ISS Risk Special Report:
How Real and Extensive is the Threat of ISIS in Malaysia?
March, 2016
Executive Summary

The current security assessment being presented by the Malaysian government, tourist agencies, and foreign advisory committees are often conflicting and confusing, leading to a misunderstanding of the true situation being faced by the country. This report seeks to fill the informational gap that has been left by the competing interests by directly assessing the development and expansion of terrorism in Malaysia over the past 24 months. The majority of the assessment revolves around the Islamic State of Iraq and Syria (ISIS) and its long term intentions for the country. The situation in Malaysia, however, cannot be discussed without considering the relation and impact it has on the rest of the region – most notably on Indonesia and the Philippines. Despite the Malaysian government’s determination to combat ISIS, our research and sources indicate that, not just the country itself, but the entire region faces a serious and growing threat from the group.

The emergence of ISIS in Malaysia can be traced back to 2013. In just two and half years, ISIS sympathisers have noticeably shaped Malaysian Islamic extremism and developed a definitive influence on the region. We have broadly classified ISIS activities in the region into three different phases. The first phase, lasting from mid-2013 to early-2014, saw jihadists traveling to Syria through local recruitment channels or in a personal capacity. At this same time, close relations between jihadists from different Southeast Asian (SE-Asian) nations began developing while they were in Syria. Phase two began in late 2014 and lasted until the middle of 2015. At this point, Syrian combat veterans of Malaysian origin began returning home on a mission to spread the ISIS network and ideology. They returned with not only links to fellow regional jihadists, but with links to ISIS leadership in Syria as well. The third, and current phase, has seen ISIS achieve a significant operating presence inside Malaysia – only made possible by the fostered relationships and training that occurred throughout phase one and two.

So what does the current ISIS influence in the country look like and how real is the threat? With 11% of Malaysians viewing ISIS favourably, there is a meaningful level of support for the group and the promise of a continued flow of recruits. ISIS commanders from the Syrian based command have even visited Malaysia to organise and align cells, train local cadres, and execute attacks. Because of this close relationship with Syria; Malaysia now receives significant foreign financing to aid in the development of local and regional cells and to continue sending fighters to train in Syria. One major concern is that ISIS has infiltrated the Malay armed forces.
Scores of arrests have been made since 2013 after authorities discovered that active military/security personnel were simultaneously engaged in or active followers of terrorist activities. This infiltration of the armed forces leaves strategic assets of the nation extremely vulnerable to militant attacks and minimises the government’s ability to control terrorists’ movements and attacks.

A proper assessment of ISIS in Malaysia is not possible without the consideration of the growth of the group in the rest of SE-Asia. Regional interconnectedness means that developments in one part of the region have the potential to significantly impact security levels in another part of the region. Despite their varying origins from across SE-Asia, jihadists are unified by their common desire to engage in a ‘combat tour’ in Iraq and Syria and eventually return to the region to pass their skills onto the next generation. There are NGOs in the region, most notably Hilal Ahmar Society of Indonesia (HASI), which play an active role of facilitating travel to Syria for SE-Asians. Until 2014, Malaysia was used as the major transit hub for jihadists traveling to Syria. However, this changed after both the Indonesian and Malaysian authorities began actively cracking down on terrorism. It is our assessment that, due to these newly implemented measures, transit has been redirected to the Philippines, where navigating the authorities is much easier. The ability of ISIS to strategically utilise different parts of the region is further illustrated by the movement of domestic operations between the countries. For example, Indonesian and Malaysian jihadists are considered to have the skills ISIS seek, but they lack a safe haven in their own countries to carry out operations. Consequently, training camps have been established in Southern Philippines where Filipinos can learn the skills of their neighbours, while their neighbours can take advantage of a safe place to operate. This cooperation is made possible only by the ISIS platform that is organised, strategic, and focused, that also instils an overwhelming ideology.

Maintaining the highest level of security alert and announcing an attack as inevitable, the Malaysian government seems to be very aware of the security crisis they face. In April 2015, the country passed the controversial The Prevention of Terrorism Act (POTA), which allows authorities to detain suspected terrorists for two years without any charge or trial. Police are consistently investigating terrorist activities and make arrests almost every month. Nevertheless, ISIS’ influence is continuing to grow. Additionally, without an adequate security approach that encompasses the entire region, it is nearly impossible to successfully quell ISIS’ ambitions. Many commenters suggest that the greatest coming threat is the return of Syria veterans to the
region. However, it is our assessment that the greatest threat is actually ISIS’ agenda to unify indigenous terror groups. It is the factionalism in SE-Asia that has prevented a dominance and common ideology of one group from prevailing. Collaboration of these many groups in the name of ISIS would be a game changer for the security landscape of the region and an extremely dangerous prospect for civilians.

There may be ambiguity in the air about the current situation in Malaysia, but a close look into the recent developments that have occurred in the country and in neighbouring states, clearly indicates that the region faces a serious threat from the terrorist group. There truly is no question that – if left unchecked – SE-Asia is on its way to accommodating an official ISIS province.