

# Malaysia's Contemporary Political and Economic Relations with Iran

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Traditionally, Malaysia's relations with the Middle Eastern World boil down to narrow-limited interaction with only a handful of countries, mainly Egypt, Saudi Arabia (before known as Hejaz), and Turkey. The underlying reasons behind are largely owing to the established ancient relations and religious fulfillments like performing pilgrimage as well as pursuing religious studies in highly respected institutions. Malaysia's relation with the Islamic Republic of Iran, however, has shown steady progress of development since the end of 1960s and onwards. Although Iran has become an Islamic Republic after the eruption of the Revolution in 1979, the relations remain intact in spite of the potential expansion of Iran's religious ideology, *Shi'ah*, among Malaysian Muslim communities. On top of that, with Iran now facing economic sanctions due to its nuclear programs, both countries continue to bolster their relations, especially in political and economic interactions. Contemporarily, both Malaysia and Iran are closely working together to further enhance the level of their relations. The leaders of both countries have quiet regularly exchanged visits and have also actively ventured into promising business opportunities. Iran ranked as the Malaysia's third West Asian trading partners along with the United Arab Emirates (UAE) and Saudi Arabia, provides a lot of opportunities for Malaysia to seize onto. In other words, Malaysia's contemporary relations with Iran will evolve beyond the dogma of the Iranian Revolution in 1979.

*Keywords:* politics, business, economics, co-operations, bilateral relations

## Introduction

Malaysia has steady relations with most of the Middle Eastern nations including the Islamic Republic of Iran. Although in the early years of post-World War II, particularly during 1957-1962, Malaysia's relations with these nations were only confined to two states, the Kingdom of Saudi Arabia and Egypt. During this period, Malaysia had only two foreign offices, namely a Malayan Consulate in Jeddah (later Malaysian Embassy established in Riyadh in 1964) (Idris, 2006) and the Malayan Embassy in Cairo, Egypt which were set up in 1958 and 1960 respectively. This was due to the nature of the early interactions which was mainly concentrated in the form of religious activities such as performing pilgrimage in the Holy City of Mecca and pursuing religious studies at Al-Azhar University in Egypt<sup>1</sup> (Boyce, 1968; Dalton, 1967; Dato' Abdullah, 1984; Idris, 2006).

Nevertheless, from mid-1960s and onwards, Malaysia has begun to enhance its diplomatic relations with other Middle Eastern nations. Among those countries are Turkey (1964), Oman (1973), Kuwait (1974), UAE

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<sup>1</sup> National Archive of Malaysia (1083/1963).

(1983), Jordan (1994), Yemen (1999), Bahrain (2003), Qatar (2004), and Lebanon (2005).<sup>2</sup> Meanwhile, Malaysia's diplomatic relations with the Islamic Republic of Iran began with the establishment of its embassy in Tehran in 1970, and followed by the setting up of an Iranian Embassy in Kuala Lumpur in 1980 (Ministry of Foreign Affairs, 2014).

Despite facing various issues and challenges, Malaysia's relation with Iran up until today has been diplomatically stable. The relations are never broken off in spite of the eruption of the Iranian Revolution in 1979 which turned Iran into an Islamic Republic. Since becoming an Islamic state, however, Iran has been facing tougher challenges in maintaining its diplomatic relations, especially with the western world as well as with Muslims counterparts. Prior to the revolution, Iran was governed by the Pahlavi dynasties and formed close allies with the United States vis-à-vis containing the former Soviet influence in the Middle East. Nevertheless, Iran's close relations with the US have turned sour due to the downfall of the Pahlavi regime when it was overtaken by Ayatollah Khomeini as the Supreme Ruler of the Islamic Republic.

Concerned with the abrupt political changes that took place in Iran, Malaysia continues to look after its relations with this new government. Although realizing the potential spread of Shi'ah ideology among Muslim communities, the Malaysian government has not taken any bold actions that could jeopardize the established relations. Therefore, this is the main task of this study to re-look and re-investigate the approaches that have been taken by the Malaysian government in accommodating the new Iranian political changes. The study believes that Malaysia's continuous steady relations with Iran until the present have been confined mainly in the form of diplomatic-political and economic relations without ignoring the curtailment of the potential spread of Shi'ah ideology among local Muslim communities.

Before discussing this further, the study will divide the scope of discussion into four: Firstly, a brief outlook on the existing models of foreign policies that is shaping a state's foreign policy, especially from developing countries viewpoints; Secondly, on Malaysia's diplomatic-political relations with Iran since the post-Revolution until today; Thirdly, on contemporary economic interactions; And fourthly on Malaysia's diplomatic accommodation in dealing with Shi'ah ideology.

### **State's Foreign Policy Approaches**

There are various models applied in understanding a state's foreign policy. The models range from leadership theory, bureaucratic-decision makers, and comparative foreign policy to the overwhelming systemic structure in the international political system. Each model has its own advantages over another but one thing is for sure, in a more complex world of today, one researcher cannot single-handedly depend on one model alone. He or she must take into consideration all variables that could influence the formation of a state's foreign policy. In other words, there is a possibility that a researcher will combine more than one model to understand the direction of a states' foreign policy determinants.

Nevertheless, in the case of developing countries, two models are considered domineering in determining their foreign policy directions: leadership and systemic structure. This is probably due to the emergence of a number of visionary leaders like Mahatma Ghandi of India, Sukarno of Indonesia, Ho Chi Minh of Vietnam, Lee Kuan Yew of Singapore, Mahathir of Malaysia and others which caused some to argue that most of the

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<sup>2</sup> The stated years are in conjunction with the establishment of a Malaysian Embassy in those Middle Eastern countries. An early diplomatic relation may have been formed earlier. Ministry of Foreign Affairs, 2014. Retrieved June 26, 2014, from <http://www.kln.gov.my/>

foreign policy formation is heavily orchestrated by these leaders. Moreover, these states are also unfavorably claimed that they are toothless in designing their own foreign policies vis-à-vis systemic pressure either during the bipolar era or with the presence of a unilateral hegemonic power like the United States which overwhelmingly control the international political system (Saravanamuttu, 1983; Korany, 1984; Nathan, 1995; Neack, Hey, & Haney, 1995; Neack, 2003; Braveboy-Wagner, 2003; Nonneman, 2005; Idris, 2006).

Happily, this study does not intend to lengthen this debate but more focus will be given to analyze those underlying variables that could play significant role in determining Malaysia's relations with Iran. Most of the studies done on Malaysia's relations with Middle Eastern states, especially since the post-World War II, to cite only a few like Fadzillah (1988), von der Mehden (1993), Redzuan (1994), Nair (1997), Idris (2006), Harun (2009), Joseph (2013), the religious element is one of the most consistent variables that could play a significant role to strengthen the level of relations. In discussing the variables that may influence Malaysia's relations with Iran, religious elements could be less vital compared to others. This is due to Shi'ism, commonly associated with Iran as its strong hold ideology. However it is found less compatible with the Muslims in Malaysia for they have been practicing the Sunni ideology or 'Ahlus Sunnah wal-Jamaah since the 15th Century during the the Malacca Sultanate era or even earlier.

Besides that, since Iran has become an Islamic Republic after the 1979 Revolution, the systemic structure variable is also insignificant in understanding Malaysia's relations with Iran. Prior to the 1990s, the international political system had been dominated by two superpowers, namely the US and the former Soviet Union. Most of the states' political movements, especially developing countries, were rather limited and they were entangled in these two superpowers' rivalries either to be in the US-camp or the Soviet-camp. Nonetheless, Iran had freed herself from this political entrapment. It was neither joining the US nor the Soviet but chose her own political destination through the revolution by becoming an Islamic state during the tense of the Cold War era. Iran's political stance which jeopardized its close allies with the Western-liberal bloc, the US in particular, has not hampered the character of her relations with Malaysia. The government of Malaysia instead remained firm to keep the relations growing with the new regime, the Ayatollah Khomeini's government. Furthermore, the current economic sanctions imposed mainly by the US and EU against Iranian nuclear program (based on the United Nations Security Council Resolution 1696 which demanded Iran to halt its uranium enrichment program on July 31, 2006) also did not give much implication upon their relations. Thus based on this argument, the study believes that, with an exception of the religious element and systemic structure, other variables like diplomatic-political and economic interactions could be considered as the most pivotal variables that have safeguarded Malaysia's relations with Iran until the present moment.

### **Diplomatic-Political Relations**

It is a huge task to trace back the exact date of the earliest interactions between Malaysia and Iran, particularly in the pre-modern period or prior to the emergence of state-system<sup>3</sup> in the international political system. Nevertheless, since the present Shiite ideology in Iran was generally associated with the Alids family (*ahlul bait*), therefore the earliest note that can be recalled was most probably on the arrival of these families in the Southeast Asian region in the seventh century where they took refuge in Champa (could be considered

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<sup>3</sup> State-system here is referred to the outcome of the post-Westphalia treaty in 1648 which ends the Thirty Years War in Europe and gives birth to the establishment of modern state system based on sovereignty replacing the old religious defined territories mostly controlled by the Holy Roman Empire (particularly within the context of imperial-papal cooperation since 800 AD).

nearby Malaysia) after their expulsion during the Umayyad periods. For Syed Muhammad Naquib Al-Attas (2011, pp. 13-15)<sup>4</sup>, however, he does not consider these Alids family as the Shi'ites who adhered to the legal and theological doctrines of the School (*madhab*) that developed much later and established a separate state of their own since the early 16th century during the Safavid era. But they were simply the children of 'Ali Bin Abi Talib by his wife Fatimah r.a, the daughter of the Holy Prophet p.b.u.h, and Ali's children by his other wives whom he married after the death of Fatimah.

On another note the study can relate to Malaysia's earliest interactions with Iran based on Tome Pires' report about the arrival of various traders in Malacca during the 15th century that to include not only Arabs but also Parsees, Turks, Armenians and others (Cortesao, 1944; Tibbets, 1979). The word "Parsees" (or Persian is the majority ethnic in Iran) is indicative enough to notify as some of the earliest Iranian traders that had ever set foot in Malacca or other areas in Malay Peninsula. Even Musa (2013) wrote that there were about three thousands Khorasones or Persians during the fall of Malacca in 1511. Nonetheless, the stories of Arabs were more popular than other foreign merchants including the Parsees due to their roles as the ones, alongside the Gujerat, southern Indian and Chinese traders, who were generally believed to have introduced Islam into the Malay Peninsula (Fatimi, 1963; Majul, 1964). Despite this, the Parsees traders who probably brought along the ideology of Shiah (but this is not to conclude that all Persians are Shiite followers), to some extent, had left some influential marks among a group of people in Malaysia nowadays.

From a diplomatic-government point of view, after both Malaysia and Iran become modern states, among the initial official interactions between the two (from Malaysian point of view) might begin in 1968 when 13 Iranian businessmen led by Mr. Ali Akbar Mahnoudji, Iranian Chief Trade Council, met Malaysian Trade Minister, Dr. Lim Swee Aun in Kuala Lumpur. As a result of the meeting, the first Malaysian Prime Minister, the late Tunku Abdul Rahman Putra al-Haj, and Dr. Manoutchehr Marsbar, Iranian ambassador to Malaysia, signed a Memorandum of Understanding (MoU) on trade agreements on January 15, 1968. In fact, this meeting was in conjunction with the visit of His Highness the King Shahanshah and the Queen Shabanou to Malaysia to seek audience with the King of Malaysia<sup>5</sup>. A year later on October 2, 1969, another Iranian delegation led by Dr. Assehi Khonsari, Director of the Teachers and Parents Education Association of Iran, who accompanied Tun Faridah Diba, the mother of Queen Shahbanou of Iran, came to meet the Queen of Malaysia. Dr. Asehi also had a visit with the Ministry of Education, Malaysia in Kuala Lumpur<sup>6</sup>.

Furthermore upon The Shah of Iran's invitation, the King of Malaysia and the Queen made a returned visit to Iran to attend this country's 2,500 year celebration of the Persian Empire on October 10, 1971<sup>7</sup>. A series of official visits then continued up until the Iranian Revolution in 1979. These included such visits by Iran's Prince Gholam Reza Pahlavi and his Princess Marigeh Pahlavi to Malaysia on August 26, 1973<sup>8</sup>. However, when the revolution erupted in Iran in 1979, the then Prime Minister, the late Tun Hussein Onn, was in no hurry to make any official statement regarding the Iranian case. This was duly believed to safeguard harmonious relations that had previously been established between the two countries. At the early stage, Tun

<sup>4</sup> In contrast with the view of the Malaysian Shiite Council, it regarded this as the point of the earliest arrival of the Shiite ideology in the Malay Archipelago, especially in the Malay Peninsula. Majlis Syiah Malaysia, MEMORANDUM Majlis Syiah Malaysia Kepada Yang DiPertuan Agong Malaysia. Retrieved May 5, 2014, from <http://www.al-ahkam.net/home/content/memorandum-majlis-syiah-malaysia-kepada-yang-dipertuan-agong-malaysia>

<sup>5</sup> National Archive of Malaysia, 2001/0036501; 2001/0036503.

<sup>6</sup> National Archive of Malaysia, 2001/0037893.

<sup>7</sup> National Archive of Malaysia, 2001/0040573.

<sup>8</sup> National Archive of Malaysia, 2001/0042225.

Hussein seemed to have no “suitable answer” for such a revolution, although there were some actions taken by the Malaysian non-governmental organization, Angkatan Belia Islam Malaysia (ABIM), which through its President—Datuk Seri Anwar Ibrahim, visited Ayatollah Khomeini after the event occurred. It was only 18 months later, via a Malaysian Foreign Minister, Tengku Ahmed Rithauddeen, that it was announced that relations between Malaysia and the Islamic Republic of Iran would continue, and that the revolution was considered to be Iran's internal matter (Ali, 1984; Nair, 1997). In other words, the Iranian Revolution has not hampered Malaysia's relations with Iran.

Heading towards the 1980s and 1990s, the relations had been growing positively. A few official encounters through diplomatic office continuously took place in Kuala Lumpur; these included a meeting between Mr. Majid Hedayatzadeh Razri (Iranian ambassador to Malaysia) and Dr. Mahathir, the fourth Malaysian Prime Minister, on January 11, 1983<sup>9</sup>, Mr. Mohamed Reza Motshed's (Iranian ambassador to Malaysia) visit with the former Malaysian Information Minister, Dato' Mohamad Rahmat on January 18, 1988<sup>10</sup>, and Omer Suleiman al-Hashmi's (Iranian ambassador to Malaysia) visit to seek an audience with the King of Selangor on July 22, 1992<sup>11</sup>.

Nonetheless, the most historical moment was the visit by the former President of Iran, Mohammad Khatami (1997-2005) to Malaysia on July 21-24, 2002. During this meeting, another MoU of economic cooperation was signed in the areas of tourism, trade agreement and the agreement on the promotion and the protection of investments<sup>12</sup>. The Khatami's visit to Malaysia indicates that the bilateral relations had grown in maturity, and both governments were full of enthusiasm to venture into various economic activities. The most current notable diplomatic activities are the former Malaysian Prime Minister Abdullah Ahmad Badawi's two-day visit to Tehran on 21-22 December 2008 to sign three agreements on cooperation in technology, anti-drug campaign and car manufacturing, and also Tun Dr. Mahathir's presence in Hassan Rohani's inauguration ceremony as the new President of Iran on August 4, 2013 last year. During this visit, Tun Dr. Mahathir congratulated the new Iranian President on his election to the position and expressed optimism that Tehran- Kuala Lumpur ties would improve in line with the interests of both nations and governments (Press TV, 2013).

Although in recent times a number of issues have constantly beleaguered Kuala Lumpur-Tehran interactions, especially as a result of the Malaysian government's harsh stance on Syiah but the relations remain unharmed. Even the call from certain parties to cut off Malaysia's relations with Iran which have been blamed for spreading banned Syiah teachings, Malaysian current Foreign Minister, Datuk Anifah Aman has firmly rejected the call by arguing that the Syiah issue was a domestic matter and to be dealt with internally by the concerned authorities. At the same time he also explained clearly the importance of Iran for Malaysia by saying: “Iran is an important partner to Malaysia and it is Malaysia's foreign policy to be friendly with all countries, based on mutual respect, to foster goodwill and cooperation in all areas of interest for mutual benefit....The call does not in any way reflect the views of the Government of Malaysia,” he said here yesterday” (The Star, 2013). On the issue of Iranian nuclear program, Malaysia has clearly stated its position that all signatories to the nuclear Non-Proliferation Treaty (NPT), including Iran, should have the right to develop nuclear power as long

<sup>9</sup> National Archive of Malaysia, 2001/0048095.

<sup>10</sup> National Archive of Malaysia, 2001/0050841.

<sup>11</sup> National Archive of Malaysia, 2001/0054184.

<sup>12</sup> National Archive of Malaysia, 2006/0003714.

as it is to be used as peaceful energy, and not to build nuclear weapons which could destabilize world's stability (Farrar-Wellman & Frasco, 2010).

Table 1

*Trade between Malaysia and Iran, 1990-2013*

Year	Total trade	Export	Import	Balance of trade
1990	246,001,358.0	150,058,481.0	95,942,877.0	54,115,604.0
1991	165,790,413.0	119,838,323.0	45,952,090.0	73,886,233.0
1992	176,751,922.0	109,959,517.0	66,792,405.0	43,167,112.0
1993	303,206,779.0	151,298,704.0	151,908,075.0	-609,371.0
1994	269,707,843.0	159,942,891.0	109,764,952.0	50,177,939.0
1995	405,455,951.0	289,181,124.0	116,274,827.0	172,906,297.0
1996	357,337,605.0	234,712,509.0	122,625,096.0	112,087,413.0
1997	387,019,473.0	295,990,450.0	91,029,023.0	204,961,427.0
1998	529,977,173.0	318,990,695.0	210,986,478.0	108,004,217.0
1999	514,082,081.0	336,581,621.0	177,500,460.0	159,081,161.0
2000	881,802,203.0	493,303,254.0	388,498,949.0	104,804,305.0
2001	1,233,404,793.0	678,086,676.0	555,318,117.0	122,768,559.0
2002	1,349,193,703.0	870,521,087.0	478,672,616.0	391,848,471.0
2003	1,613,656,008.0	1,246,060,768.0	367,595,240.0	878,465,528.0
2004	2,291,380,789.0	1,314,166,589.0	977,214,200.0	336,952,389.0
2005	2,672,420,781.0	1,357,895,516.0	1,314,525,265.0	43,370,251.0
2006	3,749,515,836.0	1,616,154,987.0	2,133,360,849.0	-517,205,862.0
2007	3,594,869,442.0	2,122,187,076.0	1,472,682,366.0	649,504,710.0
2008	4,995,771,012.0	2,447,102,215.0	2,548,668,797.0	-101,566,582.0
2009	3,538,431,262.0	2,400,761,124.0	1,137,670,138.0	1,263,090,986.0
2010	4,009,656,924.0	2,730,508,055.0	1,279,148,869.0	1,451,359,186.0
2011	4,982,570,913.0	3,214,059,302.0	1,768,511,611.0	1,445,547,691.0
2012	4,582,311,640.0	3,523,025,611.0	1,059,286,029.0	2,463,739,582.0
2013	3,268,421,320.0	3,139,650,626.0	128,770,694.0	3,010,879,932.0

Source: Ministry of International Trade and Industry, 2014.

Based on the above account, it is quite convincing that Malaysia always gives emphasis to its diplomatic relations with the Islamic Republic of Iran. In fact, Malaysia has been consistent with its foreign policy since the era of the second Prime Minister, Tun Razak who introduced a "Non-Alignment" policy, a big swing from the Tunku Abdul Rahman's old pro-Western policy to befriend all countries irrespective of differences in ideology or systems of government. This policy also had been nurtured by the longest Malaysian Premier, Tun Dr. Mahathir who threw strong support behind the idea of "prosper thy neighbor" as he had put into: "... we realized that the best way to help ourselves was to help others. By doing so you don't simply generate gratitude and goodwill, you also create partners and friends" (Mohamad, 2011, pp. 618-626).

### Contemporary Economic Interactions

As had been mentioned before, along with diplomatic-political variable, the economic element also plays a significant role in strengthening of Malaysia's relation with Iran. For Malaysia, Iran is its third largest trading partner in the Middle Eastern region after the UAE and Saudi Arabia. Based on the trade percentage in 2010 (Mohd Perai, 2010), among five Malaysia's close trading partners in the region, the UAE acquired 38.4%,

followed by the Kingdom of Saudi Arabia (20.3%), Iran (20%), Oman (6.7%), and Kuwait (5.4%). Furthermore, it was reported that the total value of Malaysia's trade with Iran in 2012 was RM4.58 billion with exports valued at RM3.52 billion and imports at RM1.06 billion. Up to 2013, however, Malaysia's trade with Iran had slightly decreased with the total trade of RM3.26 billion. This has been largely argued due to US unilateral economic sanctions against the Islamic Republic over its nuclear programme (New Straits Times, 2013). Malaysian exports to Iran include palm oil, crude rubber, chemical and chemical products, wood products, rubber products and machinery, appliances and parts. Meanwhile, about 83% of Malaysia's imports from Iran consist of crude petroleum and petroleum products (MATRADE, 2013; G15 Organization, 2008). For further information on Malaysia's trade with Iran, especially from 1990 until 2013 (see Table 1).

Analyzing the economic performance shown above, it could be said that Malaysia's economic relations with Iran, especially in trading activities, is full of potential to be further developed. The study believes that apart from a number of trade agreements that had been signed such as the 1968, 1989 and 2002 Trade Agreements, several joint-ventures in economic cooperation, as the result of the MOUs, were also undertaken. These included a \$6 billion deal to develop areas of Iran's massive offshore gas fields in 2007, a joint automotive industry between Iran Khodro and Proton in 2008, a joint company between the National Iranian Oil Engineering and Construction Company and Malaysian SKSD to construct the Kedah Refinery in Malaysia in 2009, and the formation of the Iran-Malaysia Businessmen Council in Kuala Lumpur in 2009 which to some, points to further enhancing Malaysia's economic relations with Iran (MATRADE, 2013; Farrar-Wellman & Frasco, 2010; Ilias, 2010).

Moreover, through Malaysia's active participation in Iranian Trade Fairs, it indirectly helped diversifying the nature of economic dimensions, and not merely depending on petroleum-based products (particularly in Malaysia's imports from Iran). It also promotes other Malaysian products that could attract more Iranian companies to execute a joint-venture project. Among the success of the Malaysian participation in Iranian Trade Fairs were the Ninth Tehran International Industry Fair in 2009 which succeeded in securing export orders worth RM13.39 million (Muin, 2009), and the latest was in the 13th Tehran International Industry Exhibition held from 6-9 October 2013 where nine Malaysian companies, through the Malaysia External Trade Development Corporation (MATRADE), participated in the fair and they also fruitfully succeeded in generating business worth RM664.65 million. The participating Malaysian companies marketed various products such as health supplements, LED Lights and fittings, personal care products, adhesive sealants and coating products, security systems, busbar systems, electric and telecom poles, garment accessories, etc. (MATRADE, 2013). In addition, Malaysian palm oil has recently made the headlines where through the Malaysian Plantation Industries and Commodities Minister, Datuk Amar Douglas Uggah Embas, the Islamic Republic had imported 671,384 tonnes of Malaysian palm oil during January-November 2013, which reflects the importance of Iran as a major export destination for Malaysian palm oil in the Middle East (Malaysian Palm Oil Council, 2014). In other words, the encouraging performance of the Malaysian companies in Iranian Trade Fairs as well as the current penetration of Malaysian palm oil into Iranian society have further consolidated the degree of economic cooperation between these two countries for the coming years ahead.

### **Malaysia's "Diplomatic Accommodation" with Shi'ah Ideology**

Undeniably, the issue of Syi'ah could become the thorn in the flesh in relation to Malaysia's harmonious relations with Iran. Without a careful approach, and being moderate in Malaysian foreign policy in particular,

the bright climate of the relations might be changed into cloudy. Thus, in dealing with this issue, the government of Malaysia seems to apply a double-edged sword that is, being stricter at home, and at the same time looking appeasing and wise in justifying its domestic policy in the eyes of the Iranian counterparts.

For the domestic policy, Malaysia through its National Fatwa of the Malaysian Religious Council has issued, at least, two resolutions in curbing the spread of Syiah ideology among the local Muslim community. The first was in 1984 where it only allowed two Syi'ah sects; Zaidiyah and Ja'fariyah, to be practiced in Malaysia. The second was in 1996, but it runs until today, where the 1984 Fatwa was annulled. All Muslim communities were not allowed to practice any Syiah sects, and they were obliged to practice Islam in accordance with the teachings of *Ahlus Sunnah wal-Jamaah*. It was generally understood that after the Iranian Revolution erupted, the Islamic Republic had drafted a new constitution which declares the official religion is Islam of the Ja'fari sect, but other Islamic sects, including Zeydi, Hanafi, Maliki, Shafe'I and Hanbali, are valid and will be respected. Zoroastrians, Jews and Christians will be recognized as official religious minorities (Lunn, 1991). Since then, the call for the ban for Syiah was made when it was allegedly claimed that Iran were "exporting" its Islamic ideology, the Ja'fari sect or the *Ithna 'ashariyya* (also called as the 12 Imams) to other Muslim countries including Malaysia. In the opinion of the National Fatwa, the *Ithna 'ashariyya* Shia's teachings were against the *Ahlus Sunnah wal-Jamaah*. Prior to this, Malaysia had been friendly to the other two sects of Syiah, namely *Syiah Taiyibi Bohra* (Dawood Bohra) and *Syiah Ismailiyah Agha Khan* which limited their movement among their own families and friends only (Ustaz Bongsu @Aziz Jaafar, personal communication, July 14, 2014; *The Malaysian Insider*, 13 Disember 2013)<sup>13</sup>.

Moreover, when the issue of Syiah was suddenly brought up in the Parliament in 2011, Datuk Seri Jamil Khir, Minister in the Prime Minister Department, had stated that Malaysian government permits Shi'ism to be practiced in Malaysia with a condition it cannot be propagated to others. This statement, however, to some was confusing. But again, looking through the 1996 Fatwa it is clear that Syiah is no longer welcomed in Malaysia. This is largely due to the fact that Muslims in Malaysia have been traditionally accustomed to the teachings of *Ahli Sunnah Wal Jamaah* under the Shafie School, and the government does not want any confusion that could threaten national unity and domestic stability.

At the international level, the Malaysian stance is certainly incompatible with the openness principle of the Organization of Islamic Conference (OIC). The OIC's position on Syiah was based on the Amman Message in 2004 (Tun Abdullah Badawi, the former Malaysian Prime Minister was among the signatories) where in July 2005 CE, H. M. King Abdullah II convened an international Islamic conference of 200 of the world's leading Islamic scholars including Shaykh Al-Azhar; Ayatollah Sistani and Sheikh Qaradawi (Musa, 2013; Zulkifli, 2014). The outcome of this conference clearly declared that:

They specifically recognized the validity of all 8 *Mathhabs* (legal schools) of *Sunni*, *Shi'a* and *Ibadhi* Islam; of traditional Islamic Theology (*Ash'arism*); of Islamic Mysticism (Sufism), and of true *Salafi* thought, and came to a precise definition of who is a Muslim. (The Official Website of the Amman Message, 2007)

This declaration has been used by some parties (Musa, 2013; Zulkifli, 2014) to heavily criticize the way Malaysia's handling the issue of Syiah. They demand the Malaysian government to adhered to the principle of global human rights. For Malaysia, however, since it is a sovereign country, it has a free hand to manage this

<sup>13</sup> E-Fatwa, Portal Rasmi Fatwa Malaysia. (2014). National archive. *The Malaysian Insider*. Retrieved December 13, 2013, from <http://www.e-fatwa.gov.my/fatwa-kebangsaan/syiah-di-malaysia>



issue with its own ways without any interference from outside.

In justifying this banned policy against Syiah for the Iranian government, the Najib administration, as had been mentioned before, has kept firmly reiterating that this issue is merely a domestic matter and it will be dealt with by the relevant authorities. Although this creates some uneasiness among Iranian officials in Malaysia (Torki, personal communication/interview with April 3, 2014) but to conclude that this policy may affect Malaysia's relations with Iran, especially on the existence of more than 80,000 Iranian plus with 15,000 Iranian students here, in the future remains to be seen (New Straits Times, 2013).

### Conclusion

Malaysia's relationship with Iran is one of the most important interactions that may represent the former's connection with the rest of the Middle Eastern nations. These relations have been traditionally developed either in the form of commercial trading activities or the conveying message of Islam since the 15th century or earlier. Till the present, this liaison has been growing and both countries are venturing into various activities as the result of the signings of a number of trade agreements...

Against the bedrock of the foreign policy of most developing countries which are mainly influenced by leadership or systemic influence, this study to some extent is able to show that diplomatic-political and socio-economic variables are the pivotal elements that keep Malaysia's relations with Iran close until today. Apart from that, this study also demonstrates that although religion has been long considered as the main key variable to strengthen Malaysia's affiliations with the Middle Eastern world, but in the case of Iran, religious elements play a less significant role in cementing the bilateral relations. Even, this element could become the thorn in the flesh that could jeopardize Malaysia's relations with Iran in the future. Nevertheless, so far both countries are happily understanding on the different approaches that had been taken, especially in dealing with the issue of Syiah at a domestic level. On the issue of Iran's nuclear power, Malaysia has shown its strong support as long as there is no violation against Non-Proliferation Treaty principles. What both countries need is a continuous dialogue in order to minimize all differences so that a better relationship can be built upon in the years to come.

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