

## **LETTER | The spring of Malaysia-UAE relations**

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LETTER | The leaders of two rapidly developing countries – both modern states founded on the federation of monarchies, blessed with bountiful coastlines and precious oil, one in the tropics and the other in the desert – met in the United Arab Emirates over the past three days to cement their bilateral, trade, and economic relations.

Prime Minister Anwar Ibrahim concluded his second official visit to the UAE, which was notably his first foreign visit as Asean chair and his first for 2025.

The meetings underline the centrality of economic partnerships as the bedrock of deepening bilateral relations between Malaysia, a trading nation, and the UAE, which has been spearheading economic diversification in the fossil fuel-rich region over the past decade.

Among the highlights of this visit was the signing of the Malaysia-UAE Comprehensive Economic Partnership Agreement (MY-UAE Ceps), which is Malaysia's first FTA with a Gulf Cooperation Council (GCC) member.

Certainly exceeding the worth of the paper on which it is signed, it is a real-deal agreement that ensures immediate duty-free access for 6,331 product tariff lines with prospects for expansion to boot, namely, extending benefits to key Malaysian exports like crude palm oil, chemicals, plastics, electronics, jewellery, petroleum products, rubber-based goods, and processed foods over the next seven years.

The Cepa's Islamic Chapter paves the way for players in key sectors such as halal trade, Islamic finance, human capital development and the digital Islamic economy to expand and enhance their scope and dealings, giving a booster shot to cross-border data flows, e-commerce, cooperation in digital infrastructure, green technologies and industrial development.

### **Robust growth**

The big deal about these focal points is that they will generate more robust growth in bilateral trade and enhance investment flows, while prioritising support for small and medium enterprises, ultimately creating jobs and broadening access to UAE markets.

Significantly, the agreement also prepares Putrajaya for the Malaysia-GCC Free Trade Agreement (MGFTA) negotiations, which are expected to begin in early 2025.

Another noteworthy highlight is the memorandum of understanding signed by Home Minister Saifuddin Nasution Ismail, and UAE's Investment Minister Mohamed Hassan Alsuwaidi, under the Malaysia Madani Artificial Intelligence (MMAI) initiative. A turning point, to my mind, as it promises to buttress both nations' commitment to harness cutting-edge technology to build safe and more secure communities.

As computing, data analytics and AI are all extremely fast-developing technologies, it would be foolhardy for Malaysia to forgo such a golden opportunity to embrace close cooperation in these sectors with visionary partner nations like the UAE.

Further, this partnership captures the underlying philosophy of employing AI not just for business or organisational efficacy or even to enhance productivity, but to empower states to harness its transformative power for the greater good – protecting public safety across the board and ensuring that we move ahead in advancing along the technology value chain, for peace and shared prosperity.

This pursuit is also grounded in the practical aspects of deepening bilateral ties where both nations have agreed to leverage platforms such as the Asean-GCC Economic Forum to generate further public-private sector collaboration in AI aimed at bringing together regional players in policy, industry, and innovation to face headlong the world's daunting and increasingly complex challenges in these

post-normal times.

## **Sustainability is key**

Anwar's engagement in a dialogue on "Asean's Interconnected Future: Linking Energy, Trade & Prosperity" at the Abu Dhabi Sustainability Week (ADSW) 2025 is but one demonstration of the Madani government's determination to not only increase material prosperity for the rakyat, but to get to the finishing line without costing us a habitable environment and climate.

It bears repeating that political will at the highest level, combined with the injection of investment into green technologies, are sine qua non if we are serious about ensuring the success of Malaysia's National Energy Transition Roadmap and other policies that have been formulated to drive Malaysia towards a more sustainable future.

To this end, the PM's meeting with the UAE Vice-President and Prime Minister Sheikh Mohammed Rashid Al Maktoum successfully culminated in both leaders' agreement on renewing cooperation in energy, food security, technology and data centres.

These developments reflect Abu Dhabi's keen desire to forge a deeper relationship with Asean, as is also evident in its status as Asean's first Sectoral

Dialogue Partner from the GCC as well as the signing of the UAE-Indonesia CEP, which came into force in September 2023.

In other words, the stage has been set for the GCC-Asean partnership to shine in the ever-growing constellation of multilateral cooperations and in bilateral diplomacy, which is perennially driven by national interests.

### **Human diplomacy**

The diplomacy machine, however, is only as good as the individuals that grind its gears, nurturing trust and intercultural understanding over many years, ensuring that the state works to improve the quality of life for its people while extending economic prosperity and political stability to other regions via bilateral and multilateral instruments.

There is no doubt that the PM's latest visit to the UAE supports Putrajaya's goals as the Asean chair in 2025 by accelerating regional economic integration and positioning Malaysia as a gateway for UAE businesses entering Asean.

The warmth with which Anwar was received by the rulers, policymakers, sovereign wealth fund managers and business leaders of the UAE augurs well for the sustained, favourable outcome of these agreements and engagements.

Together with the upcoming Asean-GCC initiatives, this visit has laid strong foundations for what we hope to be a long-lasting and mutually profitable partnership and an example for inter-regional platforms.

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