



35 ASIA-PACIFIC ROUNDTABLE

5-7 July 2022 | Kuala Lumpur Time, UTC+8



Sustaining Cooperation Amid Competition

Our Partners



Report by:

Angeline Tan

Farlina Said

Izzah Khairina Ibrahim

Thomas Daniel

Wan Elis Regina Wan Ahmad

Yanitha Meena Louis

Zarina Zainuddin

Introduction

The 35th Asia-Pacific Roundtable (APR) was successfully convened by the Institute of Strategic & International Studies (ISIS) Malaysia from 5th to 7th July 2022. The APR process is supported by the Asean Institutes of Strategic and International Studies (Asean-ISIS), a network of Southeast Asia's leading policy-focused think-tanks.

For three-and-a-half decades, the APR has built and retained a reputation as one of the premier strategic-security focused Track Two forums in the region. The roundtable was convened virtually again because of uncertainties on travel restrictions at the time of planning. Once again, there was no conference fee, which opened the conference up to a wider audience.

This year's theme, Sustaining Cooperation Amid Competition, aimed to move the discussion of strategic issues away from the tempting lens of "pandemic-parochialism" and onto the ongoing aftermath of the pandemic being subsumed into longstanding strategic challenges. It reflected the strategic pulse of the Asia-Pacific region that remains in the throes of multi-spectrum major power competition, and the importance for all stakeholders to continue to find ways of cooperation to mitigate the more damaging aspects of unbridled competition.

The 35th APR brought together more than 460 delegates – ranging from policymakers to practitioners, thought leaders, academics, students and participants from the private sector and media organisations – who engaged in candid and frank discussions, a hallmark of the APR, on major strategic challenges confronting Southeast Asia, the wider Asia-Pacific and beyond. Topics covered include, but are not limited to, the impact of climate change on the region, nuclear rearmament in the Asia-Pacific, and prospects of a resurgent European engagement in the region.

The current chair of the Asean-ISIS Network, Assoc Prof Dr Hoang Anh Tuan, vice-president of the

Diplomatic Academy of Vietnam, and chief executive of ISIS Malaysia, Herizal Hazri, gave the opening remarks. Both reflected on the ongoing challenges that faced this region, and the role of Track Two diplomacy, like the APR, in supporting policymakers' efforts to find durable solutions to intractable challenges.

Prime Minister Dato' Sri Ismail Sabri Yaakob delivered the keynote address. He spoke on the growing interconnected nature of the world which meant shared challenges could only be solved by shared efforts. He further reflected on Asean's successes over the decades in sustaining regional and extra-regional cooperation but warned that its centrality will be tested by internal and external pressures. He called for the regional organisation to utilise a combination of bilateral, multilateral and even minilateral mechanisms, along with some creative diplomacy, to ensure it could weather these inflection points and remain in the driving seat of major regional initiatives.

The roundtable also saw the participation of key diplomats from the region. Ouyang Yujing, ambassador extraordinary and plenipotentiary of the People's Republic of China to Malaysia, spoke in Session 1 on China's Dual-Circulation Strategy. He articulated the rationale behind China's new economic approach and its strategic impacts, not just in China, but to the wider Asia-Pacific region. Dr Justin Lee, high commissioner of Australia to Malaysia, delivered an address that examined not just the longstanding value of the bilateral relationship but highlighted Australia's enduring commitment and engagement to Asean, and its efforts to enhance ongoing initiatives. Stuart Calman, New Zealand's ambassador to Asean, spoke from Jakarta on the strength of New Zealand's relationship with Asean, the importance of partnerships in the wider Indo-Pacific and its contributions towards advancing our principles-based approach in the wider region.

Additionally, the 35th APR featured a special

address by Prof Dr Norbert Lammert, chairman of the Konrad-Adenauer-Stiftung. His remarks focused on the key strategic challenges faced by Europe following Russia's invasion of Ukraine, including in seeking more independent alternatives to its security and energy dependency on the United States and Russia. He addressed why these developments should matter to observers in Southeast Asia and the broader Asia-Pacific, beyond the fluctuations seen in commodity prices.

Alizan Mahadi, senior director of research from ISIS Malaysia, delivered the closing remarks. He reiterated the commitment of the organisers that the APR will continue to play a role in encouraging frank exchanges of ideas, especially those relevant to this increasingly contested region. He also highlighted the prospect of the next APR being convened in person, in Kuala Lumpur, around mid-2023.

The approved text of the remarks by the prime minister, Ouyang and Lee are available in this report. Also available are the opening remarks of Hoang and Herizal, as well as the closing remarks by Alizan. Video recordings of the key remarks are available at the **event website**.

Welcoming Remarks

Assoc Prof Dr Hoang Anh Tuan

Chair, Asean-ISIS Network;
 Vice-President, Diplomatic Academy of Vietnam



Dear Honourable Dato' Sri Ismail Sabri Yaakob,
 prime minister of Malaysia,

Herizal Hazri, chief executive, Institute of Strategic &
 International Studies (ISIS) Malaysia

Asean-ISIS heads and members,
 Excellencies,
 Distinguished guests,
 Ladies and gentlemen,

It is such a privilege and honour for me as the chair
 of the Asean-ISIS Network for 2022 to warmly
 welcome all of you to the 35th Asia-Pacific
 Roundtable on Sustaining Cooperation Amid
 Competition.

Before we get started, I would like to express my
 sincere appreciation to ISIS Malaysia colleagues,
 who worked tirelessly and dedicatedly from day one
 to make today a reality.

For the last 35 years, the APR has been playing the
 champion of Track-Two diplomacy for Asia-Pacific
 nations to discuss the relevant and timely topics
 affecting the region. This roundtable today once
 again provides a cross-border dialogue to discuss
 frankly, robustly and constructively on the key
 strategic issues that our region is faced with,

especially as we all are progressing to a new normal
 in the post-pandemic time and heading to a more
 sustainable development.

Excellencies,
 Ladies and gentlemen,

Given the hard time in Europe right now, we are so
 blessed to stay here with a lineup of esteemed
 speakers and instigators to exchange our views on
 ways to ensure and protect our peaceful region,
 strengthen and mutually develop our relationships.
 Those are the heart and soul of Track-Two
 diplomacy. Let me take this opportunity to express
 my views on the theme of this year's roundtable on
 Sustaining Cooperation Amid Competition – what
 will be elucidated under the following sessions:

The first session will look at the scene of the
 evolving environment in the region. It includes the
 identification of the opportunities and challenges
 brought about by China's Dual-Circulation Strategy
 in the context of the increasingly competitive
 regional environment. We will also explore some
 kind of cooperation that regional countries value
 from this strategy as well as some areas of
 improvement to make our relationship more robust.
 The second session is actually focusing on the
 impact of climate change and COP26 in our region

since Asia-Pacific is now considered one of the regions hardest hit by climate change while countries are still struggling to adapt to this emerging non-traditional security issue. The key outcomes of the COP26 can only be realised once regional countries try their best to cooperate to make the transition point for climate action and harmonise the impact on strategic security and trade concerns with the benefits gained from climate action.

In the upcoming sessions, we will be discussing the current issues that are changing and challenging our region, including the EU's engagement in the Indo-Pacific, the prospect of nuclear rearmament in the region, and addressing the thematic issues of emerging and revised multilateral and minilateral mechanisms and their impact on regional stability and security.

Under the rubric of these sections, we would like to hear the perspectives of prominent speakers and colleagues on finding more effective approaches to arms control and mitigate the recent development. The question of how to enhance the cooperation and engage more openly and effectively with the emerging mechanisms and recalibrate their strategic responses in the face of the new and competing multi- and minilateral mechanisms such as the Quad, the Aukus and a revised BRI will be also very important for our region today.

Distinguished guests,
Colleagues and friends,

Given the high relevancy of these topics, please allow me, once again, to underline the importance of all participants to proactively engage in in-depth deliberations and discussions in the roundtable, especially on the crucial aspects related to the relationship between Asia-Pacific countries.

I sincerely hope that today and the next couple of days inspire ideas and discussions around the ways that we can sustain cooperation amid competition to recover from the pandemic and develop in the context of major powers rivalry.

With that, I end my remarks.

Thank you for your attention.

Welcoming Remarks

Herizal Hazri

Chief Executive
 Institute of Strategic & International Studies (ISIS) Malaysia



Yang Amat Berhormat Dato' Sri Ismail Sabri Yaakob,
 prime minister of Malaysia

Dr Hoang Anh Tuan, vice-president of the
 Diplomatic Academy of Vietnam and chair of the
 Asean-ISIS Network,

Colleagues from the Asean-ISIS Network,
 Excellencies, distinguished guests, ladies and
 gentlemen,

It gives me great pleasure to be with you again albeit
 virtually. In the spirit of receiving you virtually to our
 home in Malaysia, allow me to welcome you to the
 Asia-Pacific Roundtable (APR) in Bahasa Malaysia.

1. As I just mentioned in English, it is a great
 pleasure to be with you for the Asia-Pacific
 Roundtable, also known as the APR this year. This
 roundtable is organised by ISIS Malaysia on behalf
 of the Asean-ISIS Network – a network made up of
 Southeast Asia's leading think-tanks.

Distinguished guests,

2. After three-and-a-half decades of convening, the
 APR has developed its own niche and reputation. It
 is recognised as an important annual Track Two
 conference in this region. The roundtable now
 regularly attracts policymakers, thought leaders,

Yang Amat Berhormat Dato' Sri Ismail Sabri Yaakob,
 perdana menteri Malaysia

Dr Hoang Anh Tuan, vice-president of the
 Diplomatic Academy of Vietnam and chair of the
 Asean-ISIS Network,

Colleagues from the Asean-ISIS Network,
 Excellencies, distinguished guests, ladies and
 gentlemen,

It gives me great pleasure to be with you again today
 albeit virtually. In the spirit of receiving you virtually
 to our home in Malaysia, allow me to welcome you
 to the Asia-Pacific Roundtable (APR) in Bahasa
 Malaysia.

1. Seperti yang saya baru nyatakan dalam Bahasa
 Inggeris sebentar tadi, saya amat berbesar hati
 dapat bersama-sama di dalam Persidangan Meja
 Bulat Asia Pasifik atau lebih mudahnya dikenali
 sebagai APR pada tahun ini. Seperti yang kita
 maklum persidangan ini dianjurkan oleh ISIS
 Malaysia bagi pihak Jaringan Asean-ISIS, sebuah
 jaringan yang menghimpunkan badan-badan
 pemikir terkemuka di Asia Tenggara.

Hadirin sekalian,

2. Sememangnya APR telah membina identiti dan

intellectuals, practitioners and interested individuals to engage in constructive discussions.

3. Whether virtual or in person, the APR continues to serve as a platform for frank and robust discussions on a wide range of issues affecting the Asia-Pacific region and beyond. We do not merely laud successes or broach failures. Our key aim is to analyse critical issues, to create a launchpad for the making of effective policies that matter for the countries in our region.

Dear friends,

4. In last year's roundtable, we deliberated on how the pandemic initiated the greatest phase of disruption to regional architectures and norms. In searching for a theme for this year's conference, we were mindful of "pandemic-parochialism" and were determined to focus on the ongoing "aftermath".

5. In the face of uncertainty, one thing is clear, and it is that rivalry has become rampant. So, it would only be fitting that this year the APR takes on the theme Sustaining Cooperation Amid Competition. Major power competition, climate and sustainability challenges, and the accelerating development of defence capabilities represent only a handful of challenges where the pandemic has intensified competition.

6. The good news, however, is that there are existing and new mechanisms of cooperation that can help mitigate the negative effects of competition. As countries begin to open up and diplomacy is conducted face-to-face again, cooperation gives us reason to hope that the spirit of competition may be tempered by time-tested relationships. Indeed, competition need not be a dirty word as long as it is balanced by sustained cooperation.

7. Among the issues that the APR will cover this year include an in-depth review of China's Dual-Circulation Strategy, which is poised to be a regional gamechanger. With economic and geopolitical implications on supply chains and trading relationships, we will examine how this strategy will change the way China engages with the world.

reputasi tersendiri sejak kewujudannya lebih dari tiga dekad yang lalu. Ia kini menerima pengiktirafan sebagai persidangan Trek Dua yang penting bagi rantau ini. Tambahan lagi, APR sentiasa konsisten di dalam menarik minat penggubal dasar, pemikir, golongan intelektual serta individu-individu yang berminat untuk terlibat dalam perbincangan konstruktif.

3. Sama ada secara maya atau bersemuka, APR terus menjadi sebuah platform untuk perbincangan secara terbuka pelbagai isu yang melibatkan rantau Asia Pasifik dan hubungkaitnya dengan isu-isu global. APR bukan sebuah platform untuk mengangkat mahupun mengkritik semata-mata, akan tetapi matlamat utamanya adalah untuk menganalisis isu-isu yang kritikal yang bakal menjadi batu asas kepada pembuatan polisi yang efektif bagi negara-negara di rantau ini.

Rakan-rakan yang dihormati,

4. Dalam persidangan tahun lepas, kita membincangkan tentang bagaimana pandemik Covid-19 telah memberikan impak ke atas norma-norma serantau. Pada tahun ini kami sedar akan situasi terkini yang mewujudkan semacam "pandemic-parochialism", lantaran fokus APR pada tahun ini adalah mengarah kepada "kesan dari pandemik".

5. Dalam situasi yang tidak menentu, kita dapat melihat persaingan antara negara kian memuncak. Situasi ini menentukan tema APR pada tahun ini (yang bagi saya amat sesuai) iaitu Mengekalkan Kerjasama Dalam Persaingan. Persaingan kuasa-kuasa besar, cabaran iklim yang mengganggu kelestarian alam sekitar, serta kepesatan pembangunan ketenteraan merupakan sebahagian daripada cabaran-cabaran yang menjadi semakin kompleks lanjutan dari pandemik Covid-19.

6. Di dalam kekalutan ini, untung sekali kerana kita masih ada mekanisme-mekanisme kerjasama yang sudah tersedia serta ditambah dengan yang baru yang nampaknya mampu untuk mengurangkan impak negatif akibat dari persaingan ini. Ketika sempadan-sempadan negara mula dibuka dan diplomasi kembali dilakukan secara bersemuka, usaha kerjasama memberikan kita harapan agar persaingan dapat diimbangi oleh hubungan yang

8. We will also convene a session on the impact of climate change and COP26 in Asia-Pacific, a region projected to be one of the hardest-hit. We hope to hear from our experts on what are the most pressing challenges and how they would impact on strategic security.

9. Reflecting the essence of the theme “sustaining cooperation”, our session on the European Union’s shift to the Asia-Pacific explores the prospect that a more proactive European engagement can balance the presence of other actors in the region and whether the EU can temper possible conflict and competition.

10. On the topic of security, the session on nuclear rearmament examines the competition in developing defence capabilities across the Asia-Pacific. Understanding the changes in this landscape is crucial in cooperating towards the future stability and security of the region.

11. Lastly, the APR will conclude with a session that investigates the impact of emerging minilateral networks on Asean’s multilateralism. We need to better understand how, and if, these minilateral frameworks can find synergy with existing Asean-led mechanisms, and what this means for multilateralism in our region.

Ladies and gentlemen,

12. 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.

13. I would like to express my sincere appreciation and gratitude to the honourable Dato’ Sri Ismail Sabri Yaakob, prime minister of Malaysia, who will be delivering the keynote address of this conference.

14. I would like to also express my thanks and gratitude to the Honourable Datuk Seri Saifuddin Abdullah, minister of foreign affairs Malaysia, for the continued support and encouragement that he has given ISIS Malaysia and the APR.

Ladies and gentlemen,

sudah terjalin sejak sekian lama. Sememangnya persaingan tidak semestinya memungkinkan sesuatu yang negatif asalkan ianya diimbangi oleh kerjasama yang mapan.

7. Antara isu-isu yang akan dibincangkan oleh APR pada tahun ini termasuklah penelitian secara mendalam tentang “China’s Dual-Circulation Strategy” yang dikatakan akan menjadi pengubah atau “gamechanger” di dalam rantau ini. Disebabkan ianya mempunyai implikasi ekonomi dan geopolitik, kita akan meneliti bagaimana strategi ini akan mengubah cara China berhubungan dengan dunia.

8. Kita juga telah mempersiapkan sesi yang akan memberikan focus kepada kesan perubahan iklim dan COP26 di Asia Pasifik, rantau yang dijangkakan akan terkesan teruk akibat dari perubahan iklim. Saya juga berharap untuk mendengar dari pakar-pakar tentang apakah cabaran-cabaran lain yang kian mendesak dan kesan darinya terhadap keselamatan strategik.

9. Sebagai refleksi kepada intipati tema APR tahun ini, kami juga menyediakan sesi yang akan membincangkan fokus Kesatuan Eropah kepada rantau Asia Pasifik yang mana akan memberikan kita ruang untuk meneroka prospek -prospek tentang libat urus dengan Eropah yang lebih proaktif. Sesi ini juga akan mengupas kesinambungan kehadiran pemain-pemain global di rantau ini, dan sama ada ini akan menyebabkan kemungkinan berlakunya konflik dan meningkatkan intensiti persiangan antara kuasa-kuasa besar dunia.

10. APR pada tahun ini, seperti tahun-tahun sebelumnya akan juga membincangkan isu-isu berkaitan keselamatan, persenjataan semula nuclear, serta tumpuan kepada persaingan dalam membangunkan keupayaan pertahanan di Asia Pasifik. Pemahaman tentang perubahan-perubahan yang berlaku di dalam lanskap keselamatan adalah penting bagi membina usaha-usaha strategik yang memungkinkan masa depan yang stabil dan selamat untuk rantau ini.

11. Akhir kata, APR akan disimpulkan dengan sesi yang akan membincangkan kesan-kesan kemunculan jaringan-jaringan minilateral dalam multilateralisme Asean. Kita harus lebih memahami sinergi rangka kerja minilateral dengan mekanisme

15. I wish to thank the distinguished instigators and speakers for their readiness to share with us their time, knowledge and expertise and for their contribution towards enhancing the richness of the discussions during this conference.

16. I would also like to express our heartfelt gratitude to our partners, who have been with us through thick and thin – the Konrad-Adenauer-Stiftung, the Embassy of the People’s Republic of China, Australia’s Department of Foreign Affairs and Trade, New Zealand’s Ministry of Foreign Affairs, the Embassy of Japan in Malaysia and Astro Awani. Their support for the APR process has once again made it possible for us to reconvene for the 35th APR.

17. Last but not least, I wish to convey my sincere appreciation to all my hardworking colleagues at ISIS Malaysia for without their dedication, this event could not have taken place.

18. To the participants, I am humbled by your continuous 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 Asia-Pacific Roundtable.

19. Let us all have a fruitful and enjoyable 35th Asia-Pacific Roundtable.

Thank you.

yang sedia ada di peringkat Asean dan apakah pengertiannya kepada multilateralisme di rantau kita.

Tuan-tuan dan puan-puan,

12. Kejayaan APR sepanjang tiga dekad lalu sebahagian besarnya adalah hasil sokongan kuat yang diberikan oleh semua perdana menteri dan kerajaan Malaysia serta pemimpin-pemimpin di rantau ini.

13. Saya ingin mengucapkan jutaan terima kasih kepada Yang Amat Berhormat Dato’ Sri Ismail Sabri Yaakob, perdana menteri Malaysia ke-9 yang akan menyampaikan ucap-tama sebentar sahaja lagi.

14. Saya juga ingin mengucapkan terima kasih yang tidak terhingga kepada Yang Berhormat Datuk Seri Saifuddin Abdullah, menteri luar negeri Malaysia di atas sokongan dan galakan yang berterusan kepada ISIS Malaysia dan APR.

Ladies and gentlemen,

15. I wish to thank the distinguished instigators and speakers for their readiness to share with us their time, knowledge and expertise and for their contribution towards enhancing the richness of the discussions during this conference.

16. I would also like to express our heartfelt gratitude to our partners, who have been with us through thick and thin – the Konrad-Adenauer-Stiftung, the Embassy of the People’s Republic of China, Australia’s Department of Foreign Affairs and Trade, New Zealand’s Ministry of Foreign Affairs, the Embassy of Japan in Malaysia and Astro Awani. Your support has once again made it possible for us to reconvene for the 35th APR.

17. Akhir sekali, saya juga ingin melahirkan penghargaan saya kepada semua rakan-rakan setugas di ISIS Malaysia yang tidak pernah luntur semangat dalam menjayakan penganjuran APR dari tahun ke tahun.

18. To the participants, I am humbled by your continuous 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 Asia-Pacific Roundtable.

19. Let us all have a fruitful and enjoyable 35th Asia-Pacific Roundtable.

Terima kasih.



Keynote Address

The Honourable Dato' Sri Ismail Sabri bin Yaakob
 Prime Minister of Malaysia

Associate Professor Dr Hoang Anh Tuan, vice-president, Diplomatic Academy of Vietnam and Chair of the Asean-Institutes of Strategic and International Studies (Asean-ISIS) Network,

Encik Herizal Hazri, chief executive, Institute of Strategic & International Studies (ISIS) Malaysia,

Your excellencies, distinguished guests, ladies and gentlemen,

Assalamu'alaikum, warahmatullahi wabarakatuh, greetings and Salam Keluarga Malaysia.

1. For 35 years, the Asia-Pacific Roundtable or APR has been recognised as a platform for dynamic dialogue on complex and relevant topics that affect the Asia-Pacific region, particularly Southeast Asia.

2. This is a noteworthy achievement, and I hope that the APR will continue to provide this important convening platform, especially in a world that is increasingly shaped by uncertainty.

Ladies and gentlemen,

3. Global economics and politics are undergoing post-pandemic complexities, while major power competition is increasingly more severe.

Profesor Madya Dr Hoang Anh Tuan, naib presiden, Akademi Diplomatik Vietnam dan pengerusi Jaringan Asean-Institut Kajian Strategik dan Antarabangsa (Asean-ISIS),

Encik Herizal Hazri, ketua eksekutif Institut Kajian Strategik dan Antarabangsa (ISIS) Malaysia,

Tuan-tuan yang terutama, hadirin dan hadirat yang dihormati, tuan-tuan dan puan-puan,

Assalamualaikum Warahmatullahi Wabarakatuh, Salam Sejahtera dan Salam Keluarga Malaysia.

1. Persidangan Meja Bulat Asia Pasifik atau APR telah menjadi platform sesi dialog yang dinamik melibatkan topik-topik yang kompleks dan terkini yang berkaitan rantau Asia Pasifik, terutamanya di Asia Tenggara sejak 37 tahun lalu.

2. Ini merupakan kejayaan yang membanggakan dan saya berharap APR terus menjadi medan perbincangan yang penting terutamanya ketika suasana politik dunia yang tidak menentu.

Tuan-tuan dan puan-puan,

3. Ekonomi dan politik dunia kini berdepan dengan situasi pasca pandemik yang kompleks selain terdapatnya persaingan yang semakin sengit antara

4. In Europe, this led to the outbreak of conflict, with disastrous consequences for ordinary people. Its impact is not just limited to regional countries but has global repercussions.

5. It is essential, therefore, for all members of the international community to redouble their efforts in the face of uncertainties and zero-sum competition to work towards a peaceful, progressive, inclusive and prosperous future.

6. In Malaysia, the spirit of “Keluarga Malaysia”, or “Malaysian family”, serves as the foundation to forge cooperation based on inclusivity, finding common ground and compassion, especially to the marginalised and disadvantaged. It can lead to better, more workable solutions.

7. The pandemic has shown us that we cannot overcome global challenges alone. The international community must come together in the spirit of a “world family”.

Ladies and gentlemen,

8. The strategic challenges we face today are not new. We have ignored many for far too long as we pursued economic growth.

9. Consequently, they have snowballed, adding to the complexity of their solutions.

10. This serves as an important lesson for policymakers, one that is well known but bears repeating – how we manage the challenges today will shape the prospects and challenges of our future generations.

11. One such challenge is climate change, a longstanding issue, and one whose response still divides the international community. Nature is being disrupted. And when nature is disrupted, so too do the communities that depend on its stability.

12. The widespread use of fossil fuels and uncontrolled deforestation are all causes of climate change, made worse by unequal and global economic development.

13. Developed countries are able to continue their growth, driven by the latest technologies which can

kuasa-kuasa besar dunia.

4. Di Eropah, misalnya kita menyaksikan konflik yang memberikan kesan amat dahsyat bukan hanya kepada penduduk negara-negara terlibat tetapi tempasnya turut dirasai di seluruh dunia.

5. Berikutan itu, penting sekali bagi komuniti antarabangsa melipatgandakan persediaan berdepan dengan ketidakpastian serta bekerjasama ke arah masa hadapan yang lebih aman, progresif, inklusif dan makmur.

6. Di Malaysia, kami menjadikan semangat “Keluarga Malaysia” untuk menjalin kerjasama yang inklusif, mementingkan kebersamaan dan bukannya perbezaan serta mengutamakan golongan yang paling memerlukan. Ternyata ia dapat membuka ruang ke arah mencapai jalan penyelesaian yang lebih baik.

7. Justeru itu, saya juga menyarankan komuniti antarabangsa bekerjasama dengan mengamalkan semangat “keluarga dunia”. Tambahan pula, pandemik Covid-19 telah mengajar kita bahawa cabaran global yang berlaku dewasa ini tidak boleh diatasi secara bersendirian atau “silo”.

Tuan-tuan dan puan-puan,

8. Cabaran yang dihadapi hari ini sebenarnya bukanlah baharu, malah dalam keasyikan mengejar pertumbuhan ekonomi, kita kadangkala terleka untuk memberikan perhatian terhadap banyak perkara berkaitan permasalahan global.

9. Disebabkan itu kita terpaksa berdepan dengan masalah-masalah yang sudah menjadi semakin kompleks dan sukar untuk ditangani.

10. Ini seharusnya menjadi ingatan kepada penggubal dasar tentang pentingnya kita menguruskan segera cabaran yang boleh mengakibatkan kesan buruk kepada generasi akan datang.

11. Isu perubahan iklim sudah berlarutan sekian lama dan masyarakat antarabangsa masih gagal mencapai kata sepakat untuk menanganinya sehingga mengganggu keseimbangan alam semulajadi yang menjejaskan kelangsungan

reduce the environmental burden. Developing countries, however, are restricted in their technology and fiscal capacity.

14. Malaysia is committed to our target to becoming a carbon-neutral nation by as early as 2050.

15. The scale and magnitude of this climate crisis requires large-scale and innovative solutions from both the government and corporations, especially in developing countries.

Ladies and gentlemen,

16. Instability in Myanmar, the longstanding conflict in Occupied Palestine, and most recently the Russo-Ukraine war, are just some examples of security issues that have created humanitarian crises.

17. Malaysia strongly urges an immediate end to these conflicts and violence, and adherence to the principles of international law and UN resolutions.

18. We saw the world mobilise in solidarity to address these joint challenges and in sending humanitarian assistance. But we also saw inequality and discrimination in addressing certain political challenges, including in assisting those displaced – the idea of the “acceptable” refugee.

19. I call on all of us to embrace the ideals of an inclusive and compassionate international community by not repeating these mistakes or succumbing to our worst instincts.

Ladies and gentlemen,

20. Geopolitical uncertainties have never succeeded in upending Asean’s core principles, including its centrality.

21. Our shared principles of mutual respect, cooperation and sovereign equality have always guided us towards common regional peace and prosperity.

22. Asean has built on this foundation, to emerge as a respected and trusted convenor of leaders-led regional multilateral mechanisms. Nonetheless, this centrality will be tested by the strain of internal and

kegiatan harian manusia.

12. Penggunaan bahan bakar fosil secara berleluasa, serta penyahhutan tanpa kawalan merupakan antara penyumbang peningkatan suhu global, diburukkan dengan ketidak-samarataan pembangunan ekonomi antarabangsa.

13. Negara-negara maju berupaya menggerakkan ekonomi melalui penggunaan teknologi moden yang mengurangkan kesan terhadap alam sekitar, berbeza dengan negara membangun yang terbatas dari segi kemampuan teknologi dan modal.

14. Namun dalam usaha mencari keseimbangan ini, Malaysia tetap komited kepada sasaran untuk menjadi negara sifar bersih karbon seawal tahun 2050.

15. Melihat kepada skala krisis perubahan iklim, penyelesaian yang sepadan dan inovatif daripada sektor korporat amat diperlukan bagi mendepaninya bersama-sama kerajaan, terutamanya di negara-negara membangun. Tuan-tuan dan puan-puan,

16. Dunia kini melalui hari-hari yang kritikal akibat peningkatan konflik politik sejagat seperti di Myanmar, Wilayah Palestin dan terbaharu perang Rusia-Ukraine yang mencetuskan krisis kemanusiaan.

17. Malaysia menegaskan berperangan dan keganasan perlu dihentikan segera dan prinsip-prinsip dalam undang-undang antarabangsa dan resolusi Pertubuhan Bangsa-bangsa Bersatu (PBB) harus dipatuhi.

18. Masyarakat antarabangsa pernah bersatu teguh menangani masalah sejagat dengan memberi bantuan kemanusiaan, namun mereka masih dibelenggu isu ketidak samarataan dalam menangani krisis politik tertentu seperti dalam membantu pelarian dengan membezakan mereka “yang boleh diterima” dan juga sebaliknya.

19. Sehubungan itu, saya menggesa kita berpegang kepada nilai-nilai masyarakat antarabangsa yang inklusif dan mempunyai sikap perikemanusiaan sejagat serta tidak lagi mengulangi kesilapan-kesilapan lalu.

external pressure points.

23. There is no single solution to how Asean can tackle challenges to its centrality. It requires a combination of mechanisms – bilateral, multilateral and even minilateral – and creativity, and even the support of non-government stakeholders to succeed.

24. While rivalry and zero-sum competition among the major powers will bring about its own set of challenges to the region, competition need not be a bad thing.

25. In fact, proactive engagement by the major powers can benefit this region, provided we can leverage on it.

26. Asean must be prepared to manage major power competition wisely.

27. A strong and unified Asean can only bring about positive effects, and we should ensure that Asean remain at the centre of these engagements, as well as the regional mechanisms that work to shape the norms of this region.

Ladies and gentlemen,

28. China's importance in the region cannot be understated. Since 2009, China has remained Asean's top trading partner and in 2020, Asean overtook the European Union to become China's top trading partner.

29. Given China's strategic and economic standing, we in Southeast Asia hope to maintain stable and positive relations with Beijing.

30. Asean should also ensure the continuity and growth of its economic and diplomatic relationships with the United States, based on mutual respect and friendship.

31. The United States, China and Southeast Asia must ensure that the spirit that underpins these bilateral and multilateral relations is preserved and strengthened, based on an adherence to longstanding global norms.

Ladies and gentlemen,

Tuan-tuan dan puan-puan,

20. Asean sentiasa berpegang teguh dengan prinsip asasnya yang mengutamakan kepaksian Asean (Asean centrality) dalam menghadapi cabaran lalu dan juga yang mendatang.

21. Prinsip-prinsip asasnya seperti saling bekerjasama dan menghormati kedaulatan negara serta semangat membimbing negara-negara anggota ke arah keamanan dan kemakmuran serantau menjadi resipi kejayaan di rantau ini.

22. Sehubungan itu, Asean muncul sebagai gagasan yang dihormati dan dipercayai bagi mekanisme pelbagai hala serantau. Namun begitu, kepaksian rantau ini akan terus diuji dengan tekanan dalaman dan luaran.

23. Untuk itu, Asean juga memerlukan kombinasi mekanisme-mekanisme berbentuk dua hala, pelbagai hala dan bahkan minilateral – dan juga kreativiti dan sokongan badan-badan bukan kerajaan untuk berjaya.

24. Ketika persaingan antara kuasa-kuasa besar dunia menghasilkan cabaran yang tersendiri kepada rantau ini, ia tidak seharusnya memudaratkan.

25. Malah libat urus secara proaktif dengan kuasa-kuasa besar akan memberikan manfaat kepada rantau ini, dengan syarat kita mampu melakukannya.

26. Dalam situasi sebegini, rantau Asean seharusnya bersedia menghadapi persaingan kuasa-kuasa besar dengan bijak.

27. Keutuhan Asean akan memberikan kesan positif kepada kita dan disebabkan itu ia perlu terus kukuh dan produktif serta kekal menjadi paksi kepada libat urus serantau ke arah membentuk norma-norma baharu di rantau ini.

Tuan-tuan dan puan-puan,

28. Kepentingan China di rantau ini tidak boleh dinafikan dan sejak 2009 negara itu kekal menjadi rakan dagang utama Asean. Pada 2020, Asean mengatasi Kesatuan Eropah sebagai rakan dagang utama China.

32. Although the road ahead is filled with great challenges, we are resilient. Together, we can find solutions that will lead to a prosperous, sustainable and equitable future.

33. Discussions such as the APR play a key role in this process.

34. With that, and with BismillahiRahmanNirrahim, it is my pleasure to declare the 35th Asia-Pacific Roundtable open.

Thank you.

Wabillahi Taufik Wal Hidayah

Wassalamualaikum Warahmatullahi Wabarakatuh.

29. Melihat kepada ekonomi dan kedudukan strategik China, Asean berharap dapat mengekalkan hubungan yang positif dan stabil dengan Beijing.

30. Dalam masa sama, Asean juga harus terus memperkemaskan hubungan ekonomi dan diplomatik dengan Amerika Syarikat berdasarkan rasa saling hormat-menghormati dan semangat setiakawan yang tinggi.

31. Amerika Syarikat, China dan Asia Tenggara harus memastikan semangat yang mengikat hubungan dua hala dan pelbagai hala dipelihara dan diperkukuhkan, berdasarkan kepada pematuhan undang-undang antarabangsa yang telah lama wujud.

Tuan-tuan dan puan-puan,

32. Walaupun kita berdepan dengan cabaran yang hebat, kita mesti terus cekal dan tabah serta sama-sama mencari jalan penyelesaian untuk menikmati masa depan yang lebih makmur, lestari dan saksama.

33. Saya yakin platform seperti APR ini tentu akan terus memainkan peranan penting dalam proses ini.

34. Dengan kata-kata itu dan lafaz BismillahiRahmanNirrahim, saya merasmikan Persidangan Meja Bulat Asia-Pasifik ke-35.

Sekian,

Wabillahi Taufik Wal Hidayah

Wassalamualaikum Warahmatullahi Wabarakatuh.

Session 1

China's Dual-Circulation Strategy – A regional gamechanger

5 July 2022 / 1020am-1150am (UTC+8)

China's Dual-Circulation Strategy (DCS) aims to strengthen its domestic market and technological capabilities while balancing foreign economic activities amid a volatile global economy.

As the second largest economy in the world, the DCS has immense economic and geopolitical implications on supply chains, trading relationships and growth.

How does this strategy change the way China engages with the world? What role does the DCS play in post-pandemic recovery and the region? And what does China's aspiration for technological self-reliance mean in the context of the US-China competition?

Instigator



Dr Yose Rizal Damuri
Executive Director
Centre for Strategic and
International Studies (CSIS)
Indonesia

Main remarks



H.E. Ambassador Ouyang Yujing
Ambassador Extraordinary and
Plenipotentiary of the People's
Republic of China to Malaysia

Speakers



Assoc Prof Simon Tay
Chairman
Singapore Institute of
International Affairs (SIIA)
Singapore



Prof Justin Yifu Lin
Dean
Institute of New Structural Economics
Peking University
People's Republic of China



Assoc Prof Asel Ito
Institute of Social Science
University of Tokyo
Japan



Prof Jane Golley
College of Asia & the Pacific
Australian National University (ANU)
Australia

Ambassadorial Session 1

5 July 2022 / 12pm-1230pm (UTC+8)



H.E. Dr Justin Lee
Australian High Commissioner to Malaysia

Main Remarks

H.E. Ambassador Ouyang Yujing

Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Malaysia



Opening up for shared development, Cooperation for common prosperity

Thank you, Dr Yose Rizal Damuri,
 Dear Prof Lin Yifu and Prof Jane Golley,
 Dr Simon Tay and Dr Asei Ito,
 Dear friends,

Good morning. It's my pleasure to attend the 35th Asia-Pacific Roundtable and I am looking forward to hearing your insightful views and comments on a variety of issues.

The main theme of this session is China's Dual-Circulation Strategy (DCS). This "Dual-Circulation Strategy" is China's New Development Pattern with domestic circulation as the mainstay and domestic and international circulation reinforcing each other. Just now, Dr Yose raised some questions on this topic and I would like to share my views on this.

Question No. 1: Why do we introduce this New Development Pattern?

Globally speaking, the world is undergoing drastic changes while the pandemic challenge is unseen in a century. The world economy still faces strong headwinds on its path towards recovery and is tested by the backlash against economic

globalisation. At such a critical time when cooperation and coordination is more important than ever, some countries have resorted to unilateralism, protectionism and even bullying, just for the so-called sake of safeguarding their own interests, which actually added to the risks and uncertainties in the world economy.

Some countries advocate principles of free trade only when their factories are at the top of the global supply chains with their products selling well in the world. As long as it feels any loss of these advantages, even in the slightest sense, it will immediately change to protectionism by imposing tariff barriers, exercising unilateral sanctions and resorting to long-arm jurisdiction, not hesitating a minute to protect its own interests at the cost of undermining the global economic ecology.

Speaking of this, I would like to recommend a book called American Trap, written by a former executive of the French company called Alstom. It discloses the inside story of how the United States helped its own companies to beat its foreign competitors by means of manipulating its domestic law and the state's machinery of violence. I believe you will get a better understanding of Huawei's unfair treatment after reading this book.

Internationally speaking, one prominent feature

shared by major economies today is their domestic demands as the main economic driving forces bolstered by the smooth flow of their internal circulations. Take the US, for instance, its foreign trade degree of dependence is only 20.5%. As the world's second largest economy and the largest manufacturing country, China is facing more challenges than ever before, such as being blocked from accessing key technologies and insufficient supply of energy. To address these issues, China decided to foster a dual circulation development pattern with domestic circulation as the mainstay and domestic and international circulation reinforcing each other, whose aim is to tap the full potential of domestic demand and foster a large internal market. This dual circulation pattern will dissolve and shield China from the negative impact of external shocks and shrinking external demand and ensure China's steady economic development and social stability under extreme circumstances.

No matter how the world changes, China keeps to the belief that economic globalisation is the internal requirement of productivity development, which represents an unstoppable trend of history. No country can progress in isolation from the international market. Anyone who attempts to turn back the wheel of history by blocking others' way will only end up blocking himself.

The New Development Pattern is not a closed-door circulation, but an open domestic and international circulation. China has no geopolitical calculations, nor will lecture others, launch unilateral sanctions or long-arm jurisdiction at the expense of others as some country would like to do. China has no intentions of decoupling or organising exclusive cliques. On the contrary, China is committed to promoting a high standard by opening up, which will provide strong impetus to the New Development Pattern and bring more opportunities to all countries.

Question No. 2: What is in the New Development Pattern?

First, we will expand domestic demand and ensure a smooth flow of economic activity. In recent years, China's development model of relying on both ends of the supply chain, supply of raw materials and marketing of products, has undergone gradual changes. The ratio of foreign trade to GDP dropped

from 67% in 2006 to a little more than 30% in 2020, with domestic demand and consumption becoming the main driver of its growth. China will continue to deepen supply-side structural reforms and further expand domestic demand. This will usher in a higher stage of well-adjusted balance where demand drives supply, and supply, in turn, stimulates demand. We will fully leverage on the demand of our super-sized domestic market and the strengths of its complete industrial system to support China's long-term economic development.

Second, we will continue to deepen reform and further spur market vitality. Reform is crucial for unleashing and boosting productivity. We will apply the new development philosophy. In this philosophy, we will practise an innovative, coordinated, green, open and shared development pattern. We will transform the growth model, accelerate the construction of a modern economic system, strengthen the protection of intellectual property rights, set up a high-standard market system and improve mechanisms for fair competition. All these will help to fully motivate all types of market entities.

Third, also the one which I want to put special emphasis on: We are committed to opening up and sharing development opportunities with other countries. President Xi Jinping has sent out a clear message, the new development pattern is by no means an enclosed domestic economic circulation, but an open one in which domestic circulation being the mainstay and domestic and international circulation reinforcing each other. The world economy is confronted with more instability and uncertainty in recent years. Protectionism and unilateralism are mounting. Yet, China has not stalled in its pursuit of opening up. Instead, we have taken a variety of policy steps to open China even wider, such as fully implementing the foreign investment law together with its supporting rules and regulations, shortening the negative list for foreign investment, etc. China will continue to foster a conducive international business environment, based on strict observance of market and legal rules.

China will continue to advance trade and investment liberalisation and facilitation, negotiate and conclude high-standard free-trade agreements with more countries, and actively engage in bilateral, multilateral and regional mechanisms for trade and investment cooperation so as to build a

higher-standard open economy. Here, I would like to highlight our position again: China is committed to opening up and will open even wider to the world.

The last question: What does the New Development Pattern mean to regional countries?

I think I can answer this question with three “mores”. The first is more opportunities. China has a 1.4 billion population, 400 million of which falls into the middle-income group, which means a super large market to the world. China’s economy remains buoyant despite the pandemic’s impact. In 2021, China became the second largest consumer market in the world, with GDP per capita surpassing US\$12,000 and total retail sales of social consumer goods reaching US\$7 trillion.

China’s market enjoys unique advantages. Its unparalleled economic scale, ample growth space for all industries, ever-increasing middle-class population, upgrading of the consumer structure, all of which contribute to ensure its outstanding economic performance in the long run. The total import into China is estimated to top US\$22 trillion in the coming decade. Here, I would like to take durian as an example. The Malaysia produced durian is a superstar in the Chinese market, loved by many. Its export volume to China has increased more than 100% since it was first introduced to the Chinese market in 2016. With further unleashing of its potential, China will provide a more vigorous and diverse market to the world and help to keep the world economy develop on a more solid and sound footing.

The second key word is more cooperation. The New Development Pattern will enable China to further deepen its international cooperation with an outcome of shared benefits for all. China will take a more active role in international labour division, more efficiently integrate into global industrial, supply and value chains, and more enthusiastically expand exchanges and cooperation with other countries. All of these will provide a strong and steady force to foster a sound regional integrated market.

China will do its best to see Regional Comprehensive Economic Partnership (RCEP) be fully implemented, start China-Asean free-trade area version 3.0 at a date as early as possible, and

expand and promote new economic cooperation areas such as digital and green economies. China and Asean will collectively promote high-quality Belt and Road cooperation and build the new international land-sea trade corridor. China will further its vaccine cooperation with foreign partners, promote its global distribution with more fairness and equality, and ensure its accessibility and affordability in developing countries. By doing this, China will help to bridge the vaccine gap and consolidate the global immunisation system.

The third is more benefits. Since the New Development Pattern was put forward two years ago, it has already seen a steady increase of economic and trade exchanges whose benefits have been genuinely tasted and shared by regional countries and their people. Asean remained China’s largest trading partner for two consecutive years since the new pattern was introduced. The total trade volume of goods between China and Asean amounted to US\$878.2 billion, witnessing a 28% increase than 2020, and 37% increase than that of 2019.

President Xi made a promise on “the Special Summit to Commemorate the 30th Anniversary of Asean-China Dialogue Relations” that China will always be open to Asean countries, and China will try to import US\$150 billion of agricultural products from Asean in the coming five years. China is committed to the principle of equality and mutual benefits, welcoming all companies in the region to invest in China. In 2021, China’s actual use of foreign capital amounted to US\$173.48 billion, seeing an increase of 14.9% than last year, among which 29.4% and 29% come from “Belt and Road” and Asean countries respectively, making important contribution to this region’s economic recovery.

Dear friends, the Asia-Pacific region is home to us all. It is our duty to keep this area safe and prosperous, which will do good to all. I believe, as long as we choose to stand on the right side of history, follow the trend of economic globalisation, keep to openness and cooperation, make smooth flow of both the domestic and international circulations, we will surely win the fight against the pandemic and harvest a better future in both the Asia-Pacific and the world.

Thank you.

Session 1: China's Dual-Circulation Strategy – A regional gamechanger

Ambassador Ouyang Yujing delivered the main remarks by introducing the concept of the Dual-Circulation Strategy, or commonly referred as the New Development Pattern in China. The strategy is designed to counter the increasing trend of unilateralism and protectionism, which has contributed to greater uncertainty in the global economy.

Tapping into China's full economic potential while dealing with a hostile global environment, the strategy seeks to expand domestic demand, deepen structural reforms and modernise China's economic system. While the domestic circulation will be the mainstay, Ouyang refutes the notion that it is retreating from the global economy.

Associate Professor Simon Tay cautioned that the Dual-Circulation Strategy may amplify decoupling and questions if the strategy represents a Plan B to globalisation. He perceives that the world is potentially moving towards exclusive systems, whereby countries are falling either into the Chinese or the American system. As such, Asean should advocate for inclusion and inter-dependency, and reject dominance by a single player.

While criticising China's wolf-warrior diplomacy, Tay also notes that the Americans are not faultless in their behaviour. He highlighted that Southeast Asians have a trust issue with China, and warns that if unaddressed, it may lead to the politicisation of the relationship.

Professor Justin Yifu Lin explained the rationale for the Dual-Circulation Strategy. The emphasis of domestic circulation as a mainstay does not mean that China is turning inwards, as that would undermine China's position as the world's largest trading economy. Rather, the strategy is a result of underlying economic forces, particularly, the

increasing significance of services in the Chinese economy.

He maintains that exports are still important to China's economy and that the vitality of international circulation will be crucial to help reinforce the strength of domestic circulation. Lin added that the best way to grow China's economy is through its comparative advantage and developing its weaker sectors.

Associate Professor Asei Ito recognised that in recent years China has been facing high uncertainty in trade and geopolitics. Hence, the Dual-Circulation Strategy aims to adapt to such external pressures and assist the macroeconomic transition. The Russia-Ukraine conflict will play a role in defining China's international circulation.

Nevertheless, Ito is optimistic that the region is still far away from de-globalisation and de-coupling. Asia is entering an era of geopolitics, shifting away from an economic focus which has dominated the region for the past four decades.

Professor Jane Golley highlighted the increasing convergence between trade and national security in Australia's relationship with China. Despite being the largest trading partner, Australians still view China as a security threat. The new Labor government has indicated some hope for a marginal improvement in bilateral relations, but overall it is clear that Australia has aligned with the United States in the wider strategic rivalry. As such, Golley does not expect Australia will be a recipient of benefits from the Dual-Circulation Strategy. Golley further raises the question of trade resilience as the political relationship deteriorates.

Ambassadorial Session 1

H.E. Dr Justin Lee

Australian High Commissioner to Malaysia



I'm delighted to be able to speak to you today and to participate again in this premier event.

Australia values very much our participation in these regional conferences, as opportunities to learn and understand perspectives from across the region, and to guide our future engagement together.

Related to that, I'm very pleased to see the number of Australian speakers and participants joining today.

And we look forward to hearing the views of other esteemed speakers from Malaysia and around the Indo-Pacific.

As many of you know, our foreign minister, Senator the Hon Penny Wong, visited Malaysia last week.

It was a fabulous, very productive visit over three days in Kuala Lumpur and Kota Kinabalu and demonstrates the new energy Australia is bringing to its regional relationships.

It is an energy that emphasises respectful dialogue and a process of engagement. And all great dialogues start with listening.

Minister Wong came to hear what Malaysians have to say.

She heard views on current challenges – such as economic recovery from the pandemic, food security, and on energy, health and cyber security. And perspectives on regional and global issues.

And to find new ways of working together to face these challenges.

Minister Wong is of course no stranger to Malaysia.

Her father from Sabah, was an original Colombo Plan scholar who went to Australia for education, where he also met her mother. Minister Wong spent her early years living in Kota Kinabalu.

She moved to Australia at a young age but has retained strong family connections here in Malaysia.

As our foreign minister, she also represents the face of modern Australia, which has now become home to more than 7.6 million migrants.

A place where nearly half of all Australians were born overseas or have at least one parent who was born overseas.

In the high commission alone, my team of Australian diplomats consists of officers with immediate families in China, India, Vietnam, Indonesia, Timor-Leste, and of course, Malaysia. Reflecting

that Australia very much is a part of this region, and I would argue always has been. My own Chinese family came to Australia in the 1870s.

More broadly, Australia is a successful multicultural society, filled with people who come – or whose family came – from almost all areas of the globe to call Australia home.

Including our unique First Nations people, Australians speak more than 260 languages and identify with more than 270 ancestries.

The cultural connections between Australia and Malaysia and Australia and the region are extraordinary.

Australians know our future is tied to the future of the region we share.

It's more than geography that ties us together – we have genuine links: family, business, education and tourism.

But what sort of region are we living in? And how can we work together to make our region the best it can be?

We are diverse nations, but we all agree that we want to live in a region that is stable, prosperous and respectful of sovereignty.

At this point I'd like to turn to regional cooperation.

Australia is deepening engagement with Southeast Asia.

Our government has already outlined plans to boost development cooperation activities in the region by A\$470 million to provide long-term support as we recover from the pandemic.

We will prepare a Southeast Asia economic strategy to 2040, to map Australia's current and future export and investment directions across key Asean markets.

And the government has committed to appointing a dedicated high-level roving regional envoy.

Australia recognises that Asean and Asean-led institutions hold the centre of the Indo-Pacific.

Australia supports the Asean Outlook on the Indo Pacific, and its vision for a free, open and resilient Indo Pacific.

We want a region that is peaceful and predictable.

We know there is strategic competition in the region.

Australia's focus is on building a stronger and more resilient region.

We want to support the countries of Southeast Asia to exercise their own agency in how the region is being reshaped.

As minister Wong said last week "achieving this requires a strategic equilibrium in the region".

She said strategic equilibrium enables countries to make their own sovereign choices – rather than having their future decided for them.

Asean is the foundation of this equilibrium – it is the centre of the Indo-Pacific region.

Asean's strength lies in its ability to speak for the region and to balance regional powers.

All countries that seek to work with the region have a responsibility to engage constructively and respectfully with it.

Which is why it is such an honour for Australia to be a comprehensive strategic partner with Asean.

But there's always more we can do.

At the high commission in Kuala Lumpur, our role is to be a stronger partner for Malaysia, as other Australian missions perform similar roles in their countries of accreditation.

So, at this point, I'd like to turn to our bilateral relationship with Malaysia.

Australia and Malaysia are close friends and have always supported each other – from our long historical defence relations, right through to our health and economic collaboration during the pandemic. Our comprehensive strategic partnership agreed last year, is built upon these broad and deep

historical ties.

A foundation of our relationship has been education ties. Malaysians formed the largest number of original Colombo Plan participants (4,000).

Since then, more than 300,000 Malaysian students have studied at Australian education institutions and are valued alumni.

In 2020 (even during Covid), over 20,000 Malaysian students were studying in Australia, and we hope we can get back to and beyond the pre-Covid number of 24,000 soon.

Malaysia also hosts the largest overseas Australian university presence in the world. Four Australian universities have a significant presence in Malaysia: Curtin, Monash, Swinburne, and the University of Wollongong.

In the other direction, Malaysia is one of the most popular destinations for Australian undergraduate students supported by the New Colombo Plan (NCP).

Around 2,000 Australian undergraduate students have undertaken study and internships in Malaysia under the NCP since 2015.

Going forward, we see enormous opportunity to work with Malaysia on other education offerings that meet Malaysia's needs for a highly skilled, productive workforce.

This includes not just traditional degree programmes in Australia, but short courses, micro-credentials, fellowships and exchanges delivered here in Malaysia through partnerships with Malaysian and Australian institutions.

Trade and investment are also mainstays of our relationship.

Australia and Malaysia are both trading nations, and the free and predictable flow of international commerce matters to us both very much.

Malaysia was Australia's 11th largest trading partner in 2020, and third largest in Asean, with two-way trade worth over A\$19 billion (around RM60 billion).

We are also significant investment partners. Malaysia is Australia's second largest source of, and destination for, foreign investment in Southeast Asia. Our current stock of two-way investment is over A\$31 billion (around RM93 billion).

Last week, minister Wong and minister Azmin (Ali) discussed ways to further deepen our economic cooperation, including in the areas of SME capacity building, supply chains and regional trade frameworks.

With the pandemic and the conflict in Ukraine, we have all experienced the impacts of pressures on global supply chains. We are pleased that Australia and Malaysia can work together to address these issues. For example, Australia is a reliable supplier of agricultural products to Malaysia and the region and have stepped up our wheat exports here recently. And we think we can do more through complementary trade to benefit both our economies, for example, by value adding to some of our raw materials in Malaysia and other countries of the region.

Australia and Malaysia have been strong supporters of rules-based trade agreements in the Indo-Pacific region.

We are parties to the Asean-Australia-New Zealand Free Trade Area (AANZFTA) and now the Regional Comprehensive Economic Partnership (RCEP). We look forward to Malaysia ratifying the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in the near future.

We also have the bilateral Malaysia-Australia Free Trade Agreement (Mafta), and we have begun preparatory work on a general review of this agreement to take up more opportunities in the digital economy and face issues like cybersecurity.

Cybersecurity is also a priority under our comprehensive strategic partnership. This week, right now, relevant Malaysian officials are participating in an Australia-supported digital cyber bootcamp in Putrajaya, which builds capacity in issues like critical infrastructure, global cyber governance and the application of international law in cyberspace.

Our more traditional defence and security engagement also remains a priority.

Under our bilateral Malaysian Australian Joint Defence Programme, Malaysian and Australian defence officers regularly participate in training and professional exchanges. Of course, Australia and Malaysia are also part of the Five Power Defence Arrangements, formed in 1971.

Officers from the Malaysian Maritime Enforcement Agency and the Australian Border Force also continue to cooperate on Operation Redback exercises, which combat maritime crime and prevent vulnerable people from risking their lives at sea.

As agreed in our comprehensive strategic partnership, we are strengthening dialogue on bilateral maritime cooperation and shared maritime interests, and further exploring and enhancing maritime capacity building.

We have worked with Malaysia to share expertise on maritime domain awareness. We are cooperating regionally on responses to combating illegal, unreported and unregulated (IUU) fishing. And we've been pleased to work with Malaysia to build expertise on law of the sea matters.

Australia has been a strong and consistent advocate for the importance of adherence to international law and particularly the United Nations Convention on the Law of the Sea – UNCLOS – now 40 years old.

We have also funded the University of Queensland to work with Malaysia to tackle the environmental challenge of marine plastics.

All of this cooperation is built on our shared and mutual priorities. We also want to continue to foster dialogue that provides a platform for Malaysian perspectives.

As part of this, we are also supporting increased academic exchanges on maritime issues. Two Malaysian academics recently completed Australian-funded virtual maritime fellowships based at the Australian National University.

Their research examines the legality of foreign military activities in maritime highways like the

Strait of Malacca and the Indonesian archipelagic sea lanes, as well as how best to boost civil maritime coordination.

Two more academics will commence their maritime fellowships shortly.

Going forward we know that issues like climate change are also of mutual interest.

Australia is lifting its ambition on climate change. The government has set a new target to reduce Australia's emissions by 43% below 2005 levels by 2030.

Our plan will see the proportion of renewables in Australia's national energy market increase to 82% by 2030.

We congratulate Malaysia on its commitment to reach net zero by 2050 – a commitment Australia shares.

As raised by our foreign minister last week, Australia is committed to supporting enhanced climate action in our region through increased climate finance and new partnerships in the Pacific and Southeast Asia.

We see opportunities to work with the region in the transition to net zero, working together to build resilient clean energy sectors and at the same time delivering next generation jobs and growth.

We look forward to roundtable discussions tomorrow on the impact of climate change and COP26 in our region – these are important issues.

In conclusion, Australia's deep relationship with Malaysia reflects our broader approach and ties to the region.

We have been longstanding, close and reliable partners.

We are now looking forward to a new era of even greater momentum and energy.

There is much we are doing together and there is much more to be done.

We are focused on the future, on creating a region

which is stable and prosperous, and underpinned by rules and norms where each nations' sovereignty is respected.

Diversity is important – harnessing both Australia's diversity and the region's.

We will continue to listen to your diverse views.

And we will use Australian diversity to seek to better understand the region.

Because we share common ground. And a common vision for our region.

Session 2

Impact of climate change and COP26 in Asia-Pacific

6 July 2022 / 1400pm-1520pm (UTC+8)

Asia-Pacific is projected to be one of the hardest-hit regions from climate change. Among the key outcomes of the 2021 United Nations Climate Change Conference (COP26) to mitigate its effects are strengthened targets to curb greenhouse gas emissions, phasing down of coal, phasing out fossil fuel subsidies and financial support for developing countries.

Yet, there is the risk of backtracked and unmet commitments.

What are the most pressing challenges for the region? How would they impact on strategic security and trade concerns? Will COP26 catalyse a transition point for climate action? How can countries adapt to climate change?

Instigator



Alizan Mahadi
Senior Director (Research)
Institute of Strategic & International Studies (ISIS) Malaysia

Speakers



Sangmin Nam
Director
Environment and Development Division
United Nations ESCAP
Thailand



Dr Chhinh Nyda
Lecturer
Department of Economic Development
Royal University of Phnom Penh
Cambodia



Polly Hemming
Adviser
The Australia Institute
Australia



Tom Moody
Regional Director Southeast Asia,
Climate and Energy
British High Commission
Singapore

Special Address

6 July 2022 / 1520pm-1540pm (UTC+8)



Prof Dr Norbert Lammert
Chairman
Konrad-Adenauer-Stiftung e. V.
Germany

Session 2:

Impact of climate change and COP26 in Asia-Pacific

The session explored the impacts of climate change on Asia-Pacific and examined if the outcomes of COP26 would catalyse a transition point for climate action. It also sought to answer the pivotal question of how countries in the region can adapt to climate change.

Session instigator Alizan Mahadi set the tone by posing a critical question: “Is climate change a priority strategic issue?” He stressed that climate change is a major threat to human security and that there exists an element of competition that threatens climate cooperation.

Sangmin Nam kicked things off with a detailed account of the key challenges in Asia-Pacific when addressing climate change. He highlighted that the region is responsible for more than 50% of global greenhouse gas emissions. However, there is an increase in decarbonisation commitments from Asian countries and 80% have set the goal of reaching carbon neutrality by 2050.

Despite these commitments, Nam opined that achieving this goal in the next three decades requires an actual reverse in the current emission trend, which is a challenge. He underscored the importance of changing several underlying carbon-intensive practices, reducing energy use and transitioning to renewable energy.

Dr Chhinh Nyda remarked that while the threat of climate change affects us all, in Asean, some member states face more challenges and are more vulnerable than the rest. He presented an account of the highly varied development challenges faced by Asean member states (AMS) because of climate change, which led to largely different focus areas for climate adaptation.

For example, Cambodia, Laos, Myanmar and Vietnam (CLMV countries) focus on the agriculture sector, while Singapore focuses on the service

sector for climate adaptation. Despite this lack of synergy in the type of climate adaptation, AMS can work on a joint platform to share climate data, thereby encouraging comprehensive assessments of climate threats.

Polly Hemming stressed that climate change is the single greatest security threat to the region. She underlined that despite countries perceiving it to be, gas is not a transition fuel and locking the region in gas reliance is setting them up for economic and climate failure.

Hemming was optimistic about the new Australian government’s commitment to climate cooperation with countries in the region, adding that this could encourage Canberra to move away from the risk of being a global climate blocker. She reiterated that Australia must stop promoting its own resource industries to other countries in the region, as this ongoing carbon reliance will undermine any existing efforts aimed at tackling climate change.

Tom Moody, citing the United Kingdom’s current presidency of COP26, acknowledged that while challenges are immense, there is genuine cause for optimism. He shared that the Indo-Pacific region in these efforts is vitally important, and that climate and biodiversity will remain top priorities until 2030. He highlighted that climate financing remains a major concern but was confident that nationally determined contribution (NDC) ambitions will mobilise developed countries and the private sector to help in this aspect.

Moody also shed light on how the Russia-Ukraine conflict has had several global impacts, especially in driving up the cost of natural gas and causing supply chain issues. While it might be rational to increase gas and oil usage short term, it should not be a long-term solution as it would contradict the Paris Agreement. Moody recognised that the paradigm shift has already been achieved and that 2022 has to be the year of implementation.

Special Address

Prof Dr Norbert Lammert

Chairman
 Konrad-Adenauer-Stiftung e. V.
 Germany



During the special address, Professor Norbert Lammert addressed the challenges pertaining to Russia's invasion of Ukraine from a European perspective.

Europe, particularly Western Europe, puts a lot of faith in the treaties and agreements signed to guarantee its peace and security. The Russian invasion of Ukraine shattered the illusion, forcing Europe to recalibrate its thinking and take a stand against Russia.

The current situation is not new, rather for Europe it is a new awareness of an ongoing situation – Russia has since 2008 engaged in acts of aggression, starting with Georgia and now Ukraine. There is a realisation in Europe that it is not capable of defending its own interests and is heavily dependent on its relationship with the United States.

Recent experiences with former president Donald Trump and current President Joe Biden and their diverse foreign policy engagement styles and the Americans' increasing shifts towards Indo-Pacific have led to a rethinking of its position. Europe now realises that it needs to take on more responsibility for its own security and to significantly increase its defence capabilities.

However, discussion on new security measures must

start with its two most notable members – France and Germany. Only three North Atlantic Treaty Organisation (Nato) members possess nuclear weapons – the United States, United Kingdom and France, being the sole representative from the European Union (EU). Establishing a new security architecture for the EU would include nuclear capabilities and the question on how to integrate France's nuclear weapon – of ownership and responsibility of it – within the new security order.

As for Germany, its military is restricted at the conclusion of World War II and bound by the Treaty for the Final Settlement, which limits its military personnel. Germany has not put a lot of emphasis on its military and has only recently – three days after the invasion of Ukraine – announced major upgrading of its defence capability and capacity.

There is a need to reform the EU institution to accommodate the changing situation. The EU has been active in enlarging its membership without making corresponding changes in its institutional structures to accommodate the process. A case in point was the recent invitation extended to Ukraine and Moldova to join the EU will take years to be realised under the current structure.

The prolonged discussion on sanctions to be placed on Russian oil and gas illustrates the dangers of

economic overdependency on a single country and on its political ramifications. There are similar concerns raised over China, where Europe has an even higher level of trade dependency.

Such concerns pushed Europe to include geopolitics consideration in its political orientation. Europe actively seeks partners outside its borders, which share its aspirations and interests in maintaining and adhering to international rules-based order, particularly in Asia.

Session 3

A resurgent Europe in Asia- / Indo-Pacific

6 July 2022 / 1550pm-1710pm (UTC+8)

The “Indo-Pacific” construct, once considered contentious in Europe, is now at the heart of its engagement with Asia-Pacific. The European Union’s (EU) Strategy for Cooperation in the Indo-Pacific outlines its engagement approach.

What are some of the key features of the strategy and how can they be realistically operationalised? How will the EU balance between economic and strategic approaches, including in the maritime domain? What is the value-add that the EU can bring to the region, specifically to Asean? Could a more proactive and structured European engagement temper conflicting interests from other Dialogue Partners?

Instigator



Dr Nguyen Nam Duong
Associate Professor of Political Science
Diplomatic Academy of Vietnam
Vietnam

Speakers



H.E. Ambassador Michalis Rokas
Head
European Union Delegation
to Malaysia



Dr Maria Thaeamar C. Tana
Assistant Professor
Department of Political Science
University of The Philippines Diliman
The Philippines



Dr Rahul Mishra
Director
Centre for Asean Regionalism
Universiti Malaya (CARUM)
Malaysia



Dr Frederick Klem
Research Fellow and Lecturer
S. Rajaratnam School of
International Studies (RSIS)
Nanyang Technological University
Singapore

Ambassadorial Session 2

6 July 2022 / 1720pm-1750pm (UTC+8)



H.E. Stuart Calman
New Zealand Ambassador to Asean

Session 3:

A resurgent Europe in Asia- / Indo-Pacific

The session discussed the major steps undertaken by Europe for greater engagement towards the Indo-Pacific, marked largely by the Joint Communication on the EU Strategy for Cooperation in the Indo-Pacific. Session instigator, Dr Nguyen Nam Duong, posed the question if the Indo-Pacific will remain the centre for future strategic calculations and how can it distinguish itself from other major powers, such as the United States.

Ambassador Michalis Rokas opened with the remark that the Russian invasion of Ukraine has fundamentally changed the geopolitical landscape and global security situation. In spite of such ongoing developments, the EU aims to reinforce its strategic focus, presence and actions to be able to contribute to the stability, security, prosperity and sustainable development in the region. Rokas made particular references to strengthening an open, rules-based regional architecture that included securing sea lines of communication (SLOC), capacity building and enhanced naval cooperation.

Dr Maria Thaemar C. Tana agrees that the Indo-Pacific, while a continuously evolving region, remains to be the power centre of world politics and economics. However, she argued that the EU needs to reassess its engagement with the region by emphasising cooperation, not confrontation. Part of these efforts will require the management of perceptions as some states have low to medium regard for the EU. However, Tana acknowledged that Southeast Asian states do hold the EU in high regard for the ongoing trade and economic cooperation, as well as its achievements as a non-traditional security partner in areas such as human security, humanitarian assistance, food security and disaster relief.

The third speaker, Dr Rahul Mishra, followed up by reminding that the EU's presence is not a novel

phenomenon in the region and would define this renewed interest as a re-entry. The EU strategy in the Indo-Pacific distinguishes itself by being one that does not aim to be a Chinese containment strategy. He observed that the strong trade links and supply chain dependence on China means they could not be selective. Instead, the EU should remain with their two-fold strategy with China, where they engage where possible but confront when necessary. Similarly, the EU should focus on its strengths of advocating norms and multilateralism while managing the perceptions surrounding these efforts.

Dr Frederick Kliem closed the session by questioning the extent the EU can meaningfully engage with the region, noting the significant preoccupation with aiding Ukraine and the geographical reality of the distance from the Indo-Pacific. The EU should capitalise on their strengths as opposed to spreading themselves out across many different projects. He echoed Rahul's comments that the EU should focus on adding value through soft power as it is the only actor in the region without an agenda. He suggested endeavours in the following areas: strengthening Asean-based multilateralism; promoting the green deal; cooperating on pandemic resilience; and higher education exchanges.

Ambassadorial Session 2

H.E. Stuart Calman
New Zealand Ambassador to Asean



Ambassador Calman provided an overview of New Zealand's approach to the Indo-Pacific and reflected on its commitment and partnership with Asean. In recent years, the region's geostrategic reality has changed, and the term "Asia-Pacific" can no longer adequately conceptualise the full extent of New Zealand's interests. As such, the Indo-Pacific is a term only recently adopted by New Zealand.

As New Zealand expands its strategic focus, there is an awareness that its prosperity and stability is inextricably linked to Southeast Asia. In an environment where the strategic context is constantly shifting and increasingly challenging, it is important that the voices of the region remain heard, both regionally and globally. Therefore, the New Zealand-Asean relationship remains vital, and Wellington plans to promote multilateralism and support Asean resilience and centrality through a principles-based approach.

As a dialogue partner, New Zealand has pursued a multi-faceted approach comprising of trade and economic relations, security cooperation and people-to-people links. Calman believes that New Zealand's greatest contribution to Asean has been the sustained effort to build progressive trade and economic architectures, which have supported regional prosperity.

Session 4

Nuclear rearmament – Re-run of the arms race?

7 July 2022 / 0930am-1050am (UTC+8)

Recent unilateral decisions by nuclear-weapon states in Asia-Pacific to modernise and rearm their deterrence capabilities have reignited concerns of a new nuclear arms race.

These developments are exacerbated by declining effectiveness of arms control regimes and overlaps between the nuclear and conventional weapon delivery systems.

Will technological advancements, such as “missile renaissance”, threaten the capability and survivability of second-strike systems of nuclear weapon states? Are there more effective approaches to arms control? What options are there for non-nuclear-weapon states to mitigate these developments?

Instigator



Dell Higgle
Former Ambassador for Disarmament
New Zealand

Speakers



Dr Tong Zhao
Senior Fellow
Carnegie Endowment for
International Peace
People's Republic of China



Dr Manpreet Sethi
Distinguished Fellow
Centre for Air Power Studies
India



Andhika Yudha Prawira
Lecturer
Department of Nuclear Engineering
and Engineering Physics
Universitas Gadjah Mada
Indonesia

Session 4:

Nuclear rearmament – Re-run of the arms race?

The session assessed the current state of nuclear politics, considering the ongoing observations of a possible arms race and geopolitical tensions. Session instigator Dell Higgin set the context by highlighting the historic levels of military spending, expansion of nuclear stockpiles and qualitative upgrades of both nuclear-capable and conventional weapons, raising the risk of conflicts going nuclear. While the concerns have been raised, she posed a question to the speakers on their opinions of such an outlook and ways to counter such pessimism.

Dr Tong Zhao provided an overview regarding the current situation, most notably the overarching concern that there are more intense political and ideological disagreements due to differing values. The inability to have transparent conversations create basic and fundamental disagreements, making these powers talk past each other, as opposed to with each other. These differences exacerbate the changing role of nuclear weapons, creating a growing link between nuclear weapons and their conventional counterparts. However, Zhao observed that despite the dominance of nuclear-weapon states (NWS), non-NWS, including Malaysia, have an important role in the non-proliferation regime. The desire of major powers to gain allies and international support for their chosen position can be leveraged on. Non-NWS can capitalise on their influence to propose a code of conduct to restrain further nuclear escalation.

The next speaker, Dr Manpreet Sethi, concurred with Zhao's assessment on the current geopolitical outlook. She observed that the offensive and defence dynamics of nuclear weapons and deterrence have spiralled downwards, likening to the sword and shield competing as opposed to working in complement with each other. There were also concerns about the precedence set by the

Russian invasion of Ukraine, as it may increase the appeal of nuclear weapons and encouraging both vertical and horizontal proliferation among existing nuclear-armed states. She also observed that there was a preference for riskier displays of deterrence, using newer technology and aggressive posturing. She further reminded that nuclear weapons are weapons of mass destruction and should not be misconstrued to have the proportional strategic and tactical application of conventional weapons.

Andhika Yudha Prawira concluded the session with a Southeast Asian perspective on the current non-proliferation regime. He drew attention to the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) and its efforts to promote nuclear prohibition norms that can play a supportive role to major agreements, such as the Treaty on the Prohibition of Nuclear Weapons (TPNW) and the nuclear Non-proliferation Treaty (NPT) and further socialise NWS active in the region to the cause. However, he raised concerns over the growing nuclear presence, brought by the Aukus deal between Australia, the United Kingdom and the United States, which has been met with both suspicion and concern. While Southeast Asia remains nuclear-weapon free, the current security landscape should not hinder the ability of the region to seek nuclear power to combat climate change and manage their energy security needs.

Session 5

Impact of major power unilateralism on Asean's multilateralism

7 July 2022 / 1100am-1230pm (UTC+8)

A feature of ongoing major power competition in Asia-Pacific has been the proliferation and entrenchment of new and competing multi- and unilateral mechanisms.

These include the Quadrilateral Security Dialogue, the Aukus trilateral pact and a revised Belt and Road Initiative. Could such developments and their impacts undermine Asean-centred mechanisms? Are there opportunities for cooperation with competing initiatives?

What are the conditions for Asean to engage and recalibrate its strategic responses in the face of these developments?

Instigator



Melissa Conley Tyler

Programme Lead
 Asia-Pacific Development, Diplomacy and Defence Dialogue (AP4D)
 Australia

Speakers



Dr Dino Patti Djajal

Founder
 Foreign Policy Community
 of Indonesia
 Indonesia



Dr Sarah Teo

Assistant Professor
 S. Rajaratnam School of
 International Studies (RSIS)
 Nanyang Technological University
 Singapore



Prof Aries A. Arugay

Department of Political Science
 University of The Philippines Diliman
 The Philippines

Closing remarks

7 July 2022 / 1230pm-1250pm (UTC+8)



Alizan Mahadi

Senior Director (Research)
 Institute of Strategic & International Studies (ISIS) Malaysia

Session 5:

Impact of major power minilateralism on Asean's multilateralism

The final session of the 35th APR focused on the rise of major power minilateralism and explored the impact of these developments on Asean. Session instigator Melissa Conley Taylor took a different approach to the panel and kick-started the discussion with a brief introduction on the Quad and Aukus, posing pertinent questions to the panellists.

Taylor began by asking Professor Aries Arugay about the research he has done on the response and reaction of the Philippines' foreign policy and security establishment to these minilateral initiatives. Arugay said his research in 2020 found that the Quad enjoyed little popularity and that the Philippines preferred a wait-and-see approach before responding. He stressed that the Quad must elaborate on its goals and objectives when engaging with Southeast Asia.

The Philippines will possibly engage the Quad to improve national security but there is still a general ambivalence. Questions persist on whether the Quad will undermine Asean centrality or act as a balancer to China's assertiveness in the region.

Dr Dino Patti Djalal and Dr Sarah Teo also weighed in with Indonesia and Singapore's responses to the Quad and Aukus. Dino shared that while Indonesia keeps an open mind, there is a general nervousness for Asean if the Quad could take away from Asean centrality. Teo opined that Singapore's response to the Quad and Aukus was not strong but there is a general sense of support to initiatives led by these mechanisms. Singapore has no anxieties about Aukus because it was formed solely in response to geopolitical developments. The key concern is if these initiatives contribute to regional stability.

Taylor then asked Teo why these minilateral initiatives are happening and the latter pointed out that the idea and practice of minilateralism is not

new in the region. The difference between the Quad, Aukus and existing minilateral networks is that the former two are strategic in nature and driven by major power competition. Teo also reiterated that within this geopolitical context, regional minilateral initiatives led by small and middle powers create strong avenues for cooperation that allows these actors to shape the regional order.

Dino attributed the motivations of the Quad and Aukus to strategic insecurities and more importantly, the China factor. Arugay believed that crises initiated these initiatives and that such countries were open to grouping together since they faced a common threat. To Arugay, the most important question is how these new minilateral mechanisms complement existing initiatives.

To Taylor's final question of what the impact of these minilaterals have been both regionally and for individual countries, Dino shared that perhaps Aukus was initially overrated as an initiative that could lead to an arms race. Indonesia maintains good relations with all Aukus countries and that is a good sign.

Teo said minilateralism has helped to deepen the multi-layered-ness of the regional order and while there are concerns on the relevance of existing Asean-led mechanisms, the Quad countries have continued to engage Asean. Dino added that Asean cannot take for granted that these minilaterals recognise Asean centrality. Asean centrality must be earned and for that, Asean must do more.

To Taylor's question of what Asean's response should be to the Quad and Aukus, Teo, Dino and Arugay agreed that pragmatism is key and that Asean should push the Asean Outlook on the Indo-Pacific (AOIP) agenda. Teo asserted that Asean must respond to the changing geopolitical system

by engaging institutionally with minilaterals, with regional resilience as the main objective.

Arugay suggested that Asean must find a middle ground, keep up with trends and work with minilaterals to pursue shared goals with mutual benefits. Dino echoed the view and stressed that Asean must find a way to navigate this increasingly divided world and pursue the AOIP in the hopes of maintaining regional stability.

Closing Remarks

Alizan Mahadi

Senior Director (Research)
 Institute of Strategic & International Studies (ISIS) Malaysia



Excellencies, distinguished guests, colleagues from the Asean-ISIS Network, ladies and gentlemen,

1. After three days of conferencing, we have come to the end of the 35th APR. I hope that the time you have spent in the sessions and by following the discussions and exchange of thoughts have been as beneficial to you as it has been for me. With the theme Sustaining Cooperation Amid Cooperation, despite the broad topics covered, I believe the distinguished speakers have impressively articulated and enforced the importance and relevance of the topic at hand.

2. We started the roundtable on Tuesday with an examination of China's Dual-Circulation Strategy and its implications for both China and the wider region. As we discussed China's new geo-economics, we saw a trend of the increasing securitisation of economics. However, we also heard that due to the interdependence of our economies, we currently see a great resilience in exports. In the future, the boundaries of politics, national security and trade will blend into each other as major trade nations resort to protectionism and decoupling. The challenge lies for those of us who are smaller powers, to be able to respond cooperatively, to avoid being entrapped in great-power rivalry.

3. On the second day, we heard from panellists on

the impacts of climate change to the Asia-Pacific and on whether the outcomes of COP26 would represent a catalyst point for climate action in the region. While there was a general appreciation for the fact that some countries may be more vulnerable to climate disasters than others, the hard reality is that the threat of climate change affects us all, and hence is a quintessential challenge that requires international cooperation. We heard that the multilateral process, especially the COP26 has raised climate ambition and that it is incontrovertible that climate and biodiversity will remain strategic priorities at least until 2030. The challenge, however, is in implementing the pledges and commitments made at the international level, where tough choices ahead include investments and technology which require international and global cooperation, including for climate financing.

4. In keeping to the theme of Sustaining Cooperation Amid Competition, we also discussed the EU's Strategy for Cooperation in the Indo-Pacific, within the broader framework of Europe's engagement with the region. It is increasingly clear that Europe's engagement in the Indo-Pacific/Asia-Pacific region requires reassessment and reprioritisation. To work towards goals of shared prosperity and stability, Europe must operate on its key strengths and interests of the relevant parties involved. There must be greater

leveraging on advocacy of norms in human rights, the rules-based international order and ongoing efforts in areas such as trade, non-traditional security and people-to-people interactions.

5. Earlier today, our fourth session explored a somewhat familiar topic, but one with a more ominous twist. In the early years of the APR, conversation around nuclear weapons and major power relations were framed around incentives for disarmament. Today, however, many of those agreements have expired and nuclear powers, including those in the Asia-Pacific, continue to modernise delivery systems, and in some cases, expand them. Where there is a tendency to militarise, we must not underestimate the importance of dialogue and diplomacy. Non-nuclear states especially, such as Asean members, must not shy away from the role we can play to promote disarmament. We should work together to improve existing initiatives and build new ones that further the non-proliferation agenda, to ensure the peace and security of our region and beyond.

6. In the last session on the impact of emerging minilateral networks led by major powers on Asean's convening role on existing multilateral mechanisms, we were privileged to hear from a range of expert speakers. There was a general consensus of ambivalence in how Southeast Asia views these new mechanisms. While there is deep concern on whether the Quad or Aukus could undermine Asean-led mechanisms, there is also an appreciation that these new networks in our backyard could contribute to regional security. It was, in my opinion, refreshing to hear from the panel that Asean must not take its "centrality" for granted, and that Asean centrality must be earned.

While I could not cover all the rich discussions that were held, for those of you that would like to review the sessions, the recording of each session will be available on the APR event website from tomorrow till noon of 15 July 2022.

Distinguished delegates,

7. In all the sessions, it is clear that the world we live in now requires a delicate balance between healthy competition and functional cooperation. Intense competition, whether within the region, or across

major power rivalries, dominates the geopolitical landscape. However, it is also clear that the world is interdependent, whether it be in terms of politically, security, economically or environmentally. From a comprehensive security perspective, we have little option but to cooperate, including to address immediate challenges, such as the global supply chain disruptions and curbing inflation, as well as longer-term challenges such as climate change. Failure to cooperate can threaten our very existence.

8. Moving forward, there are many platforms for sustaining cooperation, and some were deliberated within the APR. As competition is likely to become more intense in the region and beyond, Track Two diplomacy is an important space where we can debate openly on both the challenges and the way forward. In this sense, the APR will continue to play a role to encourage frank exchange of ideas, especially those relevant to the region and I thank you all once again for your support and encourage further participation in the future.

Ladies and gentleman,

9. As we bring the 35th APR to an end, I would like to reiterate our appreciation for their excellencies Mr Ouyang Yujing, ambassador of the People's Republic of China in Malaysia, Dr Justin Lee, Australia's high commissioner in Malaysia and Dr Norbert Lammert, chairman of the Konrad Adenauer-Stiftung, for their insights – we certainly look forward towards engaging them in our future events. I would also like to thank his excellency Stuart Calman, New Zealand's ambassador to Asean, for his remarks yesterday.

10. Allow me to also extend our deepest appreciation to our partners who have made it possible for us to convene the 35th APR – the Konrad-Adenauer-Stiftung, the Embassy of the People's Republic of China, Australia's Department of Foreign Affairs and Trade, New Zealand's Ministry of Foreign Affairs, the Embassy of Japan in Malaysia and Astro Awani. We look forward to a productive working relationship with them as we plan for the next APR.

11. Last but not least, I would like to express my thanks to my colleagues at ISIS Malaysia and

Asean-ISIS who have worked tirelessly, and with limited means, to ensure that the APR could be successfully held this year.

Distinguished guests,

12. In an effort to continue exchange of ideas, and as a leading Malaysian think-tank, a key focus of what we do at ISIS Malaysia is to focus on national socio-economic policies, as we seek to build a better nation. Like many countries around the world, the last couple of years have been tough ones. As Malaysia shifts towards endemicity, the crosswinds of geopolitical frictions, climate and energy crises, and the pandemic's legacy of inequality represent crucial challenges to Malaysia's development in the coming decade.

13. From 3rd to 4th October this year, ISIS Malaysia will convene the Fourth PRAXIS conference to bring together policymakers, researchers, civil society and the private sector to examine how to build upon the Covid-19 recovery and pave the way towards a more sustainable, resilient and better Malaysia. This event will be held physically in Kuala Lumpur. More details are available on our website.

Excellencies, distinguished guests, ladies and gentlemen,

14. To draw the 35th APR to a close, I would like to look forward to the 36th edition of this roundtable, where ISIS Malaysia and its partners will reconvene physically or in person, in Kuala Lumpur, next year. We hope to see all of you back in KL either in late May or early June 2023 – specific dates to be announced before the end of the year.

15. We look forward to not just your support and participation, but your ideas on how we can further push the boundaries in the lead up to the next roundtable. Ultimately, it is you, the delegates of the APR, that contribute to making the roundtable a success and among the platforms of preference in the regional circuit.

Thank you and I adjourn the 35th Asia-Pacific Roundtable.



Sustaining Cooperation
Amid Competition