

The Malaysia-Iran-Israel Triangle Amid the Gaza War

by [Rebecca Redlich \(/experts/rebecca-redlich\)](#)

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ABOUT THE AUTHORS

[Rebecca Redlich \(/experts/rebecca-redlich\)](#)

Rebecca Redlich is a research assistant in The Washington Institute's Diane and Guilford Glazer Foundation Program on Great Power Competition and the Middle East .



Brief Analysis

Kuala Lumpur is once again displaying its willingness to facilitate Iran's illicit activity, support Hamas, and amplify anti-Israel rhetoric well beyond what its neighbors have countenanced.

Malaysia has a long history of anti-Israel policies, and the Gaza war has opened the door for it to escalate this approach. On December 20, following a long barrage of inflammatory rhetoric about the crisis (see below), the government announced that it was **banning** (<https://www.aljazeera.com/news/2023/12/20/malaysia-bans-israeli-affiliated-and-israel-bound-ships-from-its-ports>) Israeli-flagged cargo vessels from Malaysian ports, specifically targeting the international shipping company ZIM. Indeed, the last known container ship to travel between the two countries was the Hong Kong-flagged *Seaspan Emerald*, which left Malaysia's Port Klang and landed in Haifa on December 15. The ban was largely symbolic (<https://www.bloomberg.com/news/articles/2023-12-20/malaysia-bans-israeli-based-zim-from-anchoring-in-nation-s-ports?sref=FVpgSLg0>) and has not resulted in meaningful economic costs for Israeli shippers, partially because ZIM had a negligible (<https://www.tradewindnews.com/containerhips/zim-rakes-in-massive-earnings-growth-in-2021-and-promises-more-this-year/2-1-1181881>) presence in Malaysia even before the war (only four ZIM-operated ships visited the country in 2023 before the ban, according to MarineTraffic). Yet, this move is still significant for understanding Malaysia's domestic response to the Hamas-Israel war and its twenty-year history of anti-Israel, pro-Iran policies.

Malaysia and the Israeli-Palestinian Conflict

Kuala Lumpur's habit of lashing out at Israel is driven by an assortment of international and domestic factors. Externally, the government has (<https://www.jstor.org/stable/25834698>) championed (<https://www.jstor.org/stable/25834698>) Palestinian rights within a framework of defending Islamic values; domestically, it uses anti-Israel and pro-Palestinian rhetoric to reinforce its legitimacy among Malaysia's Muslim-majority population.

This stance has been reflected in the government's diplomatic moves for decades. Kuala Lumpur **opened** (<https://www.jstor.org/stable/25834698>) the first Asian office for the Palestinian party Fatah in 1969 but has yet to establish formal ties with Israel, not even during the height of the Oslo Accords in the 1990s. In 2011, it **founded** (<https://www.scmp.com/week-asia/politics/article/3257583/malysias-arrest-israeli-man-6-guns-triggers-mystery-was-mossad-or-mob-involved>) the Palestinian Cultural Organization Malaysia (PCOM), which was avowedly designed to raise domestic awareness of the Palestinian cause but also **functioned** (<https://www.scmp.com/week-asia/politics/article/3257583/malysias-arrest-israeli-man-6-guns-triggers-mystery-was-mossad-or-mob-involved>) as a de facto embassy for Hamas, hosting numerous past meetings between the group's leaders and Malaysian politicians.

Hamas militants and officials have reportedly operated inside Malaysia as well, though it is unclear whether the government played any role in tolerating or harboring these past activities. In 2014, an investigation by Israel's Shin Bet **revealed** (<https://www.idf.il/en/mini-sites/the-hamas-terrorist-organization/hamas-terror-cell-received-advanced-training-in-malaysia/>) that Hamas militants had received paragliding training in Malaysia—a finding that Kuala Lumpur later **denied** (<https://www.benarnews.org/english/news/malaysian/Hamas-04292015183556.html>). In 2018, a senior Hamas member and drone engineer, Fadi al-Batsh, was **assassinated** (<https://www.theguardian.com/world/2018/apr/21/murdered-palestinian-engineer-was-key-member-of-hamas>) by two gunmen near the capital. Although his family and Hamas official Ismail Haniyeh **attributed** (<https://www.jpost.com/arab-israeli-conflict/palestinians-accuse-mossad-after-hamas-engineer-shot-dead-in-malaysia-551352>) his death to Mossad, Israeli officials denied any involvement.

Meanwhile, the Malaysian Islamist Party (PAS) has **become** (<https://www.channelnewsasia.com/asia/malaysia-indonesia-political-islam-pas-abdul-hadi-awang-conservative-hardline-pancasila-4219911>) the faction of choice for most Muslims "in the rural Malay heartland," winning more parliamentary seats than any other party in the 2020 federal election. The rise of PAS has been a key driver in Prime Minister Anwar Ibrahim's **embrace** (<https://carnegieendowment.org/2020/08/18/malaysia-s-political-polarization-race-religion-and-reform-pub-82436>) of hardline pro-Palestinian views, which he views as necessary to maintain support at home.

This posture has only intensified during the Gaza crisis. Just one day after Hamas attacked Israel on October 7, the Malaysian Foreign Ministry released a statement **referring** (<https://www.kln.gov.my/web/guest/-/malaysia-is-deeply-concerned-over-the-latest-escalation-of-violence-in-the-middle-east>) to the Israeli government as "an apartheid administration" that subjects Palestinians "to prolonged illegal occupation, blockade and sufferings." A month later, Anwar **publicly vowed** (<https://www.bloomberg.com/news/articles/2023-11-10/inside-malaysia-s-refusal-to-cut-ties-to-hamas-and-what-it-means-for-israel-us?sref=FVpgSLg0>) to resist U.S. pressure aimed at severing Kuala Lumpur's ties with Hamas—a relationship that expanded after a previous Malaysian prime minister **visited Gaza** (<https://www.reuters.com/article/idUSBRE90L0KI/>) in 2013, making him just the second world leader (after Qatar's emir) to make that trip after Hamas seized control in 2007. Toward that end, Anwar has rebuffed the Hamas International Financing Prevention Act currently making its way through Congress.

The prime minister has also **nudged** (<https://www.bbc.com/news/world-asia-67353188>) domestic media to avoid referring to Hamas members as "militants," likening the terrorist organization to the African National Congress during its years as an anti-apartheid movement. Relatedly, his government has **expressed** (<https://www.scmp.com/week-asia/politics/article/3247261/malaysia-backs-south-africas-case-icj-against-israels-genocidal-acts-gaza>) support for the case that South Africa brought against Israel at the International Court of Justice in December, calling the ongoing lawsuit "a timely and tangible step towards legal accountability for Israel's atrocities in Gaza and the Occupied Palestinian Territory at large."

A more recent incident might further affect tensions with Israel. On March 27, Malaysian authorities **arrested**

(<https://www.benarnews.org/english/news/malaysian/supect-update-04022024142408.html>) Israeli national Shalom Avitan on charges of illegally trafficking firearms and ammunition. Initial reports speculated that the detainee was a spy, but Malaysian police now [believe](https://www.reuters.com/world/asia-pacific/malaysia-probes-links-between-detained-man-israeli-crime-group-2024-04-02/) he is an associate of a crime syndicate, “who had been en route to assassinate a member of a rival crime family.” It remains to be seen if the government’s treatment of this case will be inflated into another bilateral grievance amid the Gaza crisis, though Israel’s silence on the matter makes this scenario unlikely.

The Iran Factor

Domestic factors aside, Malaysia’s anti-Israel positions are unsurprising given its close ties with Iran. The two nations have [steadily expanded](https://rusi.org/publication/tension-asia-pacific-iranian-malaysian-relations-and-west) their economic relations: Iran is currently Malaysia’s third-largest [trading partner](https://www.researchgate.net/publication/322432888_Malaysia's_Relations_with_Saudi_Arabia_and_Iran_Juggling_the_Interests) in the Middle East, after the United Arab Emirates and Saudi Arabia. More important, Malaysia [has long been](https://www.kln.gov.my/web/irn_tehran/requirement_foreigner#:~:text=Iranian%20passport%20holders%20who%20are,entry%20visa%20to%20enter%20Malaysia.) one of the few countries that citizens of Iran can visit without a visa—an arrangement that has encouraged around 200,000 Iranians to take up residence there, including business owners, tourists, and students at English-language universities. Unfortunately, this welcoming attitude has also [provided](https://www.washingtoninstitute.org/policy-analysis/hizballah-and-gods-force-irans-shadow-war-west) members of Iran’s Islamic Revolutionary Guard Corps-Qods Force with [access](https://www.propublica.org/article/before-deadly-bulgaria-bombing-tracks-of-a-resurgent-iran-hezbollah-threat) to all of Southeast Asia.

Malaysia is a permissive environment for illicit Iranian oil sales as well, enabling Tehran to dodge U.S. sanctions. The country [reportedly functions](https://www.theguardian.com/business/2023/sep/25/the-trade-in-sanctioned-oil-is-booming-as-the-us-turns-a-blind-eye) as a transshipment point for Iranian oil headed to China, masking the cargo’s point of origin by covertly relabeling it as originating from third-party countries such as Oman, the UAE, and Malaysia itself. Tellingly, China [imported](https://twitter.com/JavierBlas/status/1612821760725991429?lang=en) a record 1.2 million barrels per day of oil from Kuala Lumpur in November 2023—double the amount of oil that Malaysia actually produced (around 600,000 barrels per day). Meanwhile, Iran’s monthly oil exports—91 percent of which go to China—[reached](https://www.unitedagainstnucleariran.com/blog/august-2023-iran-tanker-tracker) an estimated five-year-high last August.

Contrasting Responses in Southeast Asia

Compared to its neighbors, Malaysia’s response to October 7 stands out. Cambodia, Singapore, and Thailand—all of whom have diplomatic relations with Israel—[condemned](https://www.washingtoninstitute.org/policy-analysis/international-reactions-hamas-attack-israel) the “terror attacks” and the “tragic escalation,” while the Philippines condemned Hamas and voiced support for Israel’s right to self-defense.

In Indonesia, the government has continuously condemned Israel’s wartime conduct, yet it also [reportedly](https://thecradle.co/articles/indonesia-israel-hold-secret-talks-report) held talks with Jerusalem prior to October 7 regarding the possibility of formalizing their bilateral ties. On April 11, an Israeli official stated that Jakarta is [still planning](https://www.timesofisrael.com/indonesia-agrees-to-normalize-ties-with-israel-if-it-joins-oecd-report/) to normalize relations in exchange for entry into the Organisation for Economic Co-operation and Development (OECD), though Indonesia’s Foreign Ministry [denied](https://www.channelnewsasia.com/asia/indonesia-denies-israel-diplomatic-ties-oecd-membership-4260551) such reports.

Conclusion

The United States has repeatedly sought to curb Kuala Lumpur’s growing ties with Iran by sanctioning various Malaysia-based entities. In February 2023, the Treasury Department [designated](https://www.bloomberg.com/news/articles/2023-02-10/us-sanctions-firms-in-singapore-malaysia-over-iran-petrol-links?sref=FVpgSLG0) three firms in Malaysia and Singapore for “allegedly facilitating the sale and shipment of millions of dollars’ worth of petroleum and petrochemicals on behalf of a company with known connections to Iran.” In December, four additional firms in Malaysia and one in Indonesia [were sanctioned](https://www.benarnews.org/english/news/malaysian/us-sanctions-malaysian-indonesian-firms-iran-drone-12202023024712.html) for their involvement in facilitating Iran’s drone program.

As for Kuala Lumpur’s pro-Hamas, anti-Israel actions, the Biden administration has limited its engagement on these matters so far, sending [diplomatic notices](https://www.middleeastmonitor.com/20231031-malaysia-received-3-diplomatic-notes-from-us-over-palestine-says-premier/) to the Foreign Ministry and summoning the Malaysian ambassador to Washington. As noted above, U.S. officials have focused most of their outreach and punitive actions on areas where Malaysian decisions directly threaten U.S. objectives, such as facilitating illicit Iranian oil sales and creating a permissive environment for sanctions evasion.

Rebecca Redlich is a research assistant in The Washington Institute’s Diane and Guilford Glazer Foundation Program on Great Power Competition and the Middle East. ❖

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