



ASIA-PACIFIC ROUNDTABLE

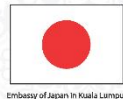
24 | 25 | 26 JUNE 2019 | KUALA LUMPUR



A GREAT UNWINDING?

RULES-BASED REGIONAL SECURITY ORDER TO 2020 & BEYOND

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THE 33RD ASIA-PACIFIC ROUNDTABLE: A 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. The APR has gained a reputation as the premier Track Two forum in the region, being ranked in recent years 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 supported by the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), with ISIS Malaysia as the anchor institution convening the conference. This year's conference saw the attendance of scholars, government officials, policy makers and opinion leaders from across the Americas, Asia Pacific, Europe and West Asia.

Tan Sri Rastam Mohd Isa, Chairman and Chief Executive of ISIS Malaysia, and Professor Aileen SP Baviera, Chair of the ASEAN-ISIS Network and President of Asia Pacific Pathways to Progress Foundation, delivered the welcoming and opening remarks respectively at the opening of the 33rd APR in Kuala Lumpur on 24th June 2019. The full texts of the welcoming and opening remarks are attached at the end of the report.

The Honourable Tun Dr Mahathir Mohamad, Prime Minister of Malaysia, delivered the keynote address on the morning of 25th June. Among the key issues he addressed included criminalising wars, maritime connectivity and security, and the US-China trade war. Indeed, nations should find common grounds and become partners in ventures and endeavours that would benefit each other. Additionally, the Prime Minister felt that the concept of ASEAN Centrality deserved greater commitment since ASEAN has no shortage of transnational institutions to drive it. The full text of the Prime Minister's speech is annexed at the end of the report.

The luncheon remarks of His Excellency Dr Makio Miyagawa, Ambassador of Japan, on 25th June focused on the US-China trade war. Firstly, would this trade war cause a serious slowdown of the global economy? Secondly, could the economies of Southeast Asia suffer a major setback from this? Thirdly, would it end soon? The full text of the Ambassador's speech is appended at the end of the report.

Finally, the 33rd APR ended with a special luncheon session titled "ASEAN: Towards Vision 2025" with The Honourable Dr Marty Natalegawa, Former Minister for Foreign Affairs of Indonesia. Dr Marty observed that ASEAN had crafted some of the best outlooks, visions and action plans. However, ASEAN must now produce tangible deliverables.

THE PLENARY, CONCURRENT & LUNCHEON SESSIONS

Monday, 24 June 2019	
Plenary 1	Asia Pacific vs Indo-Pacific: Rationale, Contestation & Implications
Instigator	Dr Thitinan Pongsudhirak Director Institute of Security and International Studies (ISIS) Thailand
Speakers	Mr Elbridge Colby Director Defense Program Center for a New American Security (CNAS) United States of America Professor C Raja Mohan Director Institute of South Asian Studies National University of Singapore (NUS) Singapore Professor Akio Takahara Dean, Graduate School of Public Policy, University of Tokyo; Senior Adjunct Fellow Japan Institute of International Affairs Japan Dr Wu Shicun President National Institute for South China Sea Studies (NISCSS) China

This session aimed to explore the arguments for and against the construct of an Asia Pacific and Indo-Pacific, their likely strategic directions and whether they were inclined towards more or less cooperation, stability, security and peace in the region.

Mr Colby indicated that many policy makers in the United States now consider it as being in a sustained strategic competition with China, with the latter having used the existing rules-based order to subvert the international system. He emphasised that the United States does not seek to suppress China, but to ensure that the rules-based international order, while not perfect, is respected with all countries operating on fair and equitable terms. To this end, the United States will be more prepared to apply stronger leverage where necessary.

Professor Raja Mohan adopted a more historical and conceptual approach to the subject, arguing that regional descriptions and initiatives connected to them are not set in stone – they evolve. That ASEAN has moved to address the Indo-Pacific indicates that there is a tacit albeit resigned acceptance that the concept will have an impact and ASEAN will have to adapt to it. He further postulated that the ongoing backlash against globalisation, restructuring of trade frameworks and impact of the tech revolution will have a longstanding impact on the yet undermined regional order.

Professor Takahara focused on the significance of the Indo-Pacific within the context of increasing rapprochement between Tokyo and Beijing. He added that Japan's Indo-Pacific concept and China's Belt and Road Initiative (BRI) are relatively compatible and, if approached strategically, can yield greater opportunities of collaboration. What ASEAN could do is to focus its efforts on being the lynchpin between the two, which will itself yield good returns for the region.

Dr Wu explored the potential impact of regional contestations on the South China Sea and its dispute. China now sees the United States' approach to the dispute as prejudiced and as an active instigator against China's legitimate interests, attempting to force regional countries, especially in ASEAN, to take sides between the United States and China. The Indo-Pacific construct plays a major part in this. Ongoing US operations there will force China to continue to take precautionary, defensive measures and increase the chance of an incident. He further stated that given the level of distrust between the United States and China, the latter might be more inclined to explore an ASEAN-centred Indo-Pacific strategy that could be a bridge between American and Japanese approaches.

Plenary 2	Asia-Europe Partnership: Stasis or Elevation?
Instigator	Mr Patrick Rueppel Senior Program Manager Foreign and Security Policy, Geopolitics Regional Programme Political Dialogue Asia Konrad Adenauer Stiftung Singapore
Speakers	Dr Le Dinh Tinh Acting Director-General Institute for Strategic Studies and Foreign Policy Diplomatic Academy of Vietnam Vietnam Ambassador Pou Sothirak Executive Director Cambodian Institute for Cooperation and Peace (CICP) Cambodia Dr Michito Tsuruoka Associate Professor Faculty of Policy Management Keio University Japan HE Mr Francisco Fontan Ambassador of the European Union to ASEAN Indonesia

The instigator kicked off the session by gauging the crowd's perception of the European Union (EU) – whether the EU played and/or should play an important role in the Asia-Pacific region or not, and if the EU can play a bigger role in the region. All questions were answered in a somewhat discouraging way.

The session explored areas in which the EU complements efforts in the region in terms of security measures. There is plenty of evidence to suggest that there has been a long-standing dialogue between the two regions since it was formalised in 1977. In more recent years, the relationship has only strengthened by the increased frequency of engagement through economic and social cooperation.

Discussions highlighted how the EU can learn from Japan in terms of its relationship with ASEAN states. The EU is currently seen as a “good weather” friend – only present when the region prospers. What is needed from the EU is a more prominent engagement – one that is not conditional to the state of the region.

The panel also touched on how the EU and ASEAN can work together in a multi-faceted manner. The security engagement and cooperation that the EU has with ASEAN is of a sustainable nature. To date, human security and climate changes are more important security issues in Europe compared to in Asia. This is why engagements on these issues are somewhat lacking. Although there is an interest for further cooperation between Europe and ASEAN, new mechanisms are needed before anything can happen.

Tuesday, 25 June 2019	
Keynote Address	New Malaysia in a Changing Regional Order
Introduction	The Honourable Dato' Saifuddin Abdullah Ministry of Foreign Affairs Malaysia
Speaker	The Honourable Tun Dr Mahathir Mohamad Prime Minister of Malaysia

In his keynote address, The Honourable Tun Mahathir Mohamad affirmed that Malaysia supports the notion that nations should find common grounds and become partners in ventures and endeavours that would benefit each other.

On how ASEAN could play a more significant role in the confrontation between the United States and China, he remarked that ASEAN was too insignificant to intervene and has had to dance to the tune of the two giants. Malaysia believes in peaceful ways of solving conflicts, including the current situation in the South China Sea. Hence the countries concerned should discuss and make mutual adjustments to address the issues.

Tun Mahathir also shared that Malaysia was neither in the position to make big powers abide by international laws nor prevent them from resorting to physical force. Paradoxically, the very people who have asked nations to abide by the rule of law have failed to do it themselves. Attempting to utilise international instruments, such as the United Nations, will prove futile as it has since been paralysed due to the use of veto power.

With regards to Malaysia's role in helping ASEAN's efforts to help alleviate the suffering of displaced persons in Bangladesh and to restore peace in the Rakhine State, Tun Mahathir stated that Malaysia could play a part by being a model multiracial country. He advised that expelling foreigners just because they are different may not be a good solution. However, Myanmar will prosper if the government adjusted to circumstances peacefully.

Plenary 3	Amid Rifts & Reforms: Political Contestations in Southeast Asia
Instigator	Mr Aaron Connelly Research Fellow Southeast Asian Political Change and Foreign Policy International Institute for Strategic Studies (IISS) Singapore
Speakers	Dr Philips J Vermonte Executive Director Centre for Strategic and International Studies (CSIS) Indonesia Dr Pandit Chanrochanakit Assistant Professor and Deputy Dean Faculty of Political Science Chulalongkorn University Thailand Dr Bridget Welsh Associate Professor of Political Science John Cabot University Italy

This session explored the causes and challenges of domestic political contestations in Indonesia, Thailand and Myanmar.

On Indonesia, Dr Vermonte warned of concerns that conservative politicians were using religion and poverty to galvanise support. This could have major implications for the nation as it may further strain the already strenuous relationship between state and religion in the country.

Dr Pandit informed that while General Prayut Chan-o-cha had been able to form a government in Thailand, this was only made possible due to various flaws in the country's political system. He did so with a 20-party coalition compared to the usual 5-party coalition in the past. The current constitution also gave the Senate too much power, allowing it to vote in favour of General Prayut to be the prime minister.

Dr Welsh underlined that identity politics have heightened tensions in Myanmar. This has led to more ethnic conflicts not just in Rakhine, but also in Shan State, with the Rohingyas continuing to suffer citizenship and mobility issues.

The role players agreed that youths and social media will play major roles in shaping the political dynamics of future elections across Southeast Asia. Another shared opinion was that social media companies were ineffective in dealing with misinformation and hate speech, which fed into current concerns of ethnic and religious sentiments being utilised for political mileage as well as causing strife across the region.

In addition, China may become a major factor in domestic politics, especially due to the implementation of the Belt and Road Initiative across Southeast Asia. Some countries may have been able to push back against it, but others that border and rely on China may not have the capacity to do so.

Concurrent 1	Nuclear Arms Control in Crisis. A Game Changer for the Asia-Pacific?
Instigator	Dato' Nadzirah Osman Deputy Secretary-General (Multilateral) Ministry of Foreign Affairs Malaysia
Speakers	Mr Andrey Baklitskiy Consultant Russian Center for Policy Research (PIR Center) Russia Dr Manpreet Sethi Senior Fellow Centre for Air Power Studies India Mr Ralph Cossa President Emeritus Pacific Forum United States of America

The discussion focused on the state of the existing nuclear arms control regime. These included questions surrounding the geopolitical environment, perceptions of strategic stability and the nexus between intentions and capabilities of nuclear-capable states. The speakers agreed, albeit unfortunately, that the existing infrastructure was being challenged by concerns, both old and new.

Mr Baklitsky discussed the current status of nuclear arms control through past American and Russian experiences. He was concerned about the declining communication and transparency between the two countries and insisted that more needs to be done to ensure that such information exchanges continued. He also asserted that Russia was willing to commit to more dialogue, but was not reassured that the United States was willing to do the same.

Dr Sethi deliberated on the changing characteristics of the nuclear balance in the Asia Pacific and key features contributing to the “great unwinding”. She considered the potential for the Asia-Pacific nuclear balance to be the game changer. However, this is challenged by obstacles in the region, such as the lack of appreciation for the nuclear arms control regime and the absence of formal communication due to the unwillingness to recognise other nuclear-capable states.

Mr Cossa reflected on cost-benefit analyses that go into decisions to adopt nuclear arms control agreements. With reference to the American withdrawal from the Intermediate-Range Nuclear Forces (INF) Treaty, he argued that the perceived costs of falling behind China’s growing nuclear capacity outweighed the benefits of keeping their agreements with Russia. While he did not believe the withdrawal from the INF was a severe crisis in the near future, the risks it could pose in the long-term cannot be overlooked.

Concurrent 2	The Humanitarian Crisis Along the Bangladesh-Myanmar Border: Responses & Challenges
Instigator	Dato' Steven Wong Deputy Chief Executive Institute of Strategic and International Studies (ISIS) Malaysia
Speakers	<p>U Kyaw Myaing Information and Communications Director, Union Enterprise for Humanitarian Assistance, Resettlement and Development in Rakhine (UEHRD); Member Myanmar Institute of Strategic and International Studies (MISIS) Myanmar</p> <p>Ms Lilianne Fan Co-Founder and International Director, Guetanoye Foundation; Chair Asia Pacific Refugee Rights' Rohingya Working Group Malaysia</p> <p>Dr Chowdhury Abrar Professor, International Relations, University of Dhaka; Director Refugee and Migratory Movements Research Unit Bangladesh</p>

The session focused on the plight of Rohingya refugees along the Bangladesh-Myanmar border and explored pathways forward to help prospects for repatriation.

According to U Kyaw Myaing, the current Myanmar government had inherited the crisis, especially with regards to issues in Rakhine State, which he claimed were fundamentally deep-rooted, multi-dimensional and impossible to solve within a few years. Repatriation is unfavourable from a security point of view given the intense provocation of the Arakan army that has only increased. He also insisted that good neighbourliness with Bangladesh was necessary to move forward.

Ms Fan commended the efforts of the Bangladesh government in providing basic assistance and accommodating space for refugees. However, due to the rising number of refugees – with an estimated 1.2 million displaced – depleting resources and rising tensions, more efforts are needed for a sustainable solution. These include the concept of dignity, as citizenship is the single most important aspect for the protection of the Rohingya.

Dr Chowdhury advocated that Myanmar should take unilateral responsibility through the International Criminal Court for repatriation to happen. As the Rohingyas are gradually stripped of their rights, they deserve a dignified return, which should involve some form of accountability. He reiterated that the crisis was also no longer a regional problem, but a global one. He further asserted that states cannot hide behind the shields of sovereignty and must bear a responsibility to respond to this growing issue.

Plenary 4	The People's Republic of China @ 70: Establishment, Evolution & Expectations
Instigator	Dr Paul Evans Professor School of Public Policy and Global Affairs University of British Columbia Canada
Speakers	Professor Gao Jian Secretary-General Shanghai Academy of Global Governance and Area Studies China Professor Bates Gill Professor Asia-Pacific Security Studies Macquarie University Australia Professor Dr Aileen SP Baviera Chair, ASEAN-ISIS Network; President Asia Pacific Pathways to Progress Foundation The Philippines

This session explored China's modern history and its rise as an important global power.

Professor Gill noted a deep parallel between the history of the People's Republic of China and the life of its current leader, President Xi Jinping. He recounted the life of President Xi from the first phase of China's nation building to the present. He explained that the turbulence President Xi had experienced throughout his life informs us about his actions and governance of China today. However, for all of the concentration of power President Xi has amassed, he still faces the same dilemma as his past predecessors – any serious effort to reform for China's future will weaken the Party's hold. Yet, if President Xi instead further tightens Party control and eschews reforms, China's future will be at risk.

Professor Baviera described China's rise as an important acting force on regional peace and prosperity. She explained that China's rise created new insecurities and exacerbated old ones, but that China is now at a crossroads. Meanwhile, other countries in the region can either be spectators or try to shape the decision of what kind of great power China wants to be. Professor Baviera noted that initially, many countries assumed that a richer China would be a force for stability, but now there is awareness that a confident and rich China presents its own set of risks. Ultimately, peaceful evolution cannot be simply introduced by outside forces and the Hong Kong protests may have shown that young people could be a greater force for political change in China than any external force.

Professor Gao observed that Western analysts' frequent predictions of China's imminent economic collapse had been proven wrong. Every developing nation needs its own specific development model and China does not seek to impose its model on other countries. He noted that China needed to open wider, but gradually and realistically. He remarked that China's economic, cultural and political successes had benefited a lot from the strong leadership of the

Communist Party of China (CPC). A strong CPC is the most important guarantor of China's future success. He stated that political institutions needed to be appropriate for each country based on its characteristics, culture and people. He further expressed his opposition to the notion that China must follow Western-style democracy.

Concurrent 3	Technological Rivalry & National Security
Instigator	Professor C Raja Mohan Director Institute of South Asian Studies National University of Singapore (NUS) Singapore
Speakers	Dr Zheng Liang Professor, School of Public Policy and Management; Deputy Director and Research Fellow China Institute for Science and Technology Policy Tsinghua University China Mr Hosuk Lee-Makiyama Director European Centre for International Political Economy Sweden Dr Jasmine Begum Director Legal and Government Affairs, Malaysia and ASEAN Microsoft Malaysia Ms Nur Sulyna Abdullah Chief Transformation Officer Malaysian Communications and Multimedia Commission Malaysia

The session explored the correlations between the advancement of communication technologies and infrastructure with the growing privacy and security concerns due to intelligence gathering.

Acknowledging the changing trends in the digital economy, Dr Zheng pointed out that the current transition stage is a natural process, but would, nonetheless, result in interstate conflicts, and not just between the United States and China. In order to move forward, he insisted that the focus should be on having unified regulations and norms, better governance framework, and encouraging more international dialogues and discussions. For instance, the European Union has adopted the General Data Protection Regulation (GDPR) – which raises stricter and levelled privacy standards.

Mr Lee-Makiyama pointed out a new nuance on “rivalry” in technology – there is, in fact, less contestation, but more collaboration. He also mentioned that despite the fact that Huawei was a private company and contributed to one-third of the global market, there was still a negative perception towards them, especially for being too “Chinese”. This is because any company operating within the Chinese border are legally obligated to hand over their processed data to the Chinese authorities.

Ms Jasmine highlighted the importance of private sector participation in securing cyberspace. She mentioned that Microsoft was advocating an ethical guide to include the private sector in an

endeavour called Digital Vienna Convention. The Convention is currently underway and its effect could legitimise the collaboration between the public and private sectors.

Ms Sulyna echoed a similar proposition, arguing that participation of the private sector was essential in the endeavour of protecting data. She asserted that tech companies transacted personal data as much as the government on a day-to-day basis. She also mentioned that developing countries needed to put more investments in telecommunications infrastructure to facilitate a more complex 5G network.

The panellists ended the session by emphasising the responsibilities of the state and private sector, the importance of adopting cyber norms and the question of trusts, as well as the way forward for anticipating technological advancement.

Concurrent 4	Summits on the Korean Peninsula: Light at the End of the Tunnel?
Instigator	Mr Ralph Cossa President Emeritus Pacific Forum United States of America
Speakers	Ambassador Chun Yung-woo Chairman, Korean Peninsula Future Forum; Former National Security Advisor and Six Party Talks Negotiator Republic of Korea Dr Geetha Govindasamy Senior Lecturer Department of East Asia Studies University of Malaya Malaysia

This session explored the possibilities surrounding the denuclearisation of the Democratic People's Republic of Korea (DPRK), Trump-Kim personality dynamics and the prospects for future summits. The panel highlighted the existential importance the DPRK placed on their nuclear capability, unwilling to compromise unless new security and economic guarantees were provided. However, if given limited and restricted policy options, Kim Jong-un would likely bring aggressive measures to the negotiation table.

The panel also discussed two factors that could affect negotiation processes. Firstly is the role of personalised politics between the leaders. Kim Jong-un views President Trump's domestic problems as an exploitable weakness. However, Ambassador Woo expressed that Kim's own over-ambitions had caused him to underestimate the Trump administration during the Hanoi Summit.

Secondly is the structural differences in working group engagements between both parties, which have caused difficulties. A notable example is Kim's personal involvement in bilateral negotiations, which differed from policymaking in the United States that is inclusive of the Senate, rendering DPRK working groups ill-prepared for the process.

Most significantly, the session highlighted the importance of compromise. On the one hand, a partial lift of sanctions may encourage DPRK participation in global trade. On the other hand, it may take away incentives and potential pressures towards denuclearisation efforts. The session also discussed the possible roles for the Republic of Korea (ROK) and ASEAN in peace processes. For the former, there needs to be an agreement over priority given to denuclearisation agreements over inter-Korean relations. For the latter, ASEAN could offer the DPRK a platform to communicate in the region through becoming a dialogue partner. The panel recommended constructing a roadmap to peace for the Peninsula, with clear operational terms and key guidelines to reduce DPRK belligerency and commence disarmament.

Plenary 5	State Sponsored Influence Operations in the Digital Age
Instigator	Mr John J Brandon Senior Director, International Relations Programs; Associate Director, Washington DC Office The Asia Foundation United States of America
Speakers	Dr Shashi Jayakumar Head Centre of Excellence for National Security (CENS) S Rajaratnam School of International Studies (RSIS) Singapore Mr Dev Lewis Research and Communications Associate Digital Asia Hub Hong Kong Mr Hosuk Lee-Makiyama Director European Centre for International Political Economy Sweden

Mr Brandon pointed out the grim fact that technology, once heralded for ushering in a new era of communications, had an increased risk to it. Citing a study done by the Massachusetts Institute of Technology (MIT) in 2018, he added that: (i) falsehoods were more likely to spread faster and deeper on Twitter, and (ii) people were less likely to correct misinformation despite it being debunked.

Dr Jayakumar's presentation provided an outline of Singapore's recently passed Protection from Online Falsehoods and Manipulation Act (POFMA). He added that despite fierce criticism as being "draconian", the Act emphasised corrective action against falsehoods that can have a corrosive impact on public institutions and the wider national integrity. Regardless, as it is still in its early days, how it actually plays out will be an interesting case to watch.

Mr Lewis shared that Artificial Intelligence (AI) within the context of today's discussion leaned heavily towards machine learning in speech patterns, facial replication and behavioural recognition. These technologies, he added, were largely developed by the civilian sector, but were now increasingly being adopted by governments and militaries. In this context, the idea that the Internet is a free and public space is increasingly being debunked, leading to increasing space for Chinese Internet platforms, which have developed sophisticated monitoring mechanisms within their platforms.

Furthermore, Mr Lee-Makiyama stated that the space for influence operations was highly asymmetrical and very effective for hybrid warfare. To build resilience, there needs to be an understanding of the traditions and realities of the target country and society. There also needs to be an acknowledgement that the liberal and rational argument will always lose out in this new and open information sphere. Policing and censorship of social media are strategies to counter, but the challenge remains on the different standards of what is legal and illegal.

Special Luncheon Session	ASEAN: Towards Vision 2025
Moderator	Tan Sri Rastam Mohd Isa Chairman and Chief Executive Institute of Strategic and International Studies (ISIS) Malaysia
Speaker	The Honourable Dr Marty Natalegawa Former Minister for Foreign Affairs Indonesia

As an organisation, ASEAN has been transformative – one that elevated Southeast Asian countries from being pawns of super power rivalries to being central actors in the region. To be sure, the relationship among Southeast Asian countries has evolved from trust deficit to one of strategic trust. Dr Marty regarded that ASEAN had crafted some of the best outlooks, visions and action plans, but it must now produce tangible deliverables. To achieve its goals, ASEAN must tackle two nexus or convergences.

The first is to manage the convergence between internal and external domains. The launch of the ASEAN Community Blueprints and ASEAN's capacity building process would ensure that the organisation's standards would impact domestic practices. However, there is reticence on the part of ASEAN countries to take the necessary reforms to uphold ASEAN standards and declaration at the national level.

The second is to navigate the interaction between Southeast Asia and the wider region of Asia Pacific. ASEAN has grown into a major player with the capability to convene meetings, such as the ASEAN Regional Forum (ARF) and East Asia Summit (EAS), with full participation of major global powers. At the heart of these meetings is ASEAN centrality, which allows for major powers to meet and talk in congenial settings. However, Dr Marty questioned the lack of intellectual strategic leadership on the part of ASEAN because coverage of these meetings was focused on interactions with non-ASEAN leaders instead of the agenda. In his opinion, ASEAN centrality has to be earned, although the lack of a common stance on certain issues limits strong leadership from ASEAN.

Dr Marty also welcomed ASEAN's Indo-Pacific Outlook as it codified ASEAN's concerns beyond the region. Nevertheless, he implied that the part on cooperation lacked the totality of an ASEAN mindset and could be developed further.

WELCOMING REMARKS

Tan Sri Rastam Mohd Isa
Chairman and Chief Executive
Institute of Strategic and International Studies (ISIS) Malaysia

24 June 2019

Dr Aileen Baviera
Chair of ASEAN-ISIS

ASEAN-ISIS Heads

Excellencies, distinguished guests and participants

Ladies and gentlemen,

1. It gives me great pleasure to welcome you once again to the Asia-Pacific Roundtable (APR). As many of you are aware, this Roundtable is organised by ISIS Malaysia in cooperation with the ASEAN-ISIS Network, made up of Southeast Asia's leading think tanks. I would like to especially welcome Dr Aileen Baviera, President of the Asia Pacific Pathways to Progress Foundation, who is the current Chair of ASEAN-ISIS.
2. This is the 33rd edition of the APR. We have held it annually without fail for the last three decades. The APR has developed its own niche and reputation and is recognised worldwide as one of the most important annual Track Two conferences of its kind in this region.
3. We started off with a humble beginning. The first APR was held in a truly roundtable format at the ISIS Malaysia premises in 1987. The fourth prime minister of Malaysia, Dr Mahathir Mohamad lent his support to the APR right from the beginning. Tomorrow, Tun Dr Mahathir will address this conference as the seventh prime minister of Malaysia.
4. The APR has brought together great minds from around the world to engage in robust and constructive discussions on a wide range of issues. Initially these issues focused on the security, stability, sustainability and prosperity of the Asia-Pacific region. Now we endeavour to widen the discussion to cover a broad range of topics of great interest to governments and the public at large. This is clearly reflected in this 33rd APR's agenda.

Ladies and gentlemen,

5. One of the challenges in developing a theme for the APR is that it should not only reflect the realities of the day, but also anticipate the challenges of the future. This year, the APR takes on the theme of the regional and global order, entitled "*A Great Unwinding? Rules-Based Regional Security Order to 2020 and Beyond*". It takes into account the constant evolution of the regional security, political, economic and socio-cultural architectures – especially in the Asia-Pacific region.
6. Lately, there have been intense discussions about the Indo-Pacific: be it as a concept or strategy or outlook. Hence, we thought it would be pertinent for this conference to begin the afternoon by discussing the Asia-Pacific vs Indo-Pacific. There are some very interesting developments in this regard: The US issued an Indo-Pacific Strategic Report on 1st June 2019, curiously through the Department of Defence. Yesterday, the ASEAN Leaders adopted the "ASEAN Outlook on the Indo-Pacific" at the 34th ASEAN Summit in Bangkok.

7. Let me just mention here that while discussions on the Indo-Pacific are intensifying, there is certainly no appetite on our part to rush into calling this conference the IPR (Indo-Pacific Roundtable).
8. In other contexts, we are witnessing new developments impacting nuclear arms control and disarmament, the process of peace negotiations in the Korean Peninsula, China's continuing growth and expanding influence, as well as political contestations in Southeast Asia. These ought to be addressed by this Roundtable and appropriate sessions have been allocated for them.
9. Besides these, there are new and unprecedented challenges that contribute to the unwinding of global stability, such as technological rivalries that impact broader security architectures and state sponsored influence operations in this new digital age. We will talk about these too during this Roundtable.
10. Additionally, this Roundtable will also seek to explore the state and evolution of the Asia-Europe partnership at a time when both regions are undergoing their own challenges and facing various pressures. We have to elicit a frank discussion on the humanitarian crisis along the Bangladesh-Myanmar border. And we also will convene a session on the challenges, opportunities and priorities for ASEAN as it draws ever closer to the goals spelled out in its Vision 2025. For this we have Dr Marty Natalegawa, former Foreign Minister of Indonesia to speak on 26 June.

Ladies and gentlemen,

11. The continued success of the APR over the last three decades is greatly attributed to the support given by successive Malaysian prime ministers and the government, as well as the region's leaders. I would like to express my sincere appreciation and gratitude to The Honourable Tun Dr Mahathir Mohamad, Prime Minister of Malaysia, who has agreed to deliver the keynote address of this conference tomorrow. He has been a strong supporter of the APR since its inception in 1987 and throughout his earlier tenure as prime minister.
12. Participants would recall that the main theme for the 32nd APR, held on 7-9 May 2018, was "*Disruption*". And disrupted we were! We were disrupted because the 14th General Elections (GE) in Malaysia were scheduled to be held in 9th May. We had to make adjustments for the better. Overall, the 32nd APR turned out to be great success.
13. In my welcoming remarks at APR 32, I commented that participants might soon be witnessing a historic moment in Malaysia. As it turned out, the 14th GE indeed became an important turning point in this country's history. What followed is now well documented and still debated. We are now witnessing a "New Malaysia" placing itself firmly in the Asia Pacific and the world. Tomorrow, we will have the opportunity to listen to the prime minister speak about it.
14. I would like to also express my thanks and gratitude to The Honourable Dato' Saifuddin Abdullah, Minister of Foreign Affairs, Malaysia, for the support and encouragement that he has given to Malaysia and the APR. Dato' Saifuddin is no stranger to the APR process, being a panellist himself in 2015. We look forward to him introducing the prime minister tomorrow.

Ladies and gentlemen,

15. I wish to express sincere thanks and gratitude to the distinguished instigators and speakers for their readiness to share with us their time, knowledge and expertise in various ways and for their tremendous contribution towards enhancing the richness of the discussions during this conference.

16. I also extend heartfelt appreciation to our sponsors and supporters: the Konrad-Adenauer-Stiftung, the Embassy of the People's Republic of China, the Embassy of Japan, the Australian Department of Foreign Affairs and Trade, New Zealand's Ministry of Foreign Affairs and Trade, the Malaysia Convention & Exhibition Bureau, Bank Muamalat Malaysia Berhad and Heritage Amanah Indonesia. Their generous contributions and assistance have once again made it possible for us to reconvene in Kuala Lumpur for the 33rd APR.
17. Thank you also to colleagues in ASEAN-ISIS for your unwavering support and confidence in the APR process.
18. Last but not least, I wish to convey my sincere appreciation to all participants for your continued support and active participation. Probing, thoughtful questions and insightful interventions from the floor are important components of a conference. It is such important inputs that form the distinctive hallmark of the APR. I am confident that the discussions will be as lively and engaging as in the past.
19. I wish all of us a fruitful and enjoyable 33rd Asia-Pacific Roundtable.

Thank you.

OPENING REMARKS

Professor Dr Aileen SP Baviera
Chair, ASEAN-ISIS Network;
President, Asia Pacific Pathways to Progress Foundation
The Philippines

24 June 2019

Distinguished guests, colleagues in the field of Asia-Pacific security studies, co-workers for a peaceful and prosperous international society, fellow community builders in ASEAN and beyond, friends, ladies and gentlemen, good afternoon.

This year's Asia-Pacific Roundtable – the 33rd iteration of this important gathering – focuses on the theme “A Great Unwinding? Rules-Based Regional Security Order to 2020 & Beyond”.

Our conference agenda will allow us to examine how geopolitical developments in the Asia Pacific are leading to a reconceptualisation of the security order and architecture. Here, we hope to continue to interrogate what the concept of an Indo-Pacific region brings by way of solutions to our region's security problems and concerns. Does ASEAN matter to the Indo-Pacific? Do middle powers have a role to play? Where does Europe stand on our region's security issues, for that matter?

We will talk about the challenges and opportunities of denuclearisation on the Korean Peninsula, but also address the broader prospects of a nuclear arms race. The future trajectory of China – which this October celebrates the 70th year since the establishment of the People's Republic – will also be the subject of our crystal ball-gazing.

Power contestation and the prospects for democracy in Southeast Asia, the continuing humanitarian crises – where peoples of our region are caught in internal conflicts – and emerging security discourses – such as concern over unwelcome foreign influence operations in domestic politics and the security implications of technological rivalry – are some of the other topics for our critical deliberation.

Even as we hold discussions and debate in the next few days, we are, of course, aware of other important conversations going on around us that are bound to impact on the regional order.

President Xi Jinping of China visited Pyongyang last week to meet with DPRK's Kim Jong-un. This was the first visit by a Chinese leader to that country in 14 years. Its significance is being analysed, not only in relation to East Asian security, but in the context of Beijing needing to find common ground with Washington, DC, at this dangerously low point in relations between these two great powers.

Yesterday, ASEAN held its 34th Summit hosted by this year's chair, Thailand, with the theme of “Advancing Partnership for Sustainability”. Early reports indicate some substantive discussion of ASEAN's role in relation to the Indo-Pacific and the question of ASEAN centrality. The Regional Comprehensive Economic Partnership or RCEP, South China Sea Code of Conduct and the Rohingya issue were also anticipated to be on the agenda of this round of meetings.

The 14th G20 summit will take place this weekend in Osaka to discuss international economic cooperation. As host, Prime Minister Shinzo Abe defined free and fair trade, the digital economy and addressing global environmental challenges as his top priorities.

Among the many bilateral meetings that will take place on the sidelines of the G20, US President Trump and Chinese President Xi are scheduled to talk. Like many of us in this room, the world waits to see if their conversation will lead to some agreement that will help resolve worsening tensions over tariffs and technology access.

Thus, the world turns as we speak and as we sit here, trying to make better sense of it.

To join us in this endeavour at this Roundtable, we will have the rare opportunity of listening to the perspectives of The Honourable Prime Minister Tun Dr Mahathir Mohamad when he delivers the keynote tomorrow morning on “New Malaysia in a Changing Regional Order”. Malaysia’s Minister of Foreign Affairs, The Honourable Dato’ Saifuddin Abdullah, and former Indonesian Foreign Minister Marty Natalegawa will share their thinking about ASEAN before we close the programme on the third day.

On behalf of the ASEAN-Institutes for Strategic and International Studies, we convey our hope that we will all enjoy a candid and productive exchange of ideas. As organisers, let me also express our faith that your creative energies and your critical minds, aided by our instigators and speakers at this 33rd Asia-Pacific Roundtable, shall find their way in contributing towards a clearer roadmap for our region’s peace, development and security.

Finally, the nine other members of ASEAN-ISIS would like to thank ISIS Malaysia, under the leadership of Chairman Tan Sri Rastam Mohd Isa, for once again being the host, and the home, of the Asia-Pacific Roundtable.

Thank you, everyone, for your attention, and good day.

KEYNOTE ADDRESS

“A New Malaysia in a Changing Regional Order”
The Honourable Tun Dr Mahathir Mohamad
Prime Minister of Malaysia

25 June 2019

1. Thank you for inviting me to the 33rd Asia-Pacific Roundtable. It is indeed a pleasure to be here to address this distinguished gathering of scholars and policy makers at this conference.
2. This is not the first time I am speaking in the Asia-Pacific Roundtable. I am told there is at least a handful among those here today who have heard me addressing this conference several times since the 1980s.
3. And I would like to take this opportunity to warmly welcome back those of you who have been with us all these years.
4. After more than three decades, the Asia-Pacific Roundtable has become something of an institution in Asia and, to a certain degree, to the world as well.
5. When we began organising the Roundtable in 1987, it was felt that it was a good time to bring together people from different ideological backgrounds to discuss major strategic issues affecting the region and the rest of the world.
6. Malaysia subscribes to the idea that nations, which once may be opposed to each other, should find common grounds and become partners in ventures and endeavours that would benefit both. Hostility and belligerence benefits no one except those arms traders and, of course, war profiteers.
7. And such rejection of wars serves our region well as it had enjoyed relative peace and had prospered from that very peace.
8. I've been saying this and I will repeat it again here today. At a time when we pride ourselves as being civilised, we find leading nations still bent on killing people in the pursuit of their national interest and agenda.
9. There is nothing civilised or advanced when war is an option to solve problems. We should all work towards criminalising wars. We must campaign against wars and it must be an international creed that must be subscribed to, very much like our commitments to protect the environment, freedom and fundamental liberties.
10. In fact, criminalising wars should be one of the top priorities of the international community knowing that when wars are fought human lives become insignificant. How can that be acceptable when we know in a war – civilians, children, women, the weak, the sick and the elderly face the same possibilities of being killed as the soldiers?
11. At the same time, as the international community campaigns for the abolishment of capital punishment, even of murderers, we choose to be silent when the thousands and thousands of civilians and soldiers are killed in military campaigns. And the war-mongers love to glorify their killers with medals and statues and repeated mentions in their history books.
12. Wars are about killings and massive destruction. It is primitive and, if we consider ourselves as civilised, we should oppose wars.

13. This is the creed that Malaysia, new and old, have always subscribed to and we are glad that it is shared by ASEAN nations, which had made the regional grouping peaceful and dynamic, focused in intra and inter-regional development.
14. When the new coalition took over the governance of Malaysia after the May 9th, 2018 general election, much hope was pinned on the new Government to provide better focus and direction in our foreign policies. Of course, domestically, the expectations are equally high in terms of addressing our economic woes, mostly inflicted upon us by the previous Government.
15. We were, and still are, struggling to resolve our economic debilities battered by the financial shenanigans of the previous administration.
16. A year had passed and I am happy to state that we have managed to overcome the worst of the legacies of chaos we inherited.
17. For the information of the regional and international communities, the New Malaysia has forged an image of fairness, good governance, democracy and the rule of law. We reject corruption and have instituted laws, rules and practices to reduce and abolish corruption.
18. While the nation's economic resuscitation hinges on our domestic policies, the regional and global developments threaten to unhinge these strategies and plans. We have to be alert to external uncertainties and disruption and prepare ourselves to counter them.
19. This region has long witnessed regional and global power play first-hand. But we have prevailed and become much wiser. As a nation, and collectively as ASEAN, we have guarded our independence and neutrality despite our many agreements on trade and cooperation.
20. Present geopolitical uncertainties and the looming battle for trade supremacy have yet again threatened our determination to rise above partisanship and re-alignments.
21. While we welcome international collaborations in ensuring the security and peace in and around the region, we also do not wish to be dragged into the one-upmanship of powerful nations and their military presence in our zone of peace, freedom and neutrality.
22. More than ever, the cohesiveness of the nations of the region is crucial more than at any other period in its contemporary history. We will not allow ourselves to be dragged into conflicts initiated by others.
23. It has been shown that the interests of small nations can be defended if they unite as a regional grouping and Southeast Asia's ASEAN has been credited as one of the more successful regional organisations ever established.
24. ASEAN as a regional community has attained the record wherein no country that has joined it has voluntarily left. Instead, countries from different regions wished to be part of it.
25. Though at this point in time the ASEAN countries may not be posting double-digit GDP growth, it is not a regional affliction, but rather a global phenomenon. Within our midst, the Asian "tigers" are still prowling though some may have been hibernating for a while. They will wake up and reclaim their rightful position in time.
26. The ASEAN Community has a population of about 660 million, half of which are below 30 years of age. This year, the ASEAN Community is projected to generate, in purchasing power terms, a GDP of USD9 trillion. In five years, that number is projected to rapidly grow up to USD13 trillion and making all this possible is the jealously guarded combination of peace, security and stability across the region.

27. Member States do not need to agree on everything to work well together. What counts is that we share basic principles of mutual respect, cooperation, sovereign equality and common regional prosperity and well-being.
28. When there is dispute, we go to the table and discuss and negotiate. If we fail, we resort to arbitration or go to the International Court of Justice. We abide by the decisions. Malaysia won in our overlapping claims of territory with Indonesia, but lost in another with Singapore. All parties accepted the decision though we still feel strongly about our rights to the disputed territory that we lost.
29. In the case of overlapping claims with Thailand, we decided to jointly share in the extraction of oil under the Joint Development Authority. We have profited tremendously through this unique cooperation.
30. Fifty-two years on, ASEAN has become a thriving community in a stable and peaceful region. As I've pointed out earlier, disputes have been managed though a few have not been resolved.
31. For many ASEAN member nations, ASEAN is important enough to be a major factor in the charting of their foreign policy.
32. ASEAN regionalism seems to be taken for granted and sustained only by fulfilling a thousand routine obligatory meetings each year. The much-debated concept of ASEAN Centrality deserves greater commitment.
33. A modern competitive world expects and demands pro-active regional policy energised by fresh thinking. ASEAN has room for taking leadership on this front.
34. ASEAN has no shortage of transnational institutions to drive it: the ASEAN Regional Forum, the East Asia Summit, and the Regional Comprehensive Economic Partnership, to name a few.
35. ASEAN Plus Three, for instance, denotes an East Asia characterised and led by an ASEAN at peace with itself and its partners. ASEAN has no less than 15 formal partners spanning the globe: as Dialogue Partners, Sectoral Dialogue Partners, and Development Partners.
36. Among the more prominent perhaps is the Dialogue Partnership with the European Union, which is covered in a session of this Roundtable. This is potentially of intercontinental significance, being a partnership between a region of Asia and much of Europe.
37. More than any other region, perhaps, Southeast Asia holds the promise of both high sustainable growth and peace with stability among neighbours. Its past achievements are on record.
38. Southeast Asia as a whole has the distinct advantage of still being a developing region. That means it can develop further, unlike developed regions where development has levelled off.
39. A decade ago, ASEAN rolled out its master plan for connectivity by 2025. You could say that China's plan to revive the ancient Silk Road today is ASEAN's master plan writ-large.
40. We in ASEAN can enjoy net gains if the Belt and Road Initiative (BRI) can be designed to serve national and regional interests, just as the ASEAN Connectivity Master Plan is intended.
41. There should be no doubt that the BRI, with the full and fair participation of all stakeholders, can be a win-win proposition. National and regional development efforts would then be mutually complementary. Much depends on how we discuss and negotiate.

42. We should then all work closely to see how we can identify and energise complementarities. Since Japan and others have their own connectivity and infrastructure development plans, these we also welcome.
43. If ASEAN does not seize this moment when these initiatives are for the taking, others may do so and in their own way – or nothing positive may happen at all.
44. I have previously proposed new, improved rail networks between East Asia westwards through Central Asia and Eurasia to Europe. Freight by rail is faster than by ship and cheaper than by air.
45. At the same time, we can enhance maritime connectivity eastwards across the Pacific to the Americas. Freight by sea is, of course, cheaper than by air and rail. Albeit it is slower.
46. But adequate maritime security and freedom of navigation, consistent with friendly trading relations with all states and parties, must be assured across oceans. Ports and naval assets en route can then refocus their purpose from dead-end war preparedness to a greater readiness for flourishing commerce. Some security provisions, already in place, can offer safer trade and travel for all.
47. That is why I have emphasised that large warships on the high seas should be replaced by smaller patrol crafts better suited for routine policing against crime, terrorism and other non-traditional threats.
48. We have to re-prioritise and re-orient our mindsets from a lose-lose war scenario to a win-win commercial prospect. But this requires strong political will. Issues of freedom of navigation and maritime security are better handled through cooperation, not confrontation.
49. A major challenge for all of us now is the US-China trade war. Its deterioration from a trading skirmish to a trade war has been most disappointing, with the prospect of worsening into a long-term Cold War.
50. That would impact negatively on the rest of the world as hapless “collateral damage”. Both the United States and China would not be spared either, since the purpose of any war is to hurt each other.
51. Some would say such a conflict is inevitable. China is clearly rising rapidly, on virtually every front, and along-dominant United States seems unable or unwilling to accommodate it.
52. Part of China’s rise is its expanding global connectivity, which includes electronic and transportation connectivity. That is part and parcel of globalisation once championed by the United States.
53. I hope the United States and China will soon see enough sense to replace conflict with cooperation. Everyone will stand to gain much more when we collaborate with each other, but healthy competition should also be acceptable.
54. As for Malaysia, our external security priorities will continue to be self-evident: the promotion of a peaceful, stable and strategically autonomous neighbourhood.
55. When Thailand and Malaysia were confronted by insurgents along our common border, we acted together to resolve the problem.

56. When violence flared again on the Thai side, Malaysia offered to bring the contending parties together in negotiations. But any approach would be for the Thais themselves to make.
57. Malaysia's role itself was possible only upon the agreement of all the Thai parties, and upon the invitation of the Thai authorities. The same applies for Malaysia's role in the southern Philippines.
58. When piracy worsened in the Straits of Malacca, Indonesia, Singapore and Malaysia joined forces to tackle it. Thailand later joined in the multinational effort.
59. Where there is a willingness to negotiate with the shared goal of peace, there is hope. We trust such prospects can exist in Myanmar's Rakhine state, between the government, vigilante groups and the Rohingya community.
60. If a country or region can deal with its own challenges successfully without creating problems for others, there is no need for external intervention. Sovereign nations generally do not like external intervention.
61. Fruitful international relations are possible only when national circumstances are equally healthy. Towards that end, we believe Malaysia and the region will prevail.

Thank you very much.

LUNCHEON REMARKS

His Excellency Dr Makio Miyagawa
Ambassador of Japan

25 June 2019

Tan Sri Rastam Mohd Isa, Chairman and Chief Executive of ISIS Malaysia,

Professor Dr Aileen Baviera, Chair of ASEAN-ISIS Network and President of Asia Pacific Pathways to Progress Foundation,

Distinguished Guests,

Ladies and Gentlemen,

1. It is my pleasure to be here on the occasion of the 33rd Asia-Pacific Roundtable. Over the last thirty years, as a leading Track Two forum in the region, the Asia-Pacific Roundtable has provided invaluable opportunities for policy makers and opinion leaders to discuss the challenges and future of this region. As a long-time partner of Malaysia and ASEAN, Japan is pleased to offer support to this Roundtable again this year.
2. About a year ago, I was standing at this podium, giving a luncheon speech, just as I am doing today. It was just one day before of the historical 14th General Election. I was so excited about what would happen in the election that I cannot now recollect what I spoke then.
3. What followed was an astonishing and impressive change, which attracted global attention. The whole world admired the peaceful, democratic transition accomplished by the will of the People of Malaysia.
4. Since then, the new government has made every effort to restore the rule of law, improve transparency and governance, and reduce the enormous external debt to bring the country back on track.
5. The warning signal the old Prime Minister sent to the Malaysian people in plain language also reached the ears of the governments and people in Southeast Asia. This has helped those nations to recognise the risks of debt accumulation and corruption, and to realise the need to rectify the undergoing situations.
6. For the last some months, when we are invited to a podium, the audience all expected us to talk on the US-China trade war. Unless this subject was picked up, they were all disappointed and in despair. So I try here in this luncheon. Three questions are to be posed. Firstly, would this trade war cause a serious slowdown of the global economy? Secondly, could it give a severe serious setback upon the economies of Southeast Asia? Thirdly, would it end soon? To these three questions, my personal answers are all negative. There arises one more question: Fourthly, which side will win? A very delicate question to answer for an Ambassador!
7. On the first question, whether the US-China trade war drags the fate of world economy, it is one element to reduce global growth prospect, but is not THE main factor. The global economy grew around 4% in 2017, but reduced its growth to 3.6% in 2018. Both the IMF and the OECD have reduced their prospect of global economic growth rates of 2019 and 2020. But the slowdown rate is neither substantial nor devastating, but rather modest and minor.

8. The factors causing the decline in the global economic growth prospect are: (a) increasing policy uncertainty of major economies; (b) the Brexit and the affected slowdown of the European economy; (c) the slowdown of the Chinese economy; (d) the political turbulence in the Middle East, particularly the uncertainty of oil price; and (e) macroeconomic stress in Argentina and Turkey; and (f) global declines in corporate and consumer sentiment. The factor of US-China trade disputes is not very conspicuous.
9. On the second question, could the US-China trade war affect badly the economies of Southeast Asia? For the last several years, Southeast Asian countries have expanded their economies by exporting intermediate goods, such as electronic components to China. Their exports to China have been sluggish due to US sanctions against China. On the other hand, it offers opportunities for Southeast Asia.
10. For instance, Vietnam's exports in January-June 2019 increased by about 6%. While sales to China decreased, sales to the United States increased. The US clothing industry has shifted the source of products from China to other Asian nations. In addition, foreign direct investment into Southeast Asia is rapidly increasing, helping to push up their growth. The production bases have shifted from China to Southeast Asia.
11. When the supply chain becomes established, it will lead to medium- and long-term growth of Southeast Asian economies. Further, from the longer perspective, it seems promising for East Asian economies to see free, fair and transparent trade and investment rules governing in this region as it would improve the business environment.
12. As to the third question, the trade war may last some years to come. The United States argues that its trade deficit has increased 8%, half of which is accounted for deficit to China. China argues that it is the result of competition. Nonetheless, it appears that what matters is not balance of trade, but the difference of the rules of the game.
13. The Chinese President announced its policy to promote “nationalisation of private enterprises”, and not “privatisation of state-owned companies”. Chinese companies have actively been acquiring foreign companies and lands assisted by state linked banks, easily acquiring cutting-edge technology with the support of the government. On the other hand, they have imposed severe restrictions on the acquisition of domestic companies and lands by foreigners.
14. The United States has complaints over (a) forcing foreign investors to transfer technology; (b) not cracking down on the infringement of foreign intellectual property rights; (c) collecting market-derived data and using them for military purposes; and (d) providing large subsidies to their industries to strengthen state-owned industries.
15. Now one country, especially a big country, acts according to its own rules, while other players follow for freer rules, the trade system needs a harmonisation process, which may require long negotiations. Till recently, many have closed an eye to allow it to continue. China has a huge market. And the world has had an expectation that “with time, China will shift to a complete liberal economy”. The world now wonders whether it should continue to deal with China in the same manner as before, whether such a different system is sustainable. I think that it will take a long time to find a common ground.
16. Now, on the fourth question, regarding “which side will win”, it is a delicate question to answer for an Ambassador. As it is premature to conclude, I could only mention two key factors. (a) The amount that China exports to the United States is much larger than the amount that the United States exports to China. (b) Many of the goods exported from the United States to China are less substitutable than many exports from China to the United

States, which are, conversely, more substitutable.

17. I think I should stop my remarks by simply adding one sentence: the greater the complexity of politics and economics, the more heavily the world rely on profound wisdom of eminent thinkers and think tankers. I sincerely thank ISIS Malaysia for the wonderful arrangement and hospitality and wish you all success in this year's Asia-Pacific Roundtable.

This views I expressed are solely of my own and not in any way of my employer.

Thank you.



INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS) MALAYSIA

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

Tel : +603 2693 2060	Fax : +603 2691 3210	Email : info@isis.org.my
+603 2693 9366		Web : isis.org.my



Institute of Strategic and
International Studies (ISIS) Malaysia



ISIS_MY