Malaysia-Pakistan Relations: Understanding International Relations in the Muslim World¹

By K S Balakrishnan

K S Balakrishnan is currently the Head of Department of International and Strategic Studies, Faculty of Arts and Social Science, University of Malaya. Previously he has served in ISIS (Institute of International and Strategic Studies) Malaysia (1993-1997) and Monash University (1999) in KL Campus. He is sought after for academic and consultancy related services by government agencies, ministries, think tanks and research institutes both in Malaysia and internationally. He is an International Advisory Board Member of the Asia Pacific Center for Responsibility to Protect, Australia and Advisor to Stratad Asia Pacific. He is also sought out by both the Malaysian and International media for comments. He also occasionally comments on Malaysian Politics. He has published numerous articles and edited books over the last 20 years in the academic institutions and think tanks. He was British Aerospace Scholar at the Australian National University (ANU) in 1991 where he obtained his MA with Distinction.

INTRODUCTION

International relations in the age of contemporary globalisation is no longer the same. Ideas like balance of power, deterrence and alliances are changing. The change is basically induced by the old military dimension of power structure in international relations being affected by economic globalisation and interdependence. For a country like Pakistan, the old alliance with the US cannot be viewed in the same context as Washington becomes closer to India. Similarly, China-India dialogues can also dilute the traditional perception of animosity. As the nature of international relations’ power structure evolves, new dynamism emerges. A country can no longer sees the past in the same manner in order to move forward. It must think of win-win all the time as the zero sum game approach is no longer suitable for the current age. Interdependence and dialogue is inevitable. Finding new areas of

¹ This was a part of the Paper presented in the International Conference on “Emerging Asian Century: Plans, Problems and Priorities,” in Jamshoro, Pakistan, 4 November 2009.
cooperation is becoming more important in order to slowly come out of the traditional perception of history. New players are also becoming important and they can be larger organisations or non-state structures. Similarly, the problems confronting humanity today require a common effort as the nature of the problem is no longer recognising state boundaries, be it the economic crisis that we are witnessing or the increasing non-traditional security issues of the current age. It is in this context, we could see how states are looking for opportunities to prosper and be a responsible player in the international system.

The history of Malaysia and Pakistan relations was not all that smooth. During the initial years of the Malayan independence, Pakistan was not in favour of Malaya’s expansion by incorporating Sabah, Sarawak, Brunei and Singapore into Malaysia in 1963 and instead gave its diplomatic support for Indonesia. This was different with India. The Cold War on the other hand brought about the creation of SEATO of which Pakistan was a member in the US sponsored project. But Malaya did not support the organisation because of Kuala Lumpur’s strong allegiance with Britain than the US. While these historical differences remain, there were other platforms for Malaysia and Pakistan to meet. Among others, it include the Commonwealth, the OIC and the D-8. In fact Malaysia was asked by the Commonwealth organisation to lead a delegation to persuade Pakistan to return to democracy. The military rule in Pakistan tends to frustrate Malaysia in showing its full support for Islamabad. The Bush administration’s global war on terror too put Pakistan on the side of the West which makes Malaysia exercise caution.

Despite these difficulties, Malaysia has had a steady record of bilateral relations with Pakistan. Being a Muslim country and a developing nation, allowed Malaysia to continuously engage Pakistan and other Muslim nations. Pakistan too rely heavily on Malaysia for support to get entry into several regional organisations be it at the inter-governmental organisations level or at the track two meetings. Over the decades, the two have many years of experience handling difficult issues and differences. Malaysia is careful in using diplomatic language when comes to issue like Kashmir. Malaysia regards India as another important partner in the developing world and in platforms like NAM. India’s economic emergence is also viewed by Malaysia in a positive manner.
But the scenarios are changing for good. Within the last decade or so, the improvements in Pakistan’s economy are opening up more opportunities and sectoral collaboration. Trade has increased and the beefing up of relationship in the area of trade and investment has become the utmost priority. Exchange of visits between leaders at the highest level had witnessed some important progress. Furthermore, Malaysia is also aggressive in promoting its economic interest in both Pakistan and India, like the way it has been doing in with China. FTA with Pakistan is a successful example and it is hoped that this type of improvements can be seen in many other sectors. Defence and security cooperation too have moved forward in the last decade or so. While this progress is ongoing, the expansion in relationship is not without implications. Numerous challenges are encountered as both the countries are trying to enhance bilateral relationship in recent years. This article will highlight both the prospect and the ongoing issues and challenges within the context of the bilateral relations. It will analyse the nature of political, defence and security, economic and socio-cultural relations. Overall, this research will explain not only the context within which developing Muslim nations tend to enhance relationship but also why it is vital for both to do so using the bilateral and multilateral settings.

Keywords: Malaysia–Pakistan relations, economic globalisation, interdependence, dialogue, collaboration, and trade and investment.

BILATERAL POLITICAL, DEFENCE AND SECURITY RELATIONS:
THE STRENGTH AND CONCERNS
Bilateral political relations in the recent decades have moved toward a highly positive direction, especially during the era of President Pervez Musharraf. Although Benazir Bhutto and Nawaz Shariff too had visited Malaysia, President Musharraf had visited Kuala Lumpur at least three times during his tenure. This was also followed by Pakistani Prime Ministers Shaukat Aziz and in July 2008 by Yusuf Raza Gillani. Exchange of visits by Defence and Technology Ministers were also common. Musharraf visited Malaysia with a big delegation in 2000, 2003 and the last visit was in February 2007. The meetings of Malaysia-Pakistan Joint Commission have also paved ways
for high level Ministerial Meetings on a more regular basis between the
two countries. Overall, it can be argued that the results of these meetings
have paved ways for the signing of important bilateral agreements like the
Malaysia-Pakistan Closer Economic Partnership Agreement (MP CEPA) and
also the Free Trade Agreement (FTA) which was concluded in 2007 after
a few years of discussion and negotiation. Besides the strong political ties,
the expansion of the economic realm, defence and security cooperation have
improved bilateral relations since 2000.

Although Malaysia was asked by the Commonwealth to send the
delegation to persuade Pakistan to bring democracy to normalcy in 1999,
Malaysia used this diplomatic channel in a positive manner without applying
unnecessary pressure on Islamabad. Prime Minister Tun Dr Mahathir sent
Tun Musa Hitam to Islamabad to lead the Commonwealth Ministerial Action
Group2 and expressed his concern without injuring the Pakistani pride by
merely stating that democracy is still the best way to govern a nation. The
friendship between the two countries improved as Pakistan tends to show
better economic performances. Prime Minister Tun Abdullah visited Islamabad
in February 2005 to accelerate the bilateral economic relations as many areas
of cooperation looked promising. Both the countries have also used other
platforms in the OIC to upgrade the thinking about enhancing economic and
political cooperation. The cooperation in D-8 (Developing Eight) Muslim
countries is a very crucial forum used thus far by the Malaysian and Pakistani
counterparts to improve both the political and economic relationship.

While the positive climate of the political relations prevails all the time,
Malaysia has occasionally put it politely that Pakistan should think of ending
the war-like scenarios with India and peaceful means and approaches are
adopted at all time. Malaysia too is a non-nuclear nation that abhors the use
of nuclear weapons. Kuala Lumpur’s support for the global non-proliferation
regime is obvious. India and Pakistan were widely known as nuclear nations
following the nuclear test in May 1998. Malaysia expressed its displeasure the
usual way as a nation that abhors nuclear weapons and raised the call to halt
testing and join the Non-Proliferation Treaty (NPT).

---

2 Patvinder Singh, “KL’s call to Islamabad: Dr Mahathir: Democracy still the best,” New Straits Times, 29
March 2000.
The global war on terrorism is a major concern. Although Malaysia was not openly criticising Pakistan for assisting the US, the government had openly been critical of Western nations on the global war on terror approaches including the attack on Iraq. Pakistan’s close cooperation with President Bush is not something Malaysia would like to see although Kuala Lumpur too were pressured to support the US initiatives on combatting maritime terrorism and also when it comes to cases of extradition and intelligence cooperation. Pakistan is the second largest Muslim nation with some 165 million of which 98 per cent are generally estimated as Muslims. The involvement of people of Pakistani origins in the London Bombing and also some Pakistani nationals in the attacks on Indian Parliament and other terror incidents in Mumbai had generally sent the wrong signals about Pakistan. The image that Pakistan can be a place of breeding ground for terrorism was widely publicised in the media following some of these incidents, especially after the attack on Benazir. There are also groups that are occasionally accused or claim responsibility for such terrors attacks. The recent wars within Pakistan too prove that terrorism is a serious problem and it warrants significant action from the government forces in overcoming the challenge.

Although the problem of terrorism has yet to affect Malaysia-Pakistan bilateral relations directly at the government level, it is important that the government in Pakistan would be able to address the issue seriously in the near future which it has been doing so visibly in recent months. Otherwise, this will lead to negative messages to the investors and other business community, especially on peace, security and stability. The Malaysian government too had taken action on Malaysian students from going to Pakistan for the fears of the madrassahs being viewed as places spawning extremism. In September 2003, the Pakistani government deported some 13 Malaysian students for their involvement in the Jemaah Islamiyah (JI) activities including being indoctrinated by militant teachings. Since then, the government has taken serious steps to prevent Malaysian students from joining the madrassahs in Pakistan, especially after the London bombing. In 2003, some 122 Malaysian students were registered with the Malaysian High Commission for studying in Pakistani madrassahs while some 300 of them were believed to be scattered throughout the country for similar purposes.3 With the Pakistani

3 Arman Ahmad, Madrassahs to send back foreigners, New Straits Times, 27 August 2005.
government’s serious effort to regulate and improve the *madrassahs*, it is hoped that the negative images can be contained and this type of issues will no longer have place in the future. At another level, Malaysia’s cooperation on counter-terrorism with friendly countries has increased. Secret intelligence sharing, information exchange and cooperation between agencies of other countries have been beefed up quite significantly. The Malaysian police have tremendous track record cooperation in this area with neighbouring and other like-minded countries.

The activities of Pakistani nationals in Malaysia either staying legally or illegally are widely covered by the media which can affect the image of a nation. Crimes like overstaying, forged documents, other business crimes, drug smuggling, human smuggling, triad activities and so on do appear in the media. But these are generally remote incidents. However, overstaying is a problem as many workers of different countries working in Malaysia are involved in this crime. In the case of Pakistan, the numbers of illegals are staggering compared with the numbers of Pakistani workers in Malaysia. However, the Malaysian government has adopted a policy of having more Pakistani workers in Malaysia in the future. In the past, this facility was extended to Bangladesh. It looks like the opportunity for more Pakistanis to be working in Malaysia is open wide now. The policy is generally said as taking in up to 100,000 workers from Pakistan.\(^4\) Whether this can become a reality remains to be seen, especially so under the climate of this recent economic crisis. The level of people to people cooperation is likely to increase in the near future as more agreements of training and educational exchanges are taking shape at the bilateral level. Malaysia can be considered as a regional education hub given English is widely spoken and many foreign institutions of higher learning are now having branch campuses and external degree programs conducted fully in the country.

Malaysia’s defence and security cooperation has been growing in a significant way in recent years. It has also to do with the ‘smart partnership’ and ‘prosper-thy-neighbour’ kind of concepts in Malaysia’s foreign policy. Malaysia’s defence procurement is no longer limited only to developed

\(^4\) See, “100,000 Pakistani workers by next years,” New Strait Times, 27 August 2009.
Western countries like UK, France and the US. It has diversified sourcing to countries like Russia, Brazil and others. Pakistan’s success in enticing the Malaysian defence procurement and maintenance interest is commendable. In fact, Pakistan has succeeded in a big way compared with its image in the international market as defence supplier. Between 1999 and 2002, there were a couple top military officials from Pakistan visiting Malaysia. This tradition has improved further in recent years as the level of bilateral relations has increased significantly. Since 2001, Malaysia started its defence procurements deals after recovering from the Asian currency crisis which hit the economy in 1997/98. Defence Minister Datuk Mohd Najib Tun Razak visited Pakistan in February 2001 and concluded a few deal on purchasing anti-tank and surface to air anti-aircraft missiles from Pakistan arms suppliers. The deal was estimated at RM446 million (more than USD100 million). Although the actual amount of the purchases was not clear, the deals had opened up more avenues for cooperation on military equipments. Missiles from Malaysia too were being sent for refurbishment in Pakistan.\(^5\)

Malaysia-Pakistan defence, security and political cooperation must be viewed in a larger context too as cooperation between Muslim brothers or generally the Muslim *ummah*. In fact, it is much easier to view it in this context than any other platform like cooperation between developing countries. Malaysia has very good defence cooperation activities with Pakistan in education and training. Both countries take pride in exchanging military officers to attend various courses in military colleges. At least two or three officers attend annually the military colleges in Malaysia. This is almost similar for Malaysian military officers attending programme in Pakistan. Exchange of visits or larger delegation of study visits too is normal. Similarly, Malaysia has sent its smart teams, military medical teams and etc. when there are disasters like earthquake and so on. Malaysia is highly generous when it comes to helping both in monetary and non-monetary terms countries in the region when natural disasters occur. The spirit of helping Muslim *ummah* is even higher on the part of the government. Assitances to Bosnia and Palestine are testimony to Malaysia’s charity and humanitarian grants and facilities.

Indonesia of late has been another country that receives more aid from Malaysia in this context. The Malaysian government's largest aid to Pakistan was after the earthquake in October 2005. The government donated some RM21.6 million.⁶ This was further beefed up by the private sector. Several teams and NGOs from Malaysia arrived in Pakistan to participate in rescue missions. Malaysia was also involved in the reconstruction effort. Defence cooperation between Malaysia and Pakistan can also increase in the future within the context of disaster relief exercises between armed forces within the Indian Ocean Rim. This trend will likely to spur more bilateral defence cooperation between Malaysia, India and Pakistan.

ECONOMIC RELATIONS: THE WAY FORWARD FOR BILATERAL RELATIONS

In many ways, it can be argued that it is the economic dimension that has been expanding the nature of the bilateral relations between Malaysia and Pakistan as compared with, say in the areas of politics, security or socio-cultural. Although the two countries share many aspirations as Islamic nations, without the economic muscle, many aspects of cooperation or shared aspirations will remain as rhetoric. Malaysia has had a track record of economic growth averaging at 8 per cent between 1988 until the 1997/1998 Asian Financial Crisis. After the collapse, Malaysia experienced another growth trend averaging 4-5 per cent of GDP growth from 2002.⁷ The recent global economic crisis caused by the US subprime mortgage crisis has impacted upon the Malaysian economy in significant way between the mid-2008 till the entire 2009. However, the economy is currently on its recovery stage as the stock market has witnessed significant revival moving up closer to the pre-crisis level due to various stimulus economic packages estimated at RM67 billion within the last 16 months or so. Malaysia is also the top 20 trading nations in the world in which a lot of the current recovery is dependent on recapturing export losses in the US, Europe and Asian market.

Pakistan too has good track record in terms of economic development in recent decade as it is witnessing between 6 to 8 per cent of GDP growth for several years. This is not just good for Pakistan but the entire South Asia. Otherwise, the story of economic rise would only belong to India. The rise of Pakistan’s economy is crucial to changing the image of South Asia as one dynamic region that can attract investment and trade rather than presenting an image of bilateral tension, war and terrorism. In many instances, it is trade and investment that will determine the nature of bilateral relations of Malaysia with many countries including Pakistan. Although the two nations can take pride in Islamic credentials in warming up the ties, Malaysia is an economic player. Its foreign policy in many ways is determined by the economic variable since the Mahathir era in 1981. Pakistani Prime Minister Shaukat Aziz, for example, is fully aware of and appreciates this dimension of Malaysia given his experience as a banker and as someone who had served as country manager (1982-1984) of Citibank in Malaysia during the initial years of the Mahathir era. In addition, Aziz has looked at Malaysia as a model that will be useful for diversifying Pakistan’s economy during his term as Finance Minister.8

THE TWO WAY BILATERAL TRADE

While these sentiments have helped the two nations to look at each other as economic opportunity, there were some extensive works toward intensifying trade and investment within the last decade or so. Trade and investment have flourished as expected and continues to be an area of massive potential for economic relations. Initially, Pakistan’s trade with Malaysia was small in the 1990s. In fact, even until today, it has yet to become a top ten trading nation of Malaysia. Pakistani trade exhibition in Kuala Lumpur had only started in 1995. At that time the business areas explored by Pakistani entrepreneurs included manufacture of surgical instruments, automotive parts, sports goods, textiles and other products. Only some 50 companies took part in the trade promotion event in 1995.9 Trade in 1998 stood at USD803 million. Malaysia exported

9 Azman Ibrahim, Pakistan to intensify trade promotion here,” New Straits Times, 8 July 1995.
USD773 million worth of goods involving palm oil, rubber and tin mainly at that time, where as the small import from Pakistan involves cotton, leather products, surgical instruments, fabrics, fresh fruits, seafood and mixed yarn.\textsuperscript{10}

This scenario has changed in recent years in a big way. In fact Malaysia and Pakistan are expecting to make more deals so that trade between the two countries can reach USD10 billion by 2015. This is because the signing of the FTA in 2006 and later the MP CEPA paved the way for more inclusion of goods and services in the list of cooperation and tariff reduction. Trade in 2001 stood at USD479.9 million and reached USD743.7 in 2005. By 2008, bilateral trade reached USD1.85 billion in which Malaysia exported USD1.7 while imported USD103. This was a 59 per cent rise for Malaysia of USD1.07 billion export in 2007 and 26 per cent increase in import of USD84.4 million import from Pakistan in 2007.\textsuperscript{11} Trade for 2009 can reach another higher level unless it is affected by the current economic woe which is on the recovery mode now. The successful signing of the FTA too will impact even stronger. The agreement invites Malaysia to reduce tariff up to 51 per cent for imports from Pakistan while it is suppose to also reduce tariff up 22 per cent for imports from Malaysia.\textsuperscript{12} Malaysia-Pakistan FTA is successful because of the limited areas it deals. This is different when Malaysia negotiates FTA with, for example the US, Australia or even India for that matter. The agricultural issue is just one problem. There are several other areas which Malaysia too can be protective of its interest as a developing economy.

Generally the potential can be seen as positive although the target of USD10 billion by 2015 is premature. There are numerous other issues to look at. For example, Pakistan is still by and large an agricultural country. Trade is still favouring Malaysia in large ways. The bulk of it is also due to the import of Malaysia’s palm oil. Pakistan currently imports more than one million tonne of palm oil annually. It is the fourth largest consumer of this edible oil in the world with a potential import for 2.5 million tonne worth at USD1 billion. Malaysia has requested Pakistan to reduce import tariff but the result has not been all that positive. Pakistan charges a fixed rate of 9500

\textsuperscript{10} “Pakistan invites Malaysian investors,” New Straits Times, 13 April 1999.
\textsuperscript{11} “Trade deals open more doors,” New Straits Times, 23 March 2009.
\textsuperscript{12} Sheridan Mahavera, “ Pakistan eyes larger slice of our market,” 6 November 2008.
rupees (RM560.50) per tonne as regulatory and custom duty. Another 15 per cent sales tax is also charged.\textsuperscript{13} To date, Pakistan has yet to budge on this tax regime. Nonetheless, Malaysia continues to upgrade facility and storage plants as part of investments in Pakistan so that long term sustainability of business is achieved. In fact, it can be argued that about one third of Malaysia’s export to Pakistan is all about palm oil. The economic crisis of 2008 had also affected a major drop in price for palm oil which means the value of bilateral trade can also decrease in monetary terms. However, this scenario is changing as more diversification can be seen taking place on Malaysia’s investment in Pakistan in recent years, which help the diversification of exports as well. Major trade items thus far have been exports of fats and oils, electrical machinery, machinery, plastic and organic chemicals and imports from Pakistan concentrate on fats, seafood items, cotton-yarn-fabric, miscellaneous textile articles, manmade staple fibres and others.\textsuperscript{14}

MALAYSIA’S INVESTMENTS IN PAKISTAN

The signing of MP CEPA has paved ways for more economic engagement. In fact, Pakistan is among the first to conclude FTA with Malaysia with less problems. This is different when compared with experiences with India which is still in the final stages. FTAs with developed nations like the US and Australia can be even more difficult. The US, for example, focuses more on sectoral liberalisation and the expansion of more goods and services. The request for open tender for the Malaysian government procurement is definitely a problematic area for Malaysia. The climate for investment is highly positive in Pakistan for Malaysian companies because the Pakistani government encourages investment in numerous sectors. Malaysian companies have capitalised in many ways. To encourage foreign investment, Islamabad has maintained a very liberal policy. Major Malaysian companies, both the government-linked companies (GLCs) and private corporations have made significant inroads in Pakistan. To name a few; Petronas, Gas Malaysia, Ranhill Power, Telekom Malaysia, Tenaga Nasional, Red Stone, Bandaraya

\textsuperscript{13} “Pakistan: No cut in import duty on Malaysian palm oil,” New Straits Times, 20 January 2007.

\textsuperscript{14} Rupa Damodaran, “Pakistan expects more investors from Malaysia,” New Straits Times, 24 January 2008. See also website of MITI and MATRADE.
Development, Sapura, Felda, Maybank, Takaful, Bank Islam, Malakoff, Eden and several others. The major sectors of Malaysia’s investments include areas like the power generation, oil and gas, property development, telecommunication, infrastructure developments, halal food products and ICT.\textsuperscript{15} However, the opportunity arising from the agricultural and food sectors are not fully utilised by the two although the one real promising field is in the form of halal food ventures. The size of the sector is tremendous. Yet cooperation is not up to par.

FDI from Malaysia to Pakistan has increased from USD374,092 in 2001 to USD2.9 billion in 2006. Malaysia’s Maybank was the largest investor for 2008 with an investment worth USD907 million. This was followed by companies from Saudi and UAE. Pakistan has given the facilities like a special economic zone where investors can come in on a Build-Own-Operate basis which is quite attractive to take advantage of.\textsuperscript{16} One of the largest investment bidding was building a township in Rawalpindi worth USD11 billion in 2005.\textsuperscript{17} Since then Malaysia’s investment has flourished in a massive way. Requests for building power plants, highways and townships in Pakistan keep pouring in. It seems, there is no ending for this for a while.

The potential is also enormous given Pakistan has a good portion of middle income group people, English speaking labour and labour cost is relatively low for Malaysian investors to exploit. Duty free facilities, tax exemption and implementation of specific laws at the one-stop centre for investors can be said as reasons for the increase in Malaysia’s investment in recent years.\textsuperscript{18} There is also plan on the part of Pakistan’s government to create special invest zone or the exclusive economic zone (EEZ) status for Malaysian companies which can facilitate fast track approval centre for trade and investment. The EEZ for Malaysia will soon become a reality, most likely in the Sindh province of Pakistan. Malaysia’s EEZ is planned after the success of the Japanese EEZ in Pakistan.\textsuperscript{19} The billion dollar Malaysian investments

\textsuperscript{15} See Kamarul Yunus, “Pakistan expects trade with Malaysia to touch US$2b this year,” New Straits Times, 4 February 2008.

\textsuperscript{16} Trade deals open more doors,” New Straits Times, 23 March 2009. See also websites of MITI and MATRADE.


\textsuperscript{18} Ibid.

\textsuperscript{19} Balan Moses, “Pakistan plans special economic zone for Malaysian firms,” 21 October 2009.
are still revolving around the areas of housing, infrastructure, oil and gas and power generation. The construction sector is one area with large potential in the near future. While the potential is enormous, the challenges are also something that must be looked at. For example, many of the investment on power and property sectors are bound by challenges like political instability, terrorism and violence. Therefore security guarantee is an issue of concern for any investors. Pakistan is also known as a country closer to Afghanistan and confronts real security challenges in addressing Islamic militants and separatism in some parts.

CONCLUSION
The nature of the bilateral relations between Malaysia and Pakistan is changing rapidly within the context of contemporary globalisation. Historically, the two did not enjoy a very smooth and warm political tie during the initial years of nationhood. However, there exist various institutions and platform which helped both Pakistan and Malaysia to find some common interests to promote bilateral relations based on Muslim solidarity. Malaysia too had received a small number of migrants from Pakistan during and after the colonial era. Though proper records are not looked at for the purpose of this paper, it is suffice to argue that the Pakistani culture or tradition is not something alien to the Malaysian society. A small group of Sindhi traders and those of Punjab origins are common in Malaysia. Some of them are active in chambers of commerce and other NGOs. Pakistan’s dominance in certain sports is also a common feature in the Malaysian media. Food and other cultural items have helped brought about the familiarity of Pakistan, like that of India’s, in Malaysia. Unlike India, despite its big Muslim population, Pakistan is viewed more as a complete Muslim nation by Malaysia. Some Malaysians send their children to religious schools (madrassah) in Pakistan. Malaysia’s engagement with Pakistan has also been enhanced more by highlighting the Islamic commonality in recent decades. Platforms like the OIC and D-8 have paved ways in strengthening cooperation at the higher level of leadership. This encourages the increase in the bilateral political dealings. Although the problems of international terrorism can send wrong signals about the image of Pakistan as a nation, it has yet to undermine bilateral relations.
The economic rise of Pakistan is currently opening up more avenues for a pragmatic business nation like Malaysia to highlight commonality and explore opportunities. Some of the opportunities are not new to Malaysia as the government and businesses have similar experiences in exploring opportunities in India and China in the last two decades or so. Infrastructure development, the construction sector, property developments, power generation sector, telecommunication and oil and gas explorations have been Malaysia’s forte for quite a while now which initially started during the Mahathir era. Mahathir’s successors, too, have more or less sustained the government-business partnership in exploring opportunity abroad quite rigorously as a part of foreign policy toward the developing countries and more so with the Muslim world. This trend and strategy will likely to continue for some time. As for Pakistan, working with Malaysia is the best passport in maintaining a foreign policy that will secure more benefits from the East Asian economic dynamism. Projecting a business-friendly image and as a nation that uses peaceful means for conflict resolution are vital tools for the way forward. Malaysia too admires some of the scientific and technological advancements of Pakistan. Many areas of cooperation will emerge in the future including one that can be of joint-venture in nature in exploring opportunities in third countries. Malaysia and Pakistan can also cooperate well in the emerging billion dollar halal food industry. The more Pakistan becomes a responsible regional player in South Asia, its entry into Southeast Asia and its affiliated regional organisation will become even better. Like Malaysia, Pakistan too has a significant challenge of maintaining the internal political stability and security at all time. Similarly, how both Malaysia and Pakistan deal with larger and problematic neighbours will also be observed by many nations and send signals for international relations and co-prosperity. If the two can manifest success and good examples in many of their dealings, this will be an example for many Muslim countries to adopt similar models for cooperation.
REFERENCES


Journals:

South Asian Affairs
Indian Ocean Digest
Indian Ocean Survey
Strategic Analysis, IDSA

Documents from Website:

SAARC
Ministry of Foreign Affairs
Defence Ministry
Ministry of Trade