

INDIAN OCEAN REGION: MALAYSIA'S PERSPECTIVE

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Introduction

Indian Ocean (IO) is a body of water about five and a half times the size of the United States geo-strategically (1) located between Africa, the Southern Ocean, Asia and Australia. It encompasses the basins of the Red Sea, the Persian Gulf, the Arabian Sea, the Bay of Bengal and the Andaman Sea. As a coherent strategic space the region hosts a number of important international sea-lanes of communication (SLOCs). These SLOCs are the shortest and most economical sea routes between the Atlantic and Pacific Oceans. Substantial volume of international long distance maritime goods from the Persian Gulf, Africa, Asia and Europe pass through these SLOCs. They are used by more than half of the world's merchant fleet including 30,000 tankers annually. Overall, they account for the carriage of the highest tonnage of goods.(2)

Being a geo-strategic, multi-cultural and multi-ideological region there has been a long history of contentions for the control of the region. During the Cold War days for instance, IO's vast and deep ocean floors used to be the main playground for the United States and Soviet Union nuclear ballistic missiles submarines (SSBNs). It was here that they play the dangerous "cat and mouse" game to ensure the delicate global strategic security balance. Under the Mutual Assured Destruction (MAD) strategy both superpowers agreed to coexist by threatening to annihilate one another. The SSBNs stealthy characteristics offer them comparatively better survivability for counter strike purposes hence ensuring that no one would have the advantage or be disadvantaged by a surprise attack.

The demise of the Cold War has without doubt drastically reduced the probability of an open military confrontation between the superpowers in the region. It has also made it much easier for the United States as the only superpower to subdue any non-conforming regimes. On the other hand, the ability to bring down “undesirable” regimes has not made the prospect of achieving the desired regional and global peace any brighter. The US has now to deal with more potent non-state actors – the terrorists. Although limited in military capacity, these terror groups are ideologically very powerful. Riding on the mass disapproval of the perceived high-handed US post- September 11 regional policy, they are now gaining from strength to strength. Acts of terror waged by these groups are now being felt across the globe. This makes geo-political developments in the IOR becoming an issue of interest and concern to all states big and small.

With this backdrop, this paper aims to present some of Malaysia’s interests, concerns and aspirations in the IOR focusing on three core issues, namely:

- a. The Importance of IOR Relative To Other Regions
- b. Malaysia’s Specific Goals and Interests
- c. Views on Regional Roles of Other Maritime Powers

IMPORTANCE OF IOR TO MALAYSIA

IOR is important to Malaysia politically, economically and socially. Since her independence Malaysia has enjoyed close political ties with almost all the countries in the region. Ties particularly with West Asian states have been firmly established through the sharing of common history, ideology and culture. These affiliations are manifested in numerous political associations like the Organization of Islamic Countries (OIC), British Commonwealth and Non-Aligned Movement (NAM). Most of the West Asian and East African countries for instance are linked to Malaysia

through NAM and OIC. The Indian sub-continent countries on the other hand are mostly linked through the Commonwealth.

Politico-security developments in IOR are significant to Malaysia as they have proven to impinge on her domestic politics. The Soviet invasion of Afghanistan in the late 70's for example had led to the growth of local radical Islamic groups. Malaysian Mujahideens who were recruited and indoctrinated to join the war against the Soviets, later brought home with them an extreme brand of Islam. Some of them subsequently became founders of Islamic based militant groups in the country.

Economically, most of the IO rim states are Malaysia's important trading partners. India and Pakistan today are among the most important markets for her palm oil and manufactured products. In turn the region is an important source of raw materials and labour. Overall, the IOR is her 4th biggest trading partner. Malaysia also has substantial investment in the region particularly in the oil and gas as well as the construction industries. To facilitate and enhance trade Malaysia has participated in regional economic groupings such as the Indian Ocean Rim Cooperation (IORC), South Asian Association For Regional Cooperation (SAARC) and the International Forum on The Indian Ocean Region (IFIOR). The extent of Malaysia's economic engagements in IOR is best reflected by the trade figures shown: (3)

GROSS MALAYSIAN EXTERNAL TRADE WITH THE IOR

Year	Export	Import
	USD million	USD million
1998	5372	2619
1999	5716	3106
2000	6382	4730
2001	5805	4933
2002	6646	4674

Source: Statistics Department of Malaysia

The real strategic value of the IOR however lies in its oil reserves particularly in the offshore areas of Saudi Arabia, Iran, India and Western Australia. (4) The region today holds about 40% of the world's oil and gas reserves. Saudi Arabia alone holds 261 billion barrels while Iraq another 112 billion barrels. Iraq however is estimated to hold another 200 billion barrels yet to be developed. (5) In addition, the region also rich in tin, uranium and gold reserves as well as fishery resources. According to FAO's estimate fishery catch in IO could be increased to 20 million tons. Most of these resources are yet to be tapped and will become potential targets of industrialized nations. (6) And in environmental terms, vast oceans like IO plays important roles in ensuring climatic balance as well as the continuous functioning of the earth's life support system.

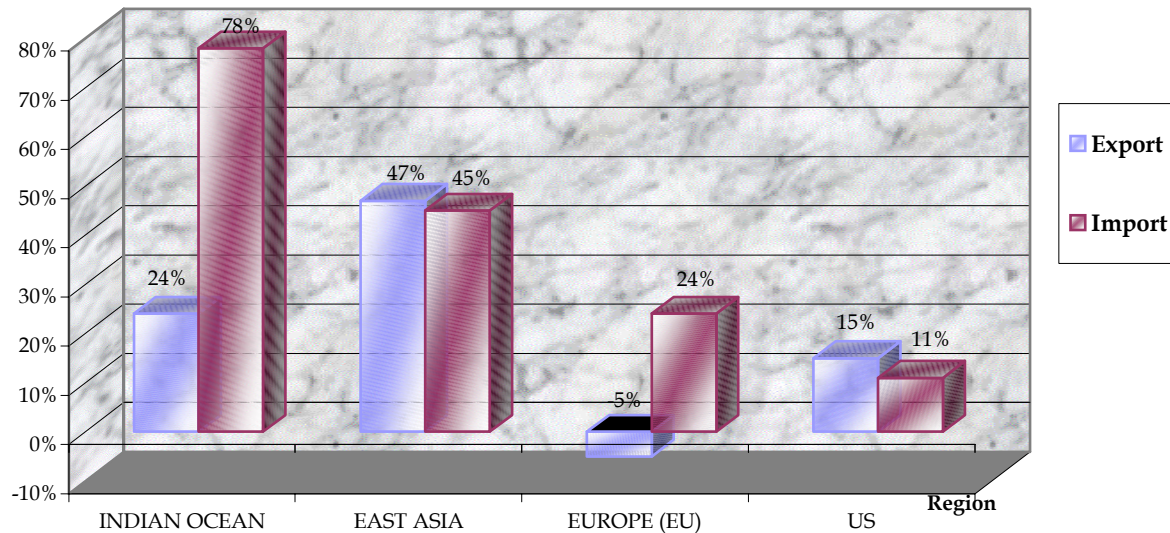
The strategic importance of IO is set to increase as the global economic integration gains momentum. Since future economic growth would be export-led they rely heavily on SLOC security and access. At the same time, growth in consumer-based industries would spur more demand for energy resources from the region. The World Bank estimated in 1999, that the world sea-borne trade was expected to increase from 21,480 billion ton-miles to 35,000 billion-ton miles in 2010. (7)

Socio-culturally the close ties between Malaysia and IOR goes a long way into history. Apart from trade, the link with the region, the Middle East in particular, was established mainly through religious affiliation. Islam spread to the country from the Middle East through South Asia. Among the testimonies of the socio-cultural ties are the presence of more than one million Malaysians of South Asian origin and the sharing of some custom and tradition including some language terminologies.

THE RELATIVE IMPORTANCE OF IOR VS OTHER REGIONS

Malaysia since her independence has adopted an open foreign policy posture based on the principle of “being friendly to all”. This is perhaps best testified by the number of foreign missions in the country. Today there are 85 foreign missions in the country out of which more than 20 are (8) from the IOR. What subsequently determine the relative importance of a particular region at a particular time is the politico-economic interactions that are taking place. Economic engagement could perhaps be gauged from trade figures and below (9):

Changes in Malaysia's Inter-Regional Trade Between 1998 to 2002



Source: Statistics Department of Malaysia

The above figures show that Malaysia's two-way trade with IOR from 1998 to 2002 has recorded among the highest percentage of increase. In terms of value however it is still comparatively lower than other regions particularly East Asia.(10) The increase in the volume of trade with Europe would also mean more of her import and export would pass through IO SLOC. From the politico-security dimension, given the direct and immediate security threat posed by geo-strategic developments in

the IOR, the region would comparatively feature more prominently in Malaysia's overall strategic calculation, at least for the moment.

MALAYSIA'S GOALS AND INTERESTS IN IOR

In line with her goal to be a fully developed nation by the year 2020, Malaysia's interest is to have a global environment conducive for her economic development. In the IOR her interests and concerns revolve around maritime rights, sea-lane security, transnational crimes, terrorism, projection of military power and regional geopolitics.

Maritime rights

Malaysia's increasing dependence on international trade is evident from the shift in her global trading index from 20th most globalised trading nation in the year 2000 to 18th position in the year 2002 (11) As a global trading nation unimpeded access through IO SLOC is critical to Malaysia's immediate interest is to ensure the free flow of her trade and hence freedom of navigation through the IO SLOCs. In this regard, she depends a lot on the judicious and expedient implementation and enforcement of international laws such as the United Nation Convention on the Law of the Sea (UNCLOS). The recent proposal to reinterpret UNCLOS to permit the "boarding and search of a suspect vessel by law enforcement officials of another country when such vessel is in international waters", is a cause of concern to her.(12) This proposal is debatable for the fact the list of offences in the SUA Convention and Protocol is quite broad and it is also inconsistent with the principle of the freedom of the seas articulated in Article 87 and Article 89 of UNCLOS. (13) If this proposal goes through the question one could ask is, will there be a guarantee that it would not be abused by discriminatory or overzealous enforcement?

The other concern is her right of access to economic resources in the IO consistent with the principle of the sea as a common heritage of mankind. The jurisdictions among others include freedom of navigation and over-flight, seabed mining, fishing and other rights accorded by UNCLOS. Except for perhaps freedom of navigation and over-flight, at the moment Malaysia has not fully exercised her rights. This however, does not in any way imply that she does not intend to utilize these rights in future. Recognizing the potential of tuna fishing in IO, she is now gearing to utilize her fishing rights under the Indian Ocean Tuna Commission. Serious efforts are now being made to encourage local fishermen to embark on tuna fishing in the ocean. (14)

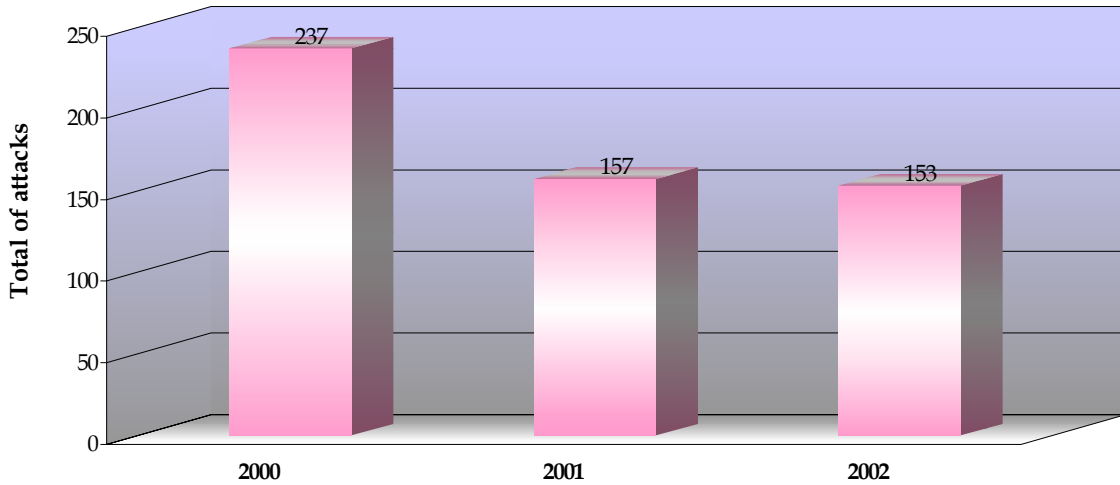
Therefore, given recent developments maritime rights would continue to be an issue of contention between the maritime powers and smaller littoral states. In as much as the maritime powers are concerned with threats of “creeping jurisdictions” by littoral states on SLOC accessibility, the smaller trading states are equally concerned with the “creeping security powers” pursued by the major maritime powers over the high seas under the pretext of enforcing security.

Sea Lane security.

As a global trading nation, security of IO SLOCs is thus critical to her economic survival. Threats to these SLOCs could emanate from both state and non-state sources. From state sources threat could come from rouge military. From non-state sources threats could be in the forms of acts of piracy, shipjacking and terrorism. For reasons like traffic congestion, hydrographic constraints and the presence of economically deprived communities particularly along the coastal areas on the Indonesian side of the waterway, the Malacca and Singapore Straits at the southern gateway of IO would continue to be a popular venue for

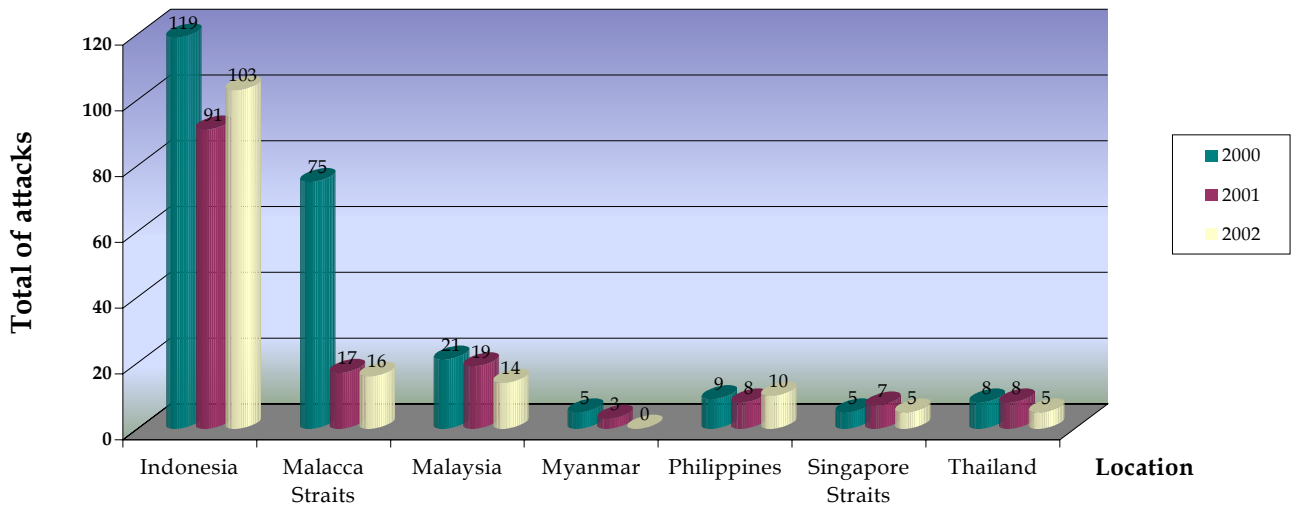
piracy activities. Statistics of sea robberies in Southeast Asia are as shown (15):

Actual/Attempted Piracy Attacks in SEA Waters, 2000-2003



Source: International Maritime Bureau (IMB)

Location of Actual/Attempted Piracy Attacks 2000-2002



Source: International Maritime Bureau (IMB)

Deeply concerned with the impact of sea robberies in the straits on her economy and the potential risks to lives, properties as well as

environmental damage, apart from cooperation with neighboring states Malaysia on her part, has made every endeavor to address the threat in waters under her sovereignty. This includes enhancing surveillance and enforcement by the installation of maritime surveillance radar chain along the entire straits and deploying more patrol boats. Through these efforts reports of piracy attacks by the International Maritime Bureau (IMB) has dropped by about 30% in 2001.(16) However, the IMB had recently reported a 37% increase in the number of piracy attacks particularly in Indonesian, Bangladeshi and Indian waters.

The sea being a coherent space allows criminals to move freely from one band of territorial waters to another. This makes isolated enforcement by littoral states if anything ineffective. On the other hand, resources are not unlimited. Littoral states like Indonesia which has a long coastline, has to set priorities. In doing so gaps would be created for perpetrators to capitalize upon. On Malaysia's part, it has to be admitted that despite the proximity of these piracy prone waters, she has no security jurisdiction in other states' sovereign waters.

Apart from that, political instability and violence on land such as the ongoing war in Aceh could also endanger SLOC security. Therefore, efforts must be made to restore political stability in IOR as a whole. This may involve diffusing whatever tensions between states as well addressing the sources of threats including those involving non-state actors. This is perhaps best done through the involvement of the United Nations.

To enhance the overall effectiveness of her maritime law enforcement and sealane security Malaysia has recently decided on the establishment of national coastguard. Along with the construction of a new naval base at

Pulau Langkawi, it is hoped that the security of the north - eastern end of the Straits of Malacca would be better managed.

Transnational crimes

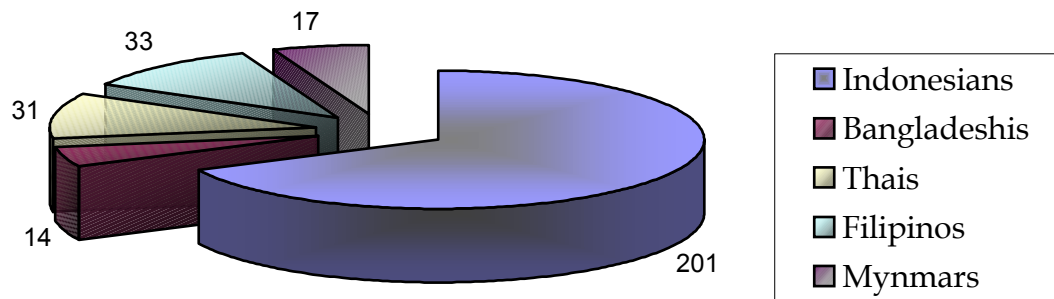
The transnational crimes of immediate concern are; piracy, narco-trafficking and the smuggling of arms and human cargoes. **Piracy** involving armed-assault and robbery common to the Straits of Malacca and South China Sea has now spread into the Bay of Bengal, North-Eastern Sri Lanka and the Arabian Sea. (17) Unlike normal piracy, shipjacking involves well- organized and well-funded international syndicates. Piracy incidents are very serious because they involve significant economic losses to ship owners, cargo owners and marine insurers, as well as a risk to the lives of the crew.

Narco-trafficking. IOR is also home to more than 2/3 of the world's narcotic supplies with the Golden Triangle alone supplying about 56% of the world's demand.(18) As a country with a relatively developed international transportation infrastructure and closely located to the drug-producing region, Malaysia has been used as one of the transiting points. Some of these drugs inevitably find their way into the local market. Despite its draconian drug laws, drug abuse continues to be the country's number one problem, causing serious security and social problems. From 1988 to 2002, there were 235,495 reported cases of drug addiction in the country.(19)

Human smuggling. The continued disparity and uncertainties in global economy may well lead to an increase in the movement of illegal immigrants. At one time Malaysia was estimated to host more than one million illegal immigrants mostly from ASEAN neighboring countries and South Asia. Most of them entered the country through the sea. As we

have experienced, increased population of illegal immigrants becomes a security threat when the effects of such growth tend to cause social and political tensions. Analysis of Police statistics reveals that there is a direct co-relation between the number of illegal immigrants and the crime index. Besides, police investigations have also linked a substantial percentage of the serious crimes such as murders, rapes and hired killings to syndicates operating from across the Straits of Malacca. (20)

Statistics of the Number of Illegal Immigrants Involved in Murder Cases



Source: Source: Royal Marine Police Statistic, Bukit Aman

Arms smuggling. The connection between drug and firearms trafficking is well acknowledged. For this reason it is not surprising that the Golden Triangle (Myanmar) and Golden Crescent (Afghanistan) are also heavens for firearms smugglers. The Liberation Tigers of Tamil Ealam (LTTE) for instance has established a sophisticated network of arms trade from Golden Triangle that passes through the Bay of Bengal and the Andaman Sea. In Malaysia, despite imposing death penalty for illegal possession of firearms, she has lately experienced a surge in the number of firearms related crimes. Among others this indicates that firearms are easily available. It is believed that most of these arms were smuggled through her relatively porous northern land and sea borders. Arms black markets

operating from this region are known to feed the armament requirements of insurgencies as far as India, Sri Lanka and the Philippines. (21)

As transnational crimes transcend across national borders and are well-organized and well-funded, committed international cooperation is needed to address them. This includes more cooperation among regional law enforcers involving exchange of intelligence and harmonization of laws. At the same time more lasting solutions need to be sought to address the threat of sea-robbery. This includes the creation of more economic opportunities in the economically deprived regions infested by sea robbers. In the same breadth, some loose ends in the command and control of enforcement resources needs to be tightened up to ensure that enforcers do not turn villain.

Terrorism.

Although threat of terrorism has existed in Malaysia since her early independent days, what is going on today is different in both form and substance. While the terror campaign by Communist terrorist was more defined in terms of cause and geographical areas of operation, today's threat is more open. Members of terror organizations like the Jemaah Islamiah (JI) could be anywhere and the causes pursued are mostly imported. Hence, most of the solutions to the problem are not within Malaysia's control.

In the maritime dimension, despite reports of terrorist movements, so far there has been no confirmed act of terror being committed in the Straits of Malacca and Singapore. The possibility though is always there. With the renewed fighting in Aceh, it is conceivable that GAM fighters under pressure from operations by Indonesian military may resort to acts of terror against high value vessels transiting through the Straits to finance their war. They have been known to attack or extort foreign oil

companies operating in the province before. In Malaysia, police investigations have uncovered a terrorist organization Kumpulan Militan Malaysia (KMM) involved in robbery-for-terror activities. At the regional level, if the reported links between domestic terrorist groups and Liberation Tigers of Tamil Eelam (LTTE) are true, then this should be a cause for further concern.

Malaysia is however of the view that the current global counter terrorism efforts are just short-term crisis management measures. As we are now seeing in Iraq, force and intimidation alone could not stop or deter an act of terror. If an overwhelming force is indiscriminately used it is more likely to worsen the situation. Drastic preventive security measures such as out terrorizing the terrorists by killing suspected or innocent bystanders or demolishing their homes are likely to breed more terrorists. A long-term solution to address this threat should focus on solving its root causes. The implementation of the Middle East road map to resolve the Israel-Palestine impasse and installing self-rule regime in Iraq in the quickest possible time could perhaps be steps forward in addressing the threat.

Projection of Military Power

Malaysia holds the view that projection of military power by any power in the region is acceptable only if it was meant to serve peaceful ends. This includes stopping two warring factions from fighting, to protect a weak elected regime or to secure a SLOC threatened by a rouge state or a serious non-military threat. In all cases, the definition of legitimacy and deployment for the said purposes must be determined and mandated by the United Nations. Military posturing meant to undermine a government legitimately appointed by the people is unacceptable. Force and intimidation in most cases are likely to invite “equal and opposite” reaction leading to more instability and insecurity. For example, as

admitted by North Korea recently, its pursuit for nuclear weapons was in response to persistent US military posturing. (22)

Unilateral deployment of warship for whatever reason such as to patrol a distant SLOC within a sovereign territory of another state is considered as posturing if done without due regard to diplomatic sensitivities. However incapable a littoral could be in enforcing its waters, as a sovereign state it has its own pride and dignity to uphold. Hence, it deserves the respect to be kept informed of any foreign military activity in its sovereign waters. In this regard, the right of unimpeded transit under the “transit passage” regime does not bestow one the right to come in to enforce law and order.

Worst of all, Malaysia disapproves the projection of military power involving deployment of nuclear weapons. Besides being morally aversive it could unnecessarily expose littoral states to nuclear accident with the potential of causing serious collateral damages to lives and properties.

Geopolitics of IOR

Geo-political developments in IOR like the wars in Afghanistan and Iraq have had profound impact on Malaysia’s economy and security. Economically, the overall global economic jitters caused by the war had inadvertently affected Malaysia’s economic performance. The other is the direct economic impact from the post-war surge in terrorism. The devastating Bali bombing for example had affected the flow of Foreign Direct Investment (FDI) as well as the tourism industry in Southeast Asia. The Malaysian economy is highly dependant on both FDI and tourism. (23)

Security wise, the spillover effect of the war had an impact on Malaysia’s internal security and political stability. The war had indeed played into

the hands of the regional militant groups like JI and KMM who were out to replace the present Malaysian government along with some other Southeast Asian governments by force. Malaysia is however rather fortunate as she was able to contain the threat by nipping the problem in the bud by using the “controversial” Internal Security Act to detain more than 60 JI and KMM members.(24)

Similarly, Malaysia is equally concerned with the unresolved India-Pakistan conflict over Kashmir. Apart from causing regional instability, any conflict between the two nuclear rivals could result in a regional nuclear holocaust. The security of regional SLOCs and consequently the global economic performance would ultimately be affected. And perhaps on a lesser scale, is the concern with stability in Sri Lanka given that a long-term political solution to the prolonged conflict between Government/LTTE is yet to be within sight. The civil war has previously been known to affect SLOC in the northeastern part of IO apart from propagating criminal activities like money laundering and arms smuggling.

BEHAVIOR AND AMBITIONS OF REGIONAL MARITIME POWERS

As a small state Malaysia is obviously concerned with the behaviors and postures of key regional players in the IO region. She is certainly uncomfortable with the US unilateral policy in the IOR as apart from contravening international law, she is unnecessarily being burdened by the spillover effect of the US intervention. More than that, she is worried that the precedent set would justify future unilateral intervention to replace regimes perceived to be “rogue” in the eyes of the superpower of the day. If this becomes an acceptable international practice, no country would be safe from threat of military occupation. Apart from undermining the process of dialogue and cooperation this would breed a

sense of global insecurity and would ultimately strengthen the hands of the hardliners.

Soviet Union and China's extra regional power role in IO seems at the moment not too significant. Both countries are now preoccupied with their economic reforms. On the other hand, India's recent unilateral deployment of warships to patrol the Strait of Malacca has evoked a lot of domestic concerns. Although the deployment was not regarded as a direct military threat, the concerns are genuine because the warships were essentially patrolling Malaysia's front yard.

CONCLUSION

The IOR is geo-strategically important to Malaysia in political, economic and security terms. While having close political ties with almost all IO rim states, she has established substantial trading links with most. The SLOCs through IO are critical for economic survival. Although Malaysia is located quite a distant away from West Asia, she was not immune from effects of regional turbulence. While recent wars in the region had adversely affected her economy, she had also to deal with the rise in domestic and regional terror activities born out of these wars. Hence, it is Malaysia's fervent hope that stability and security in the region be restored at the earliest opportunity. Of course this could not be achieved by the mere use of military might to replace "rouge" regimes or to out-terrorize the terrorists. Experiences have shown that terror begets more terror and then the cycle of violence would continue indefinitely. Since terrorism are just symptoms of a serious contagious disease, they could only be diagnosed by identifying and addressing it root causes. To be able to do this sensibility must prevail over prejudice, hatred and vengeance.

END NOTES

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