

Malaysia's relations with Saudi Arabia and Iran: Juggling the interests

ABSTRACT

The Middle East region, especially the oil-rich Arab economies, is regarded as one of Malaysia's important economic and trading partners. Economic and political changes at the global and regional level have simultaneously shifted Malaysia's interests in the region. At the same time, there has also been rising interest from countries in the region to expand their economic relationships with Malaysia. Apart from the United Arab Emirates, which is Malaysia's largest trading partner in the Middle East region, Saudi Arabia and Iran are now becoming more visible for their contributions toward the Malaysian economy. Economic interest certainly is the main driving force behind the latter's efforts to enhance its connection with these countries. Efforts to reap economic benefit from these countries and to attract petro-dollar investments would also have negative consequences on Malaysia's domestic, social, and religious affairs due to an influx of Arab and Iranian people coming into the country. Religious extremism and sectarianism are among the challenges that Malaysia is encountering and the authorities are quite critical of those ideologies, and over the years, the teaching of Wahhabism and Shiism have been banned in the country. Could this affect Malaysia's connection with those countries in the Persian Gulf? How has the government engaged with these local issues without jeopardizing its economic inter-connection with Saudi Arabia and Iran? Given that they are two contrasting countries, how has Malaysia balanced its relationships with these two states?