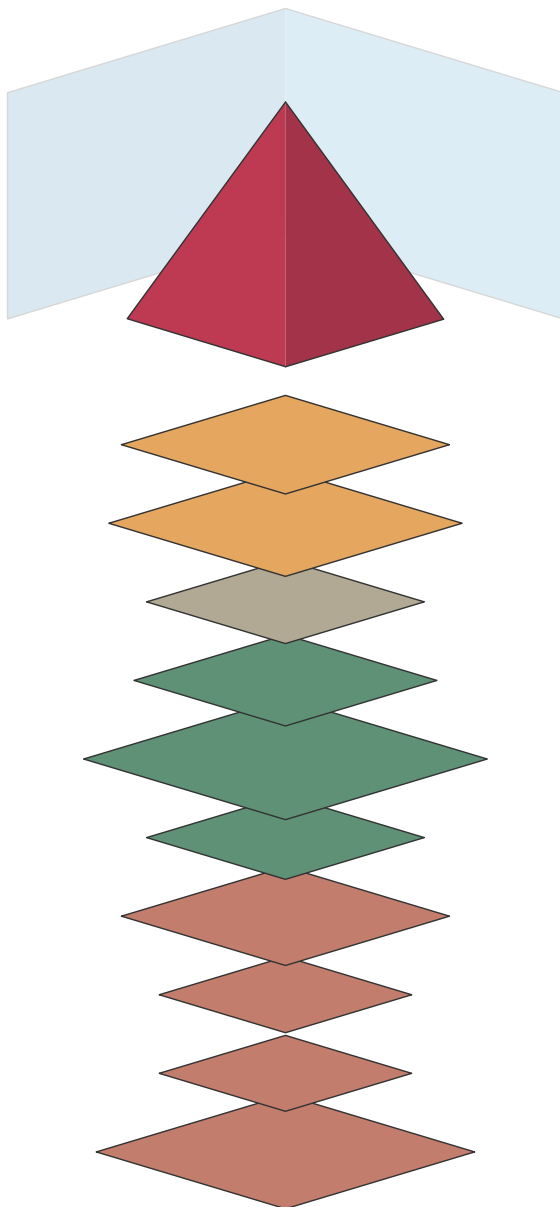




MALAYSIA



5.94

CRIMINALITY SCORE

46th of 193 countries

16th of 46 Asian countries

5th of 11 South-Eastern Asian countries



CRIMINAL MARKETS

6.25

HUMAN TRAFFICKING 6.50

HUMAN SMUGGLING 7.00

ARMS TRAFFICKING 5.50

FLORA CRIMES 6.00

FAUNA CRIMES 8.00

NON-RENEWABLE RESOURCE CRIMES 5.50

HEROIN TRADE 6.50

COCAINE TRADE 5.00

CANNABIS TRADE 5.00

SYNTHETIC DRUG TRADE 7.50



CRIMINAL ACTORS

5.63

MAFIA-STYLE GROUPS 4.50

CRIMINAL NETWORKS 5.50

STATE-EMBEDDED ACTORS 6.00

FOREIGN ACTORS 6.50



5.83

RESILIENCE SCORE

40th of 193 countries

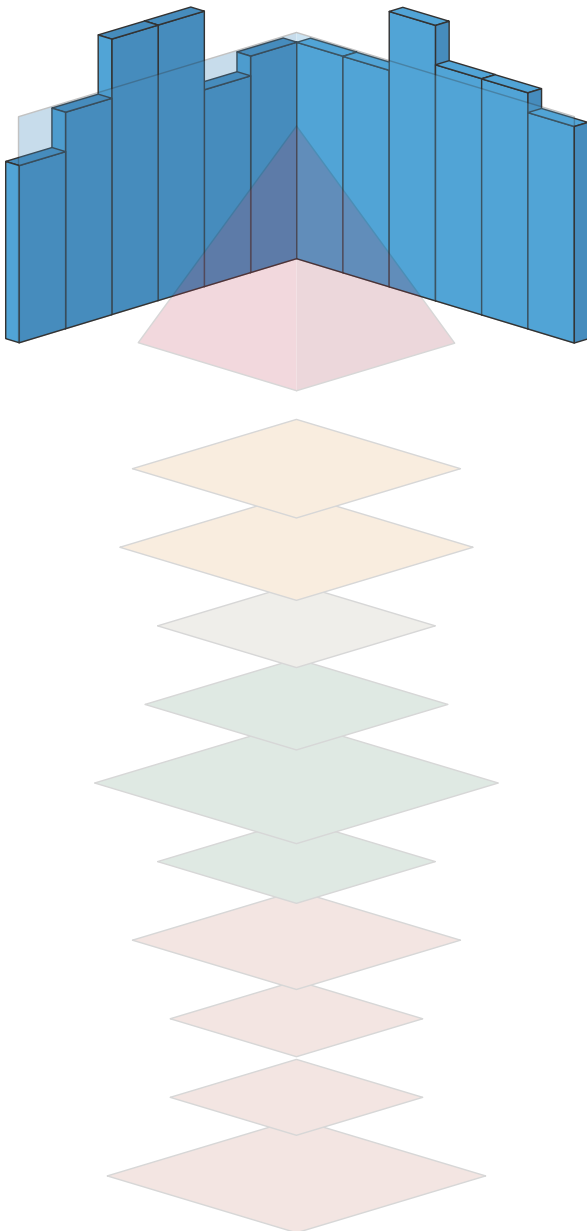
6th of 46 Asian countries

2nd of 11 South-Eastern Asian countries





MALAYSIA



5.83

RESILIENCE SCORE

40th of 193 countries

6th of 46 Asian countries

2nd of 11 South-Eastern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	5.50
INTERNATIONAL COOPERATION	7.00
NATIONAL POLICIES AND LAWS	7.00
JUDICIAL SYSTEM AND DETENTION	5.00
LAW ENFORCEMENT	5.50
TERRITORIAL INTEGRITY	5.50
ANTI-MONEY LAUNDERING	5.50
ECONOMIC REGULATORY CAPACITY	7.00
VICTIM AND WITNESS SUPPORT	6.00
PREVENTION	6.00
NON-STATE ACTORS	5.50



5.94

CRIMINALITY SCORE

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CRIMINAL MARKETS 6.25



CRIMINAL ACTORS 5.63



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking in Malaysia generally takes the form of both forced labour and sexual exploitation. Malaysia is primarily a destination country for labour trafficking because of its perceived stable economy and geographical position, being located in the vicinity of countries such as Thailand and Myanmar. Typical origin countries of victims of human trafficking in Malaysia include Bangladesh, Myanmar, Cambodia, India, Indonesia, Laos, Nepal, the Philippines, Thailand, and Vietnam. With regard to sex trafficking, however, Malaysia is primarily a source country and Malaysian women and children are trafficked to Singapore, Japan, Canada, US, Europe and Australia. Within Malaysia, sex trafficking victims often work in brothels. Children, especially girls from rural areas, are particularly vulnerable to internal trafficking for sex slavery. Actors involved in human trafficking are primarily large organized crime syndicates comprising foreign actors and criminal networks. State-embedded actors are also believed to be involved in some cases.

Malaysia is both a major transit and destination country for human smuggling, with the majority of irregular migrants arriving from Myanmar, Indonesia and Bangladesh. As with human trafficking, Malaysia's strategic geographical position and labour shortages contribute to its position as a major destination country for human smuggling. It is also a transit point for nationals from Southeast Asia destined for the Middle East, Europe, North America and Australia, often through the combined use of air and overland travel. Actors involved in human smuggling are primarily foreign actors who deceive undocumented workers into believing that they are migrating via regular channels.

TRADE

Although Malaysia's gun legislation is restrictive, crimes involving small and light weapons have increased in recent years. The country's strategic location near South Thailand and Mindanao has contributed to the cross-border smuggling of small arms and light weapons. Arms are generally trafficked along the Thai and Kalimantan borders, as well as in the south of Malaysia, via boats from Indonesia. Some of these small and light weapons are destined for use in Peninsular Malaysia, while others are shipped onwards. The rise in arms trafficking in recent years has increased in part because of demand driven by violent extremist actors in the country. Firearms remain easily accessible through purchasing and rental services. There have also been numerous sightings of illicit firearms at rallies throughout Malaysia, and there

are issues related to corruption of law enforcement officers who claim to lose their firearms.

ENVIRONMENT

Criminal markets in flora, fauna and natural resources are pervasive across Malaysia. Although the country has tough laws against the practice, hundreds of cases of illicit logging have been recorded in recent years. Illicit activity in the forestry sector may have contributed to rapid deforestation and has resulted in significant revenue losses. Sarawak and Sabah on the island of Borneo appear to be key sources of illicitly logged wood, with data suggesting that China and Vietnam, and to a lesser extent Thailand and India, are importing it. State-embedded actors dominate this activity, including corrupt government officials and government-supported groups. Reported issues include illegal practices in the issuance of licences for plantations and the violation of native customary rights.

Being one of the most biodiverse countries in the world, Malaysia has become a target for criminal networks engaged in wildlife poaching and trafficking. The country is both a source and transit hub for a wide variety of internationally trafficked wildlife products, including pangolin, tigers, birds and reptiles. Persistent poaching has reduced the Malayan tiger population to fewer than 200 animals, a situation exacerbated by the threat of habitat loss and encroachment. Malaysia has also emerged as a key transit hub for the global ivory trade. Typically, the ivory originates in Africa, then is exported to Malaysia, where paperwork is falsified, and the shipment continues to destination countries. In addition to domestically poached animals and ivory, Malaysia has become a transit country for Testudines originating in India, Sri Lanka, Bangladesh and Madagascar.

A criminal market exists in Malaysia for illegal gold and bauxite. The annual output of bauxite ore has increased significantly in the past few decades and Malaysia is now among the world's top producers. It is believed that a large proportion of this bauxite ore is illegally mined. This results in considerable environmental damage and lost revenue.

DRUGS

Malaysia is a transit hub for drugs and a destination country for heroin, in addition to various types of synthetic drugs. The synthetic drug trade is the largest criminal drug market in Malaysia and the country is both a transit and destination country. MDMA, ketamine and methamphetamine, in particular, appear to be the most widely consumed hard drugs in Malaysia and authorities have witnessed a sharp increase in the consumption and seizure of these drugs in recent years. While local demand is strong, drugs with

higher purity are often moved to richer markets such as those in South Korea, Australia, Japan and New Zealand.

Malaysia is also a major transit country for heroin destined for Indonesia, Singapore, China, Japan, Korea, New Zealand and Australia. While the heroin consumer base in Malaysia remains at moderate levels, evidence suggests that consumption rates are on the decline. Actors involved in the illicit heroin trade in Malaysia are both transnational criminal networks and foreign trafficking organizations, particularly Pakistani syndicates.

As with the heroin trade, Malaysia is primarily a transit country for cocaine, which is smuggled via shipping containers. Cocaine is less popular in Malaysia than other drugs and the domestic market for it is relatively small. Actors involved in the illicit cocaine trade are predominantly foreign actors, primarily Nigerian syndicates. The market for cannabis in Malaysia is also relatively smaller than other drug markets and, while cannabis usage does occur, consumption rates appear to be lower compared to most other countries. In 2018, the Malaysian government discussed the possibility of legalizing cannabis for medical purposes in the future, though it is unclear what impact this may have on the criminal market.

CRIMINAL ACTORS

Foreigners are among the most prominent criminal actors in Malaysia, particularly in the drug trade. The market for

cocaine trade is dominated by Nigerian syndicates, while drug trafficking groups from Pakistan, Myanmar, China and Thailand are involved in heroin trafficking. Taiwanese criminal organizations and Australian outlaw motorcycle gangs are known to be involved in the trafficking of methamphetamines. Malaysia is home to a number of gangs that exhibit mafia-style behaviour and are also involved in criminal markets, including the drug trade. One of the largest of these is Gang 04, more commonly known as Hua Kee. Though many of them have been crippled by high-profile arrests or killings, other prominent gangs in Malaysia include Mamak, Gang 07, and Gang 08.

Human trafficking networks in Malaysia, and South-eastern Asia more generally, often operate in independent or loosely related groups. Similarly, although migrant smuggling groups tend to be decentralized, loose associations of individuals who operate outside any hierarchical command and control structure, there are exceptions. For example, the smuggling of Indonesian migrants to Malaysia involves organized networks, led by prominent local figures, that operate unlicensed recruitment agencies in both countries to facilitate irregular entry and job placement. State-embedded actors play key roles in enabling the criminal markets for fauna and flora as well as human trafficking. In the case of ivory, paperwork is falsified by corrupt state-embedded actors to enable the illegal export of ivory to China.

RESILIENCE

LEADERSHIP AND GOVERNANCE

The Malaysian government has not communicated clearly that combating organized crime is a high priority, and there is significant scope for better leadership in the fight against transnational organized crime. Levels of perceived corruption in Malaysia are moderate and lower than for most other countries in South-eastern Asia. Nevertheless, corruption, as the 1MDB political scandal involving the country's then prime minister clearly showed, continues to be an issue. The country's legal and institutional framework to combat and prevent corruption has not always proven to be fully effective in deterring graft.

Malaysia has signed and ratified the UN Convention against Transnational Organized Crime and its protocols relating to human trafficking and smuggling of migrants, as well as the UN Convention against Corruption. The country has shown a willingness for international cooperation to deal with these challenges, engaging with the ASEAN Regional

Forum, for example. The nation has played an important role in South-eastern Asia's attempts to enhance bilateral and multilateral mechanisms between law enforcement agencies to combat transnational crime. Malaysia's national legislation criminalizes the trafficking of arms, humans and drugs, while the penal code contains provisions for punishing members of a group engaged in organized criminality.

CRIMINAL JUSTICE AND SECURITY

In Malaysia, the judiciary is headed by the Supreme Court, which is subdivided into the trial and appellate divisions. While the judiciary is independent in theory, it is often subject to interference or influence from other arms of the government. There are certain units specifically focused on organized crime-related matters in the country, though no overarching judicial authority exists in this regard. Malaysian prisons currently suffer from considerable overcrowding, largely because a significant proportion of the prison

population is in pre-trial detention. Furthermore, there are reports of abuse and sometimes unsafe conditions in prisons. In general, law enforcement is well equipped, but its reputation has been tarnished by high levels of perceived corruption and low levels of public trust. Police reform is ongoing with efforts being made to create a complaints mechanism. Malaysia's geography, which includes long coastlines and forested and hilly areas, makes border control a challenge. This exacerbates its vulnerability to criminal flows and makes the country an easy transit market for criminal activities.

ECONOMIC AND FINANCIAL ENVIRONMENT

Malaysia is an open and dynamic economy. It is heavily reliant on trade and provides a good foundation for private sector development. The country has enjoyed solid growth rates for several years, but faces a medium-to-high risk of money laundering and terrorist financing. The country falls largely in line with internationally endorsed global standards against money laundering and terrorist financing. Among the freest economies, the country's business climate is favourable to small and medium-sized enterprises.

CIVIL SOCIETY AND SOCIAL PROTECTION

There are a number of laws in place to protect witnesses and whistleblowers and the country's witness protection programme appears to provide effective protection, with no casualties having been recorded. Among the first countries in the region to build up and implement a national action plan for crime prevention, Malaysia has achieved several milestones in tackling crime. The Malaysian Crime Prevention Foundation (MCPF), originally founded in conjunction with Japan, has played a central role in efforts to reduce crime rates in several local communities. The MCPF, the first chapter of the organization to be established outside Japan, aims to promote awareness of crime prevention and to rehabilitate offenders. At the same time, however, the relationship between civil society and the government has become strained. In 2015, a coalition of NGOs sought reforms to the electoral system. The government responded by declaring their rallies illegal and threatening them with military action. Freedom of the press has been under pressure in the past few years, but for the most part, independent media can report freely.

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