
MALAYSIA IN 2000

A Year of Contradictions

Patricia Martinez

The political aftermath of the 10th Malaysian general elections of November 1999 was played out in 2000, as was the saga of former deputy prime minister Anwar Ibrahim. The contradictions between rhetoric and reality as well as the powerful and the powerless shaped public life and discourse. The year also saw the paradigm that perhaps defines Malaysia most—the divisiveness of race and religion—evolve in myriad issues, both strengthening and repudiating formulas for understanding the nation.

The general elections had been a watershed: they not only confirmed that the ruling coalition lost significant support from the Malays especially but also other constituencies. Without the 46 seats from East Malaysia, the Barisan Nasional (BN) barely won a simple majority. It garnered 53% of the votes to win 103 parliamentary seats in Peninsular Malaysia, whereas the Barisan Alternatif (BA) received 43.11% of the votes cast to win 42 seats. The BN won 26 seats by less than 5% majorities and another 24 by margins of less than 10%, statistics indicative of non-Malay support. Numerous official complaints including a lawsuit over electoral fraud in Sungei Siput were registered over allegations of the BN use of “phantom voters,” a practice in which thousands of voters are imported from outside a given constituency. It also is worth noting that a high number of spoiled votes was recorded in the elections—the national average was 2.14%—and is perhaps reflective of a significant but silent segment who could not relate to the issues or choices before them or both.

The elections forged a new opposition coalition and consolidated the disgruntlement of Malaysians over corruption, cronyism, poor governance, and

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Asian Survey, 41:1, pp. 189–200. ISSN: 0004–4687

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growing authoritarianism. However, the elections also reconfirmed the ruling coalition's continuing hold on power ever since the nation achieved independence.

Politics

Maintaining its traditional strategy of offering development and reminding the electorate of gratitude due to them, the BN contested three by-elections during 2000. In April, the BN increased its majority by 1,038 votes in Sangang, Pahang, defeating the Parti Islam SeMalaysia (PAS) candidate. The defeat was partly caused by the use of a slogan asking voters to reject the secular state that PAS blames for the nation's moral morass. However, to non-Muslims this slogan translated into PAS championing of an Islamic state, which had been rejected in the 1999 elections. The BN retained its parliamentary seat in Teluk Kemang, Negeri Sembilan, in a June election with a 5,972 majority. But this constituted a 40% loss (3,970 votes) for the BN candidate six months after the general elections. Finally, on November 29—exactly one year after the general elections—the BN lost by 530 votes a by-election for the state seat of Lunas in Kedah to a BA candidate, despite having won it by a 5,000-vote majority in 1999. Only 32% of Malays and 35% of Chinese voted for the BN in Lunas, though it got 75% of the Indian vote. In contrast, analyses show that the BA increased its Malay vote, but more significantly enough Chinese voters supported the BA's Malay candidate to give him the victory. This occurred despite initial public squabbling between the parties that constitute the BA over the preferred ethnicity of a candidate and which party's turn it was to field one.

Because the stakes were high, this state assembly seat by-election in a small town warranted gargantuan efforts from both the BN and the BA. The BN's loss in this, the prime minister's home state, eliminated the party's two-thirds majority in the state assembly coming as it did after PAS had won 12 seats a year earlier. The BA's win confirmed that, despite widespread early cynicism about strange bedfellows, the opposition coalition was not only surviving beyond the general elections but also consolidating its potential as a viable political entity. By the end of December, nine KeAdilan and PAS members had been charged in court with "rioting" because they turned away busloads of BN supporters, alleging they were phantom voters because no campaigning is allowed on election day. The charges against the nine, which invoke a prison sentence and/or fine, are seen by many as the ruling coalition's vengeance for the loss of Lunas.

The United Malays National Organization's (UMNO) post-general election stock-taking included a special assembly in November to amend its Constitution and revamp the party. Initial proposals included extending the Supreme Council's term to five years to synchronize with parliamentary terms. How-

ever, since party elections are called every three years, this amendment would have prolonged the tenure of those at UMNO's helm. Following an uproar among ordinary UMNO members about the powerful consolidating their hold, the controversial amendment was withdrawn. Among the amendments and resolutions that ultimately emerged was one permitting senior civil servants to hold positions in a political party, a change intended to court civil servants, who are mostly Malay. However a few weeks later, the chief secretary to the government and head of the civil service announced that "the politicians can say what they like," but civil servants would not be allowed to be politically active and had to remain neutral.¹

One of the component parties of the ruling coalition, the Malaysian Chinese Association (MCA), was rocked with scandal over misuse of funds. In October, it was revealed that the Chang Min Thien education fund valued at 10 million ringgit malaysian (RM) had never been disbursed since its establishment in 1981 when the MCA was entrusted to administer it. Furthermore, several beneficiaries of an MCA-administered RM 16 million fund for victims of the 1999 Japanese encephalitis outbreak were found to be MCA members and party staff who had not been victims of the illness.

If the year was an *annus horribilus* for the BN, the BA continued to gain ground despite public squabbles within and among its member parties. KeAdilan (the party led by Anwar's wife) survived a crisis just before its annual assembly, when the webmasters of its reformasi Internet sites closed them down and demanded the resignation of two party leaders for abandoning the Anwar cause. The crisis ended when Anwar's wife herself reiterated the need to expand the party's struggle beyond her husband's case.

The January announcement by PAS that it would implement *kharaj* (land tax), designated specifically for non-Muslims in the states it ruled, met with considerable resistance from fellow BA member, the Democratic Action Party (DAP), which has a large Chinese base although it is multiethnic. PAS dropped the tax and the two parties continued to forge a working relationship. As the parties represent Muslim and non-Muslim positions, this relationship was significant for offering an alternative national vision that went beyond the schisms of race and religion. PAS and DAP convened public *ceramah* (rallies) in various states, some of which included fielding difficult questions about the validity and viability of their partnership. PAS attempted to consolidate this more plural image in Terengganu and Kelantan even as it embarked on a campaign to close down unisex hair salons, bars, and gambling and entertainment centers. It achieved this consolidation through a series of meetings with minority groups and by granting permits not only for a Chi-

1. "'Rules against Politics Stay' Halim: We Have Our Own Reasons," *New Straits Times*, November 25, 2000.

nese cultural festival to be held but, more importantly, for non-Muslims to build places of worship, which had been denied them for many years by the BN government in Terengganu.

But PAS was dealt a mortal blow when the federal government announced that it was abrogating its agreement to pay 5% petroleum royalties to Terengganu, the state that voted in the opposition political party. The government withheld a RM 480 million payment due in October. However it announced it would allocate and disburse RM 19 million *wang ehsan* (special compassionate funding) for projects through its agencies in the state. The uproar over what many deemed another example of the appropriation of public and national resources in an act of political vengeance evoked widespread sympathy even from Malaysians not predisposed to PAS. Meanwhile, on December 8, the Finance Ministry announced in Parliament that the country's petroleum reserves had declined from 4.1 billion barrels in 1995 to 3.42 billion in 2000. This would support national demand until 2008 if no new oil fields are found. Petronas is exploring for oil in Angola, Pakistan, Sudan, Vietnam, and Indonesia.

The contradiction of women both gaining and losing ground in 2000 is perhaps a portent of the growing conservative strain of Islam in UMNO, a development seen by significant segments of the party as the way to combat PAS's inroads into UMNO's Malay constituency. This conservatism is affecting public policy as well. PAS spiritual advisor Nik Abdul Aziz, who is also the chief minister of Kelantan, continued to provoke the ire of significant numbers of women with paternalistic statements critical of their gender. Conversely, the BN continued to court women, as the party sought out potential voter constituencies to replace its declining Malay support. The courtship included a lavish Women's Day celebration in March, the prime minister's dialogue session with women in May, and certain amendments to the Income Tax Act announced in the 2001 budget. Furthermore, a memorandum that a group of women's nongovernmental organizations (NGOs) sent to the government in July asking for legislation to back the existing code on sexual harassment elicited a response that it would be considered favorably. But in another of the contradictions that marked the year, although the largest number of women yet (20) were voted into Parliament, the number appointed to the Cabinet declined. In addition, for the first time in many years, no women were voted into the UMNO Supreme Council this year.

The politicization of Islam continued, with the government issuing a slew of policies and laws that position UMNO as committed to Islamizing the nation, despite the more popular perception attributing political Islam to PAS. Although Islamic law is enacted by individual state governments and not the federal government, draft legislation is formulated by Pusat Islam of the prime minister's department. State assemblies merit little publicity; as a con-

sequence, much legislation on Islam is enacted with little public knowledge or debate. In 1993, Kelantan enacted the *hudud* (canonical law), which mandates a death sentence for apostasy. However, the death penalty cannot be meted out by the Shari'a courts unless they are authorized to do so by federal law, and the Federal Constitution does not provide the death penalty for apostasy. Thus, four apostates indicted in December in Kelantan received only a prison sentence.

In March, the BN-controlled state of Perlis was the first to legislate the Islamic Faith Protection Enactment. The law prescribed imprisonment and/or mandatory rehabilitation at a Faith Rehabilitation Center (a number have been built throughout the country and they have been described as detention centers) for "deviationism" and apostasy. It has been argued that the legislation is *ultra vires* Section 11 (1) of the Federal Constitution, which grants freedom of religion, as well as the spirit and intent of the Qur'an, which states that there is no compulsion in religion. Few Malay Muslims choose to convert out of Islam, in part because almost all states have enactments that imprison those caught proselytizing Muslims. Thus, some see this legislation as having the potential to criminalize or at least contain PAS and not just outdo it. After considerable protest aired in the media, the prime minister announced that the legislation would be withdrawn and reconsidered for those states that have not passed it.

The state of Johor finally made operational its Syariah Offenses Enactment of 1997, which punishes lesbianism (as sodomy is a criminal offense under civil law, homosexuality is deemed to be covered by this legislation), premarital sex, incest, prostitution, and pimping with jail sentences and whipping. Forthcoming federal legislation includes an amendment of the Penal Code to make the abuse and misuse of religion an offense punishable by a criminal court, and not the sole provision of state governments. "Those threatening national security and public safety are also terrorists for religion has been used to teach deviationists blind loyalty and the hatred of government leaders," said the minister for law.²

Despite laws, policies, threats, and reminders that constrain public discourse on religion and race because they are deemed sensitive matters, both topics dominated rhetoric and reality. In a year dominated by the ruling coalition's struggle to survive and reinvent itself, religion and race featured prominently since they have always defined politics in Malaysia. In 2000 UMNO reiterated its slogan that it champions the Malay race in a variety of ways.

One incident involved the New Economic Policy (NEP) and its successor, the 1997 National Development Policy (NDP). These are to be replaced by a

2. "Religious Offenses May Come under Code," *Star*, November 24, 2000.

new 10-year-long program tentatively called the Vision Development Policy, which will perpetuate affirmative action policies for the Malay majority race. However, the August 10 issue of the *Far Eastern Economic Review* reported on David Chua, deputy chairman of the National Economic Consultative Council (NECC), describing the deliberations before the NECC as including a reevaluation and revision of the policy. The Malay press sensationalized the issue and UMNO politicians outdid each other in condemning Chua and as well as the Siuqiu, the Malaysian Chinese Organizations' Election Appeals committee (an umbrella group for over 2,000 Chinese organizations). The volley of racial epithets and racist slogans from UMNO Youth over the issue and a violent protest in front of the Selangor Chinese Assembly Hall went unheeded by authorities, despite calls by a number of opposition politicians for police to investigate their allegations that numerous laws were being contravened. Furthermore, in his National Day speech six months later Mahathir described the Siuqiu as extremists and likened them to the Al-Ma'unah cult, which in July created the worst national security scare in years (more below).

The public wrangling about the candidate in the Lunas by-election was reflective of how consciousness of what it means to be Malaysian and the ensuing choices made have been ethnicized historically. It also showed how this wrangling continues for political expedience. Ultimately, the BA itself followed the formula by fielding a Malay candidate. Posters featuring the face of the BN's ethnic Indian candidate superimposed upon papal robes were distributed in Muslim areas, although the BA denied responsibility for the tactic.

The opposition coalition's support from ethnic Chinese in Lunas was attributed to the controversial government proposal for the so-called Vision Schools to enhance racial integration. The proposal would create a single entity out of Malay, Chinese, and Tamil schools, which would retain their individual curricula but share premises, sports facilities, and a canteen. However, the Dong Zhiao Zong (the joint United Chinese School Committees' Association and the United Chinese School Teachers' Association) resisted such integration until clear guidelines in writing were agreed upon.

The Vision Schools proposal has become a controversial issue. Before the Lunas election, the government made assurances that implementing the proposal would not be compulsory. After the BN's electoral loss, with even members of UMNO's Supreme Council laying the blame on Mahathir, the prime minister attributed the result to ungrateful and racist Chinese who had turned a year after they handed him and his ruling coalition a win at the general elections. This logic did not go down well and there was considerable outrage at the racial politics practiced by UMNO to maintain its support. Referring to the Vision Schools issue, education scholar Kua Kia Soong wrote, "These episodes have the uncanny knack of exploding on the Malay-

sian politico-educational area every time UMNO faces an internal crisis.”³ Mahathir dug in his heels and on December 12 in Parliament reiterated his accusations against Siuqiu, though he appeared to contradict himself by saying that “although Suqui [*sic*] did not explicitly say so in its demands, the consequences would be the removal of the divide between Bumiputera and non-Bumiputera.”⁴ By the year’s end, Siuqiu’s election appeals that include reconsidering the NEP had become the burning issue, defined by Mahathir as “demands” against Malay rights and dominance, which provoked Malay groups aligned to the BN to threaten retaliation against Siuqiu. However, PAS and some Malay leaders in KeAdilan condemned such rhetoric and policies of racial supremacy as against the teachings of Islam, evidence of different (but not new, as this has been a consistent PAS position) possibilities in configuring the nation.

Anwar Ibrahim also configured in Malaysia in 2000. The year opened with a spate of arrests and charges against those associated with him. In January, counsel Karpal Singh was charged with sedition for suggesting a political conspiracy in the process of arguing Anwar’s case before the courts. A KeAdilan vice-president was charged with sedition for allegations about UMNO’s role in the May 13, 1969, riots, and the party’s Youth chief was charged under the Official Secrets Act for releasing government documents exposing official corruption. In September 2000, Zainur Zakaria, another Anwar counsel, was sentenced to jail for contempt in pleading his client’s case. Zainur’s own case is now on appeal.

As for Anwar, on August 8 he was found guilty of “unnatural sex acts” and sentenced to nine years in prison, to be served in addition to the six-year sentence handed down in April 1999. The 2000 trial caused an uproar at home and abroad, as prosecutors changed the facts of the case a number of times. Later that month, Singapore’s senior minister Lee Kuan Yew concluded his first visit to Malaysia in more than a decade with a press conference at which he described the Anwar affair as “a series of blunders” and “an unmitigated disaster.”⁵ Anwar’s appeal against his 1999 conviction for corrupt practices (for interfering with police investigations) was postponed indefinitely; as of late 2000, Anwar was in a hospital and unable to appear before the court. On December 10, his appeal against the High Court’s rejection of his RM 100 million defamation suit against the prime minister was dismissed. In late December, the courts upheld a two-month jail term and a

3. Kua Kia Soong, “Who Is Blurring the Vision Schools Issue?” *Malaysiakini*, November 10, 2000, on the World Wide Web at <http://www.malaysiakini.com/archives_news/2000/nov/nov10/news3.htm>

4. “No to Suqui [*sic*] Demands. Dr. Mahathir: Giving in Is Tantamount to Abolishing Malay Rights,” *New Straits Times*, December 12, 2000.

5. “Singapore’s Lee Has an Anwar Opinion,” Associated Press, August 17, 2000.

fine of RM 2000 against Rahim Noor, who was a former inspector-general of police, for assaulting and causing serious injury to Anwar while he was in detention.

Other Issues

At various times throughout the year, protestors for the Anwar cause took to the streets. Police took strong measures to contain them, culminating in accusations of police brutality over the gathering of over 10,000 people on November 5. Twice during the year, a broad-based coalition of NGOs and individuals presented petitions to ease curbs on peaceful assembly, abolish such repressive legislation as the Internal Security Act that allows for detention without trial, and grant the right and freedom to assemble.

The beleaguered judiciary was under the spotlight. The announcement early in the year that there was a backlog of over 700,000 cases did little to alleviate growing cynicism about the state of the institution. Then, despite expressions ranging from critique to outrage from the Bar Council, the public, and even the minister for law, the attorney general announced that he found no case for misconduct against Chief Justice Eusoff Chin. Chin, who had holidayed abroad with a prominent lawyer whose cases had been tried successfully before him, finished his term as chief justice in December.

In other matters, the courts upheld a RM 7 million libel award to business tycoon Vincent Tan against journalist M. G. G. Pillai and the editor and publisher of the magazine that ran Pillai's article critical of Tan. The Hong Kong-based Political Economic Risk Consultancy ranked the Malaysian legal system as one of the five worst in Asia. The country's first ever trial for treason opened in September and will continue into 2001. Twenty-nine members of the Al-Ma'unah cult were charged with an arms heist in July that sparked the nation's biggest security alert in years. Fifteen men raided two army camps in Perak, stealing more than 100 weapons and taking four hostages, two of whom were found murdered after a four-day stand-off. The Al-Ma'unah heist turned into a political debacle when the defense minister felt he had to reenact it to prove that it actually could have happened. Early attempts made to implicate and discredit PAS resulted in an outpouring of cynicism and scorn from opposition politicians and especially on the Internet. The public's reaction to the government's attempt to use the heist for political purposes exposed how effectively alternate views and news are being disseminated and how important they have become to shaping perceptions.

The public's rejection of government-controlled media continued, but the year-old online newspaper *Malaysiakini* (initially funded by the Southeast Asian Press Alliance to promote press freedom) averages 100,000 hits a day. It registered 319,000 hits within minutes of the August 8 announcement of Anwar's guilty verdict. Regarding press controls in general, some Malaysian

journalists have called for the country's new but as yet largely inactive Human Rights Commission, SUHAKAM (established in April), to arbitrate between publishers and the government.

The Economy

Malaysia experienced strong economic growth in 2000. Bank Negara (Central Bank) figures announced on November 29 for the third quarter showed that real gross domestic product (GDP) increased by 7.7%, the fifth consecutive quarter of growth exceeding 7%. The recovery was quite remarkable in view of the 6.7% contraction in 1998 following speculative attacks on the ringgit and massive capital outflows.

For the year 2000, gross national product (GNP) per capita was expected to increase to the pre-crisis period level of RM 12,883, while purchasing power parity per capita GDP was set to expand at an even higher pace to RM 29,321. The independent Malaysian Institute of Economic Research (MIER) projected growth of 8.4% for 2000. However, the governor of Bank Negara cautioned that the nation's economy would slow in 2001, in tandem with worldwide economic trends and especially the anticipated deceleration of the U.S. economy. The MIER was predicting growth of only 6.3% for 2001.

Cumulative inflows of foreign direct investment (FDI) for the first nine months of 2000 amounted to RM 13.2 billion, an increase over the corresponding period in 1999 (RM 11.4 billion) but significantly less than FDI levels before the regional crisis. Both FDI and foreign private investment have been declining over the long term despite the government's desperate attempts to attract such. Investors are wary of the mixed signals that courtship and capital controls give them.

Bank Negara described inflation as having risen to the still low rate of 1.5% for the third quarter of 2000. The increase was attributed to the 9.4% October hike in the prices of petroleum and petroleum products. However, government statistics on inflation have long been disputed even by the average Malaysian. The MIER said the nation's inflation rate stood around 3.5% and anticipated an increase to 5.5% in 2001.⁶

Despite early euphoria about the inclusion of Kuala Lumpur stocks in the Morgan Stanley indices in May, the stock market remained in the doldrums. Foreign fund managers continued to give Malaysia a wider berth because of concerns over corporate governance, structural reforms, and political risk. The KLCI stock index, which hovers around the 700 level, is not an accurate reflection of the market, as there is a pattern of consistent intervention just before the day's close.

6. "Speculation Can Worsen Inflation," *New Straits Times*, November 25, 2000.

Economists voiced concern about the size of the nation's fourth successive deficit budget presented by Finance Minister Daim Zainuddin in October. It projected spending RM 16.14 billion, 4.9% of the GNP. Deficit spending included a new RM 500 million venture capital fund and a higher budget allocation and tax incentives for information and communications technology, the purchase and use of computers, and to encourage the return of skilled Malaysians working abroad to enhance Malaysia's competitiveness.

The budget did not address such short-term problems as the restructuring of unproductive and debt-ridden but well-connected conglomerates nor did it indicate how the government intended to implement its long-term plans. Although the budget was described as pro-business and geared toward foreign investors, critics described the measures as insufficient. There was an adjustment to the income tax, but none for corporate taxes; the capital controls and the ringgit peg that some argue have outlived their usefulness were left in place; and the 10% exit tax on profits from portfolio investments was eliminated, but only for those repatriated after one year.

Significantly, when announcing the budget, Daim spoke for the first time about inviting foreign ownership in national-pride projects such as ailing Malaysia Airlines. However, the rebuff of genuine investors willing to take equity positions in leading corporations—SingTel in the case of Time and NTT in Telekom—sent ambivalent signals. There was widespread speculation that these signals were also indicative of the differences between Daim and Mahathir over how to restructure these companies that, together with Daim's anger over Mahathir's revision of the former's bank merger proposal (more below), have created an apparent wedge between them. The decision to save automaker Proton by delaying reduction of tariffs for cars to 2006 (despite the Association for Southeast Asian Nations [ASEAN] Free Trade Area agreement that kicks in from 2003) was seen as continued protectionism.⁷ As in previous such cases, it is believed that a foreign investor will be brought in as an equity partner and manager of Proton.

The bailout of companies well connected with those in power continued in 2000. At the end of November, the government decided to buy back the 29% stake in Malaysia Airlines at approximately the same price that Tajuddin Ramli paid for it in 1994. At around RM 8 a share, it would constitute a 110% premium over the market price of around RM 3.8 when the news broke. Danaharta, the national debt restructuring agency, took over the RM 3 billion loan of Hottick Investment Ltd. of Hong Kong, a company used by Halim Saad to acquire the National Steel Corporation of the Philippines. The steel company is on the brink of liquidation. The bailout sparked protest and

7. The national car maker has been sheltered by an average 200% tariff on imports of foreign-assembled cars.

outrage at various alternative news and discussion lists and web sites on the Internet.

In September, the Anti-Corruption Agency announced that it had traced to the Virgin Islands over RM 6 billion that in 1996 was discovered to be missing from Perwaja Steel, which had been a centerpiece of Mahathir's industrialization drive in the 1980s. In July 2000, the prime minister had said that he accepted blame for the plant's failure. In a turnabout third-quarter development, Renong was allowed to unload all of its pledged assets to a subsidiary, leaving the parent company with a clean balance sheet and diluting the subsidiary's earnings and net asset value. The continued deals and bailouts for key projects that define Mahathir's vision of creating Malay capitalists are perhaps indicative that nothing will be allowed to derail his vision, even at the cost of public funds and growing criticism.

The bank mergers demanded by Bank Negara in 1999 continued to limp along despite the imminent deadline of December 31, 2000. The mergers are controversial, melding well-managed, sound banks with poorly managed, debt-ridden ones to create 10 anchor banks (Daim had initially proposed six). A good portion of the merged banks will fall under the direct control of the state or well-connected businessmen. The long-term implications of the mergers are a cause for concern.

In the *2001 Index of Economic Freedom* published jointly by the *Wall Street Journal* and the U.S. think tank the Heritage Foundation, Malaysia slipped to the 75th position, rendering it "mostly unfree" from its previous "mostly free" ranking. Malaysia has plunged 57 places over the past six years. The Berlin-based Transparency International lowered Malaysia's rankings in its Corruption Perceptions Index to 36th position from 32nd the year before. Considering the various factors behind these ratings, MIER's Mohamed Arif warned that "the seeds of the crisis have not been flushed out."⁸ But most of all, the economy's fate is not separate from but intertwined with the specter of the other problems besetting the nation.

Foreign Policy

Malaysia's foreign policy in 2000 continued to be shaped by championing the rights of the developing world against the perceived hegemonies of the West and globalization. Such criticisms were based on the platforms of Malaysia's economic success story and its status as a Muslim nation engaging constructively with rather than rejecting modernity. Malaysian leaders consistently criticized inaction of international bodies despite the passing of resolutions and statements of intent at various forums.

8. "Independent and Non-Profit MIER Looks Back on 15 years with Pride and Future Hope," *New Straits Times*, November 27, 2000.

At the Asia Pacific Economic Cooperation (APEC) Economic Ministers forum that preceded the APEC gathering in Brunei, Malaysia led the fight against setting a date for the next round of World Trade Organization (WTO) discussions without first finalizing an agenda. The goal was to first resolve problems arising from implementing the WTO's existing agreements before pushing on to expand the organization's powers in any new round of talks. The proposal initially was agreed to, but days later the leaders' declaration issued seemed to circumvent the agenda demand. Mahathir himself took up the cudgels when speaking to the press, describing the declaration as a conditional agreement and emphasizing that other developing nations felt likewise. Malaysian NGOs, including those critical of him, endorsed his position.

Several Malaysian proposals made at the fourth ASEAN Informal Summit in late November were accepted, including one for a trans-Asia railway. The Summit also implemented Malaysia's proposed East Asia Economic Caucus (EAEC) idea. First raised in 1990, the EAEC proposal was taken up informally at the 2000 summit meetings with China, Japan, and South Korea. The Summit also had to contend with the International Labor Organization's adoption of sanctions against Myanmar despite last-minute Malaysian attempts to prevent it. Finally, Mahathir spoke out over the European Union's (EU) displeasure over Myanmar's participation in the Asia-Europe Ministerial meeting scheduled for December by insisting on ASEAN's right to be accepted in its totality just as the EU was.

Corresponding with the government's intensified Islamization program, the year saw the most official visits to Islamic nations yet as well as Malaysia's hosting of meetings related to Islam. Mahathir attended the summit of the G15 group of developing nations in Egypt, where he addressed the Senate on Malaysia's experience with industrialization. Malaysia hosted the 27th Conference of Islamic Foreign Ministers in June. Mahathir received an award from an Islamic society in the U.S., though another withdrew an invitation to him because of the Anwar situation. Mahathir attended the Organization of the Islamic Conference summit in Doha in November and offered to host the next one in 2003.

Malaysia hosted its annual Langkawi International Dialogue, which brings together heads of state of developing nations and captains of industry from industrialized nations. At the 2000 gathering, Mahathir spoke out against the myth of free markets and condemned globalization as Western hegemony while dismissing allusions to Malaysia playing godfather to African nations. Finally, official and working visits to Malaysia made by heads of state were indicative of the nation's focus on solidarity with other developing nations as well as its growing isolation from others over Anwar Ibrahim and human rights.