economic spheres. Association with the Muslim world
enabled Malaysia to promote greater cooperation in the
fields of culture, education, science and technology. For
instance, Tun Abdul Razak signed a treaty in 1975 with
the Gulf States to exchange scientists, professors,
students, journalists and athletes. In the same year, he
concluded an agreement on economic, technical and
cultural cooperation with Oman and the United Arab
Emirates (UAE). 28 The next administration under the
leadership of Tun Hussein Onn continued this policy by
signing in 1977 an economic, scientific and technical
agreement with Libya and the Arab Republic of Egypt. 29
Besides the principles of non-alignment and regionalism,
Tun Hussein also adopted the concept of Islamic
solidarity. Thus he upgraded relations with the Muslim
countries, particularly the Arab states, and enhanced
participation in the International Islamic Organizations,
especially the OIC. At the inaugural meeting of the
Regional Islamic Organization of Southeast Asia and the
Pacific (RISEAP) on November 10, 1980, Tun Hussein
stressed his government’s commitment to Islam and the
Islamic world. In his words:

Although the Malaysian society is multi-religious,
Islam has been made the official religion of the
country. The Federal and State Constitution
guarantees the freedom of worship. Our national
ideology, the Rukun Negara, provides for the belief
in God. Malaysia has always supported the cause
of Islam. It takes an active part in the Islamic
Conference and the Islamic Development Bank. It

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28 Utusan Malaysia, 23 January 1975 and 25 January 1975
29 Foreign Affairs Malaysia, March 1977, pp.6-13

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is also active in the propagation of Islamic faith.
We believe that material development alone cannot
guarantee the [health of a] nation; we also attach great
importance to spiritual development. 30

Admitting that material benefits were one of the priceless
rewards of brotherly ties with the Islamic world, Tun
Hussein continued Tun Razak’s pragmatic strategy of
using Islam as a binding force, which was instrumental
for Malaysian development. 31 Identified as a growing
source of loans and investment capital for Malaysia, the
‘oil powers’ were upgraded in terms of relations to
underscore the Prime Minister’s belief that Islam was
indeed capable of bringing about prosperity and progress.
Such ties were actively sought, and provided substantial
resources for the Third Malaysian Plan, with wide
publicity for loans and agreements signed with countries
like Libya, Saudi Arabia and Iraq. 32

Tun Hussein’s first visit outside ASEAN, was to
Saudi Arabia. In 1977, Malaysia obtained M$193 million
from the Saudi Fund for Development, and concluded
several important trade, technological and scientific
agreements with Iraq. By 1978, total Arab loans to
Malaysia stood at M$329 million. Under the Third
Malaysian Plan, Libya provided M$25 million to fund
development projects while Saudi Arabia gave a M$200

30 Koleksi Ucapan Tun Hussein Onn 1980
(Kuala Lumpur: National Archives of Malaysia and Prime Minister’s
Department) p.199
31 Shanti Nair, op.cit., p.65
32 For details see, Foreign Affairs Malaysia, March 1977