

## **PAKISTAN - MALAYSIA RELATIONS: AN OVERVIEW AND PROSPECTS FOR THE FUTURE**

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### **ABSTRACT**

Pakistan and Malaysia enjoy very cordial relationship; Pakistan was probably one of the few neighboring countries who recognized the independence of Malaysia as soon as Malaysia declared itself as an independent country in the world map. In post-cold war period and especially after 9/11, Pakistan and Malaysia shared identical views in their perceptions regarding the new realities in the emerging world order. They also share the similar concerns about the image of Muslim world in the global politics. Pakistan - Malaysia, also share same fears about the new phenomena – globalization. Both countries agree that while globalization provides opportunities, it also poses challenges. The stakes are high especially in the existing financial flow, limiting the role of smaller states in these transitions. Both Pakistan and Malaysia belong to the Asia-Pacific region and share a common interest in peace, prosperity, stability and security. Pakistan's desire to forge closer relations with Malaysia is underscored by the fact that the Chief Executive of Pakistan Gen. Pervez Musharraf paid an official visit to Malaysia in March 2000. This article largely analyzes areas of common interests especially in the context of economic, social, trade and political cooperation. As these areas could be used as an alternative means of cooperation for further strengthening the relationship between the two Islamic countries.

### **INTRODUCTION**

In the context of "Unity of Muslim World", Pakistan being founded on Islamic ideology, supports the cause of Islam in international affairs. There is in-built impulse in Pakistani society for a dream of Muslim Ummah, and whenever they find any leader talking, these ideals get popularity within our society. In this respect, the role of Prime Minister of Malaysia for the cause of Islam is highly appreciated within Pakistan. Both countries are active for the creation of a Pakistan Islamic Research and Development Fund by pooling resources of the Islamic countries. The justification for

this scheme is to develop mutual technological skills for getting a competitive position in economic growth, military-power and scientific knowledge. On the question of Kashmir dispute Malaysia continues to extend its support to the OIC resolution on Kashmir. At individual level, Malaysia supports the resolution of conflict through dialogue. Prime Minister Dr. Mahathir Muhammad in his statement of 3<sup>rd</sup> June, 2000 insisted that if dialogue is failure then 'Third Party' mediation should take place and Pakistan values these statements because Pakistan's options on both positions are open. In the wake of growing menace of terrorism, Pakistan and Malaysia has at substantial level, contributed to prevent this threat. However, both these countries share common concerns regarding the interpretation of terrorism by the West.

Overall, it could be mentioned that both Pakistan and Malaysia are actively cooperating on issues that have bilateral importance as well as they carry individual interests. For example, fight against terrorism and Malaysia's political support for Kashmir dispute could be used as key justification. This article is divided into more than one dimension of interest that could be explored further to strengthen the cooperation between Pakistan and Malaysia. The article at first stage provides detailed overview of common areas in which both Pakistan and Malaysia are already working together and have established very effective relationships. Later, possibilities are explored to identify some of the important areas in which the mutual cooperation could further be made. Finally, a detailed summary under conclusion is provided for qualitative validations.

## **REVIEW**

### **Joint Ministerial Commission (JMC)**

The first and second Joint Ministerial Commission meetings between Pakistan and Malaysia were held in 1997 and 2000 respectively. In tangible terms there has hardly been any worthwhile progress on the decisions, arrived at these meetings. The Third JMC could not be convened in year 2001 due to the preoccupation of Malaysia's Foreign Minister. The Malaysian suggestion for holding the meeting on 23 – 24 August 2002 was weighed against the proposal for the Co-Chairmanship

of JMC by our Minister for Finance. The Malaysian side invoked stipulation under Article-III, paragraph 2 of the Economics, Scientific and Technical Cooperation Agreement between the Governments of Malaysia and Pakistan that the JMC shall be held at the level of Foreign Ministers.

Recently, Malaysian 10-member parliamentary delegation headed by Dato Ahmad Husni made a visit to Pakistan on 6<sup>th</sup> January 2003. In their conversation it was hoped by Deputy Speaker Sardar Muhammad Yaqub of Pakistan that Malaysian House of representation will strongly support restoration of Pakistan's membership of Inter-Parliamentary Union (IPU).

### **Cultural Cooperation & Employment Opportunities**

The draft cultural exchange program between the Governments of Pakistan and Malaysia for the calendar years 2002-2006 is awaiting final approval by the Malaysian side. The agreement provides for exchange of exhibitions, films, delegations, teachers, tourists, scholarship and training facilities etc. Pursuant to the Mission's efforts the Malaysian authorities have recently finalized employment of over 139 Pakistani doctors in local hospitals. A further scope exists for employment of eligible Pakistani doctors/specialists in Malaysia.

Pursuant to President of Pakistan's special envoy and Minister for Science and Technology, Prof. Dr. Atta-ur-Rehman visited Malaysia on 28<sup>th</sup> – 29<sup>th</sup> July 2002, during which discussions took place for enhancing bilateral cooperation in S&T. A draft Memorandum of understanding on Science and Technology Cooperation between Pakistan and Malaysia is now awaiting for approval by the Malaysia side.

### **Technical & Economic Cooperation**

Under the Technical Assistant Program 9 seats have been enmarked and also for Malaysian students in medicine and affiliated fields. Short terms courses are provided in Central and Commercial Banking and Railways to Malaysia. Malaysia offered us four training courses this year under its Technical cooperation Program, controlled directly by the Prime Minister's Department. In terms of economic relations between two

countries, there is a need of lot of spade work to be done to enhance the trade cooperation.

Besides Palm Oil, Malaysia's other exports to Pakistan include electronic items, timber, chemicals and machinery. Pakistan's exports to Malaysia comprises of textile yarn and its products, rice, seafood products, fruits, vegetables, sports goods and carpets. In order to narrow the trade imbalance, Malaysia may be requested to import surgical, leather and sports goods as well as non-traditional items such as engineering goods, tractors, cements, railway equipments, auto parts and agricultural machinery. A number of Malaysian companies have established joint ventures and independent investment projects in Pakistan during the last three years, in the areas such as exploration and drilling of gas and oil, information technology, power generations and telecommunications etc.

### Investment Opportunities

The Malaysian investment in Pakistan has registered progressive increase from Malaysian Ringgit 1.3 million in 1998 to RM 55 million in 2001, being the largest Malaysian investment in the region. The details as the joint Ventures between Pakistan & Malaysia is provided as under:

1. Bernas..... Rice
2. Dancon ..... Telecommunications
3. Felda..... Building of Jetty
4. Gamalux ..... Oleo Chemical Plant
5. Liberty Power Plant..... Power Generation  
(Tennaga National Berhad)
6. Mapak..... Edible Oil Plant
7. Maxcorp Development ..... Golf Course Development
8. Petronas ..... Oil and Gas Exploration
9. Sapura..... Information Technology
10. Pollution Engineering..... Water Treatment Plant
11. Toxicol Sdn. Bhd..... Construction work / Pakistan  
Railway Golf Course Project.



**Present level of trade is given as following**

(in US\$ Million)

<b>Financial Year (July-June)</b>	<b>Pakistani Export to Malaysia</b>	<b>Imports from Malaysia</b>	<b>Total Trade Volume</b>	<b>Trade Deficit (for Pakistan)</b>
2000-2001	50.80	429.21	480.01	378.41
2001-2002	51.80	456.14	507.94	404.34

The figures for import to Malaysian palm oil to Pakistan in the last two years are:

**Malaysian Palm Oil Exports**

(In US\$ Million)

<b>Year</b>	<b>Volume (000 Tons)</b>	<b>Amount (US\$ Million)</b>
2001	1174	295.33
2002	1085	385.17

All these statistics indicate a trade imbalance between two countries, which is in favor of Malaysia. To balance the trade Pakistan must follow the experience of Malaysia for attracting foreign investment as conditions of investment in Pakistan are conducive. It provides bright chances for Malaysian private sector to invest in Pakistan in Development of ports. Pakistan is already, modernizing her ports as per world standard. Malaysian cooperation will prove more useful for Pakistan. Our government has already, assured Malaysian parliamentary delegation that possible facilities will be provided to investors. Other possible areas of cooperation between these two countries may be in the fields of information technology, construction, bi-technology and telecommunications.

**CONCLUSION**

Pakistan and Malaysia are two close friends, the relationship between them could be seen through common stand on issues such as the global terrorism and Pakistan's position on Kashmir dispute. Both Pakistan and Malaysia can play very important role in setting an example for other Muslim countries to close their ranks on security matters and in the fields of economic and technological cooperation.