Reviewing Malaysia’s Relations with North Korea

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EXECUTIVE SUMMARY

- The assassination of Kim Jong-nam at Malaysia’s main airport on 13 February 2017 brought into focus a well-kept secret of Malaysia’s foreign policy: the country’s relations with North Korea. It also quickly led to a diplomatic rupture between the two countries.

- Relations between North Korea and Malaya/Malaysia began tensely during the Cold War with North Korea purportedly supporting communism in its regional neighbourhood. Malaysia and North Korea established diplomatic ties on 30 June 1973, just prior to Malaysia’s recognition of the People’s Republic of China. In the 1990s and 2000s, Malaysia’s scant economic relations with North Korea overlapped with Pyongyang embarking on a nuclear (weapons) programme. Cautious economic cooperation was supplemented by exchanges in education, culture and tourism.

- Malaysian Prime Minister Najib Razak’s political stock is likely to have risen after his administration’s capable handling of the diplomatic fallout, and this may stand him in good stead in the coming general election.

- China presumably played a key role in breaking the diplomatic impasse.

- The diplomatic rupture is likely to mend gradually, and Malaysia-North Korea relations should return to what they had been—ones that are more symbolic than substantive.

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INTRODUCTION

The assassination on Malaysian soil of Kim Jong-nam, the half-brother of North Korean supreme leader Kim Jong-un, which sparked a diplomatic feud between the two countries, brought into focus a well-kept secret in Malaysia’s foreign policy: the country’s relations with North Korea.

This article discusses the historical basis and evolution of this bilateral relationship, and considers some of the implications of this recent diplomatic fallout.

FROM HOSTILITY TO DIPLOMACY

Relations between North Korea and Malaysia (Malaya) began tensely during the Cold War. North Korea was suspected to have been giving material and training assistance to communists in Southeast Asia.¹ Under Malaysian Prime Minister Tunku Abdul Rahman, Malaysia’s foreign policy was principally pro-West and anti-communist in character.

During the Indonesia-Malaysia confrontation (1963-66), North Korea provided tacit support to Indonesia alongside Mao Zedong’s China. With the good personal chemistry between Indonesian President Sukarno and North Korean leader Kim II-sung, Indonesia and North Korea fostered close bilateral relations,² and their interests converged in what became known as the Jakarta-Phnom Penh-Hanoi-Pyongyang-Beijing Axis.³ For Kim’s North Korea, as much as Sukarno’s Indonesia was a friend, Malaysia was a foe. In fact, the establishing by Kuala Lumpur of diplomatic ties with South Korea in 1960 would not have been taken well by North Korea.

Tun Abdul Razak, who replaced the Tunku as Prime Minister in 1970, sought to realign Malaysia’s foreign policy and felt that Tunku’s black-and-white perception of international affairs made Malaysia less secure from the communist threat. Hence, one of the first foreign policy shifts undertaken by Razak was to replace Tunku’s pro-West outlook with a non-aligned posture for the country and with a call for neutralisation for the Southeast Asian region.

Concurrently, Kim Il-sung moved North Korea to focus more on propagating the state ideology of national self-reliance called Juche. Recognising that North Korea was being increasingly isolated from the wider international community while South Korea was inching closer to the mainstream of international affairs, Kim decided to practise a more independent foreign policy in an attempt to shed the country’s image of a hermit kingdom and bolster Pyongyang’s diplomatic standing in the world as a counter to Seoul. As such, Kim embarked on a charm offensive outreach campaign to diversify North Korea’s

² See Rachmawati Soekarno, President Soekarno and President Kim Il Sung: on the centenary of the birth of President Kim Il Sung (Jakarta: Booknesia, 2012).
diplomatic relations beyond the communist bloc to the wider non-communist developing world. And so, unsurprisingly, North Korea joined the Non-Aligned Movement (NAM) in August 1975.

US President Richard Nixon’s trendsetting visit to China in 1972, which led to rapprochement between Beijing and Washington, also acted as a diplomatic enabler by engendering a more favourable climate for non-communist states to develop closer links with the communist bloc.

Against this changing geopolitical backdrop and after several months of direct negotiations in third countries, mostly in Jakarta, Malaysia and North Korea established diplomatic relations on 30 June 1973. It is notable that it was North Korea which made the first move to signal its intention to establish diplomatic relations with Malaysia through sending an unofficial trade mission to Malaysia in 1972, playing in a friendly table tennis competition in Malaysia in 1973 while informally meeting with Malaysia’s Foreign Ministry officials, supporting Malaysia’s stand on neutralisation of Southeast Asia which meant non-interference from outside powers, and applauding Malaysia for quitting the Asian and Pacific Council (ASPAC) in 1973.

The agreement to normalise Malaysia-North Korea relations was signed between Malaysia’s ambassador to Indonesia, Zainal Abidin Sulung and North Korea’s ambassador to Indonesia, Li Yang Hwa at the official residence of the Malaysian envoy in Jakarta. A joint communique was subsequently issued, and the diplomatic breakthrough was publicly announced in Kuala Lumpur and Pyongyang at the same time. Razak made the announcement on the same day to over 1,000 delegates attending the 24th UMNO general assembly. In the same address, Razak also stated that Malaysia had begun official talks with China on establishing diplomatic ties. This perhaps suggests that establishing diplomatic relations with North Korea (and just prior to that, North Vietnam, the first Asian communist country to be recognised by Malaysia) was a precursor to the grand prize: Malaysia being the first Asean country to establish diplomatic relations with China, which eventually took place on 31 May 1974.

Although the establishment of diplomatic relations between Kuala Lumpur and Pyongyang was a blow to Seoul which had actively sought to isolate Pyongyang, there was no danger in Malaysia’s relations with South Korea rupturing. Despite South Korea lobbying aggressively to dissuade Malaysia from normalising relations with North Korea, including

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5 ASPAC was an organisation made up of non-communist Asian nations and set up at the suggestion of South Korea in 1966. Malaysia’s withdrawal can be attributed to its nonaligned stance as it intended to establish diplomatic relations with North Vietnam, North Korea and also China. As Taiwan was also a member of ASPAC, Malaysia had no choice but to withdraw from the organisation and abide by the One-China policy as a prerequisite for seeking rapprochement with China. *Berita Harian*, “KL tarik diri dari ASPAC”, March 13, 1973.
its use of the rationale that Malaysia’s diplomatic manoeuvre could jeopardise efforts to achieve reunification of the two Koreas, Malaysia stood firm in its decision. In no uncertain terms, Wisma Putra’s Secretary-General Zaiton Ibrahim told South Korean President Chung Hee’s special envoy, Choi Kyu-ha that for Malaysia to become a truly nonaligned nation with a neutralist foreign policy, it was necessary for it to have diplomatic ties with countries such as North Korea.\(^8\) In having diplomatic links to both Koreas, Malaysia would then gain heightened credibility as a nonaligned player in international affairs.

**BEEFING UP THE ECONOMIC IMPERATIVE**

While the primary motivation for normalisation of relations with North Korea was strategically-driven, these ties under the successive premierships of Hussein Onn and Mahathir Mohamad were defined by the beefing up of sparse bilateral economic activity. In 1978, total trade between the two countries came to only about $6.3 million, with Malaysia having a trade deficit with North Korea of around $2 million.\(^9\)

In fact, not much else existed in the 1970s and 1980s beyond the economic imperative in Malaysia-North Korea relations apart from participation in sporting events and occasional support by Pyongyang of Malaysia’s idea for Southeast Asia to be declared a region of peace, freedom and neutrality.\(^10\)

Early bilateral economic interactions were facilitated by the official visit of the Agriculture and Rural Development Minister Ghafar Baba to North Korea in October 1975 – the first by a Malaysian Minister. This was the second leg in Ghafar’s three-nation tour to China and the two Koreas for the purpose of increasing Malaysian exports of raw material, namely, rubber, tin and palm oil. In Ghafar’s words, “The long meeting – one-and-half hours – I had with North Korean President Kim Il-sung was the longest accorded any visiting foreign dignitary.”\(^11\)

In the late 1970s and throughout the 1980s, Malaysia and North Korea made concerted attempts to boost economic relations. For instance, Mahathir Mohamad, who was then Deputy Prime Minister, led a 25-member delegation to Pyongyang in June 1979 and signed a trade agreement with North Korea, which was subsequently ratified in February 1980.\(^12\) This was the first major trade pact inked between the two countries which established direct trade links (without the need for third parties as had been the case in the past) and gave the “most favoured nation” status to each other.\(^13\) Malaysia sought to import steel and heavy machinery from North Korea and to export rubber, tin, timber and palm oil in return.\(^14\)

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\(^{8}\) *The Straits Times*, “Why relations with both Koreas are necessary”, April 27, 1973.


\(^{10}\) *The Straits Times*, “Trade pact with North Korea”, March 5, 1978.

\(^{11}\) *The Straits Times*, “S. Korea ‘yes’ to fishing joint ventures”, November 6, 1975.


\(^{13}\) *The Straits Times*, “Trade pact with North Korea”, March 5, 1978.

When Mahathir, upon becoming Prime Minister, enacted his Look East policy in 1981, the primary emphasis was on learning from Japan and South Korea for domestic economic benefit. China, after gaining momentum with its open-door policy of 1978, was later under the Mahathir administration also included in Malaysia’s sight as it looked to East Asia. The most notable absentee in this narrative was North Korea, perhaps because the other countries were surging ahead with economic progress; and Malaysia stood to benefit more from aligning itself to those countries that proffered greater trade and investment for its own domestic economic development and heavy industrialisation drive to become a developed nation.

But as he positioned Malaysia more and more as a Third World spokesperson, Mahathir soon adopted a more inclusive approach and included North Korea in its policy formulation. As such, for the most part of the 1980s, the Mahathir administration made efforts to enhance economic cooperation with North Korea. These included sending Albert Talalla as new ambassador to North Korea in September 1980; bartering with North Korea to boost bilateral trade; and signing several trade agreements to boost direct bilateral trade, with the most extensive being in April 1989. But despite the best efforts of both countries, including North Korea setting up a trade centre in Kuala Lumpur in 1979, towards the end of the 1980s, economic relations between Malaysia and North Korea remained sluggish and insignificant, lagging behind Malaysia’s trade with other East Asian countries as well as with the Taiwanese.

One plausible explanation could be found domestically in North Korea. Under Kim Il-sung and later, Kim Jong-il, North Korea suffered as an economic backwater due to natural disasters, economic mismanagement, and to totalitarianism turning the country into a weak and reclusive state.

CAUTIOUS COOPERATION

Throughout the 1990s and particularly in the 2000s, Malaysia’s scant economic relations with North Korea overlapped with Pyongyang embarking on a nuclear programme, carrying out explosive tests and uranium enrichment; and ultimately, since 2003, North Korea removing itself from the nuclear non-proliferation treaty. From 2006, North Korea conducted a number of nuclear tests, causing it to come under heavy sanctions, and raising much concern in its regional neighbourhood, including Southeast Asia.

Under Mahathir and his successors as Prime Minister, Abdullah Badawi and Najib Razak, Malaysia’s North Korea policy has remained fairly consistent. All three leaders pursued cooperation with North Korea albeit with some degree of caution. On the one hand, Malaysia pursued economic and cultural cooperation with North Korea, while on the other,

16 *Singapore Monitor*, “Malaysia to barter with N Korea”, December 6, 1982.
17 *The Straits Times*, “Malaysia and North Korea agree to boost economic cooperation”, April 16, 1989.
it condemned North Korea’s nuclear weapons programme and its attendant missile tests and even supported UN-led sanctions on Pyongyang. That said, Malaysia remained rather ambivalent about sanctions being imposed on North Korea and considered it more prudent to engage rather than isolate Pyongyang. As such, Malaysia was a staunch proponent of the six-party talks on North Korea aimed at bringing about a denuclearised Korean Peninsula and even (re)unification of the two Koreas. Malaysia has also been a keen proponent of the Asean Regional Forum, of which North Korea has been a member since 2000, which have tried to end hostilities between the two Koreas and to restart the six-party talks.

Malaysia’s penchant for non-proliferation can be attributed to four factors: (1) Malaysia’s stance is historically in line with the country’s proposal for the regional neutralisation of Southeast Asia; (2) Malaysia, being a small state, considers regional security as paramount; (3) A consistent non-proliferation record that bolsters Malaysia’s standing in the world resonates well with the local population; and (4) Non-proliferation advocacy is in congruent with a country exhibiting middle-power behaviour in international affairs.

Malaysia’s rise to middle-power status, which enhances its image on the world stage in the process, was pivotal in “allowing it to play a friendly third nation role in facilitating secret talks as well as open negotiations between the US, South Korea and North Korea throughout the nuclear talks in the 2000s.” Of course, Malaysia was only able to perform that role as it had sufficiently good relations with all the aforementioned three countries, not least North Korea.

To broaden Malaysia’s ties with North Korea, economic cooperation was supplemented by a focus on education, culture and tourism. As such, Malaysia and North Korea offered visa-free entry into their respective countries in 2000 and signed a memorandum of understanding on culture in 2002 and 2017. Malaysia also allowed North Korean airline Air Koryo to fly to the country in 2011 (since halted); and through HELP University conferring in 2013 an honorary doctorate to Kim Jong-un to boost educational exchanges between the two countries. So, it was only when ties between North Korea and Malaysia had broadened

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23 For domestic reasons too, Malaysia was quick to cast doubt on reports, particularly from the US, that Malaysian banks were used by North Koreans to make financial transactions in aid of the country’s nuclear programme. See *The Straits Times*, “N. Korea’s missile launches improving”, July 6, 2009. Malaysia also denied the Philippine allegation that it served as a transit point for the separatist group, Moro Islamic Liberation Front (MILF) funnelling weapons from North Korea. See *The Straits Times*, “KL denies weapons claim”, June 25, 2000.
24 Mustafa Izzuddin, “Why Najib is stepping up engagement of China”, *TODAY (Singapore)*, November 9, 2016.
26 *The Star (Malaysia)*, “HELP University awards honorary doctorate to Kim Jong-un”, October 23, 2013.
that embassies were set up in respective countries in 2003, 30 years after diplomatic recognition.²⁷

**FALLOUT AND RUPTURE**

The killing of Kim Jong-nam on Malaysian soil on 13 February 2017 was a turning point for the worse in Malaysia-North Korea relations. The act was allegedly carried out by two women, one from Vietnam and the other from Indonesia, but apparently masterminded by North Korean agents. Kim Jong-nam was supposedly targeted for assassination because he was viewed as a threat to Kim Jong-un’s rule. The fallout between Malaysia and North Korea came about when Putrajaya wanted to launch an investigation into the killing including carrying out an autopsy, while Pyongyang simply wanted the body to be returned home. Pyongyang’s suggestion to conduct a joint investigation was also rejected by Putrajaya.

The escalation of the dispute can be traced to the North Korean ambassador to Malaysia, Kang Chol accusing Malaysia of colluding with “hostile forces” to bring harm to Pyongyang.²⁸ Kang was subsequently expelled and declared persona non grata after he failed to show up when summoned by Wisma Putra. The expulsion was intended to send a strong signal to Pyongyang that Putrajaya would not tolerate baseless accusations and disrespect of its sovereignty. This move was also necessary to assuage domestic outrage at persistent pressure from Pyongyang as was epitomised by Malaysians protesting outside the North Korean embassy.²⁹ Prior to the expulsion, Malaysia had recalled its envoy to North Korea, perhaps concerned for his safety. The present absence of envoys is indicative of a temporary rupture in Malaysia-North Korea relations.

The choice of Malaysia for the attack was also disconcerting to Malaysian policymakers. There are perhaps two reasons why Malaysia was chosen by the perpetrators. First, the visa-free entry for North Koreans into Malaysia created an enabling environment for the deed. Second, North Korean companies in Malaysia were seen as acting as a veneer to conduct espionage activities for the benefit of Pyongyang, and also to circumvent international sanctions in order to channel money home (often in hard cash). In short, the North Koreans may have decided on Malaysia as the best spot for the attack, because of its relaxed and friendly policy towards Pyongyang.

The use of a chemical weapon – VX nerve agent – to assassinate Kim Jong-nam also concerned the Malaysian government, and for two reasons. Firstly, it has to ask itself how

²⁷ Although the embassies were only set up in 2003, North Korea had already appointed its first envoy to Malaysia in 1975, a diplomat named Jong Song-mun, while Malaysia appointed Albert Talalla as envoy in 1980.
the perpetrators got hold of a chemical weapon; and secondly, despite this chemical agent being barred under the Chemical Weapons Convention, North Korea had showed nonchalance in using it so publicly in Malaysia.

The rupture in relations was reaffirmed when the North Korean government prevented Malaysians who were in North Korea from exiting the country. In response, Malaysia initially barred North Koreans from leaving as well, but later decided to deport them instead unless they were somehow related to the murder case.30

Relations between Malaysia and North Korea have perhaps reached a nadir. In addition to ongoing investigations as regards the killing of Kim Jong-Nam, there was further scrutiny on unscrupulous links between Malaysian companies and Pyongyang after a recently-released report by the UN Security Council highlighted Malaysia’s failure to enforce active UN resolutions imposing sanctions on North Korea.31 The immediate priority however for Najib’s government was to ensure the safe return of Malaysians trapped in North Korea. This was later achieved, and the nine Malaysians returned home on 31 March 2017.

IMPLICATIONS OF THE Fallout

Malaysia does not stand to lose much if there is a rupture in its relations with North Korea as these had always been underdeveloped. North Korea’s geographical distance from Malaysia also means that the impulsive actions of Pyongyang do not pose a direct threat to the national security of Malaysia, despite the talk of war breaking out between North Korea and Malaysia.32

Since Malaysia is one of very few countries that have for decades maintained ties with the reclusive North Korean regime, a rupture in this bilateral relationship may remove the value Malaysia has had as one of a few countries considered able to bring North Korea and ASEAN closer together, and provide Pyongyang, according to one official, with a “gateway to Southeast Asian markets.”33

One salient implication of the murder is that Najib’s political stock is likely to have risen after his administration’s capable handling of the diplomatic fallout. Najib did three things

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30 Malaysia deported 50 North Koreans whose work permits had expired. They were among 140 North Koreans who were apparently working in the coal mining industry in Sarawak without valid work permits. This was uncovered in the aftermath of Kim’s death. The Straits Times, “Malaysia to deport 50 North Korean workers”, March 15, 2017.
31 Malaysia however quickly rejected any insinuation that it had allowed North Korea to operate a clandestine arms network in the country, particularly through a Malaysian-based company called Glocom, thereby violating UN sanctions. Reuters, “Malaysia rejects ‘insinuation’ it violated U.N. sanctions on North Korea”, March 4, 2017.
right in his response to “insulting statements”⁴⁴ made by the North Koreans. First, he was firm and decisive in resisting the pressure exerted by Pyongyang. Second, he called on Malaysians regardless of political affiliations and loyalties to unite and support the efforts of his government in managing the crisis. The murder had the effect of rallying Malaysians to unite behind the government, given that the security of their country appeared at stake. Third, after condemning North Korea’s decision to prevent Malaysians from leaving the country as being “in total disregard of all international law and diplomatic norms”⁴⁵, Najib struck a much softer tone to leave the door open for talks with North Korea to realise the safe return of these Malaysians.

It is therefore fair to say that the feud with North Korea offered Najib a chance to demonstrate that he can be a strong leader. It was therefore a matter of high priority for his government to bring home safely the Malaysians trapped in Pyongyang.

The North Korean leadership tried to paint the murder as a Seoul conspiracy, and that Malaysia was in cahoots with South Korea in a plan to tarnish the image of North Korea and destroy the governing regime. The murder was also exploited by the North Korean leaders to whip up nationalistic sentiments in support of their paramount leader, Kim Jong-un. Regime insecurity breeds paranoia in international affairs, and had Kim Jong-nam’s corpse not been finally returned to Pyongyang, the hysterical pressure on Putrajaya would likely have continued.

Perhaps of greater concern to North Korea is the detrimental effect its diplomatic standoff with Malaysia can have on its ties with other countries. One such country is Singapore which was watching the diplomatic spat very closely and which had urged the North Korean leadership to be more moderate in its behaviour so as to preserve regional peace and stability.⁶⁶ Given the benefits enjoyed by North Koreans largely through the auspices of the Singapore-based NGO Choson Exchange, the last thing Pyongyang would want is for restrictions to be imposed by the Singapore government as a result of its feud with Malaysia.

Given the stark divergence in the position of both countries over the murder, the breaking of the impasse suggests the likely involvement of a third party mediator, probably that of China. China has cordial relations with Najib’s Malaysia on the one hand and arguably holds significant leverage over North Korea on the other. Beijing’s role was also key in de-escalating the conflict through its quiet diplomacy – serving as a neutral transit point for Kim Jong-nam’s corpse to be deposited by the Malaysians for the North Koreans to pick it up, and ensuring that the Malaysians stranded in North Korea returned home to Malaysia in this reciprocal arrangement.

The diplomatic fallout in Malaysia-North Korean relations is acute but not permanent. However, the murder should at least nudge the Malaysian government to reassess the merits

⁴⁴ The Star (Malaysia), “Malaysian leaders double down on N. Korea”, March 6, 2017.
⁶⁶ Channel NewsAsia, “Malaysia-North Korea spat should be resolved without extreme measures”, March 8, 2017.
and demerits of its ties with Pyongyang. The future course of bilateral relations will hinge on the national (oftentimes regime) interests of both North Korea and Malaysia. For North Korea, it is about whether the links with Malaysia can help augment the longevity of Kim Jong-un’s governing regime. Given also that the Donald Trump administration has signalled the end of US policy of ‘strategic patience’ on North Korea in that military action is now a possibility, it behoves the leadership in Pyongyang to fortify relations with countries traditionally friendly to North Korea—and that includes Malaysia. Hence, it is to Pyongyang’s benefit to end the current row with Malaysia. What is however more likely to take place is the gradual mending of the rupture and a return to a bilateral relationship that is more symbolic than substantive.