

REGIONAL OUTLOOK FORUM 2017
DIRECTOR'S WELCOME REMARKS

Professor Wang Gungwu, Your Excellencies, ladies and gentlemen,

It is my pleasure to welcome you to the 2017 Regional Outlook Forum (ROF) organised by the ISEAS-Yusof Ishak Institute. Our first ROF, held in 1998, was in the midst of the Asian financial crisis with the economic and political outlook in Southeast Asia looking very bleak. Today, twenty years later, the situation in the region cannot be described as one of crisis, but it is certainly fraught with much uncertainty.

This uncertainty is mainly due to the following:

- First, slow economic growth and the stresses attributed to globalisation and immigration have caused political shocks in the West as seen in Brexit and the election of Mr Donald Trump as the next President of the United States. Politics are turning more to the right in Europe with more populist, nationalist, and even xenophobic parties gaining ground.
- Second, Mr Donald Trump's repudiation of the Trans-Pacific Trade Partnership (TPP) will call into question the viability of America's Asian Pivot, in addition to causing great anxiety to trade dependent nations. Will America's global leadership decline?
- Third, Trump is expected to pursue foreign and security policies different from those of his predecessors, Republican and Democrat included, they will be more transactional with a focus on America's immediate vital interests. The underlying shifts in geopolitics and geo-economics could be profound, with great impact on our region.

Without America's Asian Pivot, the balance of power in the region will be tilted in favour of China. There will be less breathing space between the two great powers for countries in the region. Will it mean the end of Pax America which has given the world and the region security and open trade? How much importance will the new US Administration accord to Southeast Asia and ASEAN, compared to previous administrations?

With a more assertive China (with its dream of Great Rejuvenation) and an uncompromising US ("With its call to make America Great Again"), bent on pursuing its "America First" interests, what is the trajectory of the US-China relationship. We can

expect the new US Administration to take a tough approach to China, especially on economic and strategic issues. Will China collide with US national interests, especially in trade and international economic governance? Will there be increased tensions, even confrontation, in the South China Sea with China determined to preserve its strategic advances despite an adverse ruling by an international tribunal? Will US allies in Southeast Asia shift allegiance to Beijing?

Within Southeast Asia there are various issues to watch, less dramatic but nevertheless important. Among them are the use of race and religion in domestic political conflicts in Malaysia and Indonesia; the Rohingya issue in Myanmar as well as relations between the military and the Aung San Su Kyi government; President Rodrigo Duterte's domestic and foreign policies in the Philippines; and how the political and royal transition will fare in Thailand.

The experts that we have assembled here will provide their analyses of the various issues and challenges and hopefully give you much food for thought.

Thank you for participation at this Forum.