic development, while taking the necessary measures to increase its cyberspace security. For instance, Budget 2025 exemplifies efforts to bolster cybersecurity, with RM60 billion allocated to Cybersecurity Malaysia, the entity which leads and is responsible for the recently passed Cybersecurity Act that had identified critical national information and infrastructure (CNII) leads, underscoring Malaysia's intention to strengthen its digital security ecosystem.

It should also be highlighted that the majority of the companies in DSR are privately owned rather than state owned in contrast with the physical BRI. Research also backs the view that DSR is more of a "political slogan", not a top-down policy, with private companies capitalising on the initiative to expand their projects overseas.

Alibaba's eWTP

Another significant DSR project in Malaysia is Alibaba's electronic World Trade Platform (eWTP), which was launched in 2017 as the first country to adopt it. The eWTP aims to boost small and medium enterprises (SMEs) in global digital trade. This was seen as a strategic move since SMEs constituted around 40% of GDP but only 5% of Malaysia's 900,000 SMEs had an online presence. The eWTP facilitates cross-border trade by reducing barriers and simplifying customs procedures, enabling SMEs to reach international markets more effectively.

The platform has yielded results: by 2018, 28% of Malaysian SMEs had developed an online presence, with 15% utilising the platform for exports. Notably, the platform reduced cargo clearance time at Kuala Lumpur International Airport (KLIA) Air Cargo Terminal 1 from six hours to three, streamlining trade processes.

The platform also provided SMEs with access to advanced digital tools with programmes like Alibaba Netpreneur Training Programme. Local companies like POS Malaysia and

Malaysia Airports Holdings Berhad have taken advantage of eWTP to optimise logistics and establish Malaysia as a regional logistics hub. Despite these advancements, there are still challenges, as many SMEs lack the skills and resources to scale globally, especially in exports, emphasising the need for continued upskilling and training support.

Digital sovereignty and strategic agency

Although DSR is often seen as an avenue for Chinese influence, Malaysia has effectively maintained agency in its partnerships. Far from being a passive recipient of Chinese technology, the government has made strategic decisions to ensure that it derives maximum benefit from DSR while protecting national interests. To mitigate risks, Malaysia has diversified its partnerships, collaborating with companies from Japan, South Korea and the West, thereby reducing reliance on Chinese technology and gaining access to a wider array of technologies.

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To mitigate risks, Malaysia has diversified its partnerships, collaborating with companies from Japan, South Korea and the West, thereby reducing reliance on Chinese technology and gaining access to a wider array of technologies.

Moreover, Malaysia has enacted policies to safeguard its digital sovereignty, such as the Cybersecurity Act and amendments to the Personal Data Protection Act (PDPA), which led to the appointment of data-protection officers and mandatory data-breach notification. This would help to prevent any foreign interference, as private companies are obligated to abide by and implement all the mandatory policies and practices to safeguard personal and sensitive information.

Malaysia's participation in DSR represents a complex interplay of economic opportunity, geopolitical strategy and national security considerations. While DSR has raised concerns about China's growing influence in Southeast Asia, Malaysia's response has been measured, allowing it to leverage on benefits while safeguarding its digital landscape. This nuanced approach underscores Malaysia's commitment to both growth and sovereignty.

DSR has allowed Malaysia to improve its digital economy and technological infrastructure but this progress is coupled with a vigilant approach to security risks. Malaysia's ability to navigate these complex dynamics will ultimately determine the long-term success of its DSR engagements and assert agency in an increasingly shifting geopolitical environment.



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Paving the way to Global South solidarity

Malaysia-China could take ties to new heights amid
geopolitical competition

Dr Ma Bo and Liu Yuhang

China-ASEAN relations stand as one of the most active and successful examples of cooperation within the Global South, having significantly contributed to stability and prosperity in the Asia-Pacific region for more than three decades. In an era of growing geopolitical complexity, China and Malaysia, as core contributors to ASEAN, have an opportunity to elevate their cooperation to new heights, fostering an inclusive and multipolar world order.

The Chinese government defines the Global South as a collective of emerging markets and developing nations united in their pursuit of independence, development and justice. Initially, Chinese officials were sceptical of this concept, perceiving it as a Western tool to divide developing countries and exclude China. However, as global political dynamics evolved, China began to align itself with the political aspirations of the Global South because of shared historical experiences and similar stages of development.

Today, Chinese leaders, including President Xi Jinping, have repeatedly emphasised that China is part of the Global South. This alignment reflects China's positioning on the global stage and underscores its commitment to collaborating with other Global South nations to foster global peace and development. ASEAN, with its diverse membership and significant economic standing, has emerged as a crucial partner for China in promoting multilateralism and South-South cooperation.

Cooperation based on trust

China and ASEAN share similar historical experiences, development challenges and strategic interests, which have formed the basis for a cooperative relationship that is pragmatic and independent of Western influence. Over time, both sides have built a robust foundation of trust through initiatives that foster a “community of shared interests”, a “community of shared responsibilities” and ultimately, a “community of shared destiny”.



With a shared vision of building a community of common destiny, the two countries should work together to achieve even greater progress in the next 50 years, contributing to an orderly multipolar world and inclusive economic globalisation.

China-ASEAN relations have thus become a model for successful Global South cooperation, contributing significantly to stability and prosperity in the Asia-Pacific region.

As a founding member of ASEAN, Malaysia occupies a key position in both the economic and political spheres in the region. Economically, Malaysia serves as a crucial transit point for trade and investment between China and ASEAN. The integration of Malaysia's infrastructure – including ports, railways, and highways – with China's Belt and Road Initiative (BRI) has enhanced connectivity across ASEAN, supporting economic integration regionally.

Diplomatically, Malaysia's emphasis on multilateral cooperation and principle of “seeking common ground while reserving differences” has positioned it as a bridge between China and ASEAN. For example, Malaysia has been instrumental in promoting the China-ASEAN Comprehensive Strategic Partnership, elevating bilateral ties.

On the contentious issue of the South China Sea, Malaysia has actively advocated for peaceful dialogue and multilateral dispute resolution, thereby facilitating diplomatic communication between China and ASEAN and contributing to regional stability.

BRICS alignment

In July 2024, Malaysia announced its formal application to join BRICS, underscoring its commitment to multilateral cooperation and injecting new momentum into Global South solidarity. Malaysia's entry into BRICS would enhance ASEAN's influence in Global South cooperation and promote inclusiveness within BRICS, thereby strengthening the collective voice of developing nations in North-South dialogues.

Malaysia's experience in promoting regional economic integration through ASEAN positions it well to contribute to cross-regional cooperation between ASEAN and BRICS countries. This expanded cooperation could encompass key areas, such as ports, railways, digital infrastructure and green technology.

Moreover, as an advocate for sustainable development, Malaysia could leverage on the BRICS platform to foster collaboration in climate change, food security and public health, thereby advancing the collective interests of the Global South.

Malaysia's prospective membership in BRICS further aligns with China's interests in enhancing multilateral platforms amid growing geopolitical competition. China, as Malaysia's largest trading partner, could help the latter expand its export markets through preferential trade policies and free trade agreements within the BRICS framework. This cooperation would not only benefit Malaysia economically but also strengthen economic ties between ASEAN and BRICS nations.

Under BRI, China has cooperated with Malaysia on numerous infrastructure

projects, such as the East Coast Rail Link (ECRL), which aims to improve connectivity between the east and west coasts of the peninsula, and the Kuantan Port expansion, which serves as a major trade gateway between China and Southeast Asia.

Malaysia's BRICS membership could accelerate the implementation of such projects, enhancing regional connectivity and encouraging greater ASEAN participation in BRICS cooperation.

In the field of science and technology, China's advancements could support Malaysia's development in information technology, e-commerce and high-tech industries, helping it to expand its digital economy and share development opportunities with other BRICS member states.

Furthermore, China's support for multilateralism and reform of global governance provides an opportunity for Malaysia to play a more proactive role in the



China-ASEAN relations stand as one of the most active and successful examples of China's cooperation within the Global South, having significantly contributed to stability and prosperity in the Asia-Pacific region for more than three decades.

global North-South dialogue. For instance, Malaysia could leverage on China's backing to gain a stronger platform in international forums such as the United Nations and G20, advocating for policies that benefit developing nations.

Together, China and Malaysia could push for greater international support for developing countries in areas, such as trade fairness, technology transfer, and climate finance. For example, they could jointly propose initiatives to improve access to green technologies for developing nations or push for more favourable trade terms under the World Trade Organisation framework.

By addressing shared global challenges – including clean energy, carbon-emission reduction and regional sustainability – China and Malaysia could contribute to the overall strength of South-South cooperation and promote the common prosperity of the Global South.

Responding to external scepticism

The deepening cooperation between China and Malaysia has drawn criticism from some Western nations, which have urged Malaysia to “pick sides” amid geopolitical competition. However, Prime Minister Dato’ Seri Anwar Ibrahim has rejected such rhetoric, affirming Malaysia’s independent foreign policy and commitment to pursuing its national interests. Several Malaysian scholars have echoed this stance, emphasising that Malaysia’s relationship with China has been beneficial and that external interference is unwelcome.

Anwar has also highlighted Malaysia’s long-standing principle of neutrality and its historical commitment to non-alignment, which allows the country to engage constructively with all major powers without compromising on its sovereignty.

This policy has enabled Malaysia to prioritise its economic and development needs while

avoiding entanglement in the rivalries of great powers.

The year 2024 marks the 50th anniversary of diplomatic relations between China and Malaysia, presenting a unique opportunity to further solidify their cooperation. The milestone is a testament to the enduring partnership between the two nations, characterised by mutual respect and a focus on shared goals.

With a shared vision of building a community of common destiny, China and Malaysia should work together to achieve even greater progress in the next 50 years, contributing to a stable, multipolar world and inclusive economic globalisation. This collaboration not only stands to benefit both nations but also serves as an example for other countries in the Global South, demonstrating the potential of solidarity and cooperation in addressing common challenges and advancing mutual prosperity.



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A photograph of a traditional Chinese building entrance. The central feature is a large, dark red door with a grid of small, round, golden studs. Above the door, there are two large, round, red lanterns with golden tassels. The door is flanked by ornate carvings, including a large, detailed dragon sculpture on the right. Above the door, there are several horizontal bands of colorful, intricate carvings and paintings, including a central band with a dragon. A small, white, dome-shaped security camera is mounted on the wall above the door.

China's Global Security Initiative: Malaysian perspective

Emphasising on togetherness, inclusivity and cooperation within the region remains consistent themes to security

Dr Ngeow Chow Bing

The Global Security Initiative (GSI), proposed by Chinese leader Xi Jinping in 2022, is one of the three “initiatives” – the other two being the Global Development Initiative and Global Civilisation Initiative – that constitute the Community of Shared Future, envisaged as China’s vision of the ideal world order.

Among the three, GSI is the most sensitive, given that it deals with the most acute issue all nation-states have to face: their survival and security in a system of sovereign states. It will also have the most implications in terms of affecting the existing security architecture.

The ambitious but vague GSI was given a clearer expression in an official concept paper delivered by the Chinese government in February 2023. Accordingly, there are six core elements to GSI: a vision of common, comprehensive, cooperative and sustainable security; respecting the sovereignty and territorial integrity of all countries; abiding by the purposes and principles of the UN Charter; taking the legitimate security concerns of all countries seriously; peacefully resolving differences and disputes between countries through dialogue and consultation; and maintaining security in both traditional and non-traditional domains.

The GSI concept paper argues that this is a “new vision of security” and “holistic approach”. However, many of its underlying elements are not new. The notions of “common”, “comprehensive” and “cooperative” security have been parts of the security lexicon and discourses dating back to at least the late Cold War years.

In particular, “common security” was first formulated in 1982 by the Commission on Disarmament and Security Issues, chaired by Swedish prime minister Olof Palme. The commission’s report described common security as achievable via cooperation rather than zero-sum competition.

It emphasised the importance of reassurance (rather than deterrence) and argues that



China has certainly made no attempt to conceal its dislike of the US-based alliance security structure and has often argued that military alliances create and reinforce divisive bloc politics.

“states cannot achieve security at each other’s expense”. Soviet leader Mikhail Gorbachev also picked up on this idea and proposed that common security to be expanded to the Asia-Pacific in a 1986 speech.

Early discussions of security in Asia

Comprehensive security was already alluded in the 1970s in many Asian countries, where security was conceived in a holistic way, inclusive of both military and non-military aspects. Deputy prime minister Tun Musa Hitam first outlined the idea in the Malaysian context in a 1984 speech, titled “Malaysia’s doctrine of comprehensive security”.

Discussions on the concept of cooperative security, on the other hand, were quite salient in the 1990s, in the post-Cold War context. The concept was not defined precisely but attributes, such as inclusivity, dialogue and cooperation to cope with transnational challenges, were already associated with it.

China’s “new security concept” first appeared in 1997 and, in fact, contained and incorporated many similar ideas mentioned above. Hence GSI is hardly new in this sense, although it does have a more systematic and forceful exposition.

Of particular note in the GSI concept paper is the commitment of “taking the legitimate security concerns of all countries seriously”.

On this point, the GSI concept paper further elucidated that “humanity is an indivisible security community” and that the “legitimate security concerns of all countries” should be “taken seriously and addressed properly, not persistently ignored or systematically challenged”. It also adopted the term “indivisible security”, a term closely associated with Russia and its argument of how NATO’s expansion undermined its security concerns.

The West’s reaction to GSI is scepticism if not outright rejection. It is seen as China’s effort to delegitimise the alliance security structure centred on the US military primacy or a Chinese blueprint for security architecture in a post-America order.

China has certainly made no attempt to conceal its dislike of the US-based alliance security structure and has often argued that military alliances create and reinforce divisive bloc politics, as well as undermine

the legitimate security concerns of countries outside of or targeted by the alliances.

Nonetheless, as can be seen in the earlier discussions, the fundamental ideas of GSI are not necessarily as revisionist as they are often portrayed in Western critiques. Compared to the West, GSI is better received among countries in the Global South, especially after China brokered the tentative reconciliation between Saudi Arabia and Iran, which was portrayed as a successful demonstration of GSI’s ideas.

Malaysia, under current Prime Minister Dato’ Seri Anwar Ibrahim, has responded positively to GSI (together with other concepts put forth by Xi). Malaysia’s positive resonance towards China’s GSI should also be understood from the premise that GSI has converging elements with Malaysia’s own long-standing normative vision and conceptualisation of regional security order.

Sentiments close to GSI

For instance, foreign minister Tun Ghazali Shafie (1981-84) and one of the most pivotal figures in charting the course of Malaysian foreign policy, once argued that “(the) faith in the concept of togetherness... began consultations with the aim of organising themselves in a cooperative grouping for mutual benefits of its members.”

“For political problems to be managed,” he contended, “the relevant actors should continuously be exposed to each other.” This is similar to the logic of the cooperative security expounded in China’s GSI and earlier iterations of the concept, which entails that security should be secured via inclusivity and cooperation rather being framed as zero sum.

He also believed that to secure a sustainable regional order, “instead of leapfrogging in search of allies and alliances elsewhere”, countries in the region “are here as neighbours ready to be neighbourly”. Such reasoning is like how China sees alliances as well.



Malaysia’s positive resonance towards China’s GSI should be understood from the premise that GSI has converging elements with Malaysia’s long-standing normative vision and conceptualisation of regional security order.

Tan Sri Syed Hamid Albar, foreign minister from 1999 to 2008, once wrote that “Malaysia has articulated its conviction that the East Asian community should be open and outward looking, inclusive rather than closed and antagonistic... we want to see a region that believes in egalitarianism and non-hegemony”.

In a keynote address delivered at the ASEAN-Australia Dialogue in 2018, Sultan of Perak Sultan Nazrin Muizzuddin Shah remarked that “prospects may become brighter if adversarial military alliances could morph into more inclusive and cooperative security arrangements that bind friends and foes alike, in pursuit of mutual peace. Such a collaborative structure would be more in consonance with a globalised world, where security is indivisible and not zero sum. Ideology need not be an obstacle”.

The ideas contained in these speeches and writings were again comparable with the basic ideas underpinning China’s GSI.

‘In’ and ‘with’ the region

Anwar, in his keynote address at the 36th Asia-Pacific Roundtable in 2023, said that emerging from the current uncertainties and trends, “a primary characteristic” of the international system must be “politically and culturally diverse but economically and functionally interconnected... (and) achieving this requires tolerance, understanding and cooperation”.

He also warned of the “emergence of new mini-lateral groupings across the board, which despite their window dressing, could be cast as exclusive and exclusionary in nature”. These geopolitical developments, Anwar asserted, “have overshadowed some regional mechanisms and multilateral frameworks.” Fundamentally, “Malaysia’s security lies ‘in’ and ‘with’ the region and not ‘from’ the region.”

Although the geopolitical environments

faced by Malaysia since the 1980s until today certainly have been quite different, there has been indeed a long-standing, deeply embedded normative foundation to its foreign policy, as captured by the writings and speeches of leaders and foreign policymakers of different generations and eras quoted above.

The themes of togetherness, inclusivity, cooperation, seeking security within the region rather than from the region, and keeping a distance from alliances, remain consistent over the decades. In all these aspects, they are not incompatible with the ideas of GSI. At the normative level, Malaysia’s positive resonance towards GSI is not surprising.

Nonetheless, it remains to be seen whether the normative principles of GSI can be translated into operative foreign and security policies that are consistent with the ideals. China has certainly done well in some aspects, such as the brokering of reconciliation or even peace among adversaries.

China should play a more active role and contribute to the peace and stability in the region (for instance, being more proactive and working with ASEAN to find a solution to the Myanmar crisis). But other aspects of China’s actions, such as those pertaining to the ongoing disputes in the South China Sea, will be seen as not quite assuring to other countries and not the perfect illustration of what GSI can achieve.



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Debunking the China overdependence myth

Reports of Malaysia's economic overdependence on China have been greatly exaggerated, unravelling upon close examination of trade data

Jaideep Singh

Much ado has been made about Malaysia's relationship with China, and nowhere is this more apparent than in trade. By now, it should be self-evident that Malaysia and China share strong economic ties: in 2023, bilateral trade reached US\$99 billion (RM451 billion) while Malaysia's stock of Chinese foreign direct investment (FDI) was almost US\$8 billion (RM36 billion). Both governments aim to deepen this relationship, recently emphasising digital and green development.

In response, some observers have raised alarm bells, framing Malaysia's relationship with China as one of "overreliance" or a "tilt" towards Beijing. Others conclude that Malaysia is now unabashedly "pro-China". However, an evaluation of economic patterns, grounded in data rather than rhetoric, paints a more nuanced picture.

Gravity matters

China has been Malaysia's largest trading partner since 2009, a fact that often fuels "overdependence" claims. During his March 2023 visit to Beijing, Prime Minister Dato'



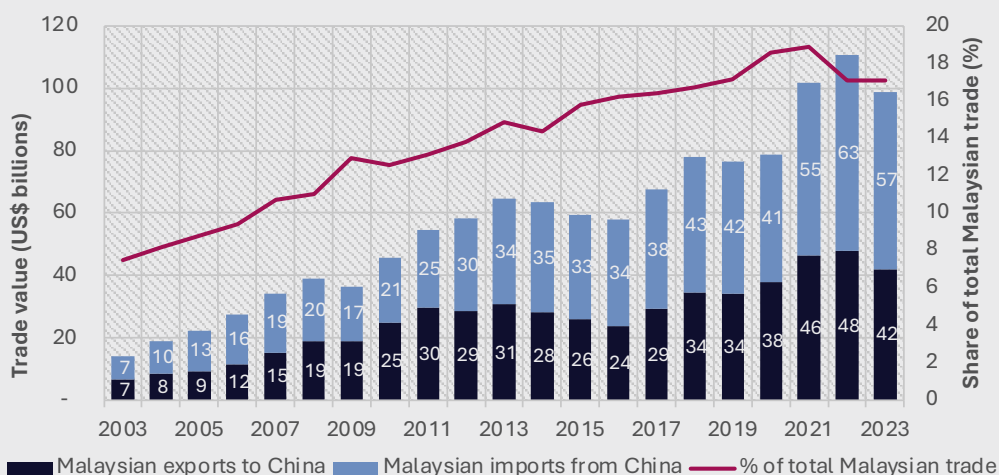
China's importance to Malaysian trade has declined in recent years... Since 2021, Malaysia's overall trade growth has outpaced that of bilateral trade with China.

Seri Anwar Ibrahim remarked: "Given the priority, we come to China first. But as a trading nation, we must maintain excellent relationship(s) with all, including the United States".

Anwar's comment alludes to the gravity model of trade: trade flows increase with economic size and decrease with distance, all else being equal. According to data extracted from the UN Comtrade database,

Fig. 1. China's declining contribution to Malaysian trade

Malaysia-China bilateral trade (US\$ billions) and share of total trade (%), 2003-2023



Source: Author's calculations based on UN Comtrade (2024)

mainland China is the largest trading partner of 55 economies, including much of Asia-Pacific. Thus, the notion of “coming to China first” simply reflects global trade realities.

For Malaysia, China’s large market and proximity make it an essential source of consumer demand and intermediate goods. What matters is not avoiding close ties with China but building resilience through diverse trade linkages.

It’s all relative

Relatively speaking, China’s importance to Malaysian trade has in fact declined in recent years, from a 19% share of total trade in 2021 to 17% in 2023 (Fig. 1). Meanwhile, trade with ASEAN rose from 26% to 27%, suggesting

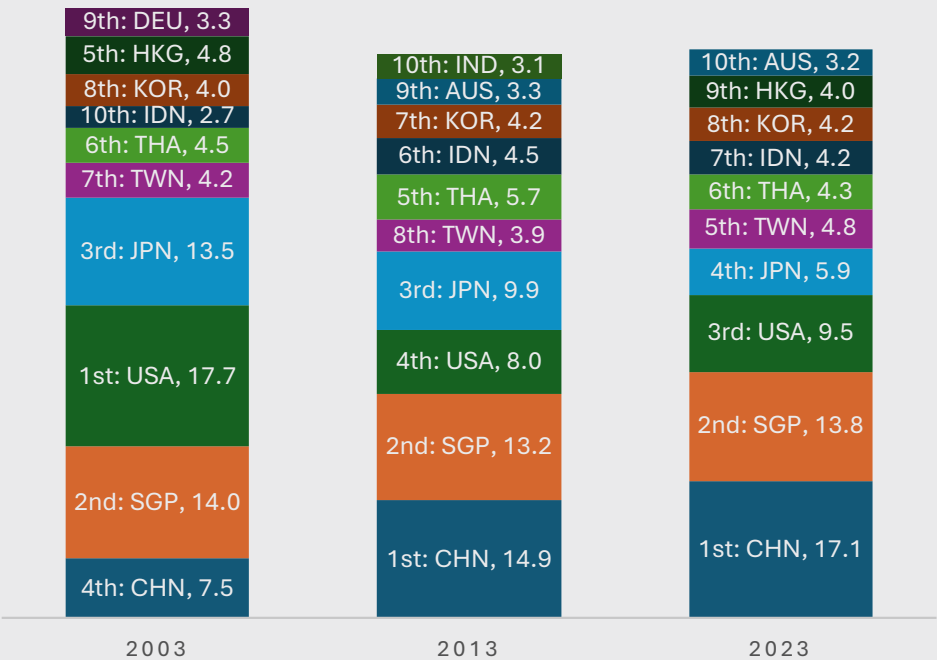
resilience amid reports of China’s slowdown.

Since 2021, Malaysia’s overall trade growth has outpaced that of bilateral trade with China, allowing it to weather slower Chinese growth without significant impact on its trade outcomes. Additionally, Malaysia’s trade has diversified over time. China’s current trade share is below that of the US when it was Malaysia’s top trading partner in 2003. Malaysia’s five largest trading partners now account for 51% of total trade, down from 58% in 2003 (Fig. 2).

Globally, Malaysia’s trade intensity with China is close to the ASEAN average of 16% and well within one standard deviation of the world average of 13%. Forty other economies – including Australia (29%), Indonesia

Fig. 2. Malaysia’s trade has become less concentrated over time

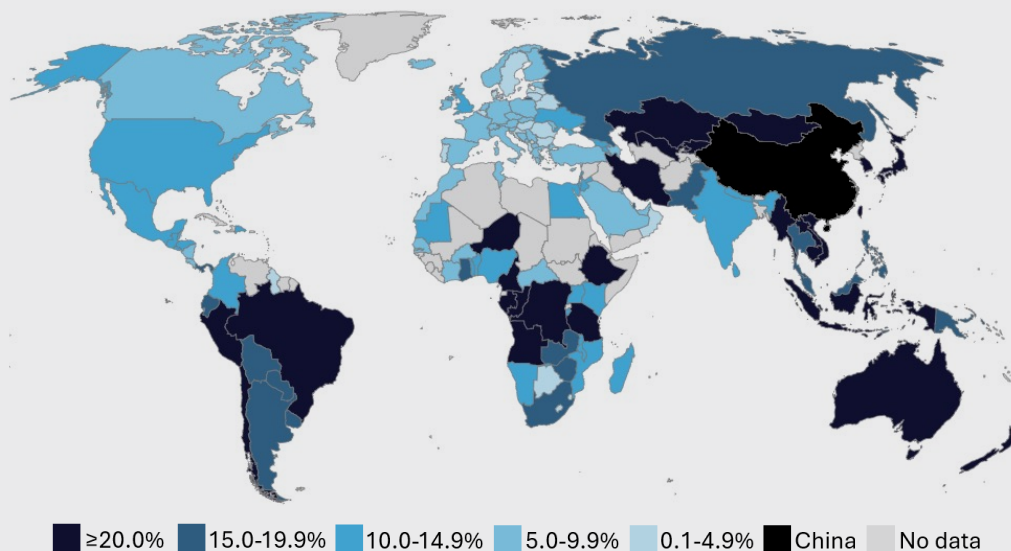
Top 10 trading partners and their relative contribution to total Malaysian trade (%), 2003-2023



Source: Author’s calculations based on UN Comtrade (2024).
Note: Three-digit country codes reflect ISO 3166 standards.

Fig. 3. 40 countries trade more intensely with China than Malaysia

Share of total trade conducted with China by country (%), 2023



Source: Author's calculations based on UN Comtrade (2024).

(25%), Japan (20%) and South Korea (22%) – exhibit a significantly higher trade reliance on China (Fig. 3) without raising similar overdependence claims.

Sectors and sensibilities

The argument that Malaysia is overdependent on trade with China weakens further at the sectoral level. In 2023, China was Malaysia's largest trading partner in only three of its top six industry/commodity sectors by trade value, with varying trade intensities (Fig. 4).

In electrical machinery and equipment, for example, China leads at 19%, but Singapore and the US follow closely, showing no significant overreliance in this strategic sector. In the three other sectors – mineral fuels (mainly petroleum), fats and oils (mostly palm oil) and scientific instruments – China's trade footprint is significantly smaller.

This sectoral breakdown shows minimal evidence of an unhealthy dependence on

China. China's primacy is observed only in plastics, a sector affected by global concerns over Chinese overcapacity – an issue Malaysia is attempting to address through trade remedies, as discussed below. With a diverse mix of partners and products, Malaysia's trade structure indicates it avoids putting all its eggs in China's basket.

Beyond trade

Concerns about "overdependence" also apply to FDI, with critics arguing that China is Malaysia's biggest investor, making the country vulnerable to "debt-trap diplomacy" through the Belt and Road Initiative (BRI).

As of 2023, however, China's FDI stock in Malaysia was US\$7.6 billion (RM34.6 billion), less than 4% of the total, behind Singapore, the US and Japan (Fig. 5) while annual FDI inflows from China to Malaysia amounted to just US\$900 million, compared with the national total of US\$8.8 billion (Fig. 6).

Malaysia's external debt to China is also minimal, estimated at 0.2% of GDP in 2017. Further, AidData's 2023 Global Chinese Development Finance dataset indicates that the majority of Chinese projects in Malaysia involve private players or government-linked companies motivated by commercial considerations rather than Beijing-led geostrategic manoeuvring.

If anything, Malaysia's approach to Chinese FDI demonstrates pragmatism, with the country initiating and occasionally renegotiating BRI projects to align with local developments, as with the US\$16 billion East Coast Rail Link.

Agency in action

The overdependence camp also claims that Malaysia is "too deferential" to China, which overlooks Malaysia's agency in prioritising

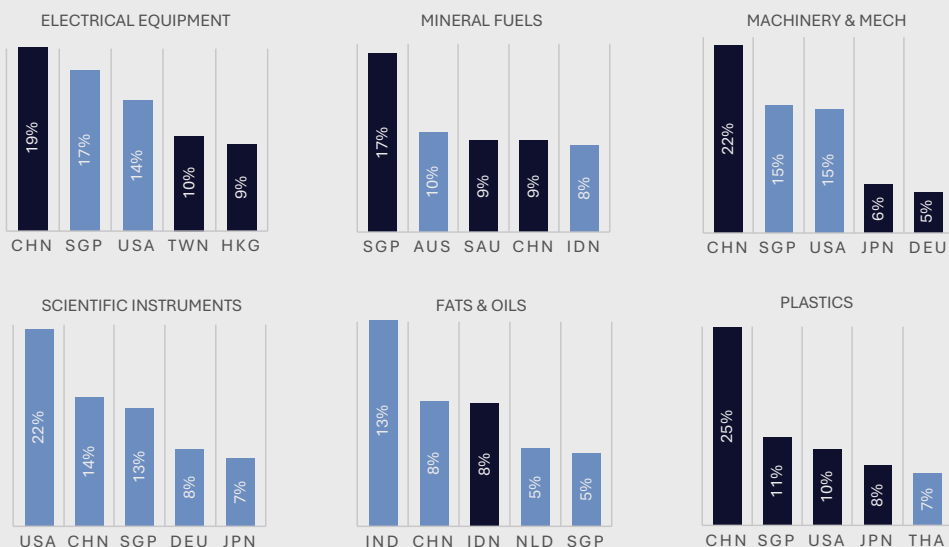
national interests when these are at odds with Chinese actions. As of late 2023, Malaysia had more anti-dumping measures in force against China than against any other country, with a probe recently opened into alleged dumping of plastics.

Malaysia's agency extends to global partnerships, including frameworks that do not involve China like CPTPP and IPEF. Similarly, Malaysia's acceptance of BRI does not impede its support for other initiatives: the Lumut Maritime Industrial City project is expected to benefit from the EU's Global Gateway strategy. With the US, Malaysia has a memorandum of cooperation on semiconductor supply chain resilience, reinforced by its standing as the world's largest source of American semiconductor imports.

Agency is also reflected in intensified efforts

Fig. 4. China is not Malaysia's dominant trading partner in several key sectors

Malaysia's top 5 trading partners in 6 largest sectors (% share of sectoral trade), 2023

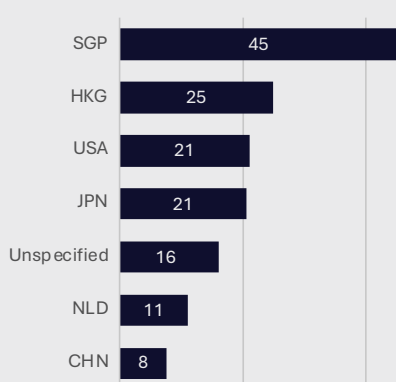


Source: Author's calculations based on UN Comtrade (2024).

Note: Dark blue indicates that Malaysia is a net importer while light blue indicates that it is a net exporter in each sector. 'Sector' refers to chapters in the Harmonised System. For brevity, sector names have been shortened.

Fig. 5. Chinese FDI makes up less than 4% of Malaysia's total stock of US\$202 billion

Malaysia's FDI stock by source (US\$ billions), 2023

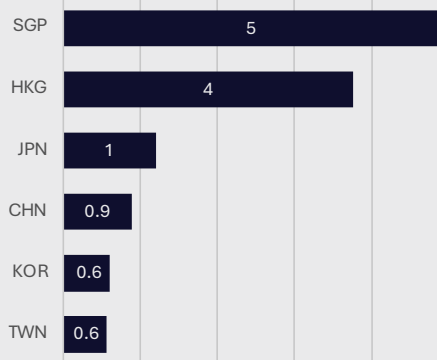


Source: ASEANstats (2024)

Note: The remaining 28% (US\$56 billion) comes from all other source countries combined

Fig. 6. Chinese FDI constitutes 10% of Malaysia's annual inflow of US\$9 billion

Malaysia's FDI stock by source (US\$ billions), 2023



Source: ASEANstats (2024)

Note: Inflows add up to more than 100% because of net outflows totalling US\$3 billion from all other source countries combined

to diversify trade through greater South-South cooperation. Beyond BRICS membership, Malaysia has formalised a bilateral joint trade committee with Brazil and upgraded relations with India to Comprehensive Strategic Partnership. Moreover, as the ASEAN chair, Malaysia plans to champion growth in intra-ASEAN trade, thereby demonstrating a balanced geoeconomic strategy.

Overdependence myth

At its core, reports of Malaysia's overdependence on China have been greatly exaggerated, unravelling upon close examination of trade and investment data. Relatedly, there is a flawed tendency to misconstrue Malaysia's strong ties with China as an unbridled embrace of Beijing, perceived to be at the expense of Washington or Brussels. This zero-sum reasoning overlooks Putrajaya's agency, both in establishing economic cooperation with myriad global partners and safeguarding its economic interests.

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There is a tendency to misconstrue Malaysia's strong ties with China as an unbridled embrace of Beijing, perceived to be at the expense of Washington or Brussels. This overlooks Putrajaya's agency in establishing economic cooperation with myriad global partners and safeguarding its interests.

Ultimately, Malaysia's strategic positioning transcends simplistic zero-sum narratives, showcasing its ability to engage China without pivoting away from the West or the rest. Instead, it reflects the geoeconomic realities of a highly open economy navigating a complex, interconnected world.

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Malaysia



Putting down roots for lasting friendship

Xiamen University's decision to set up branch
campus in Malaysia has enriched
higher education landscape

Prof Dr Wang Ruifang

In August 2024, Xiamen University's state-of-the-art 3,600-tonne oceanographic research vessel *Tan Kah Kee* (R/V TTK) travelled from Xiamen, China, via Singapore, to Malaysia. To promote the cultural, scientific and educational exchanges between Malaysia and China, and to spark public interest in marine science research and ocean environmental protection, a three-day open day event was held at Port Klang, attracting more than 1,000 visitors from all walks of life who partook in free guided tours led by student volunteers.

Following this event, students and faculty members from Universiti Sains Malaysia, Universiti Malaysia Sabah and Universiti Malaysia Terengganu were invited to join the team of Xiamen University Malaysia (XMUM) on board R/V TTK for a training cruise from Malaysia to China, during which they conducted scientific research.

R/V TTK first visited Malaysia in 2019. This second visit coincided with the 50th anniversary of the establishment of diplomatic relations between Malaysia and China and commemorated the 150th birth

anniversary of Tan Kah Kee, the founder of Xiamen University (XMU).

No one better exemplified the important role of higher education in building lasting friendship between nations than Tan. Born in Xiamen, he achieved business success in the land that later became Malaysia and Singapore. He returned to his hometown to establish XMU in 1921 and devoted all his wealth to the noble cause of education.

Return to our roots

In 2013, when the Malaysian government invited a Chinese university to set up a branch campus in Malaysia, a key reason for XMU's decision to come here was a sense of historic reciprocation. We wanted to return to the place where our founder rose to prominence in business and to build a high-quality education institution of which we can be proud.

We welcomed our pioneer batch of students in February 2016. Currently, on our 60 hectares campus in Sepang, Selangor, more than 8,500 students from Malaysia, China and 46 other countries are pursuing bachelor's degrees, master's, PhD and foundation programmes. Throughout their studies here, they will learn from each other, hone their cross-cultural communication skills, gain insights into each other's cultures and build lifelong friendships. Alongside them, more than 500 lecturers, researchers and staff members from countries spanning from Australia to Kazakhstan are collaborating and working together in a multicultural environment.

Today, a visitor strolling around our lush and beautiful campus will find that some of our trees are taller than a seventh-floor building, with their roots anchored firmly and deeply in the fertile soil of Malaysia.

These trees were planted as seedlings during an environmental awareness campaign held on 11 November 2018, during which more



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than 1,000 participants, together with 1,200 XMUM students and staff, planted about 1,200 trees and 3,200 shrubs on campus.

While it's meaningful and important to raise public awareness of environmental protection, we understand that to address the urgent issue of global warming, more efforts are needed. As a university that emphasises both teaching and research, our faculty and students are doing their part to tackle these big issues of global importance through scientific research.

Publications galore

For example, Prof Ong Wee Jun, Assistant Dean of the School of Energy and Chemical Engineering, conducts cutting-edge research in artificial photosynthesis, CO₂ catalytic conversion and green hydrogen production. He is one of the 15 XMUM faculty members selected as "World's Top 2% Scientists" by Stanford University and is among the four XMUM academics identified as "Global Top 0.5% Scholar" by ScholarGPS.

We are particularly proud to note that, under the supervision of Assoc Prof Woon Kok Sin, Hoy Zheng Xuan, then a master's student, published in the prestigious journal *Science* as the first author. This article addresses the issue of greenhouse gas emissions by municipal solid waste and was featured on the cover of the 11 November 2023 issue. To the best of our knowledge, this is the sixth research paper published in *Science* with an institute in Malaysia as the first affiliation.

We are a young university but growing rapidly in terms of our research impact. Up to September, XMUM faculty members and students have produced more than 1,600 publications in SCI journals, including 844 publications in prestigious Tier-1 journals, such as *Science*, *Nature* and *The Lancet*.

Six XMUM publications have been selected as ESI top 0.1% hot papers globally, while 85 XMUM publications were identified as



We are a young university but growing rapidly in terms of our research impact. Up to September, XMUM faculty members and students have produced more than 1,600 publications.

top 1% highly cited papers globally. XMUM is ranked third in Malaysia by the Nature Index. According to the latest data for ESI, XMUM ranks 12th among the higher education institutions in Malaysia for total citations and first in terms of citation per paper.

To keep up with the trends of scientific and technological development, we are constantly updating our programme offerings to help our students stay ahead in technological innovation, be competitive in the job market and contribute to the continuous upgrading of Malaysia's industries. In recent years, we have added new programmes in artificial intelligence, robotics and automation engineering, data science, cybersecurity, e-commerce and with more in the pipeline.

Friendships built on education

In a way, those towering trees on campus serve as a metaphor for our university. Like those trees, we have grown rapidly, because our roots are firmly and deeply anchored in this community.

We have become the centre of a thriving new township, with rapid development of residential and commercial facilities around us. Local businesses in this area are booming,

catering not only to the need of students and staff but also new residents attracted to live in this growing neighbourhood.

As the anchor of a university city growing up around us, we strive to become an innovation centre and incubator, attracting high-tech companies to set up shop nearby and drawing industrial partners to establish research facilities in our vicinity.

Following the noble example of Tan, we are committed to giving back to society. In recent years, we have annually awarded more than RM50 million scholarships to students based on various criteria. In the future, any surplus will be reinvested in scholarships, research funding and further development of XMUM.

I think of the role of higher education as putting down strong, deep and long-

lasting roots for friendship among nations. Knowledge will evolve, societies will change and progress but the time spent growing up together on a vibrant and multicultural campus will be treasured for a lifetime. The close and intimate ties of understanding that can only be formed over years of studying together will become the rock upon which lasting bridges between their respective nations can be built.

The friendship between Malaysia and China starts from friendship and understanding between individuals and, ultimately, there can be no higher goal for bilateral relations than true and lasting friendship between our people. As the first Chinese university branch campus in Malaysia, this is the premise we start from and the future we strive for.



Prof Dr Wang Ruifang

President

Xiamen University Malaysia



Youth engagement key to deeper ties

Cultivating relationships of next-generation leaders
will enable both nations work better together on the
global stage

Ke Yian

At the critical juncture of the 50th anniversary of China-Malaysian diplomatic relations, it's necessary to review this time-honoured friendship and continue to inject new sources of goodwill and trust.

Although Beijing has long relied on the Chinese diaspora in Malaysia as a connection to engage the nation, the older generations of immigrants with strong Chinese cultural identity have gradually passed on, while the younger generations have grown up in an increasingly complex international environment amid ASEAN's rising geopolitical significance.

In Malaysia, the cultural memories and impression of China passed down by the older generation no longer matches the country's current development status, which needs first-hand experience and exploration by the next generation. Youth empowerment, realised through collaborative educational and entrepreneurial programmes, will be the key to developing a sustained friendship for the future, rooted in deep mutual understanding of the present.

Leveraging on diaspora links

The ethnic Chinese diaspora in Malaysia arrived in the 15th century and today, forms the second largest ethnic group at nearly seven million people, making China and Malaysia culturally bonded in a natural and historical way. As the two countries continue to strengthen their diplomatic and trade ties, people-to-people relation is on a rapid rise.

Among a range of people-to-people exchanges, youth-centred educational and entrepreneurial programmes stand out as key platforms facilitating mutual understanding and producing organic cultural experience.

Given education's transformative role in shaping values and perceptions, Chinese and Malaysian youth will be able to gain first-hand interaction and develop in-depth knowledge of local societies during their

time of studying and training abroad. With such cultural immersion experience, greater mutual recognition of common values and respect for differences are expected to grow.

The number of Chinese students enrolled in pre-college and university degree and non-degree programmes in Malaysia has spiked over the last few years. According to statistics from Malaysia's Higher Education Ministry, the number of Chinese students reached more than 100,000 by end of 2023 and continues to increase by roughly 30% annually.

In 2023, Chinese students made up more than 30% of the total pool of international students in Malaysia. On the China side, more than 10,000 Malaysians were recorded as studying in the country by the end of 2020.

Booming student exchanges

A range of collaborative higher education programmes have been established between both sides. Xiamen University, founded by Chinese Malaysian businessman Tan Kah Kee in 1921, established an overseas campus in Kuala Lumpur (Xiamen University Malaysia, XMUM) in 2014. It is the first overseas campus



Vocational training partnerships have become another hot spot in bilateral education and youth exchanges, featuring growing demand for STEM-talent training, business coaching and start-up incubation.

set up by a Chinese public university and the first of its kind in Malaysia.

Over the past 10 years, XMUM has continued to expand its enrolment capacity, which currently stands at around 8,500 students, and offers a diversified curriculum for more than 20 majors, ranging from undergraduate to PhD level. Xiamen University also launched collaboration programmes with local higher education institutions, such as Universiti Sains Malaysia, in the field of marine science and technology.

Additionally, vocational training partnerships have become another hot spot in bilateral education and youth exchanges, featuring growing demand for STEM-talent training, business coaching and start-up incubation.

According to Bernama, a total of 200 Chinese companies have offered more than 5,000 spots to Malaysian students for short- (three months), medium- (six months) and long-term (up to three years) programmes related to technical and vocational education and training (TVET) this year, a big boost for the TVET industry in Malaysia.

The training quota consists of 500 places for Chinese Malaysian students, while the Indian community, Sabah and Sarawak each received 200 spots. The TVET certification is recognised by the Malaysian Qualification Agency and Department of Skills Development.

According to the National TVET Council, the opportunities are considered as a pathway towards a career with premium salaries when these workers are hired by Chinese industries investing in Malaysia, including electric vehicles, biopharma and semiconductor firms.

Harnessing youth talent

As Malaysia advances towards industrial 4.0 transformation, it could benefit tremendously from collaborative skills training that brings

in expertise from China across emerging industries, such as digital economy, cross-border e-commerce, advanced manufacturing, AI, robotics, electric vehicles and renewable energy.

As Chinese firms invest in Southeast Asia and expand their presence in Malaysia, partnering with local educational institutions and entrepreneurial incubators will be an effective way to train local talent and invest in the future of Malaysia's younger generation. Through such public-private partnership, Chinese companies will be able to develop an inclusive and local-oriented ecosystem that generate positive social impact in the long run and develop a truly international branding.

Despite strong momentum from both sides to facilitate youth exchanges, it's not a straightforward process without challenges, which require stronger policy support as well as targeted market solutions.

How to build stronger ties

First, the noticeable gap between the number of Chinese students studying in Malaysia versus Malaysians studying in China reveals Malaysian youth's limited exposure to the latter. More government and private sector scholarships for Malaysian youth are needed to close the discrepancy.



It is critical to recognise that trust-building is a long-term project that requires greater cultural sensitivity and strategic alignment.

The private sector, including corporations and business or leadership training agencies, should take the lead to promote two-way youth training and exchanges amid growing demand for talents who can bridge the Chinese and Malaysian markets, as China-ASEAN regional supply chains integrate further.

Second, interaction among Chinese officials, businesses and academics limited to the Chinese Malaysians is another setback in bilateral people-to-people relations.

It is critical to recognise that trust-building is a long-term project that requires greater cultural sensitivity and strategic alignment. Adopting inclusive and proactive approaches in bilateral public diplomacy will aid Beijing to project better its soft power and win the hearts of Malaysia's moderate, multi-religious and multicultural communities.

This could include regular exchanges of government officials, especially at the junior and state level, which should be institutionalised by Beijing and Putrajaya to facilitate communications and face-to-face interaction. Cultivating relationships of next-generation leaders will contribute tremendously to bilateral trust in an age of ever-changing geopolitical landscape and serve as a cushion in case of unforeseen disputes.

Initiatives under the Belt and Road (BRI) framework, such as Luban Workshops, can also be utilised as an efficient and inclusive platform to conduct technology transfer and capacity building, targeting lower socioeconomic groups.

According to XMUM, Malaysian students account for around 60% of its total enrolment with an overwhelming 95% being Chinese Malaysians. More localised syllabi and recruitment strategy could help diversify the university's pool of students and ensure sustainable funding while expanding local influence.

Third, the difficulty of obtaining work visas is another issue stymying longer-term stay of students after graduation. Beijing and Putrajaya should consider reciprocal relaxations on work visa qualifications, especially for professional and STEM majors.

Malaysia's STEM talent shortage, such as the lack of enough high-skilled engineers in the semiconductor sector, can be partially tackled by bringing in talents and R&D expertise from China through industrial partnership, which could also accelerate growth of the local chip industry's value-added segments.

As Beijing moves forward in enhancing its relations with ASEAN members, China can take the initiative to offer selected job placements for qualified Malaysian students, such as projects and positions related to BRI, as a step towards boosting China-ASEAN talent flows and forging closer people-to-people ties.



Ke Yian
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Global Civilisation Initiative and cultural diplomacy

**Education and creative collaborations should drive
efforts to strengthen bilateral relations**

Dr Nur Shahadah Jamil

As Malaysia and China commemorate 50 years of diplomatic ties this year, their relationship is marked by a rich legacy of political, economic and cultural achievements. While economic cooperation has often taken the centre stage, the role of cultural exchanges has been equally instrumental in fostering mutual understanding, goodwill and sustainable partnership between the two nations.

In this context, China's Global Civilisation Initiative (GCI) – introduced by Chinese President Xi Jinping during the Communist Party of China in Dialogue with World Political Parties High-Level Meeting in March 2023, represents another significant global public good offered by China following the Global Development Initiative (GDI) and Global Security Initiative (GSI), launched in 2021 and 2022 respectively.

Presenting GCI, Xi emphasised four core principles: (i) respect for civilisational diversity – advocating for the promotion of equality, mutual learning, dialogue, and inclusivity among nations; (ii) common values of humanity – peace, development, equity, justice, democracy and freedom, while stressing the need for nations to refrain from imposing their values or governance models on others; (iii) importance of inheritance and innovation of civilisations, where countries need to harness their histories and fine traditional cultures; (iv) people-to-people exchanges and cooperation, where countries need to explore inter-civilisation dialogue and cooperation.

Cultural foundations

In essence, GCI is the belief that all civilisations, regardless of size or influence, are equal, and each has unique contributions to make to global peace and development.

The initiative encourages countries to move beyond narrow nationalistic views and recognise the value of intercultural dialogue. This philosophy is particularly relevant in



For Malaysia, this concept (GCI) dovetails with its longstanding emphasis on multiculturalism and moderation in both its domestic and foreign policies.

today's interconnected world, where cultural differences often lead to misunderstanding and conflict. By promoting inclusivity, respect for diversity, and mutual learning, China aims to position itself as a proponent of a global order based on respect for civilisational differences.

For Malaysia, this concept dovetails with its longstanding emphasis on multiculturalism and moderation in both its domestic and foreign policies. Prime Minister Dato' Seri Anwar Ibrahim's meeting with Xi in Beijing last year exemplified this when he underscored Malaysia's commitment to bilateral cooperation with China on a range of mutual interests, including GDI, GSI and GCI – highlighting the alignment between these frameworks and values enshrined in the Madani framework.

Since the establishment of diplomatic ties between Malaysia and China in 1974, cultural exchanges have been a key pillar in their relations. Malaysia's vibrant and diverse multicultural society, with its strong Chinese diaspora, has played a significant role in creating a natural affinity for Sino-Malaysian cultural interaction – providing a cultural foundation and fertile ground for deepening ties.

In fact, Malaysia is one of the few countries outside China where Chinese culture is

well preserved, boasting a complete and systematic Chinese education system that spans from preschool to higher education, and the only country outside China to do so. The inheritance of Chinese culture is also evident among Chinese Malaysians, where cultural festivals, such as Lunar New Year and Mid-Autumn Festival celebrations, highlight this shared cultural heritage.

Promoting heritage and creative exchange

The introduction of GCI offers a valuable platform to elevate existing cultural ties with China while exploring new dimensions for collaboration. One good example would be cultural tourism and heritage conservation.

A distinct aspect of Beijing's cultural diplomacy in Malaysia is reflected in activities that revolve around the narrative of Zheng He (commonly referred to as Cheng Ho here), a Chinese Hui Muslim eunuch and admiral of the Ming dynasty who led naval expeditions to the Indian Ocean from 1405 to 1433.

Cheng Ho is celebrated as an explorer who embarked on a southward quest for knowledge, symbolising peaceful encounters between the Chinese and Malay people. His voyage underscores the possibility of harmonious coexistence, mutual respect and tolerance between the two civilisations.

In this context, Unesco sites like Malacca and George Town could draw more Chinese tourists through proactive cultural tourism promotion. This is an area where both countries could work together to preserve and promote their cultural legacies by organising joint exhibitions, museum collaborations and heritage-preservation projects, which are aligned with GCI's goal of enhancing the visibility of lesser-known civilisations and cultural expressions on the global stage.

GCI's emphasis on intercultural dialogue and mutual learning also opens avenues for collaboration in the creative industries. China's booming film, art and music sectors

offer an avenue for filmmakers, artists and musicians to collaborate and enrich the two nations' cultural landscapes while contributing to a more vibrant creative economy.

Chinese artists and singers are increasingly gaining recognition and popularity beyond its borders. Notably, the quality of Chinese dramas, both in terms of narrative complexity and performance, has garnered growing attention from international audiences, including in Malaysia.

Shows like *Keep Running* and 中国好声音 (*Sing! China*) have also garnered substantial followings. While the distribution of Chinese cultural products in international markets remains limited, there is a growing potential for Chinese films music, and television series to attract broader interest – especially when we have increasing number of non-ethnic Chinese in Malaysia learning Mandarin in recent years.

Shared vision

The two nations could further strengthen their collaboration in education and



While the distribution of Chinese cultural products in international markets remains limited, there is a growing potential for Chinese films music, and television series to attract broader interest.

knowledge exchange. GCI could facilitate deeper cooperation by promoting Mandarin language studies in Malaysia through Confucius Institutes or scholarships for Malaysians to pursue studies in China. Conversely, Malaysia could implement measures to encourage the teaching of the Malay language in China, thereby enhancing linguistic exchange and fostering a greater appreciation of Malaysia's cultural heritage.

The Chinese government could establish a foundation akin to the Korea Foundation or Nippon Foundation, aimed at promoting a more nuanced understanding of China and fostering goodwill and friendship globally through various international exchange programmes.

While China's Confucius Institutes primarily focuses on promoting Chinese language and culture as a means of soft power, the Korea Foundation and Nippon Foundation on the other hand emphasize supporting policy-oriented research. Engaging also in policy-oriented research would enhance China's cultural diplomacy, as well as encourage deeper academic exchange, policy dialogue, and cooperation between universities, think-tanks, and research institutes.

Nevertheless, despite the opportunities that the GCI presents, cultural exchanges between Malaysia and China are not without challenges. Similar to other bilateral relations, the relationship between Malaysia and China has its own set of irritants and challenges.

As the effectiveness of cultural diplomacy is intrinsically linked to a stable geopolitical landscape and the strength of bilateral ties, it is essential that both nations remain committed to resolving differences, disagreement and disputes through peaceful mechanisms – emphasizing dialogue, consultation, and mutual respect in the management of their relationship.

Ensuring an equitable partnership that honours each other's cultural identities is also crucial. With five decades of diplomatic relations as a foundation, the future of Malaysia-China cultural ties remains promising. By fostering mutual respect and inclusivity, these exchanges have the potential not only to strengthen bilateral relations but also contribute to a more harmonious global order, serving as an exemplar for the international community.



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