



ASIA-PACIFIC ROUNDTABLE

APR@30

COOPERATION & CONTESTATION
IN A CHANGING REGIONAL
LANDSCAPE



30 MAY - 1 JUNE 2016
KUALA LUMPUR

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THE 30TH ASIA-PACIFIC ROUNDTABLE: A SHORT REPORT

Introduction

The Institute of Strategic and International Studies (ISIS) Malaysia has hosted the Asia-Pacific Roundtable (APR) series since its launch in 1987 to promote trust and confidence in the Asia-Pacific region. As a Track Two forum, the APR brings together think tanks, academics, media representatives and senior government officials acting in their personal capacity to engage in candid dialogue regarding major security challenges confronting the region. Over the past two decades, the APR has gained a reputation as the premier Track Two forum in the region, being ranked by the University of Pennsylvania's Global Go To Think Tank Index as one of the world's top-20 think tank conferences.

The APR is a project of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), with ISIS Malaysia as the anchor institution for convening the conference. This year's conference saw the attendance of over 300 scholars, government officials, policy makers and opinion leaders from across the Americas, Asia Pacific, Europe and West Asia.

The 30th APR was officially opened by The Honourable Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia, who also delivered the keynote address at the Welcoming Dinner on 30th May. Among the key issues he addressed included the issue of migrants at sea and those seeking refuge from war and persecution, as well as efforts to fight the propaganda of terrorists by exposing falsehoods and misinformation. Additionally, the Prime Minister urged ASEAN member states to strengthen their unity, solidarity and cohesiveness to ensure the continued credibility and relevance of ASEAN centrality at a time when the region's geopolitical landscape is ever-changing. The full text of the Prime Minister's speech is annexed at the end of the report.

A special address was given by The Honourable Dato' Seri Hishammuddin Tun Hussein, Minister of Defence, Malaysia, in Plenary One on "Regional Security in the Asia Pacific: Present State and Future Trajectories". He underlined the many complex issues in the region – returning fighters from the West Asian conflicts and self-radicalised individuals; territorial disputes and recent developments in the South China Sea; food security; and cyber security. He posited, nonetheless, that a strong and successful ASEAN can be a stabilising influence in the region. The full text of the Defence Minister's speech is appended at the end of the report.

The special address of the Minister of Foreign Affairs of the Lao People's Democratic Republic, His Excellency Mr Saleumxay Kommasith, in Plenary Two on "The ASEAN Community: Integration in an Age of Contending Interests" focused on the ASEAN Economic Community (AEC). The challenges faced by ASEAN today are characterised by the nature of its diverse levels of development, ranging from the most advanced economies to the least developed nations. Yet the current changing regional environment presents an opportunity for ASEAN to boost its relevance and role in the regional architecture. The full text of the Minister's speech is also attached at the end of the report.

THE PLENARY SESSIONS

31 May 2016	
Plenary Session 1	Regional Security in the Asia Pacific: Present State and Future Trajectories
Special Address	The Honourable Dato' Seri HISHAMUDDIN Tun Hussein (Minister of Defence, Malaysia)
Moderator	Tan Sri Dato' Seri Mohamed JAWHAR Hassan (Chairman, The New Straits Times Press & former Chairman and Chief Executive, Institute of Strategic and International Studies, Malaysia)
Speakers	Ambassador Shivshankar MENON (Distinguished Fellow, Brookings Institution & former National Security Advisor, India) Dr XU Jian (Senior Fellow, China Institute of International Studies & Chairman, CIIS Academic Council, China) Dr Seiichiro TAKAGI (Senior Adjunct Fellow, Japan Institute of International Affairs, Japan)

The Defence Minister of Malaysia's insightful address highlighted the current security atmosphere in Malaysia and considered both traditional and non-traditional challenges such as food security. Meanwhile, Menon's speech touched on the importance of ASEAN in maintaining peace and security in the region. He also focused on India's role in response to the US-China relationship in the region.

Xu argued that much of today's power structures were inherited from the Cold War period. However, the long-lasting peace that we enjoy today is largely due to the importance and interdependence of economic relationships in global affairs. Takagi commented on US-China relations, especially on the relationship today and how a balance between the United States and China has yet to be struck for a better regional security architecture.

Questions from the floor touched on ASEAN's role in impacting the future global order, which drew attention to the role of middle powers in maintaining stability in the region. The session ended with the moderator concluding on the importance of reaching an equilibrium for a better future for the region.

Plenary Session 2	The ASEAN Community: Integration in an Age of Contending Interests
Special Address	HE Mr Saleumxay KOMMASITH (Minister of Foreign Affairs, Lao People's Democratic Republic)
Moderator	Professor Carolina G HERNANDEZ (Founding President and Vice-Chair of the Board, Institute for Strategic and Development Studies & Professor Emeritus, University of the Philippines-Diliman, The Philippines)
Speakers	<p>Ambassador ONG Keng Yong (Executive Deputy Chairman, S Rajaratnam School of International Studies, Nanyang Technological University & Ambassador-at-Large, Ministry of Foreign Affairs, Singapore)</p> <p>Dr THITINAN Pongsudhirak (Director, Institute of Security and International Studies, Chulalongkorn University, Thailand)</p> <p>Tan Sri Dato' Dr Mohd MUNIR Abdul Majid (Chairman, Bank Muamalat Malaysia & Board Member, Institute of Strategic and International Studies, Malaysia)</p>

Ong said that ASEAN's building-block integration process presents opportunities and challenges at a time when its centrality and neutrality is caught in the era of globalisation and contending interests of world powers. It will continue its integration process, working towards a more politically cohesive, economically integrated and socially feasible community.

Munir argued that the ASEAN integration must be functional for members to reap the benefits of regional cooperation. Undeniably, regional challenges are compounded by the divergence in the level of economic development, non-traditional security threats, globalisation and leadership contestation. Indeed, globalisation entangles ASEAN's policy response further as ASEAN has no common regional foreign policy. The fact that some members are more keen on the Trans-Pacific Partnership (TPP) compared to the Regional Comprehensive Economic Partnership (RCEP) could be because member states do not view ASEAN as relevant to maintain their own comparative advantages and competitiveness. In other words, the costs and benefits of globalisation to ASEAN member states differ due to the difference in policy response and incentives.

According to Thitinan, ASEAN may need a new growth model since export-led growth is not feasible and conducive in an era of intensified globalisation. The speakers also encouraged the leaders of ASEAN member states to reduce their domestic preoccupation and be more involved in the ASEAN Community discourse.

Concurrent 1	Strategic Update: Northeast Asia
Moderator	Professor NGUYEN Vu Tung (Acting President, Diplomatic Academy of Vietnam)
Speakers	<p>Associate Professor Ryo SAHASHI (Associate Professor of International Politics, Kanagawa University, Yokohama, Japan)</p> <p>Professor ZHU Feng (Executive Director, China Center for Collaborative Studies of the South China Sea, Nanjing University, China)</p> <p>Mr MA Tong Hui (Director General, Institute for Disarmament and Peace, Democratic People's Republic of Korea)</p>

The gist of discussion in this session is as follows:-

(a) Japan is the strongest supporter in the region for maintaining a US-led order in both the security and economic realms. Tokyo recognises that Japanese power alone is insufficient to shape the regional order and deterring threats such as the Democratic People's Republic of Korea (DPRK)'s nuclear ambition. It is therefore crucial for Japan to build coalitions with regional partners that have similar political objectives, such as Australia.

(b) Beijing's DPRK policy has changed from keeping it as a buffer state to viewing it as a strategic burden. China has been working in coordination with the United States, South Korea and other partners to achieve DPRK's denuclearisation. This is primarily due to potential fallouts from an escalating DPRK nuclear programme with the prospect of both Seoul and Tokyo reconsidering their reliance on US extended nuclear deterrence, and the possible deployment of a Terminal High Altitude Area Defence (THAAD) system in South Korea that would threaten to shift the strategic landscape of Northeast Asia to its disadvantage.

(c) Despite international sanctions, Pyongyang has persisted in its intention to become a nuclear-armed state due to the perceived threat of regime change by the United States. The denuclearisation impasse reflected the failure in resolving the root cause of tension in the Korean Peninsula by replacing the armistice, which ended the Korean War, with a peace treaty.

Concurrent 2	Strategic Update: The Americas
Moderator	Pengiran Datin SHAZAINAH Pengiran Dato Shariffuddin (Representative, Brunei Darussalam Institute of Policy and Strategic Studies, Brunei Darussalam)
Speakers	<p>Mr Ralph COSSA (President, Pacific Forum Center for Strategic and International Studies, USA)</p> <p>Dr James BOUTILIER (Special Advisor, Maritime Forces Pacific, Canada)</p> <p>HE Mr Carlos Isauro Félix CORONA (Ambassador of Mexico to Malaysia)</p>

The session centred on the sustainability of America's foreign policy in Asia, Canada's inconsistent foreign policy in the Asia Pacific and South America's need to expand ties with the rest of Asia beyond China. Cossa mentioned that the pivot to Asia was not a new policy, with a

policy towards Asia in place since the Reagan administration. At the time, China was concerned with domestic issues. China only recently assumed a competitive role vis-à-vis the United States because of China's military and commercial rise.

Boutilier argued that Canada's inconsistent engagement in the Asia Pacific was due to Canada's historical ties with Europe and high dependence (almost 80%) on the US economy. Nevertheless, this might change due to America's recent economic crisis and Canada's changing demographics – Canada is experiencing an influx of Asian migrants to its west coast.

A key takeaway from Corona's presentation was the prominent role of China in the Latin American economy. Socialist-inclined economies depend more on China's aid as opposed to open-market economies. Thus, a slowdown of China's economy will likely threaten the stability of the relevant socialist states. The expansion of ties with other Asian states, however, could lessen their economic vulnerabilities.

Concurrent 3	Strategic Update: South Asia
Moderator	Mr Khin Maung LYNN (Joint Secretary, Myanmar Institute of Strategic and International Studies, Myanmar)
Speakers	<p>Mr Pramit Pal CHAUDHURI (Foreign Editor, <i>Hindustan Times</i>, India)</p> <p>Professor William MALEY (Asia-Pacific College of Diplomacy, Australian National University, Australia)</p> <p>Dr Iftekhar Ahmed CHOWDHURY (Principal Research Fellow, Institute of South Asian Studies, National University of Singapore & former Foreign Minister, Bangladesh)</p>

Chaudhuri began by noting that India is actively engaging with developed countries to attract foreign capital investment to build its infrastructure. New Delhi has also been focusing on developing relations with her smaller neighbours, particularly Bangladesh as a gateway to Northeast India and Myanmar to ASEAN. Simultaneously, India is working on building networks across the Indian Ocean to safeguard it from the interference of any external parties. Concerning India-Pakistan relations, both have gone through bittersweet episodes mainly on matters of border disputes and insurgencies.

For a long time, countries like Pakistan and Afghanistan have battled violent extremism propagated by groups of insurgents. According to Maley, the forces of globalisation have rendered a growing young population reluctant to subscribe to the ideologies of the Taliban. However, there seems to be a significant shift in opinion on the Taliban's re-emergence in Afghanistan.

For Chowdhury, South Asia is not a coherent entity – little coherence can be found politically, economically, socially and strategically. The region lacks the political will to make the South Asian Association for Regional Cooperation (SAARC) a success. The biggest challenge to governments, society and academia is bringing coherence into the region and producing leaders of change.

Concurrent 4	Strategic Update: Southeast Asia and Oceania
Moderator	Ambassador Pou SOTHIRAK (Executive Director, Cambodian Institute for Cooperation and Peace, Cambodia)
Speakers	<p>Dr Aries A ARUGAY (Executive Director, Institute for Strategic and Development Studies, The Philippines)</p> <p>Mr Khin Maung LYNN (Joint Secretary, Myanmar Institute of Strategic and International Studies, Myanmar)</p> <p>Dr David CAPIE (Director, Centre for Strategic Studies, Victoria University of Wellington, New Zealand)</p>

Southeast Asia has garnered overwhelming interest due to recurring events around the region, which may shift the global political and economic landscape.

Observers of the politics of the Philippines are looking forward to President-elect Rodrigo Duterte's political leadership and foreign policy stance, especially concerning the South China Sea. Yet, according to Arugay, Duterte's dedication in instilling positive steps to assure the quality of governance remains a big question.

The discussion on Myanmar centred on the victory of Aung San Suu Kyi's NLD party in the recent election. It was predicted that ethnic issues in Myanmar would not be resolved just yet due to Ms Suu Kyi's unbalanced remarks towards the Rohingyas. Lynn also pointed out that Myanmar is actively seeking partnership with developed countries like Japan and the United States for investment in its energy sector.

Capie went on to affirm that New Zealand has always leaned towards Southeast Asia and has very much benefitted from the region as a trading partner. Hence regional political and security stability are its main concerns in order to ensure that economic growth remains intact.

Concurrent 5	Strategic Update: West Asia and North Africa
Moderator	Ms CLARA Joewono (Vice Chair, Centre for Strategic and International Studies Foundation, Indonesia)
Speakers	<p>Dr James M DORSEY (Senior Fellow, S Rajaratnam School of International Studies, Nanyang Technological University, Singapore)</p> <p>Professor Nasser HADIAN (Professor of Political Sciences, Faculty of Law and Political Sciences, University of Tehran, Iran)</p>

The Arab Spring, which began in late 2010, raised hopes that the region's autocracy had become irrelevant. Yet the road to democracy has not been straightforward and was even excruciating, as observed in the aftermath of the revolution. Dorsey argued that Obama's disengagement from the region lies at the root of nations – with Saudi Arabia in the lead, adopting more assertive foreign and defence policies but with disastrous consequences in places like Syria and Yemen and the potential to destabilise others in the region.

One of the central topics in Hadian’s commentary was on the disagreement between Iran and its Arab neighbours regarding the very meaning of regional stability and how to achieve it. Iran claims that all it wants to do is “stabilise its neighbours” and adopt a defensive posture. While there may be a debate inside Iran on the country’s regional role, an equally important debate should be taking place between Iran and its Gulf neighbours to reduce the disconnect in their views on regional stability.

Concurrent 6	Strategic Update: Europe
Moderator	HRH Prince Norodom SIRIVUDH (Founding Chairman, Cambodian Institute for Cooperation and Peace & Privy Counselor to His Majesty the King of Cambodia)
Speakers	Dr Victor SUMSKY (Director, ASEAN Centre, MGIMO University, Russia) Dr May-Britt U STUMBAUM (Director, NFG Research Group “Asian Perceptions of the EU”, Freie Universität, Berlin, Germany)

Sumsky highlighted some challenges within the European Union. The re-expansion of the North Atlantic Treaty Organization (NATO) is generating more insecurity in the region. The Ukraine crisis and attempts to create an “economic NATO” serve to further isolate Russia from Europe. He also observed that the United States is attempting to reconfigure American leadership in Asia based on imposing the Transatlantic Trade and Investment Partnership (TTIP). This may result in cutting Russia away from Europe as well as China away from Russia, and result in major consequences for ASEAN, Asia and the world. While ambitions to strengthen the relationship with Asia remain, there will be ever scarcer resources.

Stumbaum underlined Europe’s external and internal challenges. This includes responding to the refugee crisis, foreign fighters and the Ukraine crisis. Beyond Grexit and Brexit, Europe also finds itself dealing with rising populism and the increased threat of terrorism attacks.

Both speakers agreed that there would be no quick truce on EU-Russia relations. On the South China Sea, Stumbaum emphasised adherence to international law while Sumsky focused on a combination of non-violent solutions based on international law and claimant-proposed solutions.

1 June 2016	
Plenary Session 3	Hearts and Minds: New Strategies to Battle Ignorance, Violence and Extremism
Moderator	Mr Sholto BYRNES (Senior Fellow, Institute of Strategic and International Studies, Malaysia)
Speakers	<p>Mr Asrul DANIEL Ahmed (Chief Operating Officer, Global Movement of Moderates Foundation, Malaysia)</p> <p>Imam FEISAL Abdul Rauf (Chairman, Cordoba Initiative, USA)</p>

Daniel's presentation centred on the success of Daesh's radicalisation drive that can be explained by three factors: (i) Daesh's narrative is unhindered by any legal/moral law; (ii) the vast network of sympathisers that it has; and (iii) its narrative strongly resonates with the mental construct of its audience. Daniel suggested for counter-violent extremism practitioners to adopt Daesh's wide-range networking strategy and buttress the effectiveness of present counter-narratives by employing social media platforms and credible voices from inside the community.

Feisal posited that to gain victory, groups opposing Daesh must battle the terrorist organisation in every theatre available including in physical and cyber spaces. Geopolitical vectors (e.g. Saudi-Iran competition) must also be acknowledged as a driving factor behind today's radicalisation process. He proposed an alternative definition of an "Islamic State" rooted in the six principles of syariah law (e.g. protection of life, property, religion, intellect, family, and human dignity) as a counter-narrative to Daesh's false claim to its name.

Both speakers agreed that governments must engage civil society and potential partners to strengthen the collective effort to undermine Daesh. However, the glaring absence of a global grand strategy in counter-radicalisation and counter-terrorism remains a big problem in achieving this objective.

Plenary Session 4	Energy Prices, Climate Change and Geopolitics: What's Next?
Moderator	Associate Professor Simon TAY (Chairman, Singapore Institute of International Affairs, Singapore)
Speakers	<p>Dr Frank UMBACH (Research Director, European Centre for Energy and Resource Security, King's College, London, United Kingdom)</p> <p>Ambassador Rae Kwon CHUNG (Former Principal Advisor on Climate Change, Executive Office of the Secretary-General, United Nations)</p> <p>Professor Yukari TAKAMURA (Professor of International Law, Nagoya University, Japan)</p>

The speakers argued that despite the laudable efforts of the Paris COP21 agreement in increasing the urgency of decarbonising the world economy, the geopolitical implications of oil price fluctuations will result in competing objectives in climate and energy policies. This is a

change that many oil-producing countries are not ready for and will consequently undermine long-term climate obligations. A new energy market fuelled by the boom of unconventional energy resources and renewable energy, the decreased dependence of the Organization of the Petroleum Exporting Countries (OPEC), as well as China's economic slowdown are reshaping the global geopolitical landscape.

According to Umbach, Saudi Arabia's oil price policy of 2015 was increasingly influenced by geopolitical rivalry with Iran, due to its perceived disengagement of the United States in the region. He cautioned that while fossil fuel dependence has been a source of geopolitical risks, the expansion of renewable energy systems will usher in a new era of dependency and competition particularly in critical raw materials.

Takamura argued that increasing one's self-sufficiency is slowly becoming an important tool in geopolitics. To achieve that, she stressed the need for innovative carbon market mechanisms such as integrating China's promising Carbon Emission Trading at the regional market. Chung emphasised the role of ASEAN in incorporating a carbon pricing strategy into the AEC.

Plenary Session 5	Human Insecurity: Confronting Displacement and Trafficking
Moderator	Ambassador Yong CHANTHALANGSY (Director General, Institute of Foreign Affairs, Lao People's Democratic Republic)
Debaters	<p>Ms Simla RAMPHUL (Adviser for Migration in Asia, International Committee of the Red Cross)</p> <p>Dr SRIPRAPHA Petchamesree (Institute for Human Rights and Peace Studies, Mahidol University, Thailand)</p> <p>Professor William MALEY (Asia-Pacific College of Diplomacy, Australian National University, Australia)</p>

The session was predominantly focused on two key issues – the push factors for involuntary migration and displacement, and the need to mobilise collective action in the region.

Insecurity remains a prime factor for people fleeing, as stated by Maley – migrants are apprehensive about their surroundings. Although Sriprapha stressed that governments of source countries must recognise the internal problems that exist within their respective borders, Ramphul highlighted that addressing (and preventing) forced migration is ultimately a political choice. It is up to governments whether forced migration should be addressed, and the extent to which solutions should be provided.

The speakers agreed that mobilising collective action is of utmost importance. The tendency has always been to contain migration in countries of origin and transit; regional responses are consequently limited to the unilateral actions of affected states. In order to ensure the continuous support of refugees, the focus of addressing forced migration must change from the illegality of displacement to the humanitarian protection of refugees.

The extent of collective action needed in the region was highlighted during the question and answer session. This included the suggestions of establishing an overall mechanism to facilitate and improve maritime search and rescue; screening and registering refugees in affected states; and utilising existing structures via forums such as ASEAN and the Bali Process.

Plenary Session 6	Security and Stability in the South China Sea: Possibilities Amid Complexities
Moderator	Dr Philips VERMONTE (Executive Director, Centre for Strategic and International Studies, Indonesia)
Speakers	<p>Dr WU Shicun (President, National Institute for South China Sea Studies, China)</p> <p>Professor David A WELCH (CIGI Chair of Global Security, Balsillie School of International Affairs & Professor, Political Science, University of Waterloo, Canada)</p> <p>Major General Steven R RUDDER (USMC) (Director, Strategic Planning and Policy (J5), US Pacific Command, USA)</p> <p>Dr TRAN Truong Thuy (Director, Foundation for East Sea Studies & Acting Director, Bien Dong Institute, Diplomatic Academy of Vietnam)</p>

Wu argued that while some military facilities have been constructed on the reclaimed features, they are defensive in nature and in response to the deteriorating security in the region. China will not implement the rulings of the international tribunal – whether it favours China or not – and there are international precedents for this. He added that the Code of Conduct, currently being negotiated, must take into account the changing nature of the dispute – from that of sovereignty to increasing geopolitical competition between stakeholders.

Welch criticised the media coverage of the dispute by all parties as inaccurate and unhelpful. All parties must also properly examine the history, law, politics and psychology of the dispute. The last two are of particular importance to the dispute – the impact of domestic politics on policy makers and the propensity of people to hold on to perceived truths.

Rudder highlighted the growing military partnerships between the United States and regional stakeholders in developing greater maritime domain awareness. This will see greater transparency in the defence relations, helping build confidence among all stakeholders and encouraging greater intra-Asia-Pacific cooperation and exercises.

Tran cautioned that the importance of hydrocarbon and fisheries in the dispute should not be underestimated. He added that ASEAN’s response to the arbitration ruling and subsequent actions of the Philippines and China is critical and will say a lot for its centrality.

KEYNOTE ADDRESS & OFFICIAL OPENING

The Hon Dato' Sri MOHD NAJIB Tun Abdul Razak
Prime Minister of Malaysia

30 May 2016

Bismillahhirahmanirrahim

Assalammualaikum w.b.t & Salam 1Malaysia

His Royal Highness Prince Norodom Sirivudh,
Supreme Privy Counsellor to His Majesty the King of Cambodia and Founding Chairman,
Cambodian Institute for Cooperation and Peace (CICP)

His Excellency Saleumxay Kommasith,
Minister of Foreign Affairs, Laos People's Democratic Republic

YB Dato' Seri Mustapa Mohamed,
Minister of International Trade and Industry, Malaysia

YBhg Tan Sri Rastam Mohd Isa,
Chairperson, ASEAN-Institutes of Strategic and International Studies (ASEAN-ISIS) and
Chairman and Chief Executive, Institute of Strategic and International Studies (ISIS) Malaysia

Excellencies,

Distinguished participants,

Ladies and gentlemen,

1. I am delighted to be here this evening on the occasion of the 30th Asia-Pacific Roundtable, or APR. This is a special milestone for the APR. The Roundtable has made major contributions to policy discussions about the Asia Pacific, while the region itself has undergone waves of significant strategic change.

2. Let me congratulate ISIS Malaysia and the ASEAN-ISIS network for this enduring initiative. You have done well in maintaining the reputation of the APR as a premier Track Two security conference.

3. Governments will continue to look to current and next-generation Track Two thought leaders to anticipate the future Asia-Pacific landscape, and to provide frank and detailed assessments of developments that impact the region. The APR should remain one of the key platforms for discussing these issues.

4. Let us recall how different the Asia Pacific was thirty years ago. The countries of Southeast Asia were either emerging from decades of strife or grappling with the complex challenges of nation building. China was in the early stages of transformation. In the background, the fractious shadows of the Cold War loomed large across much of the world.

5. Few could have imagined 30 years ago that ten distinct countries in Southeast Asia with diverse forms of government, a multitude of languages and cultures, and differing levels of development would be able to align their economic, political-security and socio-cultural interests.

6. But last year all ten member states came together for the Declaration of the ASEAN Community.

7. We were proud that so momentous a step took place here in Kuala Lumpur, and under Malaysia's chairmanship.

8. Let us look at where ASEAN is today. Within the last decade alone, the total ASEAN economy has nearly doubled in size to USD2.5 trillion. GDP per capita grew by 76 percent to over USD4,000. If ASEAN were a single economy, it would already be the third largest in Asia and the seventh largest in the world.

9. If current growth trends continue, it will be the world's fourth largest economy by 2050 – at the latest. Of course, there remains much work to be done to consolidate gains and strive for further achievements; not just over the next ten years, to fulfil the ASEAN Community Vision 2025, but way beyond in pursuit of lasting peace, development and prosperity for the region.

10. 65 percent of ASEAN's 625 million population are now under the age of 35. The future of our Community along with its security, stability and prosperity clearly belongs to them. The shape of this future hinges on the bold, transformative plans that we undertake now for the next generation.

Ladies and gentlemen,

11. Here in Malaysia our economic plan has ensured the country's resilience despite global economic uncertainties and plunging oil prices. Between 2009 and 2015, our Gross National Income nearly doubled. We created 1.8 million jobs.

12. We increased the income of the bottom 40 percent of households by a compound annual rate of 12 percent. And our economy grew at five percent last year alone. We remain on track to achieving high income nation status by 2020.

13. We live in trying times today. The global economy is slowing down. But Malaysia's economy remains resilient. Thanks to the hard work of the Malaysian people, and the policies and programmes that the Government has put in place.

14. I also firmly believe that in the effort to sustain a strong economy, we need to maintain close and healthy relations with our neighbours and friends, with whom we trade, connect and cooperate.

15. We do so regardless of political ideology and system, while maintaining an independent, non-aligned and principled stance in regional and international affairs. In the past, Malaysia took some unnecessarily confrontational stances, pretending that this was in Malaysia's interests and it meant that the country was standing up for itself.

16. But I believe that politicians adopting intentionally antagonistic foreign policy positions just for the sake of personal popularity are selfish, short sighted and self-defeating for their own countries. The national interest must come before personal political interest.

17. Developing relations and economic partnerships with other nations promotes peace, stability and prosperity for the people.

18. That has been our approach – and we have seen the benefits. I have worked to deal with legacy issues with Singapore, for example, and our resolution of the Points of Agreement in 2010 after a 20 year deadlock is a good case in point.

19. It was an example of how we chose to move forward in a spirit of friendship and mutual benefit and put a long-standing stumbling block behind us. We are now looking at building a high speed railway between Kuala Lumpur and Singapore to enhance connectivity, economic opportunities and people to people contact. And we expect to sign a Memorandum of Understanding in July.

20. In the Philippines, Malaysia facilitated the negotiations to resolve Asia's longest running insurgency, and we look forward to the final implementation of the Comprehensive Agreement on the Bangsamoro.

21. Peace is an end in itself, and if we can help bring to a close a dispute that has cost so many lives, we would be honoured to do so. But stability will also allow the region to prosper, and make the seas between two neighbours safer. That will benefit both Malaysia and the Philippines.

22. We have built stronger ties around the world: with China, the United States, Japan and the European Union, among many others. Indeed, relations with both China and the United States have never been so warm. And these relationships have borne concrete results.

23. Since 2009, for instance, trade between Malaysia and China has been growing at over ten percent a year, and our many joint ventures – both those that are already underway and those we have planned – will play a huge part in Malaysia's continued development.

24. Malaysia is also a signatory to the Trans-Pacific Partnership, which a study by PricewaterhouseCoopers predicted would lead Malaysia's GDP to increase by up to USD211 billion between 2018 and 2027, and would bring additional investment of USD136 to USD239 billion.

25. These are not just figures. Trade and investment bring jobs. Foreign Direct Investment in Malaysia's manufacturing sector in 2015 is expected to lead to the creation of 66,000 new employment opportunities, while FDI in services will create a further 112,000 jobs.

26. Transforming our economies, and increasing trade and ties with each other, is a path to peace, security and growth for all in the Asia Pacific, and a future that is based – to quote the title of this year's APR – on cooperation, not contestation.

Ladies and gentlemen,

27. Last year, Malaysia worked with Indonesia, Thailand, Myanmar and Bangladesh to address the issue of migrants at sea. Over the years, we have taken in hundreds of thousands seeking refuge from war and persecution. Now, we have agreed to accept 3,000 Syrian migrants whom we will welcome over the next two years.

28. We will continue to assist in alleviating humanitarian crises near and far, just as we will continue to assist and to lead efforts to counter radicalism and extremism.

29. We recently launched the Regional Digital Centre for Counter-Messaging Communication in Kuala Lumpur, which will fight the terrorists' propaganda by exposing falsehoods and misinformation, and spearhead this important work in the region and beyond.

30. At the same time, I have consistently called for the practice of moderation to reclaim the centre and allow for mutual understanding. It is a priority at the national, regional and international levels.

31. I am pleased that ASEAN adopted this concept last year in the Langkawi Declaration on the Global Movement of Moderates, and we call for its adoption at the wider global level.

32. Malaysia is at the forefront in these and other areas, and I am glad that Malaysian leadership is increasingly being recognised around the world.

33. This is why Malaysian companies are trusted to carry out important development projects far and wide.

34. By being outward-looking, open to trade and cooperation, dedicated to moderation and tolerance, determined to battle the scourge of violent extremism, and firmly focused on the needs and aspirations of our peoples: this is how Malaysia and the Asia Pacific can strengthen our mutual security as we move towards the third decade of what many have called "the Asian century".

Ladies and gentlemen,

35. If we turn to our region and to ASEAN in particular, it is clear that we face a series of challenges, including some that are perceived to be growing alarmingly.

36. The Asia-Pacific strategic environment is underpinned by a complementary web of bilateral, minilateral and multilateral security arrangements. There may be a degree of scepticism about ASEAN centrality among some, but there can be no doubt that ASEAN has been successful in promoting dialogue among the major powers, in particular through the East Asia Summit.

37. The ASEAN-centred regional architecture may help to ameliorate the unstated competition for dominance and influence among major powers. As smaller nations, ASEAN member states must be able to effectively manage relations with these larger powers, while safeguarding their own national interests and collectively advancing regional peace, stability and prosperity.

38. Admittedly, these interests do not always neatly converge. As a Community forging ahead together, ASEAN member states must nevertheless strengthen our unity, solidarity and cohesiveness to ensure the continued credibility and relevance of ASEAN centrality at a time when the geopolitical regional landscape is shifting across the cyber, land, sea and air domains.

39. Developments in the South China Sea call for very careful handling by countries in the region and beyond. Within the context of ASEAN, we look forward to the expeditious conclusion of a meaningful Code of Conduct in the South China Sea. In the meantime, I urge all of us to recommit to the full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea.

40. Moving forward, we will continue to rely on diplomacy and dialogue to peacefully resolve differences and disputes. We will do so in accordance with and in adherence to the norms, customs and principles of international law.

Ladies and gentlemen,

41. Predictions about the future are rarely precise. History is not always an accurate guide to what is to come. However, it is a useful reference point for what we want to achieve and what we want to avoid.

42. The last 30 years in this region have seen both cooperation and competition among neighbours, friends, partners and adversaries.

43. The trajectory, however, has been promising, and in the next two days I hope you will discuss ways to help governments in the region increase that level of cooperation and dialogue – even as we are compelled to address the difficult challenges ahead.

44. I wish you a productive and successful conference. It is with great pleasure that I now declare the 30th Asia-Pacific Roundtable open.

Thank you.

SPECIAL ADDRESS IN PLENARY ONE
**REGIONAL SECURITY IN THE ASIA PACIFIC:
PRESENT STATE AND FUTURE TRAJECTORIES**

The Hon Dato' Seri HISHAMUDDIN Tun Hussein
Minister of Defence, Malaysia

31 May 2016

[SALUTATIONS]

1. I want to begin by saying what a pleasure it is for me to be here today at the 30th Asia-Pacific Roundtable (APR). I congratulate the Institute of Strategic and International Studies (ISIS) Malaysia and its partners in the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) for successfully convening this historic occasion.

2. ISIS Malaysia has a profoundly personal significance for me. The idea to set up ISIS Malaysia was conceived during the premiership of my father, the late Tun Hussein Onn. After his retirement, my father served as the Institute's inaugural chairman from 1984 until his passing in 1990. The first Asia-Pacific Roundtable in 1987 was therefore held under his chairmanship. I am pleased to see that it has remained true to its objective of bringing together various stakeholders for dialogue, with a view towards reducing tensions and enhancing confidence in the region.

The state of security in the Asia Pacific

Ladies and gentlemen,

3. I have been asked today to speak about "*Regional Security in the Asia Pacific: Present State and Future Trajectories*". I don't want to say too much because there will be an excellent and distinguished panel after me. However, what I will do is to share a few thoughts on this topic. These are of course necessarily informed by my being Malaysia's Minister of Defence. Malaysia, as a Southeast Asian, maritime and progressive Muslim nation, which is rapidly ascending the ladder of development, is in a unique position to offer its perspective on contemporary security and military challenges.

4. The "present state" of regional security in the Asia Pacific is of course well-known. We are in an age of uncertainty, where challenges and threats to security often emerge or evolve faster than solutions to them. These security threats are of an entirely different nature and scale than previously thought, a sort of "globalisation of security challenges". Additionally, current responses to them appear increasingly inadequate. There is concern that as security in the region becomes more volatile, the region is not prepared institutionally for this volatility.

5. Nation-states are much less threatened by one another than by the growing risk posed by non-state and often transnational entities, from religious extremists to cyber terrorists. Non-military threats have become more dangerous and widespread. This situation is attributed to the increasing number of non-state actors in international dynamics.

What are the challenges?

6. Again, the specific manifestations of these trends are well-known. For one, the threat posed by returning fighters from the Middle East conflicts and self-radicalised individuals remain a clear and present danger. This can be seen by continued reports of arrests of militants across the Asia Pacific and I must add, in this country.

7. With Islamic State (Daesh) militants empowered by their propaganda success, the group has clearly overtaken al-Qaeda as the jihadist brand of choice. Terrorists always have the luxury of being able to pick their own target and strike at a time of their choosing. Authorities and security services to a degree are always playing catch up, plugging security gaps after the terrorists strike.

8. The only real choice for governments is to stop such attacks before they happen. The real tragedy of the Brussels, Paris and Jakarta attacks can be attributed to the failure of intelligence; to identify the networks and its members and to properly monitor their activities or penetrate them.

9. Such failures were compounded by the lack of communication between local agencies and their international counterparts. Security agencies need to advance their efforts and make cooperation a reality if we are to stand a chance in countering the well-armed, well-organised and well-motivated terrorists within our midst.

10. Nevertheless, this must also be balanced by the fact that efforts by governments to stifle dissent and restrain media freedoms will fuel disquiet. Repression merely gives hardliners fertile breeding grounds to recruit disenfranchised individuals to their cause. Striking a balance between these two imperatives is the great challenge of our times.

11. Next, we must not shy away from the fact that territorial conflicts remain a sore point between nations in the region. The most pertinent is the South China Sea, which is a source of tension between ASEAN and its dialogue partner, China. Despite these geopolitical challenges – ASEAN must continue to remain united and speak with one voice.

12. Malaysia has always been consistent that this problem should be resolved amicably through peaceful means by all the concerned parties in adherence to the Declaration of Conduct (DOC) and in accordance with universally recognised principles of international law. Malaysia also remains convinced that a Code of Conduct (COC) is the best way to govern the competing claims to the waters and urge that consultations be intensified, to ensure the expeditious establishment of an effective COC.

13. In this regard, I would like to underscore that Malaysia is being watchful of recent developments in the South China Sea, including the increasingly heavy reliance on coercive and military means to gain the upper hand in disputes. We call upon all countries to ensure that diplomacy prevails and that differences are resolved peacefully via multilateral platforms such as ASEAN.

14. Related to this is maritime security. The security of the maritime realm is crucial to the global economy, to say nothing of the Asia Pacific. The threats to maritime security that we face are complex in nature and include transnational challenges such as maritime terrorism, piracy and territorial disputes.

15. Furthermore, the protection of the environment, marine ecosystems, fish resources and global warming requires immense energy as well as attention spans. Phenomena such as flooding, hurricanes and droughts directly affects crop yields, infrastructure and food security.

Ladies and Gentlemen,

16. We should acknowledge that food insecurity is a threat and multiplier for violent conflict. Food insecurity, especially when caused by higher food prices, heightens the risk of democratic breakdown, civil conflict, protest, rioting and communal conflict. Indeed, food insecurity is not the sole contributing factor for conflict. Like all cause and effect relationships, the link between the two forces is context-specific and varies according to a country's level of development and the strength of its political institutions and social safety nets. It might not be a direct cause and rarely the only cause, but combined with other factors, for example, in the political or economic spheres, it could be the factor that determines whether and when violent conflicts will erupt.

17. Moreover, cyber security is also a continuing source of worry. Cyberattacks are growing in scale and complexity, from malware injections and phishing to social engineering and brute-force attacks. The growth of social media and Internet of Things (IoT) have brought on several ancillary security challenges, such as Point of Sale threats as well as to sensors, gateways and end devices.

18. These threats can cause a devastating impact across the network to smart grids and smart transportation, including aviation. Also, critical infrastructure (CI) and critical national infrastructure (CNI) remain especially vulnerable to cyberattacks. Future plots could be aimed at CNI rather than information breaches.

Future trajectories

Ladies and gentlemen,

19. This is hence the present state of security in Southeast Asia. What future trajectories can we ascertain? For one thing, I've come to realise that the categories we use to discuss and disaggregate security issues are becoming less and less distinct.

20. Some of those categories, while convenient short-hands, have always been artificial and perhaps misleading. For instance, the distinction between traditional and non-traditional security issues. Some countries may see terrorism as a "non-traditional security issue". This however may be the exact reverse for others. For its part, Malaysia has grappled with insurgency and terrorism since the days of the Communist Emergency. More recently, the threat of Daesh has blurred the lines between traditional and non-traditional, conventional and non-conventional, military and civilian.

21. Conventional wisdom suggests that we should adapt to changing, immutable challenges by ourselves evolving. The redefinition of roles and categories is not only about the security challenges we face. It is also about better utilising the wide array of capabilities that are brought to bear by militaries in cooperation with civilian elements, both government and non-government. One of the key instances here is the deployment of military assets for humanitarian assistance and disaster relief (HADR).

22. To cite just one example, during the 9th ASEAN Defence Ministers' Meeting (ADMM) last year, I invited my ASEAN colleagues to create an ASEAN Militaries Ready Group on HADR, which was approved upon. The Ready Group would serve as a dedicated force, comprising specialists in disaster relief and military medicine from all core ASEAN countries, which aims to achieve quick humanitarian assistance to ASEAN member states faced with disasters. This force would be trained together, develop common procedures and interoperability under existing ADMM platforms.

23. In the event of a calamity, upon request by the host country, this force would be immediately despatched, taking lead from a coordination centre. This ASEAN Militaries Ready Group on HADR will have special predetermined diplomatic clearance for entry, special lines of communications and pre-identified human resource and equipment specialties in place to cater for the diverse needs of a particular disaster.

24. I can compare the formation of this force in a similar fashion to the United Nations Standby Arrangements System (UNSAS) where all of the contributing countries would set aside a portion of their military personnel and equipment for the force generation process, contingent-owned equipment, technical advice and developing generic guidelines for deployment albeit in this case, it is skewed towards disaster relief and humanitarian assistance. It certainly would not be a combat oriented force but has the capability to operate on a similar tempo under severe adverse condition.

25. There is also, as noted, a pressing need for us to better identify and protect our critical infrastructure from terrorists and insurgents. The wars of centuries past were fought over vital assets and trade routes in conflicts whose combatants targeted roads, bridges, fuel and food supplies and other vital assets. Securing these was often the key to success in war. Today, governments around the world need to establish complex plans to protect critical infrastructure and ensure the continuity of the essential services it provides.

26. Most critical national infrastructure is reliant upon its IT systems for the proper functioning of its physical security systems as well as its cyber security. That interdependence brings increased risks as well as benefits. The wider the security landscape the more areas of potential attack there are. Security is after all, only as good as its weakest link. With increasing reliance on IT systems, there is an ever greater need for cooperation and convergence between the roles of physical security and cyber security.

27 Which brings me to the issue of cooperation. This has become something of a mantra in security discussions. No one in their right minds would ever deny that cooperation is a good thing at all levels. Still, how it can be effectively brought about remains something of an enigma.

28. Take for instance, ASEAN – Malaysia’s primary platform for regional cooperation. Malaysia has championed the idea that a strong and successful ASEAN is not only an economic necessity, but also a strategic imperative. Malaysia believes that a strong ASEAN is a stabilising influence in the region. ASEAN has helped shaped Malaysia’s national and regional security policies. ASEAN members have always prided themselves with the principle of non-intervention in the domestic affairs of its members. “ASEAN Way” and “ASEAN Centrality” has been the prime factors behind all that the group has been able to achieve.

29. Nevertheless, this “principle of non-intervention” has come under repeated stress as the ASEAN communities get closer. The conundrum here is how to guarantee our individual sovereignty while giving member states the capacity to address security issues that may affect the region emanating from one state. Here, I am compelled to mention a quote by our Prime Minister Dato’ Sri Najib Razak when he said, “I believe the biggest challenge facing us in the Asian region is domestic stability. International conflicts have often been caused by internal instability.”

Conclusion

Ladies and gentlemen,

30. Let me conclude therefore by offering a few questions which the participants in the session to follow may like to address:

- *What, if anything, can we or do we need to do to respond to the blurring of security-related issues? Practitioners have been aware of this for some time now: has anything changed? What can we look forward to in the future?*
- *What black swans could descend upon us, especially in the area of critical infrastructure protection? What are the questions no one is asking? What could catch us unawares?*
- *How can we ensure smarter and more effective security cooperation, especially in the Asia-Pacific context? What low-hanging fruit can we achieve? Should we be bold or more gradualist? What is currently within the realm of possibility?*

31. I hope that, in the discussions in the coming days, you will always keep in mind the many complex issues that come in the wake of the blurring of lines between what is regarded as conventional and non-conventional, traditional and non-traditional, civilian and non-civilian.

32. Conferences like this provide the opportunity for frank discussions and the testing of ideas. I hope you will use the 30th APR to imaginatively explore solutions to some of the difficult issues that I've mentioned. I wish you all the best.

Thank you.

SPECIAL ADDRESS IN PLENARY TWO
THE ASEAN COMMUNITY:
INTEGRATION IN AN AGE OF CONTENDING INTERESTS

HE Mr Saleumxay KOMMASITH
Minister of Foreign Affairs, Lao People's Democratic Republic

31 May 2016

Madam Moderator,

Distinguished participants,

Ladies and Gentlemen,

It is my honour and privilege to participate in the 30th Asia-Pacific Roundtable held here, in Kuala Lumpur, the beautiful capital city of Malaysia, and I would like to express my sincere thanks and appreciation to the host for the warm welcome and hospitality extended to me as well as for the excellent arrangements made for this significant event.

Let me also thank ISIS Malaysia for inviting me to address this Roundtable.

Distinguished participants,

After almost a half century of its existence, ASEAN's aspiration has become a reality as the ASEAN Economic Community (AEC), one of the three ASEAN Community Pillars, was formally launched on December 31, 2015. This has already constituted an early stage of the ASEAN integration process. The launch of the AEC or ASEAN Community as a whole would have been considered a nearly accomplishment in 20 years earlier, however, the start of the AEC has occurred at a very critical period of time that poses both challenges and opportunities to ASEAN as a whole. Opportunity is very obvious. Among other things, ASEAN is one of the biggest single markets in the region with a population of more than 600 million, endowed with the most diverse culture and political systems in the world living in harmony. ASEAN strives to build its unity based on the principle of consensus that truly reflects Asian values, ASEAN resolves to consolidate a community through building upon and deepening integration processes to realise a rules-based, people-centred/people-oriented ASEAN Community, where people enjoy human rights and fundamental freedoms, higher quality of life and the benefits of community building, reinforcing their sense of togetherness and common destiny.

The challenges faced by ASEAN today are characterised by the nature of its diverse level of development, ranging from the most advanced economies to the least developed nations. The rise of non-traditional security presents yet a new challenge for ASEAN's journey towards becoming a more integrated community, such as increasing natural disaster, new forms of terrorism, migration, environmental issues and human rights issues. All this non-traditional security phenomenon has posed a major threat to ASEAN. Furthermore, the new political landscape in the world has already created an environment in which the ASEAN Community is tested. Therefore, it is imperative for ASEAN to be united to resolve the issues effectively.

Distinguished participants,

One of the principles that ASEAN always advocates is the concept of ASEAN Centrality. ASEAN has been striving to develop dialogue with its key partners and to create a regional architecture that works for ASEAN and the wider region. ASEAN Centrality means that ASEAN is in the driver's seat of the key existing Asian regional institutions and processes including the ASEAN Regional Forum (ARF), East Asia Summit (EAS), ASEAN Defence Ministers' Meeting (ADMM), ASEAN Plus Three (APT), ASEAN Plus and other political, economic and social cooperation between ASEAN and its external partners in the region.

In this regard, it is important that ASEAN's centrality continues to be strongly upheld in its external undertakings whereas maintaining a balanced and mutually beneficial dialogue with other partners, as ASEAN has the good reputation of being friendly to all and threatening none, it remains constructive, positive and neutral. Lao PDR strongly believes that all of ASEAN's dialogue partners would continue to support its neutrality and to avoid turning it into a "rugby scrum".

On its part, ASEAN would further consolidate ASEAN regional integration through the implementation of the ASEAN Community, and encourage ASEAN Plus 10 to support the ASEAN Political and Security Community (APSC) in order to strengthen ASEAN's role as a bridge builder between ASEAN's internal institutions and ASEAN-led regional initiatives.

Ladies and Gentlemen,

This year, the Lao PDR has another opportunity and honour to chair ASEAN, which is relatively different from what ASEAN was a decade ago.

Today, with the establishment of the AEC, ASEAN has become more mature in its integration and with its persistent unity and ASEAN Centrality, it would be ready to overcome the emerging challenges and tests it face. I am confident that with the support and cooperative spirit of all ASEAN members and its partners, the Lao PDR would be able to lead the ASEAN Community building to another level.

In conclusion, the ASEAN Community building is a continuous learning process for ASEAN. The ASEAN scope of integration within the organisation and international community has gradually evolved and will continue to evolve, much depending on ASEAN's own effort but also depends on the regional environment that ASEAN is bound to. The current changing regional environment presents a major opportunity for ASEAN to enhance its relevance and role in the regional architecture, thus mobilising support for its Community building effort. However, the new environment also poses many critical challenges to the organisation. ASEAN must therefore find a balanced approach to its external relations and internal community building process that best serves its interests.

Thank you very much.

INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS) MALAYSIA

No. 1, Persiaran Sultan Salahuddin,
P.O. Box 12424, 50778 Kuala Lumpur, MALAYSIA

Tel : +603 2693 9366

Fax : +603 2691 5435
+603 2691 3210

Email : info@isis.org.my

Web : isis.org.my



Institute of Strategic and
International Studies (ISIS) Malaysia



ISIS_MY