

Malaysia's Defense Partnerships in an Era of Strategic Uncertainty

By Chiew-Ping Hoo & Chow-Bing Ngeow

Malaysia enjoys strong relations with both China and the US, but it isn't immune to the impact of rising strategic tensions between Beijing and Washington. Perhaps nowhere is the delicate maneuvering required to navigate this predicament more evident than in the complex defense partnerships that Kuala Lumpur has developed over the years.

Those partnerships help ensure security for Malaysia and Southeast Asia without a need to choose sides, write Chiew-Ping Hoo and Chow-Bing Ngeow.

FOR DECADES, Malaysian decision-makers have relied on a pragmatic and non-aligned foreign policy to navigate shifting regional dynamics while preserving strategic autonomy. Yet the intensifying rivalry between the United States and China is increasingly testing Malaysia's ability to sustain this delicate balance. As major-power competition expands across military, economic, technological and political domains, Malaysia's defense partnerships have become more consequential than at any point since the end of the Cold War.

Malaysia's strategic outlook is shaped by both geography and domestic realities. The country occupies a key geostrategic position astride the Strait of Malacca and the South China Sea, two vital maritime corridors for global commerce and Indo-Pacific security. Its two constituent regions — the Malay Peninsula and the Eastern Malaysian states of Sabah and Sarawak — are separated by the South China Sea, requiring defense planners to balance continental and maritime considerations simultaneously. Malaysia's domestic landscape also informs its strategic posture: it is a multi-ethnic, Muslim-majority federation operating under a parliamentary system with a constitutional monarchy, both of which underpin its political and constitutional order.

A MARITIME NATION WITH CONTINENTAL ROOTS

The Malaysian government rarely articulates its geopolitical, security and strategic assessments in explicit public terms. One of the clearest expressions of Malaysia's contemporary strategic

posture is the *2020 Defence White Paper*, which has retained political support despite repeated changes in government and ruling coalitions since its publication. The document encapsulates Malaysia's dual land-maritime character by describing the country as a "maritime nation with continental roots."

The white paper also reflects Malaysia's broader assessment of the evolving regional balance of power. Malaysian policymakers increasingly anticipate that the Indo-Pacific will become more multipolar by 2030. Although neither the white paper nor official public statements explicitly state this, Malaysian strategic thinking likely assumes that China will emerge as the region's most powerful actor without attaining uncontested dominance. At the same time, although recent US strategic policy documents (such as the 2025 National Security Strategy) have suggested a more restrained and selective approach to regional commitments, Malaysian policymakers nevertheless expect the US to remain a significant resident power through its alliance network, forward military presence and regional partnerships. From Malaysia's perspective, neither a China-centered regional order nor the continuation of unchallenged American primacy appears probable. Instead, the regional environment over the coming decade is likely to be defined by persistent uncertainty, intensifying strategic competition and a broad diffusion of power among actors such as Japan, India, Australia, South Korea and influential Southeast Asian states.

This expectation underpins Malaysia's continued preference for hedging rather than alignment. Malaysia seeks to maintain productive ties with both Beijing and Washington while simultaneously strengthening regional and middle-power partnerships. Defense diplomacy, therefore, has become an instrument for preserving strategic autonomy rather than choosing sides.

The South China Sea remains Malaysia's most pressing external security challenge. China's expansive claims overlap substantially with Malaysia's Exclusive Economic Zone and directly affect Malaysian energy resources and maritime rights. Although Vietnam and the Philippines also maintain overlapping claims with Malaysia, Chinese activities generate the greatest strategic concern due to the scale of China's naval modernization and increasingly assertive behavior.

Malaysia has generally pursued a quiet and calibrated approach toward the dispute, preferring diplomacy over confrontation. Nevertheless, the Chinese coast guard's persistent deployments around the Luconia Shoals and a 2021 incursion by 16 Chinese military aircraft near Malaysian territorial airspace raised alarms and continue to concern the Malaysian defense establishment. In response, Malaysia has quietly reinforced military infrastructure in Eastern Malaysia, expanded surveillance capabilities, increased naval deployments and strengthened exercises with foreign partners, including the US.

The mid-term review of the *2020 Defence White Paper* last year warned against the "aggressive stance" of a country claiming most of the South China Sea, an unusually direct formulation in Malaysian strategic discourse. While Malaysia is reluctant to publicly portray China as an adversary, its defense planners recognize that China's expanding military capabilities, growing presence in the South China Sea and more assertive and coercive behavior could substantially constrain Malaysia's security interests in the disputed areas.

Beyond the South China Sea, Malaysia also faces a range of lower-intensity but persistent security challenges involving neighboring states. The Philippines' historical claim over Sabah is dormant but still unresolved, creating a latent security risk in Eastern Malaysia. The 2013

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Lahad Datu incursion demonstrated how unresolved sovereignty issues can intersect with militancy, porous maritime borders and transnational criminal networks. Malaysia subsequently established the Eastern Sabah Security Command (ESSCOM), a joint civil-military command that has since become central to security operations in the Sulu-Sulawesi maritime zone, with the Malaysian Army's 13th Infantry Brigade serving under the command.

Malaysia's disputes with Indonesia, Thailand and Singapore are comparatively better man-

aged. Despite occasional tensions over maritime boundaries and fishing rights, these relationships are characterized more by institutionalized co-operation than strategic hostility. Mechanisms such as the Malaysia-Thailand Joint Development Area, bilateral maritime arrangements with Indonesia, and the General Border Committee (GBC) with Thailand and Indonesia, respectively, all reflect Malaysia's preference for negotiation, joint development and confidence-building measures over militarized confrontation.

Another contingency increasingly considered

by Malaysian planners is the possibility of conflict in the Taiwan Strait. Malaysia officially adheres to the "One China" policy and generally does not share Western assessments predicting imminent Chinese military action against Taiwan. Nonetheless, any conflict involving the US and China over the Taiwan Strait would have profound consequences for Southeast Asia. Malaysia would face the immediate challenge of evacuating tens of thousands of citizens from Taiwan while also confronting severe disruptions to regional trade, economic well-being and maritime security.

The Strait of Malacca would become strategically exposed in any prolonged US-China conflict, given its importance to global shipping and energy flows. Littoral states such as Malaysia, Indonesia and Singapore could face intense pressure from both powers regarding access, logistics and political alignment. For Malaysia, the central challenge would be preserving neutrality and preventing Southeast Asia from becoming an indirect theater of great-power conflict. The Strait of Hormuz blockade of 2026 has sharpened awareness of the potentially severe energy and maritime consequences should a comparable blockade be imposed in the Malacca Strait.

MALAYSIA'S DEFENSE PARTNERSHIPS: CURRENT AND FUTURE TRENDS

These strategic realities have contributed to the growing centrality of defense partnerships in Malaysia's national security strategy. Malaysia's partnerships will continue to operate along the bilateral-multilateral nexus, increasing complementary functional co-operation while deepening niche-based military-to-military partnerships.

Among bilateral partners, Australia stands out as Malaysia's longest-standing institutionalized regional defense partner. Co-operation through the Malaysia-Australia Joint Defense Program includes training, intelligence sharing, mili-

tary education and operational co-ordination. Through the Five Power Defence Arrangements (FPDA) — comprising Malaysia, Singapore, the United Kingdom, Australia and New Zealand — Australia's long-term presence at Butterworth Air Base near Penang symbolizes a level of continuity and trust that make it the most developed example of the bilateral-multilateral nexus in Malaysia's defense partnerships.

The US is another indispensable security partner. Malaysia and the US conduct regular joint exercises and co-operate extensively on maritime security, counterterrorism and professional military education. Despite political differences over issues such as the Gaza conflict and the Middle East, military-to-military relations remain strong. Joint exercises span the full spectrum of military co-operation — service-to-service, joint force, and special forces — with additional arrangements involving US National Guard units and the Marine Corps in exercises that address scenarios such as South China Sea contingencies and foreign militia incursions in East Malaysia.

Access to American doctrine, technology and training provides important operational benefits for the Malaysian Armed Forces (MAF). At the same time, Malaysia carefully avoids becoming overly dependent on Washington. The possibility of a more selective and transactional US strategy under future administrations reinforces Malaysia's determination to diversify partnerships and maintain strategic flexibility.

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Malaysia has maintained military exchanges and limited exercises with the People's Liberation Army under the *Aman Youyi* (Peace and Friendship) framework, with a focus primarily on humanitarian assistance and disaster relief operations. It has also remained cautious in its acquisition of Chinese military equipment, despite limited procurements in past decades. Overall, Malaysia's defense engagement with China is designed to preserve communication channels and reduce the risk of misperception, while carefully avoiding any compromise of its strategic posture in the South China Sea.

Beyond the major powers, Malaysia has diversified its defense co-operation with multiple extra-regional powers, building upon existing procurement relationships and evolving these into niche-based defense partnerships.

France occupies a significant position, particularly through its long-standing partnership with the Royal Malaysian Navy. French defense industrial companies have been central to Malaysia's submarine and frigate programs, reinforcing naval modernization efforts. As bilateral defense co-operation has deepened, France also conducts regular professional military education exchanges with Malaysian counterparts, and the French Air Force also enjoys military diplomacy at the Royal Malaysian Air Force (RMAF) base at Subang Airport, where the regular presence of the French Air Force attaché aims to enhance interoperability.

Japan, meanwhile, has gradually expanded its security co-operation through various forms of maritime assistance. Since the 1990s, a Japan Coast Guard attaché, the first foreign Coast Guard attaché posted to Malaysia, has been engaged in maritime capacity-building. Today, Malaysia, together with the Philippines, stands

to be the first two Southeast Asian countries to receive Japan's Official Security Assistance (OSA) as part of Japan's evolving Indo-Pacific strategy that recognizes the Strait of Malacca and the South China Sea as vital waterways.

In recent years, Türkiye and South Korea have emerged as important partners because they offer relatively advanced defense systems at competitive prices while remaining broadly compatible with Western standards. Türkiye is a key supplier of armored vehicles and drones for the Malaysian Army. Meanwhile, South Korea's FA-50 light combat aircraft program represents one of the most important modernization efforts for the RMAF. South Korea and Malaysia also began holding bilateral defense talks since late 2023, alongside the expansion of bilateral defense industrial co-operation agreements.

Within Southeast Asia, Indonesia and Singapore are Malaysia's most consequential bilateral defense partners. Indonesia is generally seen by Malaysia's policymakers as the most strategically like-minded regional actor due to common preferences for non-alignment and strategic autonomy. Both were among the few regional states to publicly voice concerns over the AUKUS announcements, and both have navigated a paradoxical mix of disputes and co-operation with China over maritime claims. A further complicating dynamic is Indonesia's armed confrontation against the formation of Malaysia in 1963 (the *Konfrontasi*), which left a residual wariness among some in the defense establishment toward close co-operation with the region's largest military. Notwithstanding this history, co-operation between the MAF and the Indonesian armed forces (TNI) is among the most comprehensive in Southeast Asia, involving regular exercises across all service branches.

Singapore's importance stems from geography and functional necessity. Despite periodic

disputes over maritime boundaries and airspace management, both countries recognize the need for close co-ordination in managing the strategically vital Strait of Malacca and adjacent air corridors. Singapore's Information Fusion Centre (IFC) is also the most advanced and strategically significant information sharing platform for regional and global security, and Malaysia is allocated a larger-than-standard complement of liaison officers at the Centre. Pragmatic co-operation therefore continues despite differences in strategic culture and threat perception.

Looking ahead, Malaysia's defense partnerships are likely to evolve along a differentiated but coherent trajectory. Australia and the US will remain crucial providers of capability, training and strategic reassurance. Indonesia and Singapore will continue serving as indispensable regional interlocutors during periods of uncertainty. China will remain an essential economic partner, a co-operative defense counterpart and a persistent potential challenge in the South China Sea, requiring careful calibration in Malaysia's defense diplomacy to balance engagement, deterrence and strategic autonomy.

CONCLUSION

Though great-power competition will continue to intensify over the coming decade, Malaysia should deepen its current defense engagements with both the US and China in a calibrated manner. The US is expected to remain vital to Malaysia's defense, particularly in the maritime domain and situational awareness, cyber defense, capacity-building, training and defense procurement frameworks. China will remain an important economic and diplomatic partner and a potential source of friction in the South China Sea, requiring careful management — with engagement focused on communication, confidence-building, co-operation in areas of com-

mon interest and deepening operational familiarity with the Chinese military.

Beyond neighboring states and major powers, Malaysia's growing niche defense partnerships with selected states such as Türkiye, France and South Korea should be encouraged as a means of diversifying sources of arms supplies, strengthening specialized operational competencies, and supporting targeted areas of modernization without overdependence on any single external partner.

Malaysia's defense partnerships will remain central to its security interests and contributions to regional stability over the next decade. Shifting geopolitical dynamics, technological change and domestic priorities will continue to shape its engagement with key bilateral and multilateral partners. A balanced approach that combines external co-operation with the steady development of national defense capabilities will be essential to ensuring Malaysia remains prepared for emerging strategic challenges.

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