

Why King Salman's visit is significant

By Sholto Byrnes



King Salman Abdulaziz Al-Saud inspecting the guard of honour during the welcome ceremony at Parliament Square in Kuala Lumpur

There was no mistaking the arrival of King Salman Abdulaziz Al-Saud of Saudi Arabia and his entourage in Malaysia on Sunday morning. Traffic stood still for 30 minutes as we waited for the 600-strong royal party to make their way from the airport to the centre of Kuala Lumpur — a near-endless stream of limos, lorries, outliers and ambulances, sirens screaming.

This is King Salman's first trip to Southeast Asia and the region since ascending the throne in 2015. As the destination for umrah and the haj, his country has a very special place in the hearts of the Muslim-majority countries he will be visiting, which include Indonesia, Brunei and the Maldives. But the king's actual presence is something different — something rare, momentous and significant in a number of ways.

On a practical and quantifiable level, the Asian tour is about trade. In Kuala Lumpur on Tuesday, Malaysia's Petronas signed a deal for Saudi Aramco to invest US\$7 billion (RM31 billion) in an oil and petrochemical refinery in the southern state of Johor. Other agreements and opportunities for businesses in both countries will also be announced, and Malaysian Prime Minister Datuk Seri Najib Razak has already used this to hit back at critics who accused him of "selling" the country by securing massive investments from China during his visit to Beijing in November.

The Saudi deals show the level of confidence other countries such as the kingdom have in Malaysia, he has said. Indonesian President Joko Widodo will make a similar claim if, as expected, US\$25 billion worth of Saudi investments in his country is unveiled when the touring party moves on to Jakarta.

The king's visit and the huge amount of new trade being generated around it are also very public votes of confidence in the economic reform programmes in the two Southeast Asian nations.

Both have undertaken measures to improve long-term resilience and competitiveness, such as the rationalisation or removal of subsidies. Malaysia has also introduced a Goods and Services Tax (GST) to widen the tax base. But, neither of these moves have been popular — who likes paying more for anything? — and opponents have been quick to try to exploit discontent at their impact.

The arrival of King Salman draws attention to the fact that his government has been undertaking almost the exact same reforms, removing or cutting key subsidies last year, and agreeing in January to impose a new five per cent value added tax — in essence, the same as GST. If Saudi Arabia now deems it wise to emulate the reforms of the Malaysian and Indonesian governments, that is an even greater vindication than the plaudits of the International Monetary Fund and World Bank officials who have already commended the moves.

It is also an acknowledgement that the “new normal” of lower growth and a need to broaden sources of revenue affect a wide range of countries, Saudi Arabia as well as Malaysia, Indonesia and China, which King Salman is also to visit.

At a time when the United States has been sending mixed — and sometimes distinctly unfriendly — signals to many countries, including allies, the Saudi King's tour also suggests that links in Asia need to be strengthened and may prove more reliable than with the “America First” of Donald Trump.

Militarily, Saudi Arabia's Muslim counterterrorism coalition may well receive a boost, with several countries likely to offer more concrete participation than thus far. All states on the tour have vested interests in sharing domestic and international counterradicalisation and deradicalisation programmes, in which Saudi Arabia and Malaysia have particular expertise.

Moreover, there are political gains to be reaped by all involved. In some quarters, there may be some disquiet about the conservative nature of Islam in Saudi Arabia and its exportation to other countries. But, there is a growing consensus, among populations for whom religion is increasingly a marker of identity, about Saudi leadership in the Muslim world. King Salman's tour underlines that, for he is being greeted with the respect and accorded the pomp and ceremony appropriate to a key power.

That very same leadership role in the Muslim world then reflects back on his hosts; on President Xi Jinping and China, who surely must be just and fair governors of their Muslim minority in Xinjiang and elsewhere if King Salman is happy to visit. On Jokowi, who does not push an overtly Islamic agenda, but, who nevertheless found it expedient to make a quick pilgrimage to Mecca before the 2014 presidential election to counter insinuations that he was a Christian. King Salman's visit will boost his credentials as a Muslim leader, as they will those of Najib.

The visit — during which the king has described relations with Malaysia as being at “an all-time high”— revalidates Najib's status as a Muslim leader, reinforces his doctrine of *wasatiyyah* or moderation, and also backs up his claim that the US\$700 million received into his bank account before the last election was a donation from the Saudi royal family, as the Saudi foreign minister has confirmed.

The tour, in short, should be a win-win for all involved. But, it is also a chance for friends separated by the Indian subcontinent to get to know each other better. They should visit more often. Who knows how much more they could achieve working even closer together?

Sholto Byrnes is a senior fellow at the Institute of Strategic and International Studies, Malaysia

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