

Assembly of RISEAP. At this conference, Dr. Mahathir reiterated Malaysia's firm commitment to the cause of Islamic da'wah, locally and internationally, and vowed to vigorously support the cause of Islamic nations.¹⁰

It is undeniable that Islam is a major force in Southeast Asia since it is the official religion of Malaysia and Brunei Darussalam, the faith of some 90 percent of the Indonesian population and a large minority in the Philippines, Thailand and Singapore. In addition, Islam in Southeast Asia has been increasingly politicized as a result of development within the Islamic world. Therefore, it is quite reasonable to expect that Malaysia's foreign policy would also be geared towards an active and serious commitment to the regional Islamic causes. Yet this commendable stand in the conduct of foreign policy is arguably adopted for more than religious reasons. Politically, it is primarily motivated by the desire to ensure the maintenance of peace and stability in the region, and to promote cooperation among the regional state. As such, ASEAN has always been regarded as the cornerstone of Malaysia's foreign policy.¹¹

Indeed, Malaysia's active involvement in the affairs of the Islamic world is not confined to the political arena. At the economic front, Malaysia believes that the economic growth and development of member countries has currently become more difficult, especially by the manipulative policies of the developed nations, and the problem of indebtedness. Malaysia, under its first Premier, contributed significantly to the establishment of Islamic Development Bank (IDB) which aimed at accumulating wealth from the rich members to help the poor and less developed, and, at the time, to ensure that Muslim economy could compete with other developed and developing economies.¹² Closer ties with the Muslim world, both Arab and non-Arab, holds the attractive potential for greater commercial, trade and investment linkages with these states. Dr. Mahathir echoed this point clearly when he remarked that Malaysia should take advantage of the presence of 900 million Muslims in the world.¹³ Pakistan and Iraq, for instance, are among the biggest buyers of Malaysia's palm oil.¹⁴

10. *Foreign Affairs Malaysia*, 15 no.2 (June 1982), p. 149.

11. *ISIS Focus*, June 1990, p.22.

12. *Berita Harian*, 17 April 1974.

13. *New Straits Times*, 2 April, 1984.

14. *Economic Report 1985* (Kuala Lumpur: Ministry of Finance Malaysia, 1985), p.42.

In terms of investment, closer ties with the Gulf States, and institutions like that of IDB, Saudi Fund and the Kuwaiti Fund for Arab Economic Development (KFAED), has injected funds for Malaysia's various development plans. Bilateral loans from these institutions had, for example, totaled by the end of 1984 RM\$390.3 million (Saudi Fund: RM\$25.5 million and Kuwait Fund: RM\$137.8 million) (Ahmad, M. Yusof, 1990: 308). Indeed, closer political and religious ties with these countries led to medium and long-term economic benefits for Malaysia. For instance, through cultivating closer relations with the Arab world, the administration of the second Premier, Tun Abdul Razak, got a RM\$300 million loan to finance various developmental projects in the country, and was indeed instrumental in the success of its New Economic Policy (NEP).¹⁵

Tun Razak's era was very much known for its domestic economic restructuring (NEP) to address the economic imbalance among the Malaysian communities that was one of the prime reasons for the communal crisis in 1969. Consequently, Tun Razak continued to enhance its active and closer participation with the Muslim world especially 'the oil-powers', that could benefit Malaysia economically. Indeed, the policies he formulated locally and globally were depicted in terms of national objectives.

Malaysia's closest cooperation and active support to the Arab world during Tun Razak administration had clearly been of great benefit to the country both politically and economically. In the economic field, Malaysia gained many trade opportunities offered by the Gulf States like Qatar, Oman, United Arab Emirates (UAE) and Bahrain, mainly through importing its rubber, wood, and food, including canned one.¹⁶

In a speech in the House of Representatives in March 1975, Tun Razak maintained that his tour to the Gulf States and Saudi Arabia was very successful. He proudly said that a capital of \$300 million from the Arab countries would be utilized for the Medical Faculty of the National University of Malaysia (UKM), the National Technological Institute, the construction of a port in Kuantan and the funding of an electrical power project in Terengganu River. Another \$100 million from the UAE would also be used to finance projects of mutual interest.

15. *Utusan Malaysia*, 1 April 1975

16. *Ibid.*