



Malaysia's Foreign Policy under Anwar Ibrahim

Rhetorical Shift, Strategic Continuity?

Ilango Karuppannan

WP347



Table of Contents

Abstract.....	1
Introduction	2
Personalised in a Constrained System	2
Neighbourhood Diplomacy.....	4
Crisis Management in Southeast Asia.....	6
Global South Strategy: Between Aspirations and Constraints	7
The Middle East Dilemma: From Activism to Caution.....	9
Managing Major Power Competition	10
Conclusion	12
About the Author	13
About the S. Rajaratnam School of International Studies.....	13
<i>RSIS Working Paper Series</i>	14

Abstract

Anwar Ibrahim's return to power in 2022 raised expectations of a bold new foreign policy for Malaysia. The core orientations of its diplomacy – regional partnerships, trade promotion, and engagement with the Islamic world within a moderate, non-aligned identity – remained intact, but Anwar infused them with sharper moral signalling and greater rhetorical ambition. Nearly three years into his administration, this paper assesses how those aspirations have unfolded. It argues that while Anwar has advanced more assertive rhetoric – defending Palestinian rights, promoting engagement with the Global South, and criticising Western double standards – structural constraints have limited the scope of change. Economic interdependence, institutional inertia, and the complexities of regional diplomacy have tempered his disruptive instincts, leaving Malaysia's external posture largely consistent with past practice: anchored in ASEAN, reliant on strategic hedging, and cautious in execution. Across the arenas examined – neighbourhood diplomacy,¹ crisis management in Southeast Asia, Global South strategy, the Middle East dilemma, and managing major-power competition – the same pattern recurs. Anwar's foreign policy is best understood not as rupture but as recalibration: a change in tone rather than orientation; an ambition bounded by structural realities.

¹ Neighbourhood diplomacy refers to how a state manages its political, economic, and security relations with its immediate geographic neighbours.

Introduction

Malaysia's foreign policy has historically centred on consolidating bilateral and regional partnerships, promoting Malaysia as a trading nation, and deepening engagement with the Islamic world, within the parameters of a moderate, non-aligned identity. Under Prime Minister Anwar Ibrahim, these orientations have endured, but with sharper moral signalling. This tonal shift has unfolded against a backdrop of intensifying great-power rivalry, economic fragmentation, and renewed Global South activism. The central question, therefore, is whether this represents a substantive departure from Malaysia's traditional foreign policy, or primarily a recalibration of its rhetorical posture.

The paper assesses his record in five substantive domains where his diplomacy has been most visible: (1) neighbourhood diplomacy, (2) crisis management in Southeast Asia, (3) engagement with the Global South, (4) diplomacy in the Middle East and (4) relations with major powers, particularly the United States and China. The time horizon spans late 2022 to mid-2025, a period that includes Malaysia's assumption of the ASEAN chair, the Gaza war and its diplomatic reverberations, the expansion of BRICS, and the renewed volatility of US trade policy. By delimiting the analysis to these years, the paper isolates how an early-term leadership narrative settles into governing practice.

Personalised in a Constrained System

From the outset, Anwar's foreign-policy aspirations were tempered by economic and political realities. Malaysia's fiscal position remained constrained by high national debt, inflationary pressures, and lingering post-pandemic effects. Unlike the Mahathir era of high-profile initiatives, Anwar's administration lacked the latitude for material grandstanding as the opportunity cost of external signalling was steep. Every ringgit channelled abroad implied foregone spending on social programmes, infrastructure, and civil-service reform – trade-offs that carried real political costs at home.²

Political considerations reinforced this caution. The unity coalition rested on a delicate balance between UMNO and the Chinese-majority DAP. To consolidate this arrangement, Anwar appointed UMNO president Zahid Hamidi as deputy prime minister, while naming Mohamad Hasan, an UMNO leader not closely aligned with Zahid, as foreign minister. This careful division of roles secured UMNO's position in the coalition but kept the Foreign Ministry outside Zahid's direct control. In doing so, Anwar ensured that UMNO was represented in foreign affairs without allowing a rival power centre to challenge his own authority over Malaysia's external policy. This situated Wisma Putra largely in a coordination and implementation role, with strategic direction concentrated in the Prime Minister's Office.

Beyond coalition arithmetic, constituency pressures were equally consequential. Anwar had to balance the expectations of his Malay-Muslim base, which responded positively to Global South solidarity and pro-Palestinian advocacy, with the

² Although Anwar pledged RM100 million in humanitarian assistance to Palestine on two occasions, these were framed as targeted solidarity measures rather than expansive, resource-intensive ventures of the kind that characterised Mahathir-era diplomacy.

priorities of business constituencies reliant on stable ties with the United States, China, and other key trade partners. The result was a calibrated signalling strategy: one that resonated with domestic audiences without unsettling core commercial relationships, thereby reinforcing the broader tilt towards caution.

With limited institutional muscle and constrained fiscal space, soft power – defined by Joseph Nye as the capacity to attract and persuade through values, culture, and diplomacy rather than coercion or material inducement³ – became less a matter of preference than a strategic necessity. Anwar’s soft-power strategy drew on the ethical vocabulary of “Malaysia Madani” and on enduring principles such as non-interference, non-alignment, and sovereign equality. These were operationalised through instruments including the Malaysian Technical Cooperation Programme (MTCP), targeted humanitarian outreach, and participation in UN peacekeeping.⁴ Anwar sought to amplify this profile, positioning Malaysia as a principled advocate of justice, moderation, and reform of global governance in line with Global South interests. In practice, this meant leveraging relatively low-cost initiatives such as humanitarian and educational linkages, collaboration with religious, civil-society, and youth networks, and active participation in multilateral drafting processes where language can shape norms at modest cost. Over time, Malaysia has accumulated significant diplomatic capital through its consistent positions on non-alignment, moderation, and multilateralism. This capital serves as a multiplier, giving greater weight to Malaysia’s initiatives than its material resources alone would allow.

The personalised character of this diplomacy was evident in Anwar’s first year. Within months, he embarked on high-profile visits to major capitals and delivered keynote speeches designed to recast Malaysia’s global identity. His early addresses repeatedly underscored core themes: solidarity with oppressed peoples, especially Palestinians, criticism of Western double standards, and advocacy for a fairer, multipolar order. At the 2023 UN General Assembly, he warned against the weaponisation of global institutions and called for Security Council reform to include more voices from the developing world.⁵ He also framed Malaysia as a bridge between the Islamic world and the West, developed and emerging economies, and moderates and ideological hardliners. Much of this approach rested on Anwar’s personal credibility and international networks: his reputation as a Muslim reformist intellectual, academic ties to institutions such as Georgetown University and Johns Hopkins University in the United States, and his long-standing record of global speaking engagements provided soft-power capital among Global South leaders and civil-society networks. In this sense, he gave Malaysia international visibility without overextending scarce resources, weaving his own biography into the country’s foreign-policy narrative.

Soft-power tactics and a centre-led style have delivered speed and visibility, but they have not been backed by the kind of institutional frameworks seen under some of Anwar’s predecessors. Mahathir’s Look East Policy, for instance, was supported by a suite of educational exchanges, training programmes, and investment incentives, while

³ Nye, J., *Soft Power: The Means to Success in World Politics* (PublicAffairs, 2005).

⁴ Karuppannan, I., “Anwar’s Harnessing of National Soft Power to Advance Malaysia’s Regional Leadership”, Paper presented at RSIS, Singapore, 5 December 2024.

⁵ Prime Minister’s Office, Malaysia, “National Statement by YAB Prime Minister: The General Debate of the 78th Session of the UN General Assembly”, 22 September 2023, <https://www.pmo.gov.my/ms/ucapanterkini/national-statement-by-yab-prime-minister-the-general-debate-of-the-78th-session-of-the-united-nations-general-assembly-unga/>.

Abdullah Badawi's Islam Hadhari was underpinned by a systematic set of policy initiatives. By contrast, Anwar's approach has relied more on personal authority and rhetorical positioning than on detailed plans or programmes. The continuity with past policy lies more in broad themes – non-alignment, moderation, multilateralism – than in formal strategies or documented blueprints. This capacity profile set the parameters for what followed: activism channelled through ASEAN's consensus norms, crisis management conducted via quiet facilitation, outreach to BRICS moderated by trade exposure, and major-power relations steered towards hedging rather than sharp alignment.

Neighbourhood Diplomacy

For all the talk of disruption in Anwar Ibrahim's foreign policy, ASEAN has remained its central pillar. As ASEAN chair in 2025, Malaysia's diplomacy has been defined as much by the opportunities the role presents as by the constraints it imposes. Chairing ASEAN is procedurally dense – drafting agendas, stewarding communiqués, and curating leader-level choreography – and the chairmanship has enabled Malaysia to underline its reliability while selectively testing the boundaries of the bloc's consensus-driven approach.

This commitment was underscored at the ASEAN Ministerial Meeting in Kuala Lumpur in July 2025, where Anwar described ASEAN as “a region that charts its own course deliberately, coherently, and with purpose”.⁶ His remarks echoed the ASEAN Community Vision 2025 and the longer-term ASEAN Vision 2045, calling for deeper regional integration, closer economic cooperation, and stronger institutional capacity to meet global challenges. He urged greater synergy between the political–security and economic pillars, emphasised the importance of boosting intra-ASEAN trade, and stressed the need for ASEAN to remain open, inclusive, and rules-based while engaging external partners.

If Anwar's chairmanship speeches reflected continuity, his early handling of the Myanmar crisis displayed a more norm-challenging instinct. In late 2022 and 2023, he publicly criticised the junta's intransigence, called for stronger ASEAN intervention, and engaged former Thai Prime Minister Thaksin Shinawatra and former Cambodian Prime Minister Hun Sen as advisers on the Myanmar file, an unusual move that signalled a readiness to bypass the slow pace of collective diplomacy.⁷ By April 2025, the activist tone had shifted towards quiet facilitation. On 17 April, Anwar met junta chief Min Aung Hlaing in Bangkok, and on 18 April, he held a teleconference with National Unity Government (NUG) Prime Minister Mahn Winn Khaing Thann. The twin engagements, unusual for an ASEAN chair, were framed around humanitarian access and a pathway to talks yet stopped short of recognising the NUG.⁸ This dual-track outreach stretched ASEAN orthodoxy symbolically while ultimately keeping faith with the Five-Point

⁶ ASEAN, “Joint Communiqué of the 58th ASEAN Foreign Ministers' Meeting”, July 2025, <https://myasean2025.my/joint-communicue-of-the-58th-asean-foreign-ministers-meeting/>.

⁷ *South China Morning Post*, “Malaysia's Appointment of Thaksin and Hun Sen as Anwar's Advisers Raises Eyebrows”, 17 December 2024, <https://www.scmp.com/week-asia/politics/article/3291227/malaysias-appointment-thaksin-and-hun-sen-anwars-advisers-raise-eyebrows>.

⁸ *South China Morning Post*, “Malaysia's Anwar Meets Myanmar Junta Leader in Week of Tricky Diplomacy”, 19 April 2025, <https://www.scmp.com/week-asia/politics/article/3307026/malaysians-anwar-meets-myanmar-junta-leader-week-tricky-diplomacy>.

Consensus, underscoring the bloc's pull towards collective procedure over unilateral activism.

Malaysia's most high-profile regional role came in 2025 with its mediation in the Cambodia–Thailand border crisis. While the details are examined in the section on crisis management, this episode was significant in reinforcing Malaysia's preference for low-key, facilitative diplomacy that aims to preserve ASEAN unity and avoid public confrontation. It also showcased Malaysia's ability, as chair, to insert itself into a high-stakes intra-ASEAN dispute without deepening divisions, an approach in keeping with its long-standing style of quiet conflict management. Malaysia's strength lay not in coercive leverage but in its acceptability: both parties could live with Kuala Lumpur as a neutral host and process manager, a role that was sufficient to generate momentum towards a ceasefire.

Bilateral consolidation has been another hallmark of Anwar's neighbourhood policy. With Indonesia, Malaysia's most important partner, he undertook multiple visits to Jakarta, advancing cooperation in trade, labour mobility, and border security. Both countries also reopened talks on long-standing maritime issues, notably in the Ambalat block/West Sulawesi Sea, and adopted confidence-building steps even as technical delimitations proceeded in stages.⁹ Similar discussions have been initiated with Brunei to resolve outstanding maritime boundary issues in a spirit of quiet pragmatism, continuing Malaysia's tradition of pragmatic handling of sensitive disputes. The willingness to sustain dialogue despite unresolved questions reflected a commitment to pragmatic, low-drama management of sensitive issues.

With Singapore, ties have been marked by pragmatic cooperation and an expanding interdependence. Work has focused on streamlining border procedures, steady progress on the Johor Bahru–Singapore Rapid Transit System (RTS) Link, and formalisation of the Johor–Singapore Special Economic Zone (JS-SEZ) – steps that avoid grandstanding yet deepen interdependence where citizens and firms in the businesses feel it most.

Maritime stability remains a careful balancing act, particularly in the South China Sea. Malaysia has increased surveillance and lodged protests over Chinese activities near the Luconia Shoals, while continuing to back the ASEAN–China Code of Conduct process rather than joining third-party patrols, an approach that defends maritime interests without sliding into bloc politics.¹⁰ In short, the South China Sea portfolio is managed as a sovereignty-protection issue, rather than a question of military alignment.

The enlargement of ASEAN has also featured in Malaysia's neighbourhood diplomacy. Kuala Lumpur has long supported Timor-Leste's path towards full ASEAN membership, viewing its inclusion as a natural step in completing the Southeast Asian

⁹ Ministry of Foreign Affairs, Malaysia, "Joint Statement by the Prime Minister of Malaysia and the President of Indonesia", 8 June 2023, <https://www.kln.gov.my/web/guest/-/joint-statement-by-the-honourable-prime-minister-of-malaysia-and-his-excellency-president-of-the-republic-of-indonesia-8-june-2023>.

¹⁰ Sahathevan, G., "Anwar Ibrahim Has a China Problem at Luconia Shoals", *The Diplomat*, 6 May 2024, <https://thediplomat.com/2024/05/anwar-ibrahim-has-a-china-problem-at-luconia-shoals/>; Reuters, "China and Malaysia Say It Is Important to Maintain Peace and Stability in South China Sea", 17 April 2025, <https://www.reuters.com/world/asia-pacific/china-malaysia-say-important-maintain-peace-stability-south-china-sea-2025-04-17/>.

family. It has provided technical assistance, training programmes, and institutional mentorship to help Dili meet ASEAN's integration requirements. This support reinforces Malaysia's image as a constructive partner willing to invest in strengthening the collective capacity of the region.

Net effect: Kuala Lumpur experiments at the margins but stays within ASEAN's consensus-bound parameters. The next section shows how this toolkit of quiet facilitation and chair-driven convening was applied when violence flared on the Cambodia–Thailand border.

Crisis Management in Southeast Asia

The brief but deadly border conflict between Thailand and Cambodia in July 2025 provided an unexpected test of Malaysia's diplomatic leadership as ASEAN chair, and a rare opportunity for Prime Minister Anwar Ibrahim to demonstrate Malaysia's capacity to translate moral principles into practice in foreign policy. The clashes, which erupted over contested territory near the Preah Vihear temple, escalated rapidly from sporadic shelling to troop mobilisations, raising alarm about regional stability and prompting urgent calls for mediation.

Malaysia's response was swift yet discreet. Within days, backchannel diplomacy facilitated by the Prime Minister's Office brought both sides to the table in Putrajaya, where a ceasefire was announced.¹¹ Malaysia then shepherded the process forward by convening the General Border Committee talks between Thailand and Cambodia under the chairmanship of General Tan Sri Mohammad Nizam, chief of the Malaysian Armed Forces, leveraging long-standing military-to-military ties. General Nizam's prior service as commander of the Malaysian battalion in UNIFIL, the UN peacekeeping mission in Lebanon, during the period when the author served as ambassador in Beirut added a personal dimension that enhanced Malaysia's credibility as a mediator.

Anwar did not personally dominate the Cambodia–Thailand mediation, allowing the armed forces chief and relevant officials to lead, while he remained visible at the political level. This balance reinforced the credibility of the effort. The invitation to both China and the United States as observers signalled Malaysia's intent to reassure ASEAN members of transparency while avoiding the perception of favouring either major power. In practice, this advantage translated into Malaysia's ability to create a minimally politicised space for talks, maintain calm atmospherics, and distribute credit widely so that neither side paid a domestic price for compromise. The episode stands as a textbook case of ASEAN conflict management, illustrating Malaysia's adaptive diplomacy and Anwar's personalised leadership style.

The ceasefire underscored Malaysia's comparative advantage: low-key convening backed by credible security channels. The subsequent section considers how, outside Southeast Asia, a bid to scale Malaysia's role through BRICS engagement encountered very different constraints.

¹¹ Reuters, "Thailand, Cambodia Agree to Ceasefire after Talks in Malaysia, PM Says", 28 July 2025, <https://www.reuters.com/world/china/thailand-cambodia-agree-ceasefire-malaysia-pm-2025-07-28/>.

Global South Strategy: Between Aspirations and Constraints

If ASEAN has anchored Malaysia's diplomacy under Anwar Ibrahim, BRICS represented his bid to look beyond Southeast Asia for influence. In June 2024, Anwar announced Malaysia's intention to seek BRICS membership, a move that surprised many observers for both its boldness and timing.¹²

The attraction was not merely ideological. BRICS had, by then, expanded beyond the original five members – Brazil, Russia, India, China, and South Africa – to include countries such as Iran, Egypt, and the UAE. Its members accounted for over 45% of the world's population and about 40% of global GDP (in purchasing power parity, PPP), figures that gave credence to its claims of representing a multipolar alternative to the Western-led economic order. For Kuala Lumpur, BRICS promised more pathways for trade, finance, and technology cooperation in a fragmenting global economy.

In theory, Malaysia's engagement with BRICS offered more than just an economic opening; it aligned with Anwar's broader strategic narrative. By deepening ties with a bloc representing much of the Global South, Malaysia could position itself as a bridge between Southeast Asia, the Muslim world, and emerging economies across Africa and Latin America. Anwar's limited visits to Latin America and Africa, regions largely omitted by his post-Mahathir predecessors, reinforced Malaysia's modest re-engagement with the wider Global South. This fit neatly with Anwar's foreign-policy identity as both a champion of equitable global governance and a proponent of multipolarity. The Global South and BRICS provided a stage to reinforce Malaysia's profile as a bridge-builder able to navigate between developed and developing worlds, lending moral weight to its calls for reform of international economic institutions.

Analysts sympathetic to the move pointed to the concrete gains that such engagement could yield. Closer BRICS ties could help Malaysia reduce over-reliance on US and EU markets, open channels for value-added exports to large consumer bases such as India and Brazil, and attract green investment funding from China and the Gulf states.¹³ At the July 2025 BRICS Summit in Rio de Janeiro, Anwar translated this vision into a direct appeal, describing BRICS as a "new frontier" and urging Malaysian businesses to seize opportunities in energy, agriculture, and digital trade.¹⁴

Yet this enthusiasm soon collided with geopolitical and institutional headwinds. Well before the Rio Summit, Donald Trump, then US president-elect, warned that countries supporting BRICS or backing a rival currency system could face punitive tariffs. By early 2025, with Trump back in office, that threat materialised. Malaysia, already subject to 25% tariffs under broader US trade actions, now faced the prospect of even harsher measures. The United States remained one of Malaysia's most important export markets, especially for electrical and electronic goods, and any

¹² *New Straits Times*, "Malaysia Has Applied to join BRICS, Says PM", 18 June 2024, <https://www.nst.com.my/news/nation/2024/07/1082837/malaysia-has-applied-join-brics-says-pm>.

¹³ Patrick, S., Hogan, E., Stuenkel, O., Gabuev, A., Tellis, A. J., et al., "BRICS Expansion and the Future of World Order: Perspectives from Member States, Partners, and Aspirants", Carnegie Endowment for International Peace, 31 March 2025, <https://carnegieendowment.org/research/2025/03/brics-expansion-and-the-future-of-world-order-perspectives-from-member-states-partners-and-aspirants>.

¹⁴ *The Star*, "BRICS a New Frontier for Malaysian Businesses, Says Anwar", 6 July 2025, <https://www.thestar.com.my/news/nation/2025/07/06/brics-a-new-frontier-for-malaysian-businesses-says-anwar>.

escalation risked severe disruption to production and employment in key industrial hubs such as Penang and Selangor.

These external pressures quickly translated into internal divisions in Kuala Lumpur. Within the government, the Ministry of Investment, Trade and Industry (MITI) signalled a cautious, economics-first approach in a written reply to Parliament on 14 October 2024. In that reply, MITI said Malaysia would “continuously assess” BRICS engagement to ensure it brings significant benefits, emphasising neutrality so that existing relationships with major partners were not compromised and positioning BRICS primarily as a platform for dialogue and diversification in sectors such as the halal industry, biodiversity, and sustainable development.¹⁵ Analysts and officials cautioned that full BRICS membership could be read in Washington as a geopolitical alignment against the West, heightening the risk of further US trade action and unsettling investors. In effect, Malaysia’s choice was a cautious middle path, keeping the door ajar without stepping fully across the threshold.

The impasse within BRICS over expansion, culminating in the creation of a new “partner country” category at the Kazan Summit in October 2024, initially worked to Malaysia’s advantage.¹⁶ This status allowed participation in selected meetings without joining the decision-making core, symbolically aligning with BRICS while retaining flexibility to avoid being cast as part of an “anti-American” bloc.¹⁷ Yet the benefits were limited: Malaysia gained visibility without influence, and its ambiguous posture risked alienating both BRICS hardliners and Western partners. The risks were heightened by Iran’s membership and its escalating conflict with Israel, developments that complicated Malaysia’s diplomatic positioning as the ASEAN chair, a role that requires goodwill from states aligned with both Washington and BRICS. From a signalling perspective, partner status provided cover; from a policy perspective, it produced few levers.

As the limitations became clear, momentum slowed. There were no parliamentary debates, inter-ministerial task forces, or public white papers outlining a BRICS strategy. Anwar still attended the Rio Summit, but his ministerial entourage was telling: Tengku Zafrul (Trade) and Anthony Loke (Transport) joined him, while Foreign Minister Mohamad Hassan, who had accompanied Anwar to Italy and France, part of the same itinerary, was conspicuously absent. The optics underscored a commercial rather than geopolitical framing, consistent with Malaysia’s instinct to de-ideologise its engagement with BRICS.

The US decision in mid-2025 to partially roll back tariffs to 19% eased some immediate economic pressure, but it did not resolve Malaysia’s underlying structural dilemma. Malaysia’s export-driven economy remains vulnerable to major-market retaliation, limiting its room to manoeuvre in alternative global alignments.

¹⁵ Bernama, “Malaysia to Continuously Assess BRICS Engagement for Economic Benefits”, 14 October 2024, <https://bernama.com/en/news.php?id=2351654>.

¹⁶ BRICS, “XVI BRICS Summit (Kazan) Declaration”, 24 October 2024, <https://brics-plus.com/news/>.

¹⁷ Reuters, “BRICS Tariff to Be Applied only if They Adopt Policies Deemed ‘anti-American’, Source Says”, 7 July 2025, <https://www.reuters.com/world/china/brics-tariff-be-applied-only-if-they-adopt-policies-deemed-anti-american-source-2025-07-07/>.

In the BRICS arena, trade exposure and intra-bloc politics constrained the scale of any pivot, yielding calibrated participation without commitment.¹⁸ The next section turns to the Middle East, where personal credibility initially widened Malaysia's aperture but Gulf diplomacy and reputational costs narrowed it again.

The Middle East Dilemma: From Activism to Caution

Prime Minister Anwar Ibrahim's engagement with the Middle East offers one of the clearest illustrations of the tension between bold, values-driven diplomacy and the constraints of geopolitical reality.

In the wake of the October 2023 Gaza war, Anwar emerged as one of the most vocal Muslim leaders condemning Israel's military actions. His address at the United Nations General Assembly that month declared Malaysia's unwavering solidarity stating: "We are with the Palestinian people yesterday, today and tomorrow."¹⁹ This rhetoric set Malaysia apart from several Western-aligned Muslim states that adopted a more restrained tone, and it resonated strongly with domestic audiences, particularly within the Malay-Muslim majority.

The activist posture reached its symbolic peak in May 2024, when Anwar travelled to Doha to meet Ismail Haniyeh, the political leader of Hamas. Malaysia officially recognises Fatah as the Palestinian diplomatic representative, yet has long refused to designate Hamas as a terrorist organisation, viewing it instead as an elected representative of the Palestinian people. The meeting was carefully framed to avoid endorsing Hamas's military operations, but its political symbolism was unmistakable. It drew criticism from Western observers, and when Facebook temporarily removed news posts about the meeting, Anwar accused Meta of "cowardice" and censorship²⁰.

This bold signalling soon ran into geopolitical limits. On 31 July 2024, Haniyeh was assassinated in Tehran during Iran's presidential inauguration. The killing underscored the intensifying Israel–Iran confrontation and the risk of regional escalation involving the United States. It also clarified the limits of Malaysia's agency: Kuala Lumpur could advocate and convene, but it could not meaningfully shape a theatre dominated by non-ASEAN powers.

Since the assassination, Anwar's public engagement with Hamas has markedly diminished. While he has continued to voice solidarity with the Palestinian cause and condemn Israeli actions, there have been no further high-profile meetings with Hamas leaders, and official rhetoric has grown more generalised and cautious.

¹⁸ Anwar has more recently claimed that China supports Malaysia's prospective BRICS membership. If accurate, this underscores that external endorsement, particularly from Beijing, may still shape Malaysia's calculus even in the absence of strong institutional follow-through.

¹⁹ Reuters, "Malaysian PM Joins Thousands to Condemn Israel, Western Allies for 'barbarism' in Gaza", 24 October 2023, <https://www.reuters.com/world/malaysian-pm-joins-thousands-condemn-israel-western-allies-barbarism-gaza-2023-10-24/>.

²⁰ Reuters, "Malaysia Outraged at Meta Takedown of Media's Facebook Posts on PM's Hamas Meeting", 15 May 2024, <https://www.reuters.com/world/asia-pacific/malaysia-ask-meta-explain-removal-facebook-posts-pms-hamas-meeting-2024-05-15/>.

One factor driving this recalibration was the risk of alienating key Gulf Cooperation Council (GCC) partners, particularly Saudi Arabia and the UAE, whose support is vital to Malaysia's economic and diplomatic interests. GCC states, mindful of their own strategic relationships with Washington and varying levels of engagement with Israel, tend to adopt a more cautious approach towards Hamas. An overt political embrace risks undermining bilateral trade, investment flows, and cooperation in Islamic finance, renewable energy, and overseas labour markets.²¹ Given Kuala Lumpur's outreach to the GCC in other domains, including investment and labour mobility, restraint emerged as the most viable course.

This balancing act took on added urgency in early 2025 as Malaysia prepared to host the inaugural ASEAN–China–GCC Summit in Kuala Lumpur in May. Securing the participation of top GCC leaders required careful diplomatic messaging that would not jeopardise their attendance. In this context, moderating the rhetoric on Hamas was not only a response to Western pressure but also a calculated adjustment to preserve Malaysia's convening power for a flagship regional initiative. Hosting is a reputational asset: Malaysia treated it as such, prioritising attendance and tone management over headline-grabbing statements.

International perceptions also played a role. Since October 2023, US think tanks have cited Malaysia as part of a small group of states providing Hamas with political legitimacy (Redlich, 2024). While these assessments arguably overstated Malaysia's level of engagement – Kuala Lumpur does not fund or arm Hamas – they have nonetheless added to reputational costs and heightened scrutiny.

Domestic politics also mattered. Vocal support for Palestine plays well with many Malay-Muslim Malaysians, but Anwar's unity government includes partners with differing foreign policy priorities. High-profile activism abroad can complicate domestic consensus, particularly if it triggers economic or diplomatic pushback.

Net effect: messaging shifted from symbolic signals to steadier, lower-profile advocacy paced to Gulf sensitivities and multilateral calendars. The final section examines how similar trade-offs play out in big-power relations where hedging remains the default.

Managing Major Power Competition

Under Prime Minister Anwar Ibrahim, Malaysia has preserved its long-standing policy of strategic hedging – balancing relations among major powers without committing to formal alignment.²² Yet this balancing act has become more complex amid intensifying US–China rivalry, Donald Trump's return to the White House, and the deepening global polarisation over conflicts such as Gaza and Iran.

²¹ Cengiz, S., Battaloglu, N. H., and Al Qawasmi, F., "Gulf States and the Gaza War: Variation in Responses and Policies", Gulf Studies Report 4, Gulf Studies Center, Qatar University, October 2024, [https://www.qu.edu.qa/en-us/research/gulfstudies-center/documents/gaza%20report-%2025.10%20\(002\).pdf](https://www.qu.edu.qa/en-us/research/gulfstudies-center/documents/gaza%20report-%2025.10%20(002).pdf).

²² Kuik, C.-C., "Explaining Hedging: The Case of Malaysian Equidistance", *Contemporary Southeast Asia* 46, no. 2 (2024): 123–145.

Malaysia's diplomatic ties with China have remained strong and highly visible. Anwar has made multiple visits to Beijing, emphasising shared interests in trade, infrastructure, and the digital economy. Chinese firms continue to play a central role in Malaysia's industrial and rail development, while trade volumes remain robust. Malaysia has been able to avoid taking sides in the US-China technology war. It complies with US export controls on US-origin technologies destined for China, but China has not imposed any equivalent restrictions of its own, allowing Malaysia to engage both technology ecosystems without being drawn into binary alignment. On the South China Sea, Anwar has reaffirmed support for ASEAN-led mechanisms, avoiding unilateral confrontation while pursuing quiet dialogue with China on disputed maritime zones. This compartmentalisation – critical engagement on commerce, procedural firmness on sovereignty – has helped preserve working ties without inviting escalation.

In contrast, Anwar has yet to visit the United States since taking office. Relations became especially strained in early 2025 when President Trump imposed 25% tariffs on Malaysian goods, citing Malaysia's outreach to BRICS and its trade surplus with the United States. Anwar responded sharply, warning that Malaysia would not tolerate economic coercion and asserting that no foreign power, "including the United States", should interfere with Malaysia's sovereign policy choices, particularly bumiputera preferences and local procurement rules.

Despite this public defiance, Anwar avoided letting the dispute define the relationship. Rather than escalate, he paired strong rhetoric with quiet efforts to restore working dialogue, using other diplomatic arenas to signal Malaysia's continued value as a partner. A shift in tone from Washington coincided with Malaysia's hosting of the Cambodia-Thailand ceasefire talks, where both the United States and China participated as observers. This rare moment of joint presence in Kuala Lumpur underscored Malaysia's ability to convene rival powers under its ASEAN chairmanship. By publicly acknowledging the US role in nudging the parties towards peace, Anwar subtly recalibrated Malaysia's standing in Washington without diluting its independent posture.

More broadly, Malaysia's chair-year diplomacy demanded careful agenda management to preserve ASEAN unity and centrality in the midst of intensifying great-power rivalry. Even without headline summits, the routine work of preparing ministerial and leaders' meetings illustrated the value Kuala Lumpur places on steady, process-driven engagement.

Malaysia's hedging strategy has also been reinforced through sustained high-level outreach to a wide range of other major powers. Since taking office, Anwar has visited Russia, India, Japan, Australia, the United Kingdom, France, and other significant partners such as South Korea, Germany, and Türkiye. These trips have produced agreements spanning defence cooperation, renewable energy, education, infrastructure, and advanced technology. More importantly, they signalled Malaysia's intent to remain connected to multiple centres of power, thereby reducing over-reliance on any single state. This diversified diplomacy widens Malaysia's strategic options and underscores its preference for a genuinely multipolar order. By spreading risk across relationships and sectors, Malaysia seeks to insulate itself from shocks that originate beyond its control.

Overall, Kuala Lumpur has kept both channels open while using ASEAN platforms to lower temperatures and preserve strategic room for manoeuvre. The conclusion that follows draws out what this pattern implies for capacity and constraints.

Conclusion

Nearly three years into Anwar Ibrahim's premiership, Malaysia's foreign policy reveals a consistent pattern: bold rhetoric framed by moral principles and Global South solidarity, coupled with pragmatic execution that respects enduring constraints. Across the arenas examined –Neighbourhood Diplomacy, Crisis Management in Southeast Asia, Global South Strategy, The Middle East Dilemma, and Managing Major Power Competition – the same dynamic recurs. When confronted with structural limits, economic interdependence, institutional capacity, and the realities of great-power rivalry, Malaysia gravitates toward cautious, consensus-oriented conduct. This is not an aberration but an expression of Malaysia's underlying circumstances: a trade-dependent economy situated at the intersection of multiple security and commercial spheres, served by institutions that prize predictability over spectacle.

This approach does not make the Anwar period inconsequential. The language of justice, restraint, and non-alignment has been more pronounced, engagement with BRICS has probed the limits of diversification, and Malaysia's convening role in regional crises has demonstrated real diplomatic utility. Yet the underlying pattern is one of recalibration rather than rupture. Malaysia remains anchored in ASEAN, continues to hedge among major powers, and advances its interests through incremental, low-drama steps rather than grand reorientation. Where change has occurred, it has been largely tonal – an elevated moral register, a more personal diplomatic style, and a willingness to experiment at the margins. The policy floor, however, has held: no binary alignments, no costly foreign entanglements, and no abandonment of process-driven regionalism.

In short, Anwar's foreign policy is best understood as ambition bounded by reality. The period to date points to a dual-track diplomacy – activist in tone, incremental in execution – shaped less by headline rhetoric than by institutional capacity and the structural constraints of an open, trade-dependent economy.

About the Author

Dr Ilango Karuppannan holds a PhD degree from the University of Malaya. He is currently an Adjunct Professor with Taylor's University and Associate with International Institute of Public Policy and Management, University of Malaya. A career diplomat, Dr Ilango has served in several countries including as High Commissioner of Malaysia to Singapore; Ambassador to Lebanon; and High Commissioner to Cyprus. He also held various other positions in Embassies of Malaysia and Ministry of Foreign Affairs of Malaysia from 1991-2020. Dr Ilango was awarded "Darjah Indera Mahkota Pahang", a Royal award carrying the title of "Dato'" for his services.

His research interests include Malaysia's foreign policy; ASEAN regionalism and comparative regionalism; South China Sea; and Malaysia's relations with Middle East.

About the S. Rajaratnam School of International Studies

The S. Rajaratnam School of International Studies (RSIS) is a global graduate school and think tank focusing on strategic studies and security affairs. Its five Research Centres and three Research Programmes, led by the Office of the Executive Deputy Chairman, and assisted by the Dean on the academic side, drive the School's research, education and networking activities.

The graduate school offers Master of Science Programmes in Strategic Studies, International Relations, International Political Economy and Asian Studies. As a school, RSIS fosters a nurturing environment to develop students into first-class scholars and practitioners.

As a think tank, RSIS conducts policy-relevant and forward-looking research in both national and international security, science and technology, society and economic and environmental sustainability. RSIS also produces academic research on security and international affairs. It publishes scholarly research in top-tier academic journals and leading university presses, and distributes policy research in a timely manner to a wide range of readers.

RSIS Working Paper Series

347	Malaysia's Foreign Policy under Anwar Ibrahim: Rhetorical Shift, Strategic Continuity? <i>Ilango Karuppannan</i>	2025
346	Influencing Power: Civil Society, Political Mobilisation and the Pursuit of Reforms in Malaysia, 2018–2025 <i>Ooi Kok-Hin</i>	2025
345	Analysing ASEAN Chairmanships in Perspective: Malaysia in 2025 and Future Leadership Outlook Amid Vision 2045 <i>Prashanth Parameswaran</i>	2025
344	Public-Private Partnerships in Outer Space: Implications for the Defence and Security Sector <i>Wichuta Teeratanabodee</i>	2025
343	How Will Prime Minister Anwar Ibrahim Advance Malaysia's Belt and Road Cooperation with China? <i>Ngeow Chow Bing</i>	2025
342	Anwar Ibrahim in Power: A Historical Locating of the Limits for Change in Malaysia <i>Ooi Kee Beng</i>	2024
341	Institutional Challenges for China's Chip Industry <i>Manoj Harjani</i>	2024
340	How Doctrinal Differences Among Distinct Islamist Strands of Thought Influence Malay-Muslim Political Actors and Political Outcomes in Malaysia <i>Ahmad Fauzi Abdul Hamid and Che Hamdan Che Mohd Razali</i>	2023
339	Malaysia's Changed Electoral Landscape <i>Meredith L. Weiss</i>	2023
338	From Competition to Cooperation: The Global Palm Oil "Sustainability Turn" as a Turning Point for the Malaysia-Indonesia "Special Relationship" <i>Helena Varkkey</i>	2022
337	Can Youth Save Malaysia's Democracy? <i>Meredith L. Weiss</i>	2022

To access the full list of past RSIS Working Papers, click [here](#).

Please share this publication with your friends. They can subscribe to RSIS publications by scanning the QR Code below.

