



36 ASIA-PACIFIC ROUNDTABLE

An Age of Strategic Uncertainty

8-10 August 2023 | Hilton Kuala Lumpur



Report by:

Angeline Tan

Farlina Said

Izzah Khairina Ibrahim

Qarrem Kassim

Thomas Daniel

Yanitha Meena Louis

Zarina Zainuddin



Introduction

The 36th Asia-Pacific Roundtable (36APR) was convened by the Institute of Strategic & International Studies (ISIS) Malaysia from 8-10 August 2023. For more than 3½ decades, the APR has built a reputation as one of the premier strategic-security focused Track-Two forums in the region.

As ISIS Malaysia's flagship conference, it has brought together great minds from around the world to engage in robust and constructive discussions on the region's strategic challenges. The 36APR adopted the theme of 'An Age of Strategic Uncertainty', a reflection of the challenging environment that we find ourselves in.

The roundtable is also convened on behalf of the Asean Institutes of Strategic and International Studies (Asean-ISIS), a network of Southeast Asia's leading policy focused think-tanks. The rotating chair of the network for 2023 is held by the Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS).

The 36APR is the first to be convened in-person since 2019. The 34th and 35th editions were

convened virtually. It was no surprise that it attracted a fair bit of attention, with more than 370 delegates, ranging from policymakers to practitioners, thought leaders, academics, students and participants from the private sector and media – who engaged in candid and frank discussions, a hallmark of the APR.

These included several old and new faces from across the Asia-Pacific, North America and Europe. Close to 30 countries were represented from the ranks of role-players and delegates. For many in the Track 1.5 and Track 2 circuit, there was a sense of reunion and camaraderie as the APR has come to represent more than a mere conference but an inclusive tent where many come to network and renew contacts.

The highlight of the 36APR was the keynote address, delivered by Prime Minister Dato' Seri Anwar Ibrahim. In what was his first major foreign policy address since assuming the leadership mantle, the prime minister articulated the government's view of the state of the region and the world, while highlighting Malaysia's interests and values, which guide its principled approach and initiatives. His

remarks were followed by a much-appreciated question-and-answer session with delegates.

Proceedings began with an opening dinner on 8 August, allowing delegates to catch up in an informal setting. The serious business of conferencing took place over the next two days. The opening remarks were delivered by Prof Dr Faiz Abdullah, chairman of ISIS Malaysia, and Pengiran Datin Paduka Shazainah binti Pengiran Dato Paduka Shariffuddin, chair of BDIPSS.

The five plenary sessions focused on whether China and the United States were locked in an inevitable march towards conflict, and how the rest of Asia-Pacific could work to both leverage on and mitigate those prospects; the evolution of various Indo-Pacific strategies; how domestic development in Myanmar, the Philippines and Thailand could affect regional dynamics; the future of trade and investment in the Asia-Pacific amid geopolitical rivalry; and issues shaping the status quo in the South China Sea. The two concurrent sessions centred on how small and medium countries could retain autonomy amid the competition for technology, power, and influence; and how Japan's changing strategic outlook could impact on cooperation with Southeast Asia.

Lunch and dinner addresses also made a return. HE Michalis Rokas, ambassador of the European Union (EU) to Malaysia, spoke on the implications of the EU's Indo-Pacific strategy to the region in an age of strategic uncertainty. His remarks were a follow up to his virtual remarks at the previous APR where he introduced the characteristics of the then nascent strategy.

HE Ouyang Yujing, ambassador of China to Malaysia, articulated China's response to growing instability and uncertainties across multiple spheres, and its strong preference for peaceful development as well as open and inclusive cooperative mechanisms. Dr Steven Barraclough, a visiting senior official with the Australian High Commission, spoke about the values that Australia brings to its engagement with Malaysia and Southeast Asia, which are more important given the various challenges faced by regional architectures and multilateral mechanisms.

Closing remarks were delivered by Prof Faiz, who summarised the key takeaways and reiterated 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.

Speeches from the prime minister, Prof Faiz, Shazainah, Rokas, Ouyang and Barraclough are available in this report. Video recordings of the key remarks are available online



Keynote Address by

The Honourable Dato' Seri Anwar bin Ibrahim

Prime Minister of Malaysia

Yang Berhormat Dato' Seri Diraja Dr. Zambry Abd Kadir, Minister of Foreign Affairs,

Yang Berbahagia Pengiran Datin Shazainah binti Pengiran Dato Paduka Shariffuddin, of the Brunei Darussalam Institute of Policy and Strategic Studies, and Chair of the ASEAN-ISIS Network,

Yang Berbahagia Professor Dr Faiz Abdullah, Chairman, Institute of Strategic & International Studies (ISIS) Malaysia,

Excellencies, distinguished delegates, ladies and gentlemen,

Assalamu'alaikum, warahmatullahi wabarakatuh, and Salam Malaysia MADANI.

The last time I delivered a Keynote Address at the Asia-Pacific Roundtable was at its 8th iteration, in 1994. Therefore, it is indeed a pleasure to return to this distinguished gathering after almost three decades.

The issues that you deliberate on, while rooted in this region, ultimately have a bearing on every part of the globe, ever more so as Southeast Asia and the Asia-Pacific becomes the centre of the global economy and strategic calculus.

Since I last addressed the APR, this region has undergone tremendous changes, significantly altering its geopolitical landscape and triggering geo-strategic recalibration among nations.

The strategic assumptions that long shaped the Asia-Pacific have been transformed in an age of flux where the only certainty now is that of uncertainty. If this sounds rather ominous, indeed it is, and will not bode well for the region unless carefully managed.

To begin with, the intensifying major power rivalry between China and the United States is testing, and straining, the fabric of the region's longstanding architecture and norms. This rivalry has led to the

emergence of new mini-lateral groupings across the board, which despite its window dressing, could be cast as exclusive and exclusionary in nature.

These geopolitical developments have overshadowed some regional mechanisms and multilateral frameworks, calling into question their resilience, and readiness, even relevance, to upholding peace, prosperity, and security in the Asia-Pacific.

We are also seeing a growing trend of division and bifurcation across a spectrum of segments – chiefly now impacting both trade and technology. The race for cutting-edge technology, like in the semiconductor industry, which could have taken a productive turn, is instead now another major source of hostility between both powers – the so-called Chip War.

Sanctions and export reductions countermeasures along with other tit-for-tat manoeuvres will have ramifications to both global supply chains, and the overall trends of economic cooperation. And, of course, it doesn't end there.

Indeed, these bilateral dynamics are influencing how major powers engage with third nations that are inevitably caught up in the cleaving systems, rules and even norms. This further adds pressure and constraints to developing countries as they seek the best options, from all stakeholders and providers.

Under the weight of such stresses, there is a drastic need to revitalise not just cooperation among nation states but greater inclusivity and equity. Yet, truth be told, there seems to be no urgency to address this.

Some have spoken of Southeast Asia being a key part of the chessboard in the new Great Game waged between Beijing and Washington, as the latter once did against Moscow.

While the major powers continue to assure that a binary choice is not being imposed, the reality for countries in Southeast Asia and, indeed, many others across the Asia-Pacific, is that it is the only choice offered, if not by word, then by deed.



It would be a great loss for the entire region if this unfettered rivalry affects all that have been painstakingly achieved by existing and consequential ASEAN-led multilateral mechanisms.

Their success relies on the culminative efforts put in by ASEAN and our partners to create inclusive venues where policymakers and thought leaders of the AsiaPacific — be they from major, middle and small powers — meet as equals.

Closer to home, we see aspects of these dynamics increasingly play out in critical and longstanding issues that we face in Southeast Asia.

In the South China Sea, we are seeing elements of major power rivalry seeping into the territorial disputes, intentionally or otherwise. For Malaysia's part, we have always advocated for the peaceful and constructive settlement of all disputes, in accordance with the universally recognised norms and principles of international law, including the 1982 United Nations Convention on the Law of the Sea.

The continued militarisation of the maritime region coupled with the use of grey zone tactics to reinforce claims and stymie the lawful exploitation of resources is neither peaceful nor constructive. Added to this dangerous mix are reports which continue to stream in on the deteriorating maritime ecosystem and fish stocks devastated by illegal and unregulated fishing.

Malaysia remains consistent in its stance, including on the protection of our sovereignty, rights, and

interests in our Exclusive Economic Zones in the South China Sea. We do so unwaveringly, in the face of all challenges and claims.

Distinguished delegates,

In light of this, it bears stressing that Malaysia's security lies "in" and "with" the region and not "from" the region. We leverage on our geographical location as both a land and maritime country straddling the most important trade routes, and economic position as a key part of various global supply chains to promote regional security.

Coterminously, on the geopolitical front, Malaysia must continue to ride on our good relations with both China and the US to promote a stronger rules-and-norms-based order.

This order is not based on might, or the tendency to ignore the very rules and norms one preaches about when it is inconvenient. That is unbecoming and hypocritical. What's good for the goose must be good for the gander. So, it must be an order based on fairness, respect and understanding, compassion and international law.

This, ladies and gentlemen, is not a pie in the sky because in our estimation, both China and the US have affirmed their commitment to it. It must go beyond multilateral trade dealings to the realm of a practical geostrategic architecture.

Indeed, there must be a serious effort to give effect to these grandiloquent terms. Malaysia will do our part to promote this consensus.

It is imperative that this new consensus on global security takes into account the views of the Global South. Without detracting from the contentions of the age of uncertainty, an objective overview of the current geopolitical landscape projects the Global South as showing signs of greater strategic independence. In any event, this development shouldn't be a cause for concern.

For Malaysia, this is a natural evolution of a process that began with national independence and should therefore be respected and promoted.

Accordingly, Malaysia will engage proactively and independently with various initiatives by regional powers and stakeholders, in both the Asia and Indo Pacific. We do so with a clear view of our national interest and priorities, which is deeply tied to the upkeep of inclusive regional architectures.

While T. S. Eliot reminds us that "History may be servitude. History may be freedom," yet the lessons of history are to be ignored only at our peril. In this vein, recent history has shown us that there is an unbroken linkage between national security, national resilience, good governance and democratic accountability.

Under the Unity Government, Malaysia is strengthening all four. We also affirm our commitment to comprehensive security for the ultimate objective of ensuring stability, order and peace.



Distinguished delegates,

In these times of division and uncertainty, ASEAN and its member states must meet its challenges head on. But first and foremost, it is necessary to resolve ASEAN's increasingly fractured unity.

We must cast off inertia and actively seek opportunities that emphasise inclusive, multilateral approaches and reinforce ASEAN-centred mechanisms. Redouble efforts not just with existing dialogue partners but looking further afield to other multilateral and regional groupings, in Central Asia or the South Pacific, that share similar interests. Only together can we truly stem the slide into a divided world steeped in rivalry.

This is not a condemnation of ASEAN, but rather an exhortation that we must do better, because we can. ASEAN as a regional mechanism has always stepped up when it matters the most. Rooted in our origins, crisis has always made ASEAN stronger and more resilient.

Distinguished delegates,

All-out war between nation states, once thought a relic of the past, ripples through Europe and with it, the destruction of lives, property, communities, prosperity, and principles of laws that took decades to build.

Elsewhere never-ending cycles of civil wars rage without much interest or care by the international community. In the Asia-Pacific, the risks caused by climate change and ecological disasters are evermore acute, leading to a need for more coordinated regional response. All these in turn, increases the push factors for the forced migration of people desperate to escape from their devastated conditions.

Make no mistake, Southeast Asia is not immune to these challenges and tragedies. Far from it. The continued post-coup violence and instability in Myanmar, remains one of ASEAN's biggest strategic and humanitarian challenges. It is also a tragic reversal for a member of our ASEAN family that held such promise. Now, more than ever before, the imperative for ASEAN unity and centrality cannot be

overstressed. Failure to act would be tantamount to a dereliction of collective responsibility.

Ladies and gentlemen,

From the exponential rise in the cost of food, commodities and energy, to unreliable and more expensive supply chains, many have had to face uncertainty at the day-to-day level, with governments scrambling to plug the gaps. This is a double blow, coming on the back of a world that is still recovering from the many challenges brought about by the global pandemic.

Here in Malaysia, in the face of the aforementioned challenges, plus fluctuating inflation, we have undertaken significant efforts to control the cost of living and provide alternatives which brings added fiscal stability to the lives of Malaysians, especially those most vulnerable among us.

Towards this end, we have launched the Madani Economy, to boost the Malaysian economy and empower the people by addressing the various challenges and issues related to our competitiveness in the global arena. The primary strategic thrust here is to restructure the economy towards making Malaysia a leading Asian economy, and providing the people with the benefits to enjoy a better quality of life, elevating the status and dignity of our nation.

Malaysia is determined to strive ahead to be a more equitable, accountable, and sustainable nation. Given the national, regional and global circumstances, we cannot continue old practices and risk losing our regional attractiveness and competitive advantages.



Distinguished delegates,

It is no exaggeration to say that what we are now seeing is a recognition that the long-held approaches to international relations, to regional architecture and their global governance mechanism have long been dominated by Western-centric or Euro-centric characteristics.

How sustainable or equitable is this in a diverse world, where regions like Latin America, Sub-Saharan Africa, various parts of Asia and even the South Pacific are increasingly demanding their rightful seat at the decision-making table?

The rumblings we have seen, both in the Asia-Pacific and beyond, have clearly shown that it cannot be business as usual any further. What shape or form the emerging world might take is still up for debate. A primary characteristic, however, has to be an international system that is “politically and culturally diverse but economically and functionally interconnected”. Achieving this requires tolerance, understanding and cooperation.

We now see higher quality free trade agreements, standards of governance and better access to technologies at lower barriers for entry, thanks in part to healthy rivalry. Southeast Asia ought to leverage our competitive advantages and the opportunities provided by our major external partners.

Nevertheless, unfettered competition is different. Unfortunately, what we are seeing is rivalry between nation states, between the major powers, becoming increasingly marked by zero-sum calculations and assumptions. This only leads to a dark, selfdestructive action-reaction spiral. Under these circumstances, any semblance of victory is pyrrhic.

Yet, it is not all doom and gloom. Amid these challenges, there are encouraging signs of progress in the Asia Pacific region, many of them centred here in Southeast Asia.

Despite being severely battered by the global pandemic, the region has rallied and have put in place more proactive mechanisms to face prospective black swan events. We have done this

not just with its member states, but in cooperation with its Dialogue Partners and global institutions.

Furthermore, the ASEAN Community has come into its own, and we are now just two years away from the culmination of ASEAN’s Vision 2025. In the context of the Asia-Pacific, the sure but steady progress of ASEAN into a more integrated, cohesive, competitive, innovative, and dynamic Community at a time of fluid global geopolitics and geo-economics is surely among the region’s unsung successes.

ASEAN is determined to ensure the long-term effectiveness and resilience of the regional organisation against uncertain geopolitical trends, and in ensuring that it is more relevant to its domestic audiences and stakeholders.

I am pleased to note that as one of the Co-Chairs of the Post-2025 High Level Task Force, Malaysia has been committed to this process and will continue to shepherd the shaping of the core elements that would make up the post-2025 vision, and their tangible measurements.

Distinguished delegates,

Despite the challenges of uncertainty ahead of us, I remain optimistic that they can be overcome. That uncertainty can be turned into opportunity. Southeast Asia and the Asia-Pacific is a region of significant promise. The onus is on all of us to be responsible to not lock ourselves into a downward spiral, feeding on our worst suspicions towards each other.

Together, we can find solutions that will lead to a prosperous, sustainable, and just future. Discussions such as the Asia-Pacific Roundtable play a key role in this process. Your deliberations will continue to tackle some of the most pressing challenges we face.

I look forward to the outcomes of these discussions. Thank you.



Welcoming Remarks by Professor Dr Faiz Abdullah

Chairman, Institute of Strategic & International Studies (ISIS) Malaysia

Yang Berhormat, Pengiran Datin Shazainah binti Pengiran Dato Paduka Shariffuddin of the Brunei Darussalam Institute of Policy and Strategic Studies, and Chair of the ASEAN-Institutes of Strategic and International Studies (ASEAN-ISIS) Network,

Heads and members of the ASEAN-ISIS Network,

Excellencies, distinguished panellists and delegates,

Ladies and gentlemen,

Assalamu'alaikum, warahmatullahi wabarakatuh, selamat pagi, good morning!

It gives me great pleasure to welcome you to the Asia-Pacific Roundtable. If you are here from abroad and for the first time, then welcome to Malaysia and to Kuala Lumpur. To the loyal supporters of the APR, welcome back!

This Roundtable is organised by ISIS Malaysia in

cooperation with the ASEAN-ISIS Network, made up of Southeast Asia's leading think tanks. The ASEAN-ISIS Network is the only think tank network of its kind to be officially recognised and registered with the ASEAN Secretariat.

The Network has a history of proactive, influential work in stimulating and facilitating the necessary conversations and research leading to greater economic integration and security cooperation in this region. We do this, through our much-cherished Track 1.5 and Track 2 engagements. It is my earnest hope that we, the current and even future generations of ASEAN-ISIS leaders, carry on this trend, as the region continues to evolve and grow, and with it, our priorities, and challenges.

As we celebrate the 36th edition of the APR this year, we are happy that we can once again convene in person. In 2020, the APR was postponed for the first time ever in its now-approaching-fourdecade history, because of the global pandemic. In 2021 and

2022, the Roundtable was held virtually.

The track record of this Roundtable speaks for itself. We have, through many years of hard work, developed a niche and reputation that is recognised worldwide as one of the most important annual Track 2 conferences of its kind in this region.

Since its inception over three and a half decades ago, the APR has grown significantly in scope, depth and size, regularly attracting the participation of policymakers, thought leaders, intellectuals, scholars, officials, journalists and interested individuals to address strategic issues concerning the Asia-Pacific and the world at large.

The APR provides the opportunity for bringing together some of the best minds in the region and from different parts of the world to stimulate frank discussions, serious policy debate and networking across a broad spectrum of topics. While the bulk of role-players and delegates have generally come from Southeast Asia and the wider Asia Pacific, the APR has seen a steady and growing following from by North America, Europe, South Asia and more recently, the Middle East.

The continued success of the APR is also greatly attributed to the support given by successive Malaysian Prime Ministers and the government, as well as the region's leaders.

I would like to express my sincere appreciation and gratitude to the Honourable Dato' Seri Anwar bin Ibrahim, Prime Minister of Malaysia, who has agreed to deliver the keynote address of this conference tomorrow morning. This will not be his first time speaking at the APR. Dato' Seri Anwar delivered the Keynote at the 8th APR in 1994, and participated as a speaker in the 11th APR in 1997 as Deputy Prime Minister.

Distinguished delegates,

This year's theme, is "An Age of Strategic Uncertainty" was selected after much deliberation. While we do not seek to be alarmist or dramatic, the theme is an honest reflection on the regional geopolitical and geoeconomic environment that we

find ourselves in. The questions and challenges that come with it perhaps affect those of us from small and medium states more than others.

What can small and medium states do in the face of increasingly contested and challenging realities? Do we have the agency to mitigate the worst of these trends? I submit that it might be difficult, but it is nonetheless incumbent on us to give it everything we have.

We need to face the facts as they are and attune it to what we'd like it to be. The cost of continued bifurcation of regional mechanisms and architectures to the spheres of influence of old – once thought a far-flung fantasy in the post-Cold War world – would be exponentially devastating to all of us.

In the face of this age of uncertainty, groupings like ASEAN, perhaps in greater collaboration with other regional groupings from around the world and likeminded countries and international stakeholders, should double down on the inclusive, multilateral mechanisms and established norms and principles of international law.

In that spirit, ladies and gentlemen, we have curated up to seven sessions for the 36th APR – 5 plenaries and 2 concurrent sessions. Lest we miss the forest for the trees, these deliberations address both the broader themes impacting our current and future strategic calculus, as well as more granular issues.

There is no greater uncertainty than the prospects of rivalry between Beijing and Washington potentially headed towards inevitable conflict. Nevertheless, let us not be held captive in our discourse by the fear of the Thucydides Trap. As the great French writer Michel de Montaigne once said to the effect: "There's nothing to fear but fear itself!"

Some penetrating questions come to the mind, in this regard. Are there still enough common interests between the two powers to stymie further bifurcation? What could the future of trade and investment in the Asia Pacific look like, especially the mechanisms and initiatives like RCEP, the CPTPP and the BRI, amidst such geopolitical rivalry?

How will the continual evolution of the Indo-Pacific construct, slowly but surely embraced by more countries in the Asia Pacific, and their key partners from afar, affect or mitigate these strategic uncertainties? But just to be sure, if anyone were still curious, let me put it to rest – no, there are no plans to rename the Asia Pacific Roundtable to the Indo-Pacific Roundtable! This is not a race to the bottom. It's not a game of one-upmanship!

Drilling it down further, we explore how such tensions have impacted the South China Sea dispute and the prospects or limitations for Southeast Asian countries amid an intensification of competition in the semiconductor and other critical tech industries.

And as we mark the 50th Anniversary of ASEAN-Japan relations, we ask how Japan's changing strategic outlook and corresponding policies will in turn affect longstanding cooperation with Southeast Asia.

Last but not least, amidst all these regional and global developments, let us not take the eye off the ball in our own region. Our third plenary, this afternoon, examines the domestic developments in selected Southeast Asian countries – Myanmar, the Philippines and Thailand – and their ramifications on both national and regional policies.

These are some of the issues that we will discuss over the next two days, and I for one look forward to them.

Distinguished delegates,

Let me now take this opportunity to express our sincere thanks and gratitude to the distinguished instigators and speakers for their readiness to share with us their time, knowledge and expertise in various ways, and for their tremendous contribution towards enhancing the richness of the discussions during this Roundtable.

I also extend heartfelt thanks and appreciation to our partners: Australian Department of Foreign Affairs & Trade, the Delegation of the European Union to Malaysia, the Konrad-Adenauer-Stiftung, the Embassy of the People's Republic of China, the



of New Zealand Ministry of Foreign Affairs & Trade, the Embassy of Japan in Malaysia, and Embassy of the United States. Their generous contributions and assistance have once again made it possible for us to convene the Asia-Pacific Roundtable successfully. I also thank our colleagues in ASEAN-ISIS for their unwavering support.

For those who attended the welcoming dinner yesterday, you heard me underscore the APR's three core pillars of support, namely, from successive Malaysian Prime Ministers, our partners and funders, and the hardworking staff of ISIS Malaysia.

Allow me to add a fourth pillar – you, our dear and respected delegates. Your continued support and active participation have played a huge part in making the APR what it is today.

Probing, thoughtful questions and insightful interventions from the floor are vital components of a conference. It is such essential inputs that form the distinctive hallmark of the APR. I am confident that the discussions will be as lively and engaging as in the past.

I wish all of us a fruitful 36th Asia Pacific Roundtable. Thank you.



Opening Remarks by

Pengiran Datin Paduka Shazainah binti Pengiran Dato Paduka Shariffuddin

Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS);
2023 Chair of Asean-ISIS Brunei Darussalam

Bismillahirrahmanirrahim,

Excellencies, Distinguished Officials, Ladies and Gentlemen,

Assalamu'alaikum Warahmatullahi Wabarakatuh and a very good morning,

I would like to begin by thanking Professor Dr. Mohd Faiz Abdullah, Chairman of ISIS Malaysia, for inviting me to participate in the 36th AsiaPacific Roundtable today.

My congratulations as well to you, Professor, on your appointment as ISIS Malaysia's Chairman earlier this year (17 February 2023).

After a few years of virtual interface due to the COVID-19 pandemic, it is my honour to be here

today in person, and to address this gathering of eminent guests and participants.

Asia-Pacific Roundtable

For close to four decades now, the Asia-Pacific Roundtable (APR) has been a leading Track II conference in the region.

Every year, the APR brings together many distinguished thinkers of various backgrounds, who contribute to constructive discussions on issues affecting the region's security, stability and prosperity.

Having attended many of these roundtables, I am always inspired by the APR's intentional, timely and coherent selection of themes and topics.

The APR has focused on a range of issues such as COVID-19, climate change, major-power competition and the idea of “Indo-Pacific”, all of which continue to add to the uncertainty facing us all today.

In this unpredictable and rapidly-evolving world situation, it is a given that we live with vulnerability and anxiety.

For this reason, I am in full support of the theme of the roundtable this year: “Strategic Uncertainty”.

Allow me to say that, the term “Asia Pacific” has also evolved since the Roundtable was established.

“Indo-Pacific” has emerged in our regional security lexicon and this is the context of my remarks. It reflects the changing security dynamics, concerns and the way we manage our cooperation.

Strategic Uncertainty

In recent years, very few could have predicted the myriad of developments and crises the world has seen, from the outbreak of COVID-19 and the ongoing war in Ukraine, to the rapid onset of Artificial Intelligence (AI).

With every new development and crisis, we often find ourselves a step behind and forced to re-strategise to “cope” with changing times.

Even with early planning and solid strategies, challenges can sometimes occur along the way and derail our steps.

Yet, uncertainty does not necessarily mean we are destined to fall behind.

In fact, uncertainty can be a source of improvement, motivation and innovation, empowering us to be prepared, flexible and adaptable, amid so many unknowns on the horizon.

For many of us living in the Asia-Pacific / Indo-Pacific region today, strategic uncertainty has become an ever-present reality.

Opportunities in the Asia-Pacific

Over the past few decades, our region has become an economic powerhouse and the engine of global consumption growth.

Home to nearly two thirds of the global population, our region has some of the world’s greatest biodiversity, most diverse ecosystems and largest multinational companies, as well as the world’s fastest-growing internet market.

By 2030, our region is projected to dominate various areas of development, accounting for two thirds of the world’s middle class and over two thirds of global GDP.

It is also expected to outpace the United States and become the world’s largest financial technology market.

By some estimates, our region will likely determine the shape and direction of global development as a whole.

Therefore, the onus is upon us to leverage existing and emerging opportunities to our advantage and maintain a competitive edge.

Challenges in the Asia-Pacific

That said, I would be remiss if I did not mention the challenges we are faced with today.

As we all know, major-power rivalry is intensifying in the region, leaving us with unimaginable consequences. This is very concerning.

Such rivalry, if not properly managed, can also increase the risk of the region’s long-running flashpoints escalating into open conflict (Korean Peninsula, cross-Straits relations, South China Sea, etc.)

With global power shifting to the region, we have also seen a proliferation of minilateral groupings that promise cooperation, but may intensify major-power competition (Indo-Pacific strategies and security alliances like the Quad and AUKUS).



All these political risks are set against the backdrop of existential threats to the region, such as climate change, biodiversity loss and breakout of future pandemics.

At a time when we are confronted with intersecting crises, our ability to address them holistically depends upon our ability to mobilise resources at the scale needed.

Here, I ask myself: “Do we have these resources at the scale needed, and are we coordinated in our response to these crises?”

ASEAN

Now, let me turn my focus to Southeast Asia and ASEAN as the heart of the Asia-Pacific / Indo-Pacific.

ASEAN's global importance has risen significantly over the years, thanks to our increasing economic prosperity, our strategic location at major sea-lanes of communication, and our key role as the primary convener of regional fora and meetings.

Recent projections for ASEAN indicate that we will continue to make positive growth, and that we are on track to achieve important milestones over the coming decade.

By 2030, ASEAN is poised to become the world's

fourth largest economy after the United States, China and the European Union.

70 percent of our population will have become "middle class", with only 1 percent living in extreme poverty.

Our GDP is predicted to rise to 10 trillion dollars (USD), leading to our designation by many experts now as “the next economic superpower”.

Yet, our continued success and potential can be offset by security issues, particularly those emerging from geopolitics, climate change and the cyber space.

With high stakes at play, we know that we cannot afford to be passive in the face of threats against our peace, security, stability and prosperity.

A question that we continue to ask ourselves is: “How do we proactively leverage opportunities and address challenges, while ensuring sustainability and resilience?”

Conclusion

With all these considerations in mind, I am encouraged by the selection of discussion topics at the roundtable today.

Major-power dynamics, the Indo-Pacific, ASEAN strategies, the South China Sea, and others... these are the topics we ought to be talking about in the overarching context of security issues in the region.

This roundtable today is our opportunity to engage each other in earnest on not just our common issues and challenges, but also our collective desire and will to live in a region of lasting peace, security and stability.

I personally look forward to hearing and learning from the ideas, perspectives and experiences of every one of you here today.

With that, I will end my speech here and wish us all a productive discussion ahead.



Lunch Address by

H.E. Michalis Rokas

Ambassador of the European Union to Malaysia

Excellences, ladies and gentlemen,

I remember last year's Asia-Pacific Roundtable (APR) very fondly. It took place a bit earlier, in the beginning of July, and you gave me a great opportunity to introduce the main objectives and characteristics of the EU's Strategy for Cooperation in the Indo-Pacific. The feedback I received in a very lively, engaging panel has been highly useful. Today, there is one major difference: It is great to see you all and discuss with you in person. I am very glad the days of virtual conferences are over.

In substance, unfortunately the global outlook has not become much brighter. Quite the contrary. We continue to live in times of geopolitical upheaval. Last year, the theme of the APR was "Sustaining Cooperation amid Competition" – and you could actually have kept it for this year. It seems as if tension and competition were only increasing. I could dare to add "coercion". ASEAN and the EU continue to suffer from their "respective crises",

whether linked to the unresolved conflicts in Myanmar, the tensions in South and East China Seas or the Russian invasion of Ukraine. I will argue today however that there is no such thing as "respective crises". Because any crisis in a globalised world has farreaching tentacles and directly affects everyone.

When we read our respective Indo-Pacific strategies, the EU and ASEAN share a similar approach: Namely, our shared commitment to an open and inclusive IndoPacific cooperation and our refusal that geopolitical rivalries overshadow the need to tackle shared challenges.

From a European point of view, I would like to point out that we cannot ignore the geopolitical reality. I would characterise it by:

- the growing significance of the region for the global economy, and therefore for the EU's prosperity (as top investor and major trade partner);
- the growing strategic and political rivalries, which are getting more acute and which play out in the

region, making it a prominent playing field for global competitors and rivals. The future of the international order is largely being shaped here; it will affect our shared efforts in upholding the rules-based international order and overcoming global challenges, such as climate change;

- the display of force and tensions in regional hotspots (such as South China Sea, Taiwan Straits); which sometimes result in countries being buffeted by attempts of economic coercion, disruption in supply chains, cyber-attacks and foreign interference.

The 2021 EU Strategy for Cooperation in the Indo-Pacific is the affirmation by the EU of the region's strategic importance. I will consciously repeat a few facts that I have mentioned to you last year: The Indo-Pacific region is the second largest destination for EU goods; the EU is the top foreign direct investment partner of the region; one-third of global trade goes through the South China Sea and so does 40 percent of EU trade. This is why our strategy is wide-ranging, covering the areas of sustainable and inclusive prosperity, green transition, ocean governance, digital governance and partnerships, connectivity, security and defence and human security. More importantly, it is inclusive for all partners who wish to cooperate with us. This element of inclusivity is a major commonality with the ASEAN Outlook on the Indo-Pacific.

In addition to our Indo-Pacific strategy, I shall mention the 2022 EU Strategic Compass, which guides our security and defence policy. It recognises the global competition and geopolitical tensions in the region, but also the need to collaborate with the region (and it very much puts ASEAN and its centrality at the forefront).

In the EU, sometimes it takes a crisis for us to integrate further. The Russian invasion of Ukraine is certainly an example for that. As EU, today we are doing things in security and defence that I would have considered impossible only two years ago. We have had to learn the hard way, but the EU is moving and adapting very fast.

The conclusion we have drawn from these two EU strategies is threefold:

- First, that the EU cannot separate economics from security;
- Second, that we now live in one geostrategic theatre so that the European security and the security of the Indo-Pacific are interwoven, as so is our prosperity;
- Third, that that the EU must reinforce its presence and strengthen its engagement in and with the Indo-Pacific.

As HRVP Borrell often says, there is no “faraway” in a globalised world. Therefore, we see partnership and inclusive cooperation at the heart of our approach to the Indo-Pacific. It is why our trade agreements, our digital and green partnerships are not merely sectoral or economic measures but important means to strengthen stability, security and the rules-based international order.

This forms part of our distinctive role in, and offer to, the Indo-Pacific under the Global Gateway Initiative, launched in December 2021 - our offer to help build diversified and secure supply chains and to unlock sustainable investments in partner countries.

I would like to emphasise that the Indo-Pacific countries can find in the EU a trusted partner willing to contribute to the stability and prosperity of the region and its people; a partner with principled and long-term engagement.

- Principled, because our cooperation is not designed as self-serving, it also serves priorities owned and driven by our partners.
- Long-term, because our attention to the Indo-Pacific will not suffer due to our focus on the Russian war against Ukraine, which we do not consider as “just” a European war because its consequences affect us all.

So what does it mean to the region? To ASEAN?

We welcome that Indonesia sees the Indo-Pacific as an important priority during its chairmanship of ASEAN this year and I look forward to seeing the results of the planned events this autumn. The ones planned on the margins of the ASEAN Summit in September in particular might offer the opportunity to define more cooperation between the EU and

ASEAN in the context of our Indo-Pacific Strategies. In 2025, Malaysia will take over as ASEAN chair. Together with the Ambassadors of the EU Member States in Malaysia, we will engage at early stage with Wisma Putra to discuss what we can do together to address critical challenges and rising tensions.

Some of you might remember that a year ago, at the 35th APR I said that our Indo-Pacific Strategy was about concrete action, not just rhetoric.

So, one year later, what has the EU done? Allow me to cite some concrete examples of what we have achieved since my presentation last year.

In December, the EU signed the Partnership and Cooperation Agreements with Malaysia and Thailand.

We have opened new trade and investment opportunities, including:

- The conclusion of the negotiations on a Free Trade Agreement with New Zealand.
- The ongoing Free Trade Agreement negotiations with Australia. - The resumption of negotiations on a Free Trade Agreement with India.
- Free Trade Agreement negotiations have been relaunched with Thailand, and are ongoing and intensifying with other Indo-Pacific partners, including Indonesia and Kenya. Philippines will be next, and I hope that Malaysia will also follow soon.

Last year, we established digital partnerships with Japan, the Republic of Korea, and Singapore.

In October, we signed the EU-ASEAN Comprehensive Air Transport Agreement, which is a major achievement for the connectivity among us – the first bloc-to-bloc air liberalisation agreement worldwide, which will open up many new commercial opportunities for our companies, thus expanding our trade and people-to-people contacts.

Connectivity is not only a key word. It is a strategic concept.

That is why, as mentioned before, we launched the EU Global Gateway - a plan to boost EU engagement in the region and provide strategic investment in the development of infrastructure. We have launched about twenty Global Gateway priority projects, which will be implemented across the Indo-Pacific region: from hydropower and solar energy plants to transport infrastructure. ASEAN is central to our work on green transition and connectivity, where the EU stands ready to support ASEAN through the recently adopted Green Team Europe Initiative and the Team Europe Initiative on Sustainable Connectivity. At the Global Gateway Forum in Brussels in October this year, we aim to have important announcements with regard to the 10 billion € pledged for ASEAN at the EU-ASEAN Commemorative Summit last December.

The EU is also contributing to regional security in the Indo-Pacific. We have a naval operation – known as ATALANTA - which is now covering a larger spectrum of tasks in a much larger theatre. It was initially conceived to fight piracy in the coast of Somalia, but now it has developed into a maritime security provider along the African coast and beyond. We have conducted successful joint naval exercises with Indo-Pacific partners such as Djibouti, India, Indonesia, Japan, Republic of Korea, Oman, and most recently with the United States. We are developing a Coordinated Maritime Presence in the North Western Indian Ocean to optimise the use of assets that EU Member States are deploying in the region.

I am also glad to see that our partners are having increased expectations from the EU in the security field, one of the seven priorities of our Indo-Pacific strategy.

The EU is active on maritime security primarily through our CRIMARIO project, supporting regional partners in better governing their respective maritime spaces. CRIMARIO developed IORIS, a maritime domain awareness system, facing growing success and used by 33 countries, including Indonesia and the Philippines, and 10 regional organisations. We are now reaching out to Pacific countries so they consider this offer, which is interoperable with other systems, and rather depoliticised in the context they face.

Malaysia has recently become a partner country in a regional project called ESIWA – Enhancing Security in and with Asia. I am happy to share that the initial reception has been very positive – first joint activities in areas such as cybersecurity or preventing violent extremism have been highly successful.

This brings me back to my initial comments about the current geopolitical upheaval. I have mentioned that Europe and Asia have a direct stake in each other's security and that we have to work together in order to avoid a confrontation in the region.

Our economic links continue to increase. Every day, a stunning 2000 ships transport goods across the Indian Ocean and the South China Sea to Europe and back. However, at the same time our security landscape is becoming more and more dangerous.

There is less trust among the main players; less respect for international law and multilateral agreements; force and coercion are on the rise. We are living in times in which anything can be weaponised. It is not law, but force, which is increasingly shaping our world.

Against such backdrop, unsurprisingly, all major players expand their military spending. Why? Because Nations and people are insecure. They are afraid because they face challenges. And since they face challenges, they buy arms. The figures illustrate this course of global rearmament very clearly.

World military spending last year grew to an all-time high, reaching 2.2 trillion USD. Is it because of Russia's war in Ukraine? Yes, it has definitely an effect. The military expenditure of countries in Europe is today 30 percent higher than in 2013, before the Russian illegal annexation of Crimea. Nonetheless, here, in Asia, the trend of your military expenditure is even greater.

Last year, the military expenditure in Asia and Oceania was 45 percent higher than in 2013.

Therefore, in the last ten years, our regions have increased our military expenditure by 30 percent and by 45 percent, which shows clearly that we live in a dangerous and uncertain world.

Therefore, to stand by and passively observe how “An Age of Strategic Uncertainty” unfolds, to quote the title of this year's APR, is not an option. We need new, trusted partnerships, we need solutions, and we need commitment to manage the repercussions of strategic uncertainty. We need to join efforts to fight against the scourge of disinformation and misinformation and the daily cyber threats that we are all subject to. We need to help collectively our societies fathom that our prosperity is in danger and that we need to overcome past misconceptions to face the challenges that lie ahead. As the great Athenian historian, Thucydides said, “knowledge without understanding and courage is useless”. This ballroom today is full of knowledge but also understanding and courage! I believe we have a great starting point for finding solutions and remedies.

It has been a real pleasure to update you on the EU's sturdy commitment to be part of inclusive solutions, together with ASEAN. Thanks for listening to me, and enjoy your lunch!



Dinner Address by

H.E. Ouyang Yujing

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

Work together to build a more certain and beautiful world

Honorable Professor Dr. Mohd Faiz Abdullah, Chairman of the Institute of Strategic and International Studies (ISIS) Malaysia, Pengiran Datin Paduka Shazainah, Chair of Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS) and 2023 Chair of Asean-ISIS network,

Respected ambassadors, scholars and dear friends,

Good evening!

It is my pleasure to attend the 36th Asia-Pacific Roundtable (APR) Conference. First of all, on behalf of the China Embassy in Malaysia and on my own account, I give the warmest congratulations to ISIS Malaysia, on the successful convening of this important Conference. My sincere thanks go to Professor Dr. Mohd Faiz Abdullah, Chairman of ISIS

Malaysia, for kindly inviting me to attend APR and deliver a speech.

This is the first APR held in the face-to-face way after the pandemic, something we have been expecting for long. The theme of this year's APR is "an age of strategic uncertainty". It is particularly timely and relevant. The world is confronted with challenges and difficulties unseen in history. Geopolitical conflicts keep occurring, global economy recovers weak, and cold war mentality regains strength. The world is full of uncertainties and instabilities. We are once again at the crossroads. Which path to take? We have to choose.

To pursue common prosperity or let go the trend of the poor becoming poorer and rich becoming richer? To keep doors open to be friends or build walls to confront each other? To conduct win-win cooperation or play zero-sum games? To these questions, China has given its clear-cut answer. It is

to take the path of peaceful development, open inclusiveness and win-win cooperation. China is dedicated to giving a safe and prosperous life to both its own people and other peoples in the world.

“Building a community with a shared future for mankind” put forward by president Xi Jinping has provided the Chinese solution to adding more certainty to world peace. As the term suggests, a community with a shared future for mankind means that the destiny and future of each and every country and nation are interlocked. Therefore, we should work together through thick and thin to build our common planet a harmonious big family. After 10 years of unremitting efforts, the shared-future community network has already taken shape, comprising bilateral, regional, trans-regional and global governance communities covering various fields. Peoples of different countries have become more closely connected and bonded, just like a family. The world has become a more peaceful and loving place thanks to this network.

The Belt and Road Initiative (BRI) has injected strong impetus to global economy growth. BRI has promoted intercountry connectivity and integration, bringing benefits to partner countries through policy coordination, unimpeded trade, financial integration, facilities connectivity and people-to-people exchange. After 10 years of collaborative efforts, BRI has brought enormous growth to both China and its partner countries, with US\$270 billion two-way investment, 421,000 local jobs and nearly US\$1,000 billion total investment achieved. China has become the largest trading partner of 25 BRI countries, successfully helping many realize their "railway dream", "bridge dream" and "poverty alleviation dream". Take the Malaysian East Coast Railway Link (ECRL) for example. By mid July, ECRL has achieved 50.1% of its overall image completion, bringing over 6,000 jobs to local people and business opportunities to more than 3,000 enterprises. In estimation, completion of ECRL will help to contribute 2.7% to Malaysia's total GDP growth.

The Global Development Initiative(GDI) is key to resolving global economic stagnation. GDI advocates development-priority, people-focus,

inclusiveness, innovation-driven, harmonious coexistence with nature and action-orientation. It has helped to accelerate the realization of UN 2030 Agenda for Sustainable Development. By June 2023, GDI has won support from more than 100 countries and international organizations, with nearly 70 countries joining the UN-based GDI Group of Friends. Over the last ten years, China has made a more than 30% average contribution to global economic growth. Just recently, World Bank and many other international organizations have raised their expectations for China's economic growth. If the 5% growth target can be achieved, China will contribute one third to this year's global economic growth and continues to be the most powerful engine for global economy.

The Global Security Initiative has provided the safety valve to world peace and stability. GSI advocates a new security path which takes dialogue over confrontation, partnership over alliance and win-win cooperation over zero-sum rival. It has won support and appreciation from over 90 countries and regional organizations, and has been written into more than 30 bilateral and multilateral documents. China plays an active role in helping to resolve conflicts and confrontation. With its efforts and mediation, Saudi Arabia and Iran have achieved the historic rapprochement. And “China's Position on the Political Settlement of the Ukraine Crisis” has provided a systematic and feasible way out for all concerning parties. Now, we are happy to see that more and more countries have turned to negotiation and dialogue in resolving differences and misunderstanding.

The Global Civilization Initiative has pointed out the right direction for dissolving global trust deficit. There are more than 200 countries and regions in the world which comprise over 2,500 ethnic groups who believe in various religions. Different civilizations are valuable assets to cherish and learn from, not the cause of distrust and animosity. Trust comes from understanding and alienation breeds animosity. GCI advocates cultural exchanges over cultural estrangement, mutual learning over mutual despise, and coexistence over confrontation. We advocate respect for different social systems and development paths, learning from one another, and

moving forward together in diversity.

Dear Friends,

The world is full of uncertainties. Uncertainty poses challenges and difficulties, yet it also breeds opportunities and possibilities. How to change crisis into opportunity and uncertainty into possibility? This is a big question. I would like to give my humble opinion as follows:

First, we must safeguard the existing international order to add more certainty to world peace. Nothing can be achieved without peace. This is a costly lesson we have learned from history. The purposes and principles of the UN Charter are the important cornerstone for a stable international order, which have provided a solid framework for the modernization of all countries. Therefore, China firmly upholds the international system with the UN at its core, the international order underpinned by international law, and the basic norms of international relations based on the purposes and principles of the UN Charter. China firmly opposes all hegemonic, high-handed and bullying acts, rejecting all practices of exceptionalism and double standards.

Second, we should strengthen inter-connectivity and pursue for common prosperity. "Development is the ultimate solution to all major global problems." We should ensure priority given to development, be cautious not to be misled by geopolitical calculation or short-term gains. This is also what H.E. Prime Minister Anwar has advocated in "MALAYSIA MADANI", which is based on six core values of "Sustainability, Prosperity, Innovation, Respect, Trust and Compassion". We should firmly advocate liberalisation and facilitation of trade and investment, making sure global industrial and supply chain run stable and smooth, and actively promoting global, regional, subregional and country-specific development cooperation. We should also ensure the sound function of regional industrial systems with complementary advantages.

Third, we should carry out more cultural exchanges to enhance mutual understanding and trust, especially among young people. We should let more

people learn that difference is not to hate but to understand and respect. Diversity is not to eradicate but to enjoy and cherish. "Dialogue between Islamism and Confucianism" advocated by H.E. Prime Minister Anwar has set us a good example to follow. We should continue to promote exchanges and cooperation in education, science and technology, culture, health, sports, media and other fields, encouraging more people, especially the younger generation, to learn the importance of respecting differences who will grow up to be the ones passing these values on.

There is an old Chinese saying "天下兴亡,匹夫有责", which means "Every citizen is responsible for the rise and fall of his country". Chinese Intellectuals are particularly committed. They take it their life-long mission to make their country and the world safe and prosperous. I believe, all the seated scholars must share the same commitments with your Chinese counterparts, that is, you are all dedicated to making this world a safer and better place. By conveying voice of truth and justice with knowledge, insight and good faith, you will surely help to build a safer and better world, where peace, love and prosperity flourishes, a world with more certainties and goodness. I would like to join you in this great endeavor.

Once again, wish the 36th Asia-Pacific Round Table a great success!

Wish you good health and success in all endeavors !
Thank you!



Lunch Address by

Dr Steven Barraclough

Visiting Senior Official Australian High Commission

We have heard throughout this event the distinguished views of esteemed leaders from across our region.

It's a great honour to speak to you today about Australia's perspectives. We've been discussing our 'Age of Strategic Uncertainty'. And while it is a challenge, we shouldn't view it as turning into the norm. We all have agency, and we all have a role to play. Which is why I want to focus on what is in all of our control to help create certainty.

Listening.
Understanding.
Openness.
Transparency.

Respect – for each other and for international law. When we look at it through this lens, the history between Australia and Malaysia speaks for itself. We share a friendship that has endured regional challenges over the many years – from the Second

World War to the Covid-19 pandemic.

And our friendship continues to grow. Not only with Malaysia, but with the countries of Southeast Asia. We are invested, engaged and committed to the region at the highest levels. We are listening to and understanding the views of our friends in the region. In just over 12 months, Australia's Foreign Minister Penny Wong has visited every Southeast Asian country, except for Myanmar. This represents part of more than 40 visits in the last year between Southeast Asia and Australia by senior ministers, including four by our prime minister. This level of engagement is a clear statement of Australia's intent and priorities in the region. We want to meet our partners where you are.

And what we have heard is that countries of the region want growth, opportunity and prosperity. Australia has much to offer as a trusted and reliable partner. We are already taking steps to grow and modernise our economies together.

Australia's Special Envoy for Southeast Asia Mr Nicholas Moore AO has been busy visiting the region... listening to what more we can be doing to capitalise on emerging opportunities and to take our economic engagement to the next level.

The special envoy visited Malaysia in March this year and the valuable insights he received will help inform Australia's forthcoming Southeast Asia Economic Strategy to 2040.

Side-by-side with the strategy, we have heard from our partners the need to do more... in sectors such as climate change and clean energy transition, gender equality, health, rapid digitalisation, knowledge and skills development, and infrastructure.

And along with our economic investments, we are working to ensure our development programme is effectively delivered and responsive to changing needs, pressures and priorities. This will all be informed by our new international development policy, which outlines how we play our part to shape an open, stable and prosperous Indo-Pacific.

We have increased Official Development Assistance (ODA) to an estimated A\$1.24 billion in 2023-24 to Southeast and East Asia. This includes an additional A\$470 million to Southeast Asia to deepen our engagement.

But turning up and listening is only one part of creating certainty. Openness and transparency are crucial. We need to engage openly and transparently, and as equals, from common ground. Malaysia and Australia are longstanding close partners, both fellow parties of our Five Power Defence Arrangements. We engage closely and share insights and updates. Australia values this type of relationship.

Earlier this year Australia took significant steps to engage regional counterparts about AUKUS ahead of the optimal pathway announcement. Across the region, including here in Malaysia, Australian ministers and officials have talked frankly and openly with counterparts on AUKUS.

Our chief of defence force visited Malaysia just days before our most recent AUKUS announcement, to share the latest updates and discuss the future outlook. Through this engagement, Defence Minister Hasan was able to brief Malaysia's parliament on our non-proliferation approach on AUKUS – correcting misinformation – and reaffirming these submarines will carry conventional weapons and only be nuclear powered, NOT armed.

Malaysia has called on all countries to promote transparency and confidence building, refraining from provocation. These are sentiments Australia shares. This commitment to transparency was also highlighted by our Prime Minister Anthony Albanese earlier this year during his IISS Shangri-La Dialogue keynote.

He reflected as the threats and challenges facing our nations have evolved and multiplied, we have held to the common understanding that we achieve far more together than we do alone. That is our approach – AUKUS will allow Australia to be a stronger partner and more effective contributor to stability in the region.

And we will continue to keep our partners in the region up to date with developments. This is how Australia wants our region to engage – openly and through dialogue. And while we have to have differences with countries in the region, we discuss them.

Australia and China have worked together to stabilise our relationship over the past year. This has meant a resumption of dialogue, including at leaders' level.

Dialogue better enables both countries to manage our differences wisely. These include consular matters, trade blockages, human rights and international law and norms that underpin our security and our prosperity.

Our relations with China are also marked by very close economic ties. China is our largest trading partner. We depend on each other. And we recognise that by stabilising our relationship, it

sends a signal to our partners in the region that we want certainty.

Australia seeks a predictable region operating by agreed rules, standards, and norms, where no one country dominates, and no country is dominated. Our region is being reshaped and we have to navigate this period of change together. All those who operate in our region should seek to engage with countries in the same way – a way that promotes certainty.

ASEAN, and ASEAN-led institutions are the anchors that foster certainty in our region. As a regional organisation that brings together intrinsically diverse states, ASEAN has helped bring stability, security and prosperity. Its rules-based approach to managing relations between its diverse members is one of its strengths.

ASEAN centrality means that Australia will always think about our security in the context of Southeast Asia's security.

For more than half a century, ASEAN has centred on the ideals that promote certainty... economic, social, cultural, technical and educational cooperation... the promotion of regional peace and stability... and respect for justice and the rule of law, including international law and the principles of the United Nations Charter.

Malaysia, as a founding ASEAN member knows this too well. And so too does Australia.

We recognised the invaluable contribution of ASEAN from the start, becoming its first dialogue partner. And as Australia's Foreign Minister Penny Wong has said: "each week, somewhere in Southeast Asia, Australians and their ASEAN counterparts are using our extensive network of dialogues and forums to weave together our collective interests and purpose."

Next year will mark 50 years of our dialogue partnership. During this time, we have achieved a great deal together, and we are honoured to be a Comprehensive Strategic Partner of ASEAN. This provides an even greater opportunity for us to work

together on priorities such as climate change, health security, and the ASEAN Outlook on the Indo-Pacific.

We have been making strong progress on implementing the Comprehensive Strategic Partnership with A\$204 million of Aus4ASEAN Futures Initiative. Education and skills development is a priority for our collaboration with ASEAN, and a way in which we are making our actions count in our region.

We are pleased that we have supported 100 Australia for ASEAN scholars, including offering 10 new master's scholarships to Malaysians. These scholars are studying in fields that support ASEAN priorities and advancing the ASEAN Outlook on the Indo-Pacific.

And the Aus4ASEAN Digital Transformation and Future Skills Initiative will provide opportunities in vocational training on digital transformation and job readiness to 350 citizens of ASEAN countries.

We are also tackling pressing issues with our ASEAN friends on climate change. We are proud to be leading the way, including support to develop the ASEAN Strategy on Carbon Neutrality. And later this year, we will co-chairing an ASEAN-Australia High Level Dialogue on Climate Change and Energy Transition with Vietnam and Laos.

These initiatives show the tangible actions Australia is taking in support of our commitment to ASEAN. And we look forward to expanding our cooperation further during the ASEAN-Australia Commemorative Summit next year. Because we know ASEAN is central to maintaining certainty in our region for the next 50 years.

The Commemorative Summit will be hosted in Australia and represents an opportunity to reflect on our historical engagement with ASEAN, and to further enhance our cooperation through the practical implementation of the ASEAN Outlook on the Indo-Pacific.

The Quad is deeply invested in the future prosperity and stability of our shared region. We see the Quad working alongside ASEAN to bring enduring benefit

to the region by providing options that build resilience and create choices – not force them.

And Quad partners, all long standing ASEAN Dialogue Partners, are steadfast supporters of ASEAN centrality, the ASEAN-led architecture and ASEAN's Outlook on the Indo-Pacific. We will act together as a force for good to find common solutions for region-wide benefit.

And we will work transparently to implement a practical agenda that responds to the region's priorities and needs – including on health security, connectivity, infrastructure, climate change and clean energy supply chains. It has never been more important for ASEAN to play this convening role, setting an agenda for engagement and cooperation in the region.

Myanmar remains an issue of deep concern, to Australia, ASEAN, and the wider region. The ongoing crisis directly affects regional security and prosperity. The military coup in Myanmar has reversed years of democratic, economic and development gains and plunged the country into a deep political and humanitarian crisis.

Australia continues to strongly support ASEAN's leadership as a critical element in responding to the Myanmar crisis, including the 5-Point Consensus. ASEAN's security is the region's security, and Australia supports and deeply values ASEAN's efforts in helping to resolve the Myanmar crisis.

Which brings me to ASEAN's key strength in underscoring certainty – embracing diversity and diverse views. By its very nature ASEAN sets the example for regional diversity.

It incorporates diverse cultures, religions and levels of economic development. It's home to diverse languages – more than 1,200 different voices speaking with a collective voice. ASEAN is not about homogeneity or compulsion. It is not dominated by any one of its members. It creates a shared space for each of its member states to exercise their agency. And just like diversity is part of ASEAN's identity, so too is it part of Australia's. It's part of our story – and we are proud of it.

Of the 25 million Australians, nearly half of us were born overseas or have a parent born overseas. And we are fortunate to be home to the oldest continuous culture on the planet – that of our Aboriginal and Torres Strait Islander peoples.

In the High Commission alone, my team of Australian diplomats boast family heritage from Indonesia, Vietnam, China, India, Afghanistan, and of course Malaysia. My wife migrated from Vietnam. Our team reflects the region's diversity.

And this extends to Australia as a whole. More than one million people have ancestry from Southeast Asia, including almost 180,000 from Malaysia. This includes our Foreign Minister, the Hon Penny Wong, who was born in Sabah and spent her early years living in Kota Kinabalu.

The latest Australian census showed that more than 17% of Australians are of Asian heritage. If current trends continue, that figure is going to increase. Diversity matters to Australia because it is part of who we are. Part of what we are proud of.

Diversity, and all it brings, is why listening to and understanding each other creates certainty. Which brings me to the final piece of creating certainty. Respecting and upholding international law and norms creates certainty.

We are diverse nations, but we all agree that we want to live in a region that is stable, prosperous and respectful of sovereignty. Where disputes are guided by international law and norms, not by power and size. A region that is peaceful and predictable.

Russia's invasion of Ukraine has shown what happens when sovereignty and international law are discarded... an unmitigated disaster which is creating economic shocks and impacting everyday citizens through the painful increase in food and energy prices including in our region.

It reinforces the importance of international laws and norms and for our region. It reinforces the United Nations Convention on the Law of the Sea (UNCLOS) to maintaining peace, stability and sovereignty. Australia was one of the first countries

to ratify UNCLOS.

And we are a strong and consistent advocate for its importance as the comprehensive legal framework for all activities in the oceans and seas. UNCLOS creates certainty in our global system and ensure sovereign rights and resources are protected. It is possible to resolve maritime boundaries in accordance with UNCLOS and it has happened.

Just last month, Australian Foreign Minister Penny Wong visited our friends in Timor-Leste. She spoke of how Australia and Timor-Leste worked together to resolve our own serious dispute over our shared maritime boundaries.

She didn't shy away from truth or fact but acknowledged that our relationship continues to grow because of the way we approach our friendship with the elements of certainty I have outlined.

And as we look ahead, we are firmly committed to helping Timor-Leste to join ASEAN – in this regard, I also thank Malaysia for their support in this endeavour. It is our collective responsibility to create certainty in the region.

As Australia's Foreign Minister Penny Wong said earlier this year: "viewing the future of the region simply in terms of great powers competing for primacy means countries' own national interests can fall out of focus. It diminishes the power of each country to engage other than through the prism of a great power."

Australia consistently talks about a region that is stable, prosperous and respectful of sovereignty and international law. We place emphasis on countries protecting their ability to exercise agency. Malaysia often expresses sovereignty as a civilisational concept – as Madani.

As core values enshrining sustainability, prosperity, innovation, respect, trust and compassion. I'd like to thank Prime Minister Anwar Ibrahim for expanding on those views earlier today. Each country has its own way of describing what is essentially sovereignty and the way nations should interact. But

it's not just how it is said that matters, it is what you do.

Let's be open about what works and what doesn't.

For giving us the opportunity to have this conversation about certainty, let me thank ISIS, including Chairman Prof Dr Faiz Abdullah and other distinguished guests, including ambassadors from the EU and China who have helped contribute to our dialogue.

Instigator



**Pengiran Datin Paduka Shazainah binti
Pengiran Dato Paduka Shariffuddin**

Brunei Darussalam Institute of Policy and Strategic Studies (BDIPSS);
2023 Chair of Asean-ISIS
Brunei Darussalam

Speakers



Prof Chen Dongxiao

President & Senior Research Fellow
Shanghai Institutes for International Studies (SIIS)
China



Dr Ralph A Cossa

President Emeritus & WSD-Handa Chair in Peace Studies
Pacific Forum
United States



Amb Rizal Sukma

Senior Fellow
Centre for Strategic and International Studies (CSIS)
Indonesia



Richard Maude

Executive Director of Policy, Asia Society Australia;
Senior Fellow, Asia Society Policy Institute
Australia



Dr Christian E Rieck

Associate Professor of War Studies
University of Potsdam
Germany



PLENARY 1

Wednesday, 9 August 2023
0930-1100

China-US rivalry: a march towards conflict?

- Is war an inevitable outcome of the unbridled competition between China and the United States?
- What are the common interests that bind both major powers and can they remain immune from further bifurcation?
- How can states in the Asia-Pacific navigate this evolving dynamic while benefitting strategically from the competition?

All speakers agreed that conflict is not inevitable but increasingly plausible. There was debate about the red lines that might trigger a conflict, highlighting the Taiwan Strait as a possible key example. In light of increasing uncertainty and risk of miscalculation, the speakers called for enhanced lines of communication between the US and China, and small and middle powers to play a more active role.

Professor Chen Dongxiao saw the bilateral relationship entering a new era of long-term strategic competition. He identified two driving forces as sources of conflict – Washington’s continued strategic perception that Beijing is a threat and its containment strategy of China. Likewise, Beijing perceives the US as the biggest challenge to its modernisation drive and ability to attain its centennial goals. Nevertheless, Chen cautioned against viewing major-power competition as the defining feature of today’s global order, as it neglects other challenges, such as climate change or technological development. Chen raised that multilateral forums should not be dominated by major-power competition but instead be focused on cooperation on critical issues, such as how to end the war in Ukraine.

Dr Ralph Cossa speculated that conflict is not inevitable but not unthinkable. He observes that states today are focused on competing and when necessary, confronting. Washington’s concerns are prompted by President Xi Jinping, who has eradicated traces of Deng Xiaoping Thought, rendering Obama’s China policy obsolete. As it stands, the probability of a direct conflict remains low but circumstances and activities, such as elections or increased assertion in disputed areas may change the calculation. Cossa is not optimistic that common interests can help manage differences in the US-China relationship.

Rizal Sukma defined the current state of relations as a rivalry, though neither side is thinking about war to resolve differences. He stressed that great-power rivalry is already undermining Asean centrality, as the grouping’s inability to manage major-power tensions has proved to be a serious test to its unity. Rizal highlighted the importance of Asean making a choice, as inaction could lead to its irrelevancy or

becoming defunct.

Richard Maude concurred with Cossa that conflict is increasingly plausible. Maude noted that an outbreak of conflict would require an ignition point, suggesting Taiwan as a possible scenario. Although Taiwan’s status quo remains unsatisfactory for all involved, all parties need to exercise care, restraint and commitment towards stability. Regional players should also play an active role preventing a conflict, such as by holding major powers accountable to the principles embedded in the Asean Charter or support dialogue between US and China. He also highlighted that China should demonstrate greater commitment to the East Asia Summit, while the US should see regional integration as an advantage, not a liability.

Dr Christian Rieck emphasised that Europe is not a unified policy actor. The European Union tries to generate cohesiveness between member states but an individual member state has its own priorities and agendas. Greater hard power will be required as major-power competition intensifies; however, European states are limited in their ability and priority to project hard power in the Indo-Pacific. Rieck advised Asian partners to engage actively and lobby Europeans to keep their attention focused on Asia. This will help maintain European member states’ funding and political will in the region.

Instigator



Amb Pou Sothirak

Executive Director
Cambodian Institute for Cooperation and Peace
Cambodia

Speakers



Dr Sarah Teo

Assistant Professor, Regional Security
Architecture Programme
S Rajaratnam School of International Studies (RSIS)
Singapore



Dr May-Britt U Stumbaum

Team Leader, Centre for Intelligence and Security Studies (CISS)
Bundeswehr University Munich
Germany



Prof Choe Wongi

Head of Centre for Asean-Indian Studies
Institute of Foreign Affairs and National Security
Republic of Korea



Capt (Dr) Gurpreet Singh Khurana

Former Executive Director & Senior Fellow
National Maritime Foundation (NMF)
India



Simon Draper

Executive Director
Asia New Zealand Foundation
New Zealand



PLENARY 2

Wednesday, 9 August 2023
1130-1300

The evolution of Indo-Pacific

- What has driven the various Indo-Pacific strategies?
- Does the concept of Indo-Pacific remain contentious to regional stakeholders?
- How far do these strategies mitigate or escalate major power tensions?

This plenary explored the evolution of the Indo-Pacific from a wide and diverse range of perspectives. Instigator Pou Sothirak presented an introduction to the Indo-Pacific in its current and dynamic form. He opined that the Asean Outlook on the Indo-Pacific (AOIP) mooted in 2019 is far from reaching its full potential, hampered by structural and functional uncertainties.

Dr Sarah Teo shared an “Asean perspective” to the Indo-Pacific, although she admits that there is not much of a cohesive or coherent narrative on the regional construct. Some Asean member states have embraced the Indo-Pacific concept since 2012 and, of late, more states have started accepting it. This “acceptance” can be attributed to the fear of exclusion of Asean from the emerging narrative and regional order. Teo highlighted that while the AOIP is less contentious and captures Asean’s balanced and pragmatic approach, it is not bold enough and does not offer anything real beyond the existing convening role. She also argues, however, that Asean’s approach remains the most acceptable to regional stakeholders and less controversial compared with other Indo-Pacific strategies.

Dr May-Britt Stumbaum underlined succinctly that there are 5 “Cs” that shape Europe’s strategy to the Indo-Pacific – “China”, “conflict”, “connectivity”, “chains of supply” and “competition”. Stumbaum further opined that the European Union’s (EU) Indo-Pacific strategy has been impactful thus far through regional partnerships and cooperation, investments in the region and, of course, diversification. On the topic of “mitigation” techniques in the face of conflict and competition, she underlined that the EU’s strategy is intentionally open and inclusive.

Speaking about the Republic of Korea’s (ROK) “Strategy for a free, peaceful and prosperous Indo-Pacific region” released in December 2022, **Prof Choe Wongi** stressed that the ROK is not adopting Western narratives to “counter” China. ROK is in a unique position with strategic vulnerabilities. In the grand scheme of geopolitics, ROK’s strategy, according to Choe’s, is not anti-China – there is no element within the strategy that indicates a “balancing” against Beijing. In fact,

quite the contrary, the intention is to build a more constructive, productive and reciprocal relationship with its East Asian neighbour. This strategy, hence, is unique and aimed at enhancing its agency in the region.

Dr Gurpreet Khurana, who is credited with first using the term “Indo-Pacific” in a contemporary sense, shared that the concept emerged as a solution, in a way, to China’s increasing assertiveness in the region – in essence, “dissuade” Beijing through its vulnerabilities in the Indian ocean. Gurpreet summed up his presentation with a key observation on the “divergence of objectives” when it comes to the Indo-Pacific concept. He noted that three approaches to the Indo-Pacific – “hard” Indo-Pacific i.e. exclusivity and military security (by the US, EU, UK, Nato and Australia), “soft” Indo-Pacific i.e. inclusiveness and holistic security (Asean, India, Japan and ROK) and finally, “antagonists” of the Indo-Pacific – China and Russia.

Simon Draper declared that the world order has “exited” a remarkable period of stability between 1945 and 2015 and that “disruption” is not going away anytime soon – it will inform how states develop foreign policy. Draper noted that uncertainty is the new normal and that “trust” between states is quickly “evaporating”. For New Zealand, this is bad news as the benefits of a “rules-based order” is crucial for Wellington. Draper noted that New Zealand and the “Pacific” do not have a formal Indo-Pacific strategy. In fact, he stressed that while unfortunate, the truth is that the “pacific” aspect of the Indo-Pacific is discussed rarely. The “pacific” viewpoint posits it as an outcome of great power competition, disconnected from the actual wellbeing of the Pacific region.

Instigator



Jusuf Wanandi

Senior Fellow & Co-founder
Centre for Strategic and International Studies (CSIS)
Indonesia

Speakers



Dr Pongphisoot Busbarat

Director, Institute of Security and International Studies (ISIS) Thailand;
Assistant Dean, Faculty of Political Science,
Chulalongkorn University, Thailand



Moe Thuzar

Fellow & Coordinator, Myanmar Studies Programme
ISEAS-Yusof Ishak Institute
Singapore



Julio S Amador III

Executive Director
Philippine-American Educational Foundation
Philippines



Prof Nicholas Farrelly

Head of School, Social Sciences
University of Tasmania
Australia



PLENARY 3

Wednesday, 9 August 2023

1430-1600

Southeast Asia: domestic developments, regional ramifications

- This session will focus on developments in Thailand, Myanmar and the Philippines, and how they impact on the broader region.
- How has the recent electoral process and subsequent developments shaped internal debates in Thailand on major power influence in the region? What would be some of its immediate foreign policy priorities?
- What are the prospects of an inclusive political dialogue in Myanmar? How can internal and external stakeholders bridge the gap between political and humanitarian efforts?
- How has the Marcos Jr administration positioned the Philippines' foreign policy, particularly its approaches to China and the United States?

The session discussed the interactions between domestic developments and the potential effects they may have in a broader regional context. While most of the discussion considered the context of Myanmar, instigator Jusuf Wanandi reminded that past experiences in Southeast Asia have shown how domestic issues cannot be neatly contained within borders. There are consequences that can become destabilising for its neighbours and threaten the already fragmented institutional basis of Asean if not addressed collectively. The session also highlighted the importance of inclusive dialogue and the human factor when seeking to resolve troubling domestic developments.

Moe Thuzar opened the session with her assessment of Myanmar's deteriorating situation. She considered the prospects of a resolution through inclusive political dialogue, which she believed rested on the three "P's" – "precedence", "parity" and "process". First, there is an existing precedence of ongoing violence, guided by selective narratives from the parties involved that remain unaddressed. Second, efforts at achieving parity at the negotiating table remain at a standstill because of the inability to meet or compromise to demands. Third, the extent of how certain actors, such as the military junta, would co-opt processes and systems to maintain the status quo. Thuzar reminded that Asean and its partners, should they choose to become more proactive, demonstrate so beyond promises. While she credited Indonesia's chairmanship with making an impact on domestic stakeholders, she expressed concerns that these commitments would waver once its term ends.

Dr Pongphisoot Busbarat echoed sentiments that domestic and regional issues are intertwined by providing an overview on how the Thai political context has guided their interactions with external actors. Although Pongphisoot noted that foreign policy is not a primary concern to voters, matters such as the Sino-American rivalry remain relevant in domestic discourse. On one hand, past experiences with the United States turned the existing military and political elite towards China as its non-interference acted as tacit legitimisation of military rule. These were leveraged as accusations against those opposing them by endorsing values

and policies acting against national interests. On the other hand, the progressive opposition viewed the US and similar democratic countries as inspiration against the current government. They have used the preference towards China as being a poor reflection of managing great-power competition and potentially stymying their ability to participate meaningfully in Asean.

Julio S Amador III shared the Philippine experience and how past political crises play a significant role in upholding their national interests abroad. He drew parallels between the presidential terms of Benigno Aquino III and Ferdinand Marcos Jr, who, despite being domestically oriented, managed to work proactively with external partners. Amador highlighted the conscious decision of including technocrats and subject-matter experts allowed for the Philippines to leverage better and assert its stance on these national issues. He also explained how experiences with China during the Duterte presidency and the subsequent improvement in their relationship with the US have shown how partnerships should not be taken for granted and can evolve in different ways.

Prof Nicholas Farrelly closed the session by returning the discussion to the situation in Myanmar. Like Thuzar, he stressed on the human element as the core motivator to resolve such a crisis. He argued that the repercussions of the military coup should not be dampened by proximity and "strategic empathy" should be exercised to benefit not just Myanmar, but the region. His recommendations were: first, regional actors need to commit seriously and challenge their indifference about the crisis; second, to manage better the political and humanitarian angles, with reference to the proliferation of militias in the state; third, to commit greater attention to the humanitarian dimension, especially aiding minority, ethnic groups. Farrelly also highlighted that other partners in Southeast Asia, which have weathered internal tension and periods of intense political crisis, should share experiences to engage in proactive regional diplomacy.

Instigator



Elina Noor

Senior Fellow, Asia Programme
Carnegie Endowment for International Peace
United States

Speakers



Dr Jasmine Begum

Director of Legal, Corporate & Government Affairs for Asean and New Markets
Microsoft
Malaysia



Mark Bryan Manantan

Director, Cybersecurity and Critical Technologies
Pacific Forum
United States



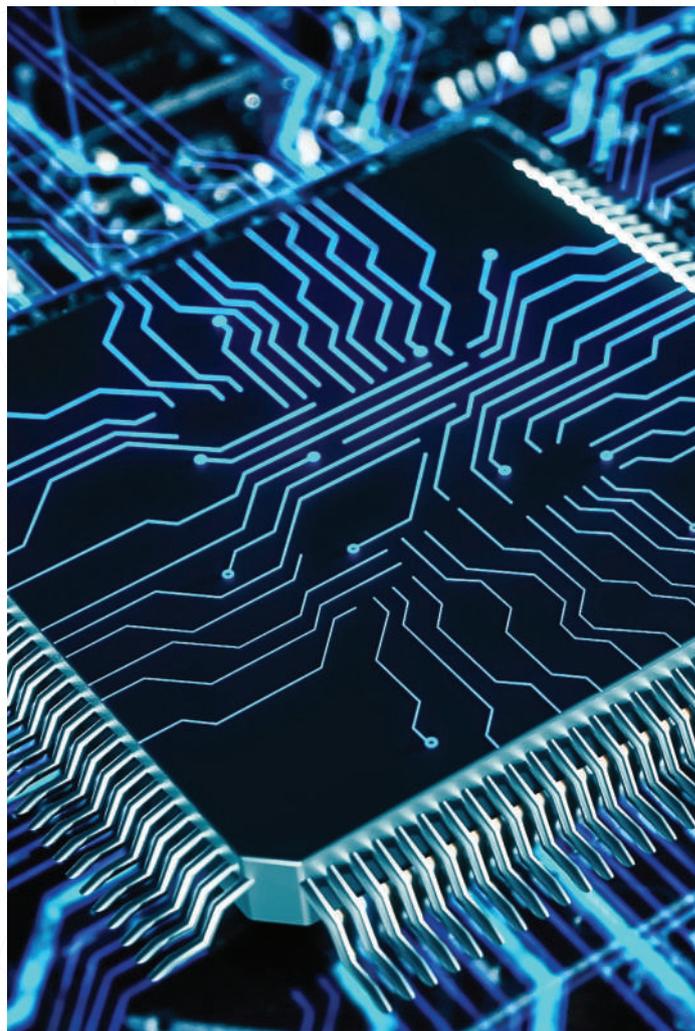
Prof Sun Jisheng

Vice-president
China Foreign Affairs University
China



Caitríona Heini

Executive Director
Azure Forum for Contemporary Security Strategy
Republic of Ireland



CONCURRENT SESSION 1

Wednesday, 9 August 2023
1620–1750

The competition for technology, power and influence

- How are key players shaping the norms and rules of cyberspace, and its industries?
- What are the options for Southeast Asian countries amid an intensification of competition in the semiconductor and other critical tech industries?
- How can small and medium states maintain both autonomy and security amid an increasingly divided segment? How can they work with industry players in this regard?

The session covered a range of themes, including (i) China's perspectives of the US-China technology competition; (ii) trends impacting on strategic stability; (iii) the roles and responsibility of large technology companies, such as Microsoft for strategic stability; and (iv) the need for novel and domestically grounded approaches to developing governance structures in cyber.

Prof Sun Jisheng addressed US-China tensions from China's perspective, where a China who was once a learner from the West and outwardly proud of companies, such as Huawei, was confronted by narratives of securitisation and national security risks of 5G. To this, Sun stated that China typically look at technology passively, with no overt strategic ambitions but competition is now creating containment and bottlenecks, which challenge its development. **Caitriona Heintz** shared that strained or non-existent communication channels between the US and China, unclear articulations of equilibrium and red lines between major powers and underdeveloped regulation for emerging technologies complicate strategic stability and risk-reduction mechanisms.

Dr Jasmine Begum stated that in every industrial revolution, industry has paid an important role, whether building highways or the case of today – digital highways. In the context of technological competition, tech firms may see geopolitical dynamics through opportunistic lenses. However, they could develop principles that stabilise the ecosystem, such as internal principles for data management. **Mark Manantan** added that while conversations on influence and power are framed between rule-makers and rule-takers, there is a need for developing states to examine the impact of digital transformation on society, industry and environment. Manantan suggested the use of novel approaches, such as relationalism to produce legislation and navigating emerging technologies.

The session expanded on influence and arenas of competition. For instance, GDPR is regarded as the gold standard for privacy in present context. Yet, its history was met with much scepticism, particularly among countries with modest economic ties to the EU. However, as technology and policy matured, the

relevance gained traction over time. Yet, instead of codifying the GDPR directly into domestic law, Southeast Asia chose to adopt and adapt parts of the GDPR. Thus, the “Brussels effect” is the framework introduced by EU for regulations. A similar effect takes place on the Digital Silk Road. China's global infrastructure programme could introduce standards alongside digital infrastructure projects and technology adoption. However, this is an “opt-in” initiative, as the Belt and Road Initiative and Digital Silk Road are optional. Ideally, global governance of technologies would require exchanges on perspectives and views along with commonalities for principles of governance. However, there can be hardlines and divergences for data management that limits China's participation in rule-making circles. For instance, China may be sidelined from conventions to regulate AI due to a lack of agreement on its use of biometric technology.

Geopolitical competition may be on a slippery slope where major powers and players have not found how far is too far. This is due to the lack of clarity about the impact of policies, such as decoupling and de-risking. Further, even as home-shoring and friend-shoring proclaim alliances, companies at the front lines of semiconductor supply chain restructuring, such as South Korea, would have to assess if incentives offered by one party such as the US are enough to remove entire supply chains from China's ecosystem. In Asean, even though there are calls to veer away from Chinese telco makers, member states have not ripped and replaced. For the private sector, current conditions have not stopped many from investing in China, though there is an increase in non-tariff barriers or non-tariff matters. Industries may opt for a “China + 1” strategy that could be mirror sites in other parts of Asean or other parts of the world, such as Taiwan's investment in the EU to mitigate geopolitical risks.

Instigator



Prof Aries A Arugay

Chairperson, Department of Political Science
University of the Philippines-Diliman
Philippines

Speakers



Prof Thitinan Pongsudhirak

Senior Fellow
Institute of Security and International Studies (ISIS)
Thailand



Dr Shafiah F Muhibat

Deputy Executive Director for Research
Centre for Strategic and International Studies (CSIS)
Indonesia



Brad Glosserman

Deputy Director & Visiting Professor
Tama University
Japan



Prof Ken Jimbo

Faculty of Policy Management, Keio University
Japan



CONCURRENT SESSION 2

Wednesday, 9 August 2023
1620–1750

Japan's shifting strategic outlook: implications for Southeast Asia

- What are the key issues shaping Japan's strategic security environment? What are the key policy changes to keep an eye on?
- What are the opportunities and challenges for Japan's relationship with Asean and its member states in an increasingly contested future?
- As we mark 50 years of Asean-Japan relations, what are Southeast Asia's priorities and expectations of its engagements with Japan?

The session reflected on the changing dynamics of Japan-Asean relations amid shifting geopolitical strategy as they mark the 50th anniversary of bilateral relations.

According to **Prof Ken Jimbo**, Japan adopted a significant strategic shift through three documents – the national security strategy, national defence strategy and national defence planning – coupled with the doubling of defence spending to 2% of GDP and the procurement of weapons with long-range strike capability.

The shift was prompted by increased awareness of the severe security threat posed by China, North Korea and Russia. The Russian invasion of Ukraine preyed on Japanese psyche on the possibility of similar attacks against it, leading to the creation of a deterrence structure within the context of US-Japan alliance.

Japan's strategy of denial is aimed at creating sufficient capability to deny an adversary's prospect of operational success rather than an arms race. Japan is sending a message of its readiness to defend itself in a prolonged conflict.

Finally, Japan aims to improve its defence network with countries, such as Australia, Nato, India and Asean in a host of practical defence arrangements, including reciprocal access agreement.

Dr Shafiah F Muhibat acknowledged the changes but pointed out that the constant of Japanese policy of hedging against China while keeping US engaged in Asia. Japan combines its bilateral with multilateral approaches to balance its national interests.

From a Southeast Asian perspective, a key change relevant to the region pertains to Japan's free and open Indo-Pacific (FOIP) strategy, which is complementary to the Asean Outlook on Indo-Pacific (AOIP). However, the new focus of FOIP concerns securing vulnerable countries of the global South and cooperation on non-traditional areas, such as climate change, misinformation and public health. FOIP's new focus resonates well with Asean as it gears towards cooperation rather than conflict and competition.

Prof Thitinan Pongsudhirak said Japan has lost traction in its position as an economic powerhouse in recent years as China takes over its spot. The increasing rivalry between US and China led Japan to launch the three strategic documents on defence to maintain its autonomy.

Southeast Asia is divided on many issues, ranging from the South China Sea to US-China rivalry, Myanmar, Ukraine war and dealing with the region is different now. Thitinan proposed rather than engaging with Asean as a whole, Japan focuses on an Asean 5 plus X formula with Asean 5 being its founding members.

Japan can play a role as an "upper middle power" and provide a third alternative to US and China through various avenues, including CTPP, IPEF and AOIP. Its grand strategy towards defence is consequential to the region as it is foreign development. It is important for Asean and Japan to remain enmeshed and attached.

Brad Glosserman postulated that Japan through its national and foreign policies engagement is demonstrating its seriousness about hard security. Conscientious effort on the part of the Japanese to improve its bilateral relations with South Korea provides a compelling indicator on Japan's seriousness about making changes to its defence policy.

The other indicators are the US-Philippines-Japan trilateral alliance and the Official Security Assistance (OSA), which demonstrate Japan's readiness to provide security cooperation with like-minded developing countries. The OSA entails providing non-lethal Japanese-made equipment, such as radar and small patrol boats, to countries like the Philippines, Malaysia, Mongolia, Indonesia and Vietnam.

It's important to note that despite significant change in its defence policy, Japan is not interested in involving itself in regional conflict.

Instigator



Dr Yose Rizal Damuri

Executive Director
Centre for Strategic and International Studies (CSIS)
Indonesia

Speakers



Dr Yeo Lay Hwee

Council Secretary & Senior Research Fellow
Singapore Institute of International Affairs (SIIA)
Singapore



Dr Wang Huiyao

Founder & President
Centre for China and Globalisation (CCG)
China



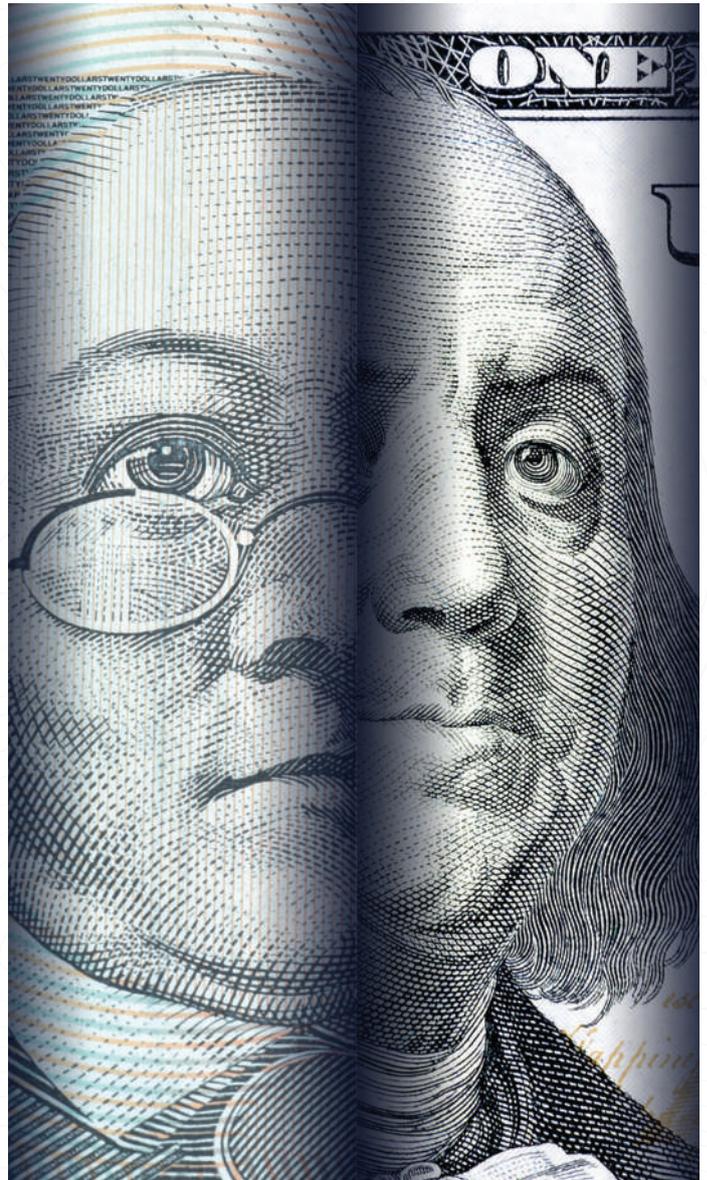
Prof Takashi Terada

Department of Political Science
Doshisha University
Japan



Wolfgang Niedermark

Member of the Executive Board
Federation of German Industries (BDI)
Germany



PLENARY 4

Thursday, 10 August 2023

1130-1300

Trade and investment amid geopolitical rivalry

- Should countries seek to limit exposure to certain markets for geopolitical reasons?
- How can regional free-trade agreements like RCEP and the CPTPP be protected from the divisions of major power rivalry?
- What could the future of trade and investment in the Asia-Pacific look like?

In an era characterised by increasing trade restrictions and geopolitical tensions, this session convened to explore the wide-ranging effects of these developments on global trade and investment. Session initiator, Dr Yose Rizal Damuri, set the stage by highlighting the growing wariness between nations and the emergence of heightened competition in the tech sector. He underlined the rise of protectionist policies, increases in trade barriers and the surge of responsive measures in the US-China dispute. He posed a question to the speakers about their outlook on these developments for the global economy.

Dr Yeo Lay Hwee provided a historical context, tracing the evolution of global power dynamics from the 18th century to the present. She emphasised the shift from state-driven to market-driven competition, accelerated by the neoliberal economic agenda championed by the US post-Cold War. This drive for economic efficiency led to intense competition, resulting in the formation of global value chains. She highlighted the impact of the US-China rivalry on regional economies, with nations in the Asia-Pacific region being both beneficiaries of and participants in this geopolitical dynamic.

Dr Wang Huiyao shed light on China's evolution from a developing nation to a significant global economic player. He emphasised its involvement in various economic frameworks, such as the RCEP and CPTPP, as well as China's efforts to enhance connectivity in the Asian region through infrastructure projects. He discussed the commitment to economic cooperation and global trade while acknowledging concerns about its domestic policies, geopolitical alignments and measures related to perceived external threats.

Prof Takashi Terada emphasised Asean's role in responding to the changing dynamics in regional geo-economics. He advocated for pragmatic regional integration, fostering unity to navigate geopolitical uncertainties. He argued that an Asia-Pacific with an inclusion-exclusion logic has emerged in contemporary trade and economic arrangements like the RCEP, CPTPP and IPEF, with geopolitical implications for the region. Central to this strategy is the use of regulations and domestic

laws to influence investments and address "rivals". As a result, many smaller Asia-Pacific nations may need to navigate carefully and mitigate any consequence arising from potential global economic bifurcation and decoupling.

Wolfgang Neidermark added a European perspective, suggesting that private companies should develop risk-mitigation strategies instead of completely decoupling from major economies. He highlighted the importance of balanced cooperation and competition, along with the need for Europe, the US and Japan to present a cohesive economic alternative to the global South. He noted the necessity for European economic foreign policy to reflect the needs of developing nations, cautioning against a Euro-centric approach. He also raised a question about China's commitment to peace, given its response to Russia's actions in Ukraine.

Wang explained China's anti-espionage laws as a response to perceived geo-economic encirclement. He reiterated its contributions to global peace and highlighted China's efforts at attempting peace negotiations during the Ukraine conflict. He expressed optimism about China's potential accession to the CPTPP, noting enhancements in investor protection measures over the past decade. Tareda challenged this view of China's willingness and questioned whether China would have joined previous economic frameworks like Apec if Taiwan had been accepted first. Nevertheless, if China could meet CPTPP requirements and adhere to its rules, it might be beneficial to avoid the worst impacts of the current divide-and-conquer strategy.

Lastly, Yeo underscored that the binary framework does not align with Asean's approach, as member states are hesitant to take sides. Instead, she emphasised the importance of Asean coalescing to promote its own agency within a multipolar landscape. She stressed that Asean should enhance its agility to foster cooperation in the region for the optimal outcome.

Instigator



Thomas Daniel

Senior Fellow
Institute of Strategic & International Studies (ISIS)
Malaysia

Speakers



Dr Wu Shicun

Chairman of the Board
China-Southeast Asia Research Centre on the South China Sea
China



Prof Renato Cruz De Castro

Distinguished Professor
De La Salle University
Philippines



Prof Natalie Klein

Faculty of Law and Justice
University of New South Wales Sydney
Australia



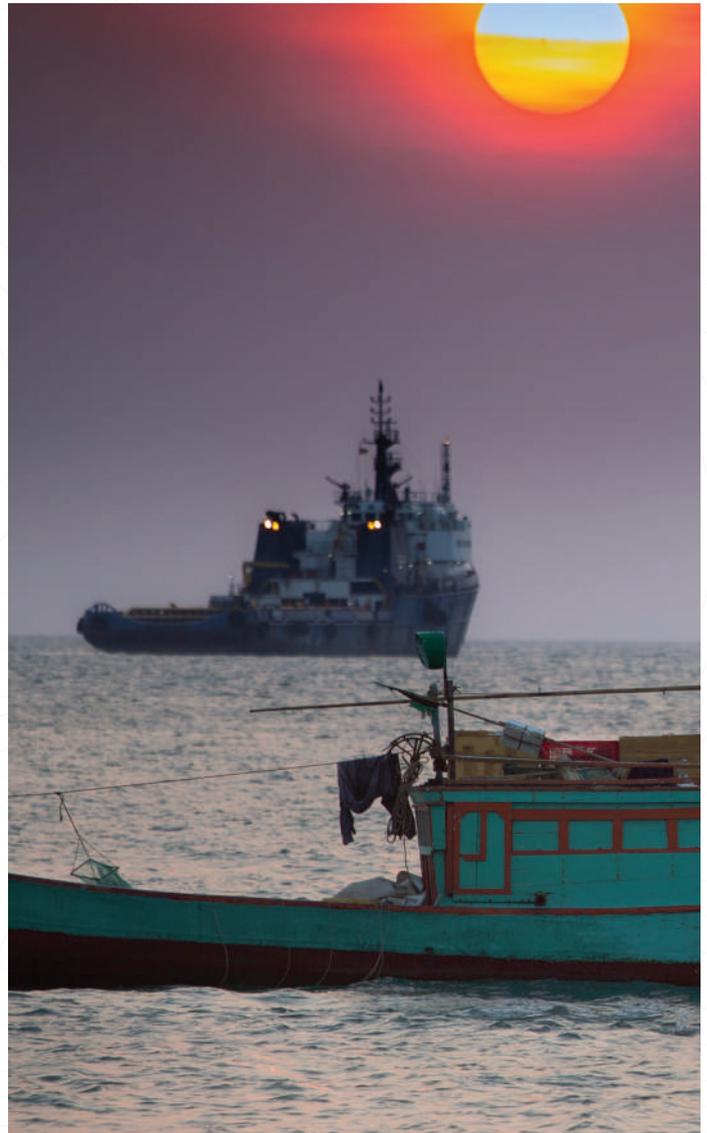
Dr Vu Hai Dang

Researcher
Diplomatic Academy of Vietnam
Vietnam



Prof Julian Ku

Maurice A Deane Distinguished Professor of Constitutional Law & Interim Dean
Hofstra University
United States



PLENARY 5

Thursday, 10 August 2023
1430-1600

Safeguarding the status quo in South China Sea

- What is the status quo in the South China Sea and should it be preserved?
- How can stakeholders find common ground to ensure that the risk of accidental conflicts is minimised?
- Is the Code of Conduct a viable mechanism? What would it take for China's longstanding proposal of joint development to find currency with Southeast Asian claimants?

This session raised the various interpretations of the South China Sea's status quo through the contesting claims. The sole consensus formed was that tensions are escalating, with few tangible solutions in sight. All parties continue to look towards the Code of Conduct as the way forward, with some more optimistic than others. However, it is still unclear about its form, including its legally binding nature, and what it aims to achieve.

Dr Wu Shicun presented China's perspective of the South China Sea's status quo, which can be summarised by 4 aspects – intensified militarisation spearheaded by US and its allies; unilateral actions by claimant states for oil and gas; continued references to the 2016 arbitration ruling; and the Code of Conduct negotiations. Wu argues that the status quo should conform to a dual-track approach, whereby peace and stability should be safeguarded by China and Asean, as well as create a conducive environment for Code of Conduct consultations. However, the code remains an obstacle as it remains unclear what it should entail and how it should be implemented.

Prof Renato Cruz De Castro asserted that the South China Sea has always been a sea common to all, with no single entity dominating it. The status quo changed in 2009 when China formally declared the nine-dash line. The Philippines' pursued a legal route, with the 2016 arbitration ruling in its favour. While the document has been affirmed by several international partners and bodies, it has proved insufficient countering China's assertive behaviour. This has pushed Manila to adopt a balancing strategy, by building up the armed forces while pursuing closer alliance with the US. De Castro declared that the situation provides a litmus test for how China behaves as a great power, recalling that all great powers recognise constraint.

Prof Natalie Klein noted that the South China Sea is under tremendous pressure. Beyond contesting claims and geopolitical developments, overfishing and climate change are also wide-reaching problems. International law is a critical tool for claimant states to address these challenges. First, there needs to be clearly defined parameters of behaviour that should and should not be allowed in

the South China Sea. Second, there needs to be regulation that fill existing gaps, such as the protection of submarine cables. Third, there is predilection towards the use of non-binding agreements and there should be a careful assessment on the kind of changes states are hoping to introduce with the Code of Conduct.

Dr Vu Hai Dang explains that the status quo of South China Sea is not static, evolving and spreading across the region through the decades. Current realities of the status quo include military installation or civilian constructions on disputed islands and frequent incursions of vessels into disputed waters. Although slow, Vu believes progress on the Code of Conduct has been encouraging and has demonstrated the willingness and desire of claimants for a conflict-prevention mechanism.

Prof Julian Ku raises that while adherence to international law seeks to maintain peace and stability, there seem to be two alternative legal frameworks regarding the South China Sea. The first is defined by the 2016 Arbitration Award which follows the UNCLOS framework, while the other ignores the 2016 ruling and declares broad authority to act in accordance with its historical claims in the South China Sea. He argues that differing interpretation of legal frameworks will likely lead to conflict as there is no obvious base for common ground. Therefore, Ku is not optimistic that international law can resolve disputes unless one party agrees to adopt the legal framework of the other.



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