

**Remarks at Institute of Strategic and International Studies (ISIS) Malaysia  
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Affairs**

**(AS PREPARED)**

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**10:00 – 11:00 a.m.**

**Introduction**

Good morning, thank you for inviting me here today.

I appreciate the opportunity to return to Malaysia in my new capacity as Assistant Secretary of State. I remember fondly my trips to Malaysia while I was in the Air Force, and being so impressed by the warmth of the Malaysian people.

Today, I would like to take this opportunity to discuss and hear your views on the United States' vision for the Indo-Pacific region and what that means for Southeast Asia and Malaysia.

But first, we'll begin with some breaking news.

Overnight, the U.S. Department of Justice announced a settlement of its civil forfeiture cases against nearly three billion ringgit (\$700 million) of the assets acquired by Low Taek Jho, known as Jho Low.

Together with his family, Jho Low allegedly misappropriated funds from 1MDB and laundered these assets through financial institutions in several jurisdictions including the United States, Switzerland, Singapore and Luxembourg.

The recovered assets were located in the United Kingdom, U.S. and Switzerland.

So that's nearly four billion ringgit (\$1 billion) that has been returned to the rightful owners – the Malaysian people – and the U.S. is very happy to have been a part of that.

So with that, let me get into the formal remarks which I hope that this august group will appreciate, and then I'm open for questions and answers.

This is my fourth trip to Malaysia. My first two were in uniform at the Langkawi Air Show in 1995 and 1997, where I got to fly demonstrations for very appreciative crowds. And then I was here a couple years ago, after I retired, for an interaction with a North Korean group. That was interesting as well.

Today I'll divide my remarks into three broad areas. I'll speak a little bit about what the U.S. Indo-Pacific vision means at the regional level, then at the national level for Indo-Pacific nations, and then at the bilateral U.S.-Malaysia level.

## **Our Vision for the Region**

Since its start, the Trump Administration has recognized the Indo-Pacific region's central global importance, and central role in American foreign policy.

Since World War II, the Indo-Pacific region, which stretches from the west coast of the United States to the west coast of India, has undergone a remarkable transformation. Hundreds of millions of people have worked their way out of poverty. Colonialism and dictatorships have given way to democracies. The region has become home to world-class companies and the engine of global economic growth.

This transformation was certainly due to the hard work ingenuity of those in the region, and also in no small part to U.S. engagement.

The U.S. today is the largest source of foreign direct investment in the Indo-Pacific. Open a map of the Indo-Pacific, and it is dotted with U.S. public and private efforts to foster self-reliance, build institutions, and promote private sector growth.

In Malaysia, General Electric first invested in a sales and service center in 1975. Today GE has over 1,300 employees in the country, from Kuala Lumpur to Sarawak. Stories like this are repeated all across the region, in a diverse tapestry of partnership and mutual benefit that America is proud of.

The United States also has a proud history of winning and sustaining peace in this region, including through the crucible of World War II. We have five strong and longstanding bilateral security alliances in the Indo-Pacific.

In human terms, tens of millions of Americans trace their roots to the Indo-Pacific region, and our people-to-people engagement today spans rich academic, cultural, and business exchanges. More than two-thirds of foreign university students in the U.S. come from the Indo-Pacific.

Informed by this history, we know that the American people and the whole world have a stake in the Indo-Pacific's peace, stability, and prosperity. It's why the Indo-Pacific must be free and open.

At the regional level, the U.S. vision of a free and open Indo-Pacific is positive, inclusive, and diverse.

A free and open region is characterized by cooperation and respect for rules, not by hegemony and might-makes-right. A free and open region practices respect for the sovereignty and independence of all nations, regardless of their size. And a free and open region enjoys international commons that remain genuinely common, in support of common stability and common prosperity.

Our vision of a free and open region respects ASEAN and ASEAN centrality. ASEAN is at the literal geographic center of the Indo-Pacific, and ASEAN is central to the regional architecture, as we will reaffirm again in a few days at the East Asia Summit in Bangkok.

A free and open region is also one of genuine regional connectivity—the connectivity of railways, ports, and telecom networks built on real principles of trust, transparency, and sustainability. Likewise a free and open region also enjoys fair and reciprocal trade, open investment environments, and transparent agreements between nations.

This regional vision excludes no nation. We seek to work with anyone to promote a free and open Indo-Pacific. And we seek cooperation that adheres to the highest standards that our citizens demand.

Crucially, this regional vision is built on common enduring principles that have benefited all countries in the region. These are not just U.S. values. Earlier this year, ASEAN adopted its “Outlook on the Indo-Pacific” affirming many of these same values as essential for peace and prosperity. So do the regional visions of Japan, South Korea, Australia, India, Taiwan, and others.

### **Our Vision for Regional Nations**

What does all this mean at the national level? How does the vision of a free and open Indo-Pacific translate for individual countries such as Malaysia?

Put simply, we want Malaysia and all nations to be strong and prosperous. We want Malaysia and all nations to be sovereign and independent. We want Malaysia and all nations to enjoy choice and voice. We want Malaysia and all nations to enjoy transparent, non-corrupt governance. And we want Malaysia and all nations to be capable and resilient.

These aims are what have shaped U.S. engagement with Indo-Pacific nations for generations, and still shapes our engagement today.

Independence is in the American DNA. Like almost all nations in the Indo-Pacific, our country was born in anti-colonial revolution. One of our founding fathers, John Adams, offered “independence forever” as his dying toast. We wish the same for Malaysia and all nations in this region.

And so we want all nations to be able to protect their sovereignty from coercion by others. We want all nations to enjoy open access to seas and airways, and also to vital natural resources. We want all nations to enjoy the peaceful resolution of territorial and maritime disputes. These are the keys to international peace and to each country’s attainment of its own national aims.

I’d like to make special note here of the central role of governance in our vision of a free and open Indo-Pacific. At the national level, “free” certainly means good governance and the assurance that citizens can enjoy their fundamental rights and liberties.

One such fundamental right is the freedom of religion. The Trump Administration has underscored this with its commitment to international religious freedom. And I am reminded of it whenever I travel to nations — like this one — that so clearly and publicly reflect devotion to religion.

Nations that respect religious freedom, and respect their peoples’ right to the free expression of religion, tend also to respect their neighbors and the international rules we all cherish. Nations that suppress religious freedom, and repress their peoples’ right to the free expression of religion, tend also to disrespect their neighbors’ interests and challenge the free and open international norms we all cherish.

## **Our Vision for Bilateral Relations**

To advance the vision of a free and open Indo-Pacific, the Administration is pursuing a wide range of efforts. Our approach has several main pillars: economic prosperity, good governance, security, and human capital.

### *Economics*

With respect to economic prosperity, we promote open markets; high standards and transparency; and free, fair, and reciprocal trade. There is \$1.9 trillion in two-way trade between the U.S. and the Indo-Pacific. U.S. government agencies, businesses, and institutions are spurring private sector investment and gainful employment in infrastructure, energy, and the digital economy.

The United States is the largest source of foreign direct investment in the Indo-Pacific, and our economic initiatives help countries in the region attract more of this private-sector investment as the path to sustainable development.

To give a few examples:

- Asia EDGE is our regional energy initiative. Energy is of course the lifeblood of a modern economy – and we are drawing upon our world-leading private firms, sophisticated development-financial tools, and peerless technical expertise to grow sustainable and secure energy markets throughout the Indo-Pacific.
- To support the development of infrastructure done right, the Trump Administration has enhanced U.S. development finance and assistance tools, including project preparation services and commercial advocacy. The BUILD Act, passed by Congress and signed by President Trump last year, more than doubled the development-finance capacity of the U.S. government to \$60 billion. We have also established a range of new development-finance partnerships with Japan, Australia and other nations to strengthen high-standard infrastructure investment in this region.
- On the digital front, we promote an open, interoperable, secure and reliable internet, and we urge all countries to take a risk-based approach to evaluating technology vendors. Last year Vice President Pence announced the launch of a U.S.-ASEAN Smart Cities Partnership to advance trade and high standards in information and communications technology. And just this month we hosted the first U.S.-ASEAN Cyber Policy Dialogue in Singapore.

The purpose of these efforts is to multiply the sort of genuine economic engagement that is demonstrated by U.S. investment in Malaysia. You cannot name any key economic sector where American firms are not a positive presence in Malaysia. Energy. Financial services. Healthcare. High tech manufacturing.

R&D centers. Artificial intelligence and cloud computing. ASEAN hubs. American firms in Malaysia are excellent business partners, highly regarded employers, and unmatched in community outreach.

U.S. firms are the largest employers in several states here. Intel is the largest employer in Penang. ON Semiconductor is the largest employer in Negeri Sembilan. Finisar is the largest employer in Perak.

This is all part of the broader mutual benefits of U.S. trade and investment in the Indo-Pacific, which supports more than 3 million jobs in the United States and some 5.1 million jobs across the Indo-Pacific.

And U.S. firms are expanding in Malaysia. Since Malaysia's new government came in last year, Coca-Cola, ON Semiconductor, AmMetLife, General Electric, and JP Morgan have all proceeded with long-term plans. Many of them are here not just to serve the Malaysian market but also to use Malaysia as their hub for ASEAN.

The U.S. regained its position as the top FDI source for Malaysia for the first part of 2019. Projects that U.S. companies have implemented — not just promised — are valued at some \$22 billion.

As Secretary Pompeo has said, “Where America goes, we seek partnership, not domination. . . . The U.S. government doesn't tell American companies what to do. But we help build environments that foster good, productive capitalism. We help American firms succeed so that local communities can flourish, and bilateral partnerships can grow. . . . [We support] economic development that honors local autonomy and national sovereignty.”

### *Governance*

The governance pillar of our Indo-Pacific strategy further helps countries preserve their autonomy and adhere to international law, rules, and standards.

Our work strengthens civil society and democratic institutions in the region, counters corruption, and helps countries attract the high-quality financing necessary to fuel their economic development while securing their sovereignty.

We are already implementing well over 200 governance programs under our whole-of-government Indo-Pacific Transparency Initiative, and we are identifying new areas of cooperation with like-minded partner countries.

We admired Malaysia's exercise of its democratic processes in its historic election last year. And we have supported the new administration's focus on improving good governance, respect for human rights, and rule of law. We want to help strengthen Malaysia's place as a leader in the region in these areas. Our USAID Office of Transition Initiatives is actively helping by providing millions of dollars worth of grants to support Malaysian efforts to improve government transparency and accountability.

### *Security*

On the security front, the U.S. aim is to build a flexible, resilient network of like-minded security partners to promote regional stability and address shared challenges in the region.

Our vision of the Indo-Pacific, and Southeast Asia, is that of a rules-based multi-polar region built upon on ASEAN centrality. We have a collective responsibility when it comes to expressing support for the principles we want to see upheld – respect for international law, including the freedoms of navigation and overflight and other internationally lawful uses of the seas, good governance and transparency, and a respect for the views and autonomy of all States.

The United States has a simple position on the South China Sea – the rights of all nations must be respected, regardless of size, power, or military capabilities. Respect for international law, freedoms of navigation and overflight and other internationally lawful uses of the sea, and the peaceful management and resolution of disputes in accordance with international law, are all vital to global security. They are critical to American and Malaysian security and prosperity.

This is why last year Secretary Pompeo committed nearly \$300 million in security assistance to improve maritime domain awareness in order to protect critical sea-lanes. We also launched a new program recently to counter transnational crime along the Mekong, and in September conducted the first-ever U.S.-ASEAN maritime security exercise off the coast of Thailand.

### *Human capital*

Another significant component of our Indo-Pacific vision is to expand people-to-people ties and human capital development. The U.S. government works alongside the private sector to improve the lives and well-being of people across the Indo-Pacific. Programs focused on science-and-technology exchange, entrepreneurship, education, technical training and health are rooted in deep international trust and personal relationships.

Our flagship youth leadership program, the Young Southeast Asian Leaders Initiative (YSEALI), has a network of over 142,000 young people committed to connecting with our own up-and-coming U.S. leaders. YSEALI engages the future of the region, where 65 percent of the population is under 35. The program is uniquely positioned to build bridges between ASEAN and the U.S., especially as this younger generation is much different from my generation.

I should point out that we are very proud of the two YSEALI alumni currently serving in Malaysia's cabinet.

In Malaysia, we are especially proud of our Fulbright English Teaching Assistant (ETA) program – one of the largest we have in the world. Just yesterday, one hundred ETAs – all recent college graduates from around the United States – came to Kuala Lumpur to celebrate the culmination of their past ten months of teaching English in schools all across Malaysia.

The ETA program in Malaysia operates in close coordination with the Malaysian government – and has even attracted the attention of the King and Queen, who attended our showcase in Pahang earlier this month, together with our Ambassador Kamala Lakshmi. The ETA program also receives support from the U.S. business community in Malaysia. The ETA program stands as a true example of the power and the strong people-to-people ties of our U.S.-Malaysia partnership.

### *Conclusion*

I want to close my remarks by noting again what drives the U.S. vision for the Indo-Pacific in the 21st century. This is an American vision of enduring engagement in the region's strength, stability, and prosperity.

Like so many of our Asian allies and friends, our country fought for its own independence from an empire that expected deference. We thus have never and will never seek domination in the Indo-Pacific, and we will oppose any country that does.



Rather, we aspire to a regional order of independent nations that can defend their people and compete fairly in the international marketplace. We stand ready to enhance the security of our partners and to assist them in developing their economies and societies in ways that ensure human dignity. We will help them. And we will not shy away from exposing and contesting actions that undermine the free and open international order that has fostered unprecedented peace and prosperity in the Indo-Pacific—and globally—for decades.

We are encouraged by our allies and partners in the region, like Malaysia, who share in our commitment to the values of openness, transparency, respect for sovereignty and international law, and shared prosperity.

Thank you.