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MALAYSIA PUNCHES ABOVE ITS WEIGHT

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Keeping our relationship with US and China on an even keel is best for us

MALAYSIANS have been rather accustomed to their prime minister and other ministers coming home from overseas trips with goodies in the bag by way of foreign direct investment (FDI) pledges into the country chalked up as a result of such trips.

So, it is most certainly a novelty to hear Prime Minister Datuk Seri Najib Razak talk up Malaysian FDI into the United States in his first official bilateral meeting with President Donald Trump at the White House on Sept 13.

Novelty, yes but against the nation's own best interests? Hardly.

Major pension funds the world over scour the entire globe for rich and relatively safe investments in order to put the hard-earned savings of their contributors to work and earn decent returns. As our Employees Provident Fund (EPF) expands, it is natural that it will likewise be following in the footsteps of its global peers in setting its investment sights abroad.

And, what better and safer investment haven there is than the US, which, despite its current economic and political headwinds, still records steady growth rates?

The prime minister is no doubt just putting into concrete expression what has been recent EPF policy to shift more new EPF investments abroad. It is a no-brainer that the US will be an obvious beneficiary of such a policy shift.

Let us not get too easily distracted by the political noises swirling all around us, FDI — whether they be inflows or outflows — are always about enlightened self-interest. Decisions on FDI are never based on altruism or charity, but dictated by cold calculations



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as to where and how to obtain the best returns, balanced against the risks involved. It will be a stretch to argue that EPF investments in the US are riskier than those made elsewhere and, therefore, in any way an irresponsible investment decision.

There will be those detractors, on the other hand, who question if it was wise or prudent to give the impression that any EPF investments in the US were somehow the price for engagement with the new Trump administration. Given how Trump listened with rapt attention as Najib spoke, that may be a fair impression.

But, Trump's election turned US politics and global geopolitics on their heads and the US being still the global hegemon, whether anyone likes it or not, nations large and small are finding themselves having to adapt to the changed dynamics, one way or the other.

Seen in such an international context, the rare White House invite extended to the prime minister, is nothing short of a diplomatic coup for Malaysia. The subtext for the invitation was the 60th anniversary of Malaysia-US formal diplomatic ties.

The actual rationale for it may be that whatever the political circumstances obtaining in either the US or Malaysia at any given time, the all-important bilateral relationship must continue to be nurtured and enhanced at all costs.

And while the US relationship is of crucial significance to Malaysia, of far greater importance must be our long-standing policy of equidistance between the superpowers. That can and will only be sustained by us keeping relations with both the US and China on more or less equal footing and balance.

Therefore, those criticising the government for cultivating China earlier and building an ever robust economic relationship with the emerging Asian superpower cannot be now criticising Putrajaya for doing likewise with the US.

Keeping our relationships with both the US and China on an even keel is in the best overall interest for us. As a small nation, that is the best guarantee for maintaining our relative independence of action and securing critical leverage from either power for our own national purposes.

And, Malaysians must applaud that the government still strives to ensure our relations with the major powers do not degenerate into a zero-sum game that will be a losing proposition for us.

We need to work to maintain our continued relevance in the strategic, economic and political arena vis-à-vis the superpowers both for its own sake and in furtherance of our bid to punch above our weight regionally and internationally.

Increasingly, that has to involve greater skills, creativity and dexterity on the part of Wisma Putra and our top officials, especially in dealing with unexpected developments as momentous as Trump's election in the US.

We cannot let pure emotions dictate our reactions to the conduct of our diplomatic relationships, particularly where they involve ties to Washington and Beijing.

We must continue juggling those two acts simultaneously.

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