

ASEAN Focus

A BIMONTHLY PUBLICATION PROVIDING CONCISE ANALYSES AND PERSPECTIVES ON ASEAN MATTERS

The ASEAN
Journey and the
Road Ahead

Seeding a Smarter
ASEAN

Towards a Digitally
Connected ASEAN

Coping with
Non-Traditional
Security Challenges

The Sky is the
Limit for ASEAN's
Aviation Hub

SPECIAL ISSUE

ASEAN Matters for Singapore and Southeast Asia



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ISEAS-Yusof Ishak Institute (formerly Institute of Southeast Asian Studies) is an autonomous organisation established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Social and Cultural Studies (RSCS) and Regional Strategic and Political Studies (RSPS). The Institute is also home to the ASEAN Studies Centre (ASC), the Nalanda-Sriwijaya Centre (NSC) and the Singapore APEC Study Centre.

Editorial Notes

Since its establishment in 1967, the Association of Southeast Asian Nations (ASEAN) has emerged as one of the most successful examples of regionalism in the world. In ASEAN's 51st year, we can now reflect not only on how far we have come but also look towards the road ahead. ASEAN will commemorate key milestones this year as well, including the 50th ASEAN Economic Ministers' Meeting, and the 25th anniversary of the ASEAN Regional Forum (ARF). These anniversaries showcase the rich and long tradition of regional cooperation between the ten ASEAN member states, and the progress ASEAN has made in dialogue and cooperation with partners and friends near and afar.

Here at the ASEAN Studies Centre (ASC) of ISEAS-Yusof Ishak Institute, we are grateful for the opportunity to learn and grow in step with ASEAN. We have had a year of exciting events thus far, including the 50th anniversary of ISEAS which coincides with Singapore's 2018 ASEAN Chairmanship. This occasion bears a particularly professional and sentimental meaning for us since our Centre was established during Singapore's ASEAN Chairmanship in 2007/08 and the logo of that chairmanship term was then bestowed by the Singapore government as the ASC's logo.

It is in this spirit that we are delighted to release this Special Issue of ASEANFocus, titled "ASEAN Matters for Singapore and Southeast Asia." This issue seeks to address not only the major priorities of Singapore's 2018 ASEAN Chairmanship but also the constant and sustained engagement that Singapore has had and will continue to have with ASEAN.

The first section of this Special Issue seeks to address, analyse and inform on Singapore Chairmanship's theme – 'Resilience and Innovation.' We are honoured to have the Prime Minister of Singapore, Mr. Lee Hsien Loong, share his views on the genesis of ASEAN and the role it plays in anchoring peace, stability and prosperity in Southeast Asia. We are also privileged to feature the Secretary-General of ASEAN, Dato Lim Jock Hoi, as he perceives how a resilient and innovative ASEAN could rise to the challenges faced from within and outside.

A special segment on the logo and theme of the 2018 ASEAN Chairmanship is presented for an insight into their rationale. And do look out for the special commemorative hybrid orchid, *Renanthera* ASEAN 2018, which symbolises ASEAN's unity, strength and resilience. We also feature the ten principles of the ASEAN Leaders' Vision for a Resilient and Innovative ASEAN for your reference. Sprinkled throughout the issue are notable quotes from Singaporean and ASEAN Leaders past and present, whose words of wisdom are poignant and rich reflections on ASEAN's journey thus far.

This issue examines topics that are intrinsically bound to ASEAN's future and closely tied to the 'Resilience and Innovation' theme. Dr. Tang Siew Mun argues that resilience and centrality are two sides of the same coin which determine the future of the regional organisation. Dr. Termsak Chalermpanupap's review of Singapore's role as the ASEAN Chair is followed by discussions on two major chairmanship priorities – smart cities and the digital economy. Mr. Poon King Wang posits that the ASEAN Smart Cities Network can potentially be a seeding lab for the growth of smart cities throughout ASEAN. Mr. Lyon Poh examines the potentials and challenges ahead in realising the digital economy in ASEAN.

For the section on the entwined history of Singapore and ASEAN, this Special Issue features a series of articles on essential topics that showcase how Singapore has linked its national interests with ASEAN to survive and thrive, and along the way significantly contributed to the enhancement of regional peace and prosperity. From the political-security perspective, Ms. Hoang Thi Ha looks back at Singapore's momentous decision to cast its future with ASEAN, while Associate Professor Mely Caballero-Anthony puts human security at the centre of ASEAN's quest for regional resilience and Singapore's role in this process.

As regards the economic underpinnings of Singapore's engagement with ASEAN, Ms. Moe Thuzar revisits Singapore's "go regional" strategy and the payoffs this policy has reaped for Singapore and ASEAN. Mr. Manu Bhaskaran then discusses the prospects and challenges for Singapore's role as ASEAN's financial hub. From the world of finance, we take to the skies with Dr. Sanchita Basu Das as she examines the importance of Singapore as the regional aviation hub. To recap, we let the numbers speak for themselves on ASEAN-Singapore economic interdependence in *ASEAN in Figures*.

Besides our shared commitment to regional peace, stability and prosperity, it is our love for food that binds ASEAN together. In *Sights and Sounds*, Ms. Cheryl Teh invites you into her ASEAN kitchen, where the flavours of the region congregate to enrich Singaporeans' palates. Meanwhile, Ms. Nur Aziemah Aziz introduces authentic ASEAN delicacies through an ASEAN-themed food journey across Singapore from Joo Chiat to Orchard Road.

We hope that this Special Issue of ASEANFocus commemorating Singapore's 2018 ASEAN Chairmanship will leave you beyond any doubt that ASEAN matters for Singapore and Southeast Asia. 🌸

The ASEAN Journey and the Road Ahead

Mr. Lee Hsien Loong shares his views on the genesis of ASEAN and the role it plays in anchoring the region's peace, stability and prosperity.



PM Lee Hsien Loong at the ISEAS 50th Anniversary Lecture

Like ISEAS, Southeast Asia has come a long way in the last 50 years. In 1967, the year before ISEAS was formed, the leaders of Indonesia, Malaysia, the Philippines, Singapore and Thailand, took a leap of faith and formed ASEAN. The original five members were later joined by Brunei, and later still Vietnam, Laos, Myanmar and Cambodia, bringing ASEAN to 10 member states.

ASEAN's original objective was political. The five founding members wanted a regional platform for dialogue and cooperation. They wanted to put old suspicions and hostilities behind them, to work through new problems and conflicts peacefully and constructively. To foster a stable environment within which each country could concentrate on its own nation building. This objective was achieved.

One major test for ASEAN was dealing with the Vietnam-Cambodia conflict from the late 1970s onwards. ASEAN then consisted of six members, the original five plus Brunei. The members had different perspectives on the matter. For example, Thailand was a front-line state, with a border with Cambodia, while the Philippines and Indonesia were one step removed. It was a considerable diplomatic achievement that the ASEAN members came to a common understanding and adopted a unified ASEAN stand. ASEAN rejected a *fait accompli* achieved

by force of arms. It insisted on the international rule of law, the inviolability of international borders, and the legitimacy of national governments. It advocated its position forcefully and effectively at many international fora, including the United Nations and the Non-Aligned Movement. It helped bring about the eventual political settlement and security of Southeast Asia for all 10 of ASEAN's present member countries who at that time were not on the same side. This experience strengthened ASEAN and provided members the basis to broaden their collaboration beyond security issues. The next focus was economic cooperation.

Initially this had not been a high priority. The focus had been politics. When ASEAN began exploring economic cooperation in the early 1980s, the members found ourselves in very different economic positions. Singapore had an open economy, and was strongly pro-market and pro-trade. But other ASEAN economies were less outwardly oriented, and varied in their readiness to liberalise their economies and to promote free trade. It therefore took several years for economic cooperation to build up momentum. I remember participating in the discussions. I was then in the Ministry of Trade and Industry and we, for the first time, were talking about a free trade area amongst the ASEAN countries. I well remember at one of the early discussions, one of my counterparts saying, in all seriousness and sincerity to the group, we should not put up proposals to our leaders, which our leaders would have to say no to. In other words, he did not feel that ASEAN was ready politically to embark on an initiative as bold as a Free Trade Agreement (FTA). But over time as ASEAN economies developed, perspectives shifted. By 1992, we were able to launch the ASEAN Free Trade Area (AFTA), a milestone in our economic cooperation. We have come far since then.

Today, the ASEAN Economic Community (AEC) is a prime example of how ASEAN is larger than the sum of its parts. Together, the 10 diverse countries make up a dynamic and attractive economic group. It has a growing population of 630 million, which is more than 100 times Singapore's population. Of which, 60% are under 35 years old. By 2030, we expect more than 60% of the population to join the middle class. ASEAN will be fourth largest single market in the world, after United States (US), China, and the European Union (EU).

From the broader strategic perspective, ASEAN has also strengthened its members' standing in the world. It has enhanced our collective voice on the international stage. It has put ASEAN at the centre of the regional architecture. It has enabled us to engage major countries like the US, China, India, and Japan, and key organisations through ASEAN-centric platforms. It is a long list, I will just name a few and spare you the alphabet soup. ASEAN+1 meetings, ASEAN+3, the East Asia Summit, the ASEAN Regional Forum, and the ASEAN Defence Ministers' Meeting Plus.

Today, the ASEAN Community has three pillars: economic, political-security, and socio-cultural. We will continue to pursue closer integration under this framework and progressively strengthen the ASEAN Community. However, ASEAN will not become an ASEAN Union, on the model of the EU. It is less ambitious than the EU in terms of scope, membership, and integration. ASEAN does not aim to have an ASEAN Parliament, an ASEAN Court of Justice, an ASEAN currency, or an ASEAN Central Bank, not even in the very long term. ASEAN is too diverse to aim for a European-style union. Our countries have different histories and cultures, diverse political and economic systems, contrasting views of the world. Where our interests align, we work together. Where we are not ready to cooperate, we put matters aside for the time being, to take up perhaps later when conditions are riper.

In recognition of this diversity, ASEAN works by consensus. This decision-making process can be slow and unwieldy. We can only move when all member states agree. Sometimes if there is no agreement, we may not move at all. But this arrangement has, on the whole, served us well because it requires member states to recognise and consider one another's national interests, irrespective of the size of the member states.

One area where ASEAN countries do not have a unified stance and for fundamental reasons, is our strategic outlooks. A clear instance of the impact of this, and how ASEAN members can find common ground despite our differences, is the South China Sea dispute, or issue. Not all ASEAN members are claimant states. Even among

the four claimant states – Vietnam, Malaysia, Brunei, the Philippines – there are different concerns and attitudes and nuances. ASEAN has to recognise this diversity. But we are still able to find common ground because all member states share certain common interests on this issue. Ensuring ASEAN's relevance, upholding the international rule of law, securing regional peace and stability, and maintaining freedom of navigation and overflight in the South China Sea. Therefore, we are able to agree to take progressive and constructive steps to manage the disputes and overlapping claims. For example, by concluding a Code of Conduct in the South China Sea, on which ASEAN has commenced negotiations with China.

Therefore, while this consensus-building process is laborious, it has its uses and merits. Member states find it meaningful to work together to seek common ground. They do not think of opting out from or leaving the group because their sovereignty or national interests have been suppressed or undermined. And ASEAN, once it has arrived at a decision, does not change its position lightly. External partners therefore see value in deepening their engagement of the region and ASEAN.

Looking ahead, ASEAN must continue working hard to remain an effective and central player in the region. The 21st century is a very different world from the 1960s, when ISEAS and ASEAN were formed. The Cold War is long over. Southeast Asia today is largely peaceful and stable but there will always be hotspots and difficult issues to deal with from time to time. We also have to adjust to a strategic balance which is shifting both globally and in the region. New powers are growing in strength and influence, especially China and India. Individual ASEAN countries must adapt to the new and changing strategic landscape. Countries have to take into account the policies and interests of new powers, while maintaining their traditional political and economic ties.

There will be new opportunities. China has put forth concrete, major initiatives such as the Belt and Road Initiative and the Asian Infrastructure Investment Bank that will benefit the region. India too is cultivating its relations with ASEAN, and pursuing a more activist foreign



PM Lee sharing a light-hearted moment with fellow ASEAN Leaders at the 32nd ASEAN Summit luncheon in Singapore.

policy beyond the sub-continent. Individual countries stand to benefit, and so potentially will ASEAN as a whole. At the same time, the ASEAN grouping has to get used to new internal dynamics, as each member feels the influence of the different powers to different degrees. We must accept the reality of these tidal pulls without allowing them to lead to fault lines forming within the ASEAN group.

All ASEAN countries want to maintain and develop their ties with the US, even as the US is intensely reviewing its trade and foreign policies. The US is still the region's security anchor and the world's largest economy. We recognise that the political mood in the US has changed. The Trump Administration is rethinking America's international role, and how the US should advance its interests and influence in the world, and it is rethinking radically. However, the US has clearly affirmed its determination to stay engaged in Asia. Countries hope that it will continue to play an active role, particularly in Southeast Asia.

“ASEAN governments need to look beyond their domestic concerns, put emphasis on ASEAN, invest political capital in the ASEAN project, and make a conscious effort to think regionally, not just nationally.”

In this shifting environment, it is important that ASEAN works actively to maintain its centrality and relevance. ASEAN centrality is crucial and yet ASEAN has no automatic right to be the centre of the regional architecture. There is nothing to prevent other groupings or regional cooperation projects from being launched. Some will compete with ASEAN, others will contribute in complementary ways to regional cooperation and stability. The Belt and Road Initiative and the Free and Open Indo-Pacific are two examples. Amidst this Darwinian process, ASEAN members must come together to maintain ASEAN's relevance and cohesion. Only thus, can ASEAN remain at the heart of the regional architecture, and a valuable partner and interlocutor for the major powers. What should ASEAN members, and ASEAN as a group, do to keep ASEAN relevant and cohesive?

First, it is important that each member state supports and promotes the ASEAN project. Each ASEAN member has its own domestic issues and politics to handle. Governing a country internally is already an all-consuming affair. But ASEAN governments need to look beyond their domestic concerns, put emphasis on ASEAN, invest political capital in the ASEAN project, and make a conscious effort to think regionally, not just nationally. Only with this commitment by member states, can we deepen our partnership and make progress in ASEAN.

ASEAN countries have given their support to the grouping, gradually but progressively, over the years.

We supported one another through difficult times such as the Asian Financial Crisis, the SARS outbreak and various natural disasters. Now we are cooperating in new areas including counter-terrorism, climate change and e-commerce, cybersecurity.

We have also adopted the ASEAN Community Vision 2025 to develop new blueprints for the ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community. We have laid out progressive steps, such as deepening transport connectivity and cooperation against transnational crime, to strengthen the ASEAN Community.

As the ASEAN Chair this year, Singapore will do its best to take the group forward through our Chairmanship themes of “resilience” and “innovation.” We will initiate projects to strengthen our collective resilience against common threats such as terrorism, cybercrime, and climate change. We will help ASEAN economies to innovate and to use technology, to build a more dynamic and connected community. One key project in this field is to establish an ASEAN Smart Cities Network, to create attractive places in all our countries to live, work and play.

Externally, ASEAN needs to deepen its web of cooperation with major partners. We are working on the Regional Comprehensive Economic Partnership (RCEP), which comprises ASEAN and our six FTA partners. When established, it will be the world's largest trading bloc, covering about a third of the world's gross domestic product (GDP). We are also working with the EU on the ASEAN-EU Comprehensive Air Transport Agreement (CATA). This will be the first substantive aviation arrangement between two major trading blocs. The RCEP and ASEAN-EU CATA will bring tangible benefits to our peoples and our partners. But they involve significant trade-offs and compromises. The decisions will not be easy, because so many parties are involved, and especially given growing mood of nationalism and protectionism in many countries. But I hope governments will take a long-term approach, assess their enlightened self-interests, and make bold decisions which will improve our people's lives.

For half a century, ASEAN governments have taken such an approach and brought ASEAN to where it is today. This is a remarkable achievement, far exceeding what the founding leaders of ASEAN had imagined. The decades of intense interactions have helped to deepen mutual understanding amongst members and to socialise us to think regionally, and not just nationally. This should equip ASEAN countries to cope with the more challenging environment that we are now in and to build further on what ASEAN has already achieved. 🇸🇬

Mr. Lee Hsien Loong is Prime Minister of Singapore. This article is an extract of Mr. Lee's Speech at the ISEAS 50th Anniversary Lecture delivered on 13 March 2018 at Orchard Hotel, Singapore. The full text is available at www.pmo.gov.sg.

Views from Singapore Leaders



“Along with attaining a fully integrated region, ASEAN must also continue to ensure that we are the

central driving force in fostering wider regional and international economic integration. It is equally important for ASEAN to keep an **open and inclusive outlook**, in order to continue to thrive as a strong and united regional entity amidst the changing **forces of globalisation.**”

S R Nathan
Former President

“The decades of intense **interactions** have helped to deepen mutual understanding amongst members and to socialise us **to think regionally, and not just nationally.** Southeast Asia and ASEAN, will remain a big part of Singapore’s **mindshare and our foreign policy.**”

Lee Hsien Loong
Prime Minister

“Singapore is a small country and part of the region. Anything that happens in the region inevitably **affects Singapore** and perceptions of Singapore, be it positively or negatively. Precisely because what happens in the region can affect us and our interests, it is important that we **pay attention to ASEAN.** We need to play an active role **in nurturing ASEAN** to keep it useful and relevant to us, our neighbouring countries and **ASEAN’s Dialogue Partners.**”

S. Jayakumar
Former Foreign Minister

We have succeeded because there was considerable **give and take, and common ASEAN sense.** So long as we do not insist that one partner should give more than he can economically or politically afford, for the present, or take more than is reasonable, **disagreements can be overcome – as we have done in Bali.**”

Lee Kuan Yew
Former Prime Minister

“In Southeast Asia, stability is not a natural state of affairs, but the result of conscious policy decisions. Every member of ASEAN has had to work hard, to seek accommodation and compromise and at times make considerable sacrifices, to ensure peace and stability in the region. **Without ASEAN, life for Singapore would be far more uncomfortable.** [...] In an uncertain world, ASEAN is the rock on which we must anchor our national survival and progress.”

Wong Kan Seng
Former Foreign Minister

“ASEAN’s consensus-based decision making is a design feature that assures every member an **equal voice** despite our great diversity. Consensus, however, has its challenges. It can be laborious, and our ability to find a common position on issues of regional concern is sometimes tested.”

Vivian Balakrishnan
Foreign Minister

“ASEAN must exercise collective leadership.

In ASEAN’s earlier phases, there was a strong core of ASEAN-minded leaders who saw the world beyond the present and their own countries’ interests. They believed that their national interests were best advanced **through a cohesive, stable, and prosperous ASEAN.** This requires trust at both national and personal levels, and a willingness to **look out for each other.**”

Goh Chok Tong
Former Prime Minister

“The fact that Singapore exists as a small country devoid of natural resources in a region founded on the concept of interdependence, and it **can survive** because of this very interdependence...

We can demonstrate within the confines of this island a way of life, a form of **social and economic** organisation and attitudes of mind which must, in a general way, form the necessary element for fashioning a **Southeast Asian community.**”

S. Rajaratnam
Former Foreign Minister

“Singapore’s destiny is in Southeast Asia. We are at the heart of ASEAN and **the most ASEAN-ised** of all the ASEAN countries. Every member country in ASEAN has a strong presence in Singapore. **The rich diversity of ASEAN has its reflection in the Singapore crystal.** We are densely connected economically and culturally with all the other nine countries. It is for this reason that Singapore has always been a strong advocate of **ASEAN unity and integration.**”

George Yeo
Former Foreign Minister

A Resilient and Innovative ASEAN for the Next Five Decades

Dato Lim Jock Hoi reflects on ASEAN's achievements and assesses its future.



Dato Lim Jock Hoi speaking at the ASEAN-UN Secretariat-to-Secretariat Meeting 2018

ASEAN Secretariat

Major power relations continue to shape Southeast Asia's geopolitical and economic environment, which has become much more intricate given extensive trade, investment, and business interdependence juxtaposed against growing geo-strategic competition.

While regional integration and the revolution of information technology have undoubtedly enhanced physical, institutional and people-to-people connectivity, the porous borders between nations induced by such deepened connectivity also pose a set of emerging challenges, especially non-traditional security concerns. Given the ever changing environment, in the light of the Fourth Industrial Revolution, the same old practice and ways of thinking may need revisiting. This is where “innovation” comes to play, not only in terms of giving light to new perspectives toward existing and emerging challenges, but also in harnessing new and innovative solutions, many of which are driven by technologies, for the betterment of the ASEAN peoples.

Innovation and technology are not pursued for their own sake. Indeed, its *raison d'être* – promoting and advancing the well-being of the peoples – lies at the heart of the ASEAN Community's process. For those on the ground, ASEAN's resilience and innovation will need to be translated into tangible improvements in people's lives, such as working collectively to develop and deploy technologies to mitigate the impact of climate change, and other natural and manmade disasters, including economic crises. On the more positive note, the same ASEAN dynamism and camaraderie can also be used to help the peoples and their communities to adapt and thrive in the new digital and interconnected age.

In fact, ASEAN's regional collaboration has enabled innovative solutions to be implemented in support of the most vulnerable sections of society, ensuring that they are not neglected in the development process. For example, through the ASEAN Declaration on Strengthening Education for Out-of-School Children and Youth, and the Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN, there are now frameworks and avenues to promote skills development and vocational training through engagement with ASEAN's young population, who would otherwise be left behind or may fall through the cracks in times of transition.

The Association of Southeast Asian Nations (ASEAN) had celebrated its 50th anniversary when I assumed office as its 14th Secretary-General for the 2018-2022 term. Since its five founding members, namely Indonesia, Malaysia, the Philippines, Singapore and Thailand, signed the Bangkok Declaration on 8 August 1967, ASEAN has become a platform for regional cooperation and integration, as well as a beacon for peace and stability.

The ASEAN Community Vision 2025 as envisioned in the ASEAN 2025: Forging Ahead Together document is currently being implemented to maintain ASEAN's relevance and ensure the region's long-term interests. Singapore's 2018 ASEAN Chairmanship theme of “Resilient and Innovative ASEAN” will contribute immensely to this Vision. In order to be sustainable and competitive in the long run, it is necessary for ASEAN to strengthen its resilience in a holistic way, and be innovative by utilising advancements in digital technology.

What does “Resilient and Innovative” Mean for ASEAN?

The global strategic environment surrounding ASEAN continues to evolve and has become increasingly complex.

Addressing Challenges from Within

Various statistics appear to support the narrative of ASEAN's success. Today, with a combined GDP of nearly US\$2.6 trillion, ASEAN is the third largest economy in Asia and sixth largest globally, and the prospect is looking bright. With a significant consumer base of over 640 million people, and anticipated demographic dividend from its young and digitally-literate population, the economic potential of ASEAN has never been greater.

Such optimism is often echoed by the business sector. Numerous surveys have shown sustained business confidence as well as growing and planned expansion in the region. Anchored in the regional economic integration agenda, ASEAN Member States have been pursuing reforms and strengthening their economic fundamentals, which have enabled them to recover faster from the Global Financial Crisis and, as a result, have become more resilient. The growth opportunities in ASEAN go beyond market integration alone. With enhanced connectivity, both physical and digital, and improved regulatory cooperation and environment, ASEAN has transformed itself into a key player in regional and global value chains, driving more trade and attracting investments across sectors and throughout the region.

“While this diversity is definitely one factor that makes the region unique, strong and dynamic, it also poses challenges in terms of making sure that everyone stays on point towards regional aspirations.”

Through its strong economic growth, ASEAN is able to pursue meaningful social progress. The share of the ASEAN population living with less than US\$1.25 a day fell from 47% in 1990 to 14% in 2015. Improved nutrition, education, and health contributed to longer life expectancy: a newborn today in ASEAN will live, on average, 15 years longer than his/her counterpart born in 1967.

Going forward, the core task is to sustain and enhance the region's achievements over the next five decades. To this end, what are key regional challenges that need to be addressed? Among them, diversity stands out, in terms of levels of development, economic structures and sizes, geographical terrains and social settings, just to name a few. While this diversity is definitely one factor that makes the region unique, strong and dynamic, it also poses challenges in terms of making sure that everyone stays on point towards regional aspirations.

First, diversity often translates into different and at times divergent national challenges, agenda and priorities across Member States. ASEAN's task therefore is to draw out a common aspiration and agenda for all, and keep the region united, notwithstanding the risk of populism and rising protectionism.

Second, the different levels of development among Member States also pose challenges in the implementation of regional initiatives. Against this backdrop, ASEAN provides an effective and pragmatic regional platform for governments, private sector, as well as development and knowledge partners to work together to build capacity and maintain momentum towards these shared aspirations.

Role of the ASEAN Secretariat in the ASEAN Community Building

Right at the center of the ASEAN Community building process is the ASEAN Secretariat (ASEC), based in Jakarta. ASEC's core functions are coordination and facilitation. Additionally, ASEC also provides support for effective implementation of ASEAN measures and initiatives. Its analysis and monitoring functions have been enhanced with the recent establishment of divisions/directorates dedicated to this effect across the three community pillars. For ASEC to serve as a strong and confident nerve-centre for a globally respected ASEAN Community in full compliance with the ASEAN Charter, ASEC must be fully equipped both in terms of personnel and resources to proactively and effectively respond to the same challenges faced by the Community.

Vital efforts and support are now being channelled to strengthen ASEC. As calls grow louder for ASEC to provide sound policy recommendations, early warning as well as research and analysis support to ASEAN, it is taking proactive steps to better serve the needs of the ASEAN Member States in their quest to realise the dream of a Community. To this end, ASEC is uniquely placed to undertake this role given its central coordination and monitoring role across ASEAN bodies and activities, which enables it to transform firsthand and comprehensive knowledge into informed analysis and recommendations.

In this spirit, the ASEAN Leaders' Vision for a Resilient and Innovative ASEAN, adopted at the recent 32nd ASEAN Summit in Singapore, calls for all Member States “to work towards strengthening and realising a professional ASEAN Secretariat with the necessary facilities and competent personnel, as well as completing a coherent plan to optimise the forthcoming new ASEAN Secretariat building in Jakarta, to fully support the ASEAN Community building process.” A stronger ASEC will provide effective support to the ASEAN Community and Member States, contributing towards a resilient and innovative ASEAN in the years to come.

The Next 50 Years

As ASEAN progresses with its integration efforts, maintaining its unity and centrality remains a critical task, especially in the wake of increasing uncertainties in the global geo-strategic landscape. ASEAN must develop a coherent approach on key strategic issues and uphold ASEAN centrality including through the advocacy for ASEAN-led mechanisms. ASEAN also needs to carefully consider new proposals and continue to play a leading role in shaping the regional architecture, keeping in mind ASEAN's economic interests, and regional peace and stability.

Cross-pillar and cross-sectoral coordination urgently needs to be enhanced to effectively advance community building efforts, and work is underway. At the 32nd ASEAN Summit in Singapore, the leaders strongly encouraged the expeditious secondment of non-Foreign Affairs officials to the ASEAN Permanent Missions in Jakarta, to further deepen and enhance work efficiency and coordination across the three community pillars.

Last but not least, another important issue requiring immediate attention is to ensure inclusiveness in the ASEAN Community, by facilitating access of all levels of society to the benefits of being part of the ASEAN Community in terms of peace and security as well social and economic well-being. In time, these efforts will inculcate a sense of community and belonging among the ASEAN peoples. Therefore, ASEAN Member States need to invest time and effort in promoting and strengthening of public awareness of the ASEAN Community and engaging key stakeholders to ensure public buy-in and active participation to achieve a truly people-oriented and people-centred ASEAN Community.

Conclusion

While still a work-in-progress, ASEAN, with its colourful spectrum of culture, religion, ethnicity and history, is bound by ties of friendship and legitimate shared interests, and has thus far delivered to its peoples the dream of a prosperous and peaceful community of Southeast

Asian nations, through meaningful regional cooperation and integration.

ASEAN’s efforts to build a Community have underpinned regional peace and stability, and the result of this laborious endeavour is a resilient regional organisation with enhanced political cohesion, economic integration and social responsibility, narrowed development gaps within and among its Member States and greater physical, institutional and people-to-people connectivity.

Moving forward, ASEAN will continue to raise its awareness and identity among its people, in particular, on the benefits and opportunities of ASEAN integration. The future of ASEAN is in the hands of its people, who will determine the direction and pace of cooperation and integration of this region.

ASEAN will open a new chapter in its illustrious history with the completion of the new ASEC building in early 2019. This auspicious beginning is symbolic of ASEAN’s march into the Asian Century, a period of peace, stability and prosperity where I am confident ASEAN’s star will continue to shine brightly. The hard work and foundation that ASEAN is constructing today will certainly benefit the region and its people for many generations to come. 🇲🇻

Dato Lim Jock Hoi is the Secretary-General of ASEAN.

Views from Former ASEAN Secretaries-General



“Constructing a community of ten sovereign states is no small feat. We need a lot of patience, perseverance and faith in regionalism. Most importantly, ASEAN needs to regain and strengthen

the commitment to the “we-feeling”.

A community only works when it is united in purpose and commitment.”

Le Luong Minh, Secretary-General of ASEAN (2013-2017)

“ASEAN is emerging as a true community or even family. There are differences within the family, even serious ones; but there is also the underlying consciousness that, in some cases, the problem of one is the problem of all, that the group **must stick together to better deal with the world outside, and that, as in a family, the troubles of one can legitimately be the concern of the rest.”**

Rodolfo Severino, Secretary-General of ASEAN (1998-2002)

“...ASEAN had become a common word being used by the diplomats, officials, academics and sometimes the media, who would faithfully report what had transpired in the high circles of regional diplomacy. Unfortunately they

rarely appreciated the depth and meaning, the dreams and the vision that the word ASEAN connoted. And yet, without exciting the majority of the people of ASEAN, involving them in this fateful journey into the future,

it would be long and arduous road strewn with adversity and disappointment.”

Surin Pitsuwan, Secretary-General of ASEAN (2008-2012)

“The ASEAN Way is that undefinable expression that readily comes to mind when we want to explain how and why we do the things the way we do. Although the expression seems instinctive and intuitive, yet it is based on some very firm **principles and practices.**

[...] It also means that knowing each other as well as we do, we can **disagree strongly and yet, at the end of the day, play golf together, eat Durians and do the Karaoke. And ASEAN is none the worse for it.”**

Ajit Singh, Secretary-General of ASEAN (1993-1997)

“With 2017 marking the 50th anniversary of ASEAN, it is apt to chart a roadmap of key issues of regional importance for the next five decades. To ensure continued success, ASEAN needs to further consolidate **economic integration, capitalise on favourable demographic factors and channel the skills of today’s tech-savvy youth to harness the digital revolution.”**

Ong Keng Yong, Secretary-General of ASEAN (2003-2007)

ASEAN Leaders' Vision for a Resilient and Innovative ASEAN

At the 32nd ASEAN Summit on 28 April 2018, the ASEAN Leaders issued their Vision for a Resilient and Innovative ASEAN. The following are the ten Key Principles as extracted from the Vision that will underpin ASEAN's efforts towards a Resilient and Innovative ASEAN in 2018 and beyond.

UNITY AND CENTRALITY

ASEAN shall remain united in promoting ASEAN's vital interests, ideals and aspirations, remain united vis-à-vis external divisive forces, reaffirm the principle of consensus for decision-making, strengthen ASEAN centrality within ASEAN-led mechanisms, and in building an open, transparent, inclusive and rules-based regional architecture to effectively engage key partners, in order to respond collectively and constructively to global developments and issues of common concern.

RULES-BASED ORDER

ASEAN shall promote the rule of law and uphold a rules-based regional order, anchored in respect for international laws and norms.

PEACE AND SECURITY

ASEAN shall remain an area of peace, freedom and security, where differences and disputes are resolved by peaceful means; where states remain free of nuclear weapons and weapons of mass destruction, including through the effective implementation of the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty and its Plan of Action; where ASEAN adheres to the principle of non-interference in the internal affairs of ASEAN Member States; and where maritime cooperation are enhanced in accordance with internationally-accepted treaties and principles, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS), which are binding upon its Member States.

COOPERATION AGAINST TERRORISM AND NON-TRADITIONAL THREATS

ASEAN shall cooperate effectively with partners within and beyond the region to build resilience against terrorism. To counter the rise of radicalisation and violent extremism of all forms, ASEAN shall continue to uphold moderation and tolerance, and promote social cohesion and respect for diversity. ASEAN shall also address emerging non-traditional threats such as climate change, cyber threats, pandemics, and illegal, unreported, and unregulated (IUU) fishing.

ECONOMIC INTEGRATION AND OPENNESS

ASEAN shall keep our markets open and competitive, deepen economic integration towards targets such as the doubling of intra-ASEAN trade by 2025; forge high quality and mutually beneficial economic agreements with

external partners that reflect modern business realities to strengthen resilience against rising protectionism and global volatilities; promote a favourable and conducive environment for continued growth, trade, investment and job creation; and reinforce our global standing as a model of how regional economic integration can benefit all its people and Small and Medium Enterprises (SMEs).

EMBRACE TECHNOLOGY

ASEAN shall embrace the opportunities afforded by new technologies and innovation arising from the digital revolution, to implement smart and innovative solutions, as well as to improve digital connectivity that enhance the lives and livelihood of its people, while building resilience against potential disruptive effects.

INVESTMENT IN YOUTH AND THE ELDERLY

ASEAN shall nurture and invest in its youth, including young entrepreneurs, to fully realise the energy and potential of its youthful demographic, as well as provide social protection for the elderly and promote active ageing so that they can continue to contribute to our societies.

STRENGTHENING ASEAN IDENTITY

ASEAN shall embrace its diversity through people-to-people exchanges and collaboration, and strengthen the ASEAN identity to build resilience amongst its people.

SUSTAINABLE AND INCLUSIVE DEVELOPMENT

ASEAN shall become a sustainable community that promotes economic and social development alongside environmental protection through effective mechanisms to meet the current and future challenges of its people, while leaving no one behind. ASEAN also reaffirms its commitments towards the implementation of the United Nations 2030 Agenda for Sustainable Development and its related goals and targets, as well as the Paris Agreement.

RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

ASEAN reaffirms its commitment to promote and protect human rights and fundamental freedoms in accordance with the ASEAN Human Rights Declaration (AHRD) and Phnom Penh Statement on the Adoption of the AHRD, as well as international instruments to which ASEAN Member States are parties.

Logo, Theme, and Commemorative Orchid



Logo

Established on 8 August 1967, ASEAN consists of ten ASEAN Member States (AMS), namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. ASEAN is a region of diverse cultures and backgrounds, but AMS share a common interest in promoting peace, stability and security in our region for the benefit of our peoples. The 2018 ASEAN Chairmanship logo embodies that spirit. Its modern, stylised design was formed by connecting respective AMS capitals. The links signify the collective resilience of an inter-connected ASEAN in pursuit of a common purpose.

The logo's pink and lavender colours are a mix of red, blue, and white. Red symbolises strength and equality, blue represents trust and stability, while white is a symbol of peace. Combining these colours demonstrates ASEAN's unity and innovativeness. In addition, lavender is commonly associated with dignity, passion and vitality, representing a dynamic, innovative and vibrant ASEAN community.

Tagline

The Chairmanship tagline is "Resilient and Innovative." It encapsulates ASEAN's vision to be united in the face of growing uncertainties in the global strategic and economic

landscape. ASEAN must also be adaptable and forward looking, so that it can leverage opportunities and manage challenges from disruptive digital technologies, equip its citizens with skills to build a future-ready ASEAN and boost its capabilities to make its cities smarter.

Key Priorities for the 2018 ASEAN Chairmanship

As the 2018 ASEAN Chair, Singapore's vision for ASEAN is to be united in the face of growing uncertainties in the global strategic landscape, and remain a central force that can deal with challenges and opportunities. A united ASEAN will magnify its voice in the international community, and provide it with greater capability to resolve its challenges.

Together, ASEAN will promote and uphold a rules-based regional order so that it can better deal with emerging security challenges such as cyber security, transnational crime, and terrorism. ASEAN will also find new ways to manage challenges from the digital revolution, and press on with regional economic integration and enhancing regional connectivity so that it can remain competitive and prosperous.

Together, ASEAN has, and will continue to be a vibrant and dynamic place for our people to live, work and play.

Commemorative Orchid

A new hybrid orchid named the *Renanthera* ASEAN 2018 was unveiled by Singapore Prime Minister Lee Hsien Loong in January this year. The National Parks Board of Singapore shares with us how the new flower came to life.

The parent plants for the *Renanthera* ASEAN 2018 are *Renanthera* Singapore Botanic Gardens and *Renanthera* Clarins Christian and Oliver. This is a robust and striking hybrid. It produces a 60cm long inflorescence with several side sprays that bears up to 50 well-arranged blooms, each measuring about 5cm across by 7cm tall. The sepals and petals are a vermillion red adorned with red spots and blotches and complementing each bloom is a fine dainty lip.

The genus *Renanthera* is one of the most beautiful and robust orchids found growing in Southeast Asia. In particular, the *Renanthera* ASEAN 2018 symbolises the unity, strength and resilience of ASEAN Member States, and is an embodiment of the 2018 ASEAN Chairmanship tagline, “Resilient and Innovative.”

To commemorate Singapore’s hosting of the 2018 ASEAN Chairmanship, the National Parks Board was proud to present this unique Singapore Botanic Gardens orchid hybrid at Experience ASEAN on 12 January 2018, the official launch event to kick-start the 2018 ASEAN Chairmanship. 🌸



Did You Know?

The Singapore Botanic Gardens (SBG) has a tradition of honouring ASEAN’s important events with new orchid hybrids. Prior to the *Renanthera* ASEAN 2018, six other orchids have been chosen in honour of ASEAN, namely:



Papilionanda ASEAN Golden Jubilee (ASEAN’s 50th anniversary in 2017)



Dendrobium AIS (4th ASEAN Informal Summit in 2000)



Dendrobium Aseana Fifteenth (15th ASEAN Ministerial Meeting in 1982)



Dendrobium ASEAN Princess (4th ASEAN Informal Summit and First Ladies of ASEAN’s visit to SBG in 2000)



Dendrobium ASEAN Lady



Dendrobium ASEAN Beauty

What Does Resilience Mean to ASEAN?

Tang Siew Mun posits that ASEAN has adopted “resilience” in innovative ways for self-preservation and advancement.

It was some 42 years ago at the first ASEAN Summit in 1976 in Bali, Indonesia, that the concept of “resilience” was introduced into the ASEAN discourse through the Declaration of ASEAN Concord (Bali Concord I). The first principle in this landmark document stated that “the stability of each member state and of the ASEAN region is an essential contribution to international peace and security. Each member state resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience.” This concept was given top billing again in Singapore’s 2018 ASEAN Chairmanship priorities of “resilience and innovation.”

At its core, resilience refers to the ability of a person or entity to overcome threats or negative developments to its well-being. Resilience entails the resolve and resources to withstand and recover from adversity. The 1976 Declaration reflected the prevailing strategic anxieties held by the ASEAN member states at the time when the spread of communism was a key security concern. Resilience in this context thus required the strengthening of national capacities to manage and eradicate the communist threat.

The receding communist tide in the wake of the Cold War saw a change in the primary focus of resilience, and the emergence of new threats and challenges, including those

that are non-traditional security in nature. Nevertheless, the underlining principle of linking national strength to regional stability continues to be relevant. In fact, more than anything, ASEAN’s future as a premier regional organisation rests on the member states’ ability to maintain their resilience in rising up to new challenges, from within and without.

These “new” challenges faced by ASEAN member states do not often come in “neat boxes” such as the communist threat which was clearly identifiable and conveniently fell under the rubric of “national security.” Some of today’s challenges such as climate change and ageing society are less conspicuous and their serious repercussions only manifest themselves over a longer time span, while other perennial concerns such as economic instability and dependency are more complex and nuanced. Threats such as terrorism and violent extremism, cybercrime and ethnic conflicts add to ASEAN member states’ long list of national security concerns.

ASEAN had also cast resilience more broadly to maintain its strategic space and independence by designating the region as the Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971. Resilience was meant to keep ASEAN member states stable and strong as much as to keep the



The Ministers from the 16 RCEP Participating Countries at the 5th RCEP Intersessional Ministerial Meeting in July 2018, Tokyo

region free from external interference. ZOPFAN's stated goal of keeping the region "free from any form or manner of interference by outside Powers" remains an important objective for ASEAN. However, in the current state of the global economy where ASEAN member states are an important component of the global supply and production chain, it is impossible to cordon off the region from interactions with the major powers and other external parties. Ironically, the same positive force of globalisation and free trade that has brought tremendous economic benefits to our societies has also made us susceptible to external exertion of influence.

In fact, one of ASEAN's stress points is its increasing degree of trade dependency with external parties. A case in point is China. The share of trade with China in ASEAN's total trade volume has grown from 10.6% in 2007 to 16.5% in 2016. Correspondingly, the shares of ASEAN's trade with other major powers (US, Japan and the EU) have declined for the same period. At the same time, China ran up a US\$80.9 billion trade deficit with ASEAN in 2016 suggesting that this bilateral trade was highly skewed in the former's favour. While there is nothing inherently wrong or alarming with the blossoming ASEAN-China trade ties, the possibility of China expanding its political clout and influence through trade cannot be ignored.

The point here is not to cast aspersions on China's actions or intentions, but to highlight the potential risk that over-dependency on a single source of trade entails, be it China or any other major power. Keeping ASEAN resilient goes beyond ensuring economic growth as member states have to weigh the benefits of trade against political costs and the curtailment of policy options, including in foreign policy. In this respect, the ASEAN-initiated and ASEAN-led Regional Comprehensive Economic Partnership (RCEP) exemplifies its quest for resilience by establishing a pan-Indo-Pacific multilateral free trade pact which, on the one hand, levels the playing field for big and small economies and, on the other, provides yet another institutional base to commit its major trade partners to the well-being and stability of the region. From a strategic viewpoint, institutions such as RCEP would strengthen a rules-based order and function to check against the rise of hegemonic manoeuvres.

Indeed, it was not too long ago when ASEAN used its boundless energy for institution-building to effective use in contributing to the "alphabet soup" of Asia-Pacific regionalism. ASEAN was astute in sensing the region's concern of a strategic vacuum after the US and the Soviet Union withdrew their permanent military deployments from the Philippines and Vietnam respectively by establishing the ASEAN Regional Forum (ARF) – an initiative crystallised at the 26th ASEAN Ministerial Meeting (AMM) in Singapore in July 1993. The ARF was followed by the establishment of the East Asia Summit (EAS) in 2005 and ASEAN Defence Ministers Meeting Plus (ADMM-Plus) in 2010. The establishment of these processes was ASEAN's forward-defensive move to reduce uncertainty and provide invaluable platforms for confidence-building and cooperation among countries from within and outside Southeast Asia.



ASEAN's decision to expand its institutional footprint by anchoring its Dialogue Partners in the region's strategic and security agenda highlighted the organisation's resilience in adapting to the changing times. Instead of attempting to keep the major powers at bay, ASEAN has changed tact by inviting them to be engaged and actively participate in ASEAN-led processes. Instead of seeking insularity, ASEAN has been riding upon its new-found assets of being the honest broker and convenor of dialogue and cooperation in the wider region. ASEAN might not have consciously searched for "centrality" but this noun that is conjoined with ASEAN like Siamese twins has given ASEAN a new lease of life, as well as breathed new life into Asia-Pacific's regional architecture.

There is an intimate link between ASEAN resilience and centrality. They are two sides of the same coin. ASEAN enjoys the privilege of being "central" so long as it continues to provide the public good of facilitating regional discussions and cooperation, a state of play that is only possible if it has the support of the external parties. This support is then contingent on a united ASEAN that is resolute and resilient in fending off inducements and punitive pressures to bandwagoning behaviour. Resilience in this sense requires a collective ASEAN stance in not playing favourites or taking sides. If ASEAN "tilts" to one side, it would lose the trust of all other sides, rendering ASEAN irrelevant to itself and the wider region.

Last but not least, resilience will become hollow and centrality will regress if ASEAN member states are unable to hold themselves together. Singapore's former foreign minister S. Rajaratnam's advice that "if ASEAN does not hang together, they shall be hung separately" speaks to the core of ASEAN's existence. Echoing this timeless analysis, the unity of purpose and the comfort of collective strength will bring ASEAN to higher peaks and through difficult times. The invocation of "resilience" by this year's ASEAN Chair is therefore a timely call for all ASEAN member states to reaffirm and stand by the regional organisation's founding principles. 🇲🇻

Dr. Tang Siew Mun is Head of the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.

Singapore as the ASEAN Chair: Responsibilities and Legacies

Termsak Chalermpanupap takes us through the imprints of Singapore's ASEAN Chairmanship over the years.

This year, Singapore assumes the prestigious ASEAN Chairmanship which rotates annually based on the alphabetical order among ASEAN member states. The ASEAN Chair is, in many ways, comparable to the quarterback in an American football team: Shouldering great responsibilities; facing international attention and media scrutiny; requiring experience, resources and leadership to move Team ASEAN forward. But like American football, ASEAN is very much a team sport and victory is only achievable when everyone on the team pulls their weight.

First among Equals

As the Chair, Singapore hosted the 32nd meeting of the ASEAN Summit – the top policy-making body in ASEAN – and will host the 33rd ASEAN Summit and related Summits with ASEAN Dialogue Partners in November 2018. In addition, the key ASEAN sectoral bodies dealing with foreign affairs, trade, finance and defence also come under the single ASEAN Chairmanship. According to the Indicative ASEAN Notional Calendar 2018, this year Singapore will host and/or chair approximately two hundred ASEAN-related meetings at the Summit, ministerial, senior officials and working group levels across many sectors.

Singapore shall also lead ASEAN in engaging external friends and partners in ASEAN-initiated dialogue and cooperation processes, such as the ASEAN Plus Three (APT), the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defence Ministers Meeting Plus (ADMM-Plus). Under the ASEAN Charter (Article 32), two key responsibilities of the Chair are externally oriented, namely, ensuring ASEAN's centrality and representing ASEAN in strengthening and promoting relations with external partners.

The Chair would be given due respect and support as the first among equals in ASEAN. It is mandated by the ASEAN Charter to actively promote and enhance the interests and well-being of ASEAN. A successful ASEAN Chair must therefore be able to advance ASEAN's interest and its own national interest.

The Chair is also tasked to ensure effective and timely responses to urgent issues or crisis situations affecting ASEAN, including through its good offices. Exactly a decade ago when Cyclone Nargis hit Myanmar and caused large-scale devastations in its wake, Singapore as the ASEAN Chair convened a Special ASEAN Foreign Ministers Meeting in May 2008 to discuss ASEAN's



collective response. The meeting then decided to establish the widely hailed ASEAN-led coordinating mechanism to facilitate and coordinate disaster relief from the international community to the then isolated Myanmar.

Since the key principle of decision-making in ASEAN is by consultation and consensus, the ASEAN Chair has the duty to facilitate consultation and forge consensus. This is certainly easier said than done, since all ASEAN member states are equal and sovereign, and each has its own national interests to look after first and foremost. Leadership of the Chair is therefore crucial to rally all other ASEAN member states to move forward together in community-building and in defending ASEAN common interests. This crucial role of consensus builder is often overlooked and taken for granted.

The Chair also has the prerogative – with the concurrence of the member states – to propose the chairmanship priorities, which outlines ASEAN's agenda for the year. This prerogative affords the opportunity for the Chair to introduce new ideas and programmes, as well as to re-emphasise existing areas of cooperation. Singapore had astutely used this perch to put the development of “smart cities” on the regional agenda, while offering the Network of Smart Cities as an additional mechanism for intra-ASEAN and ASEAN-Dialogue Partner cooperation.

Lasting Legacies

Like a quarterback, throughout many iterations of its ASEAN Chairmanship over the years, Singapore has exercised the leadership of strategic vision and adroit diplomacy to engage and mobilise the synergy of all member states in Team ASEAN to score achievements for the organisation and the region.

One lasting legacy of Singapore's ASEAN Chairmanship is the agreement to establish the ASEAN Free Trade Area (AFTA) during the 4th ASEAN Summit in Singapore in 1992 which aimed to remove all tariff lines in intra-ASEAN trade. AFTA served as the culmination of ASEAN's on-again-off-again attempts to deepen economic cooperation during the previous decades as well as the beginning of a new age with economic integration being now at the centre stage of the post-Cold War ASEAN's agenda.

Another hallmark of Singapore's ASEAN Chairmanship was recorded in the joint communiqué of the 26th ASEAN Foreign Ministers Meeting (AMM) on 23-24 July 1993 which agreed that “ASEAN should consider the establishment of an appropriate regional mechanism on human rights.” From this very first step towards mainstreaming human rights in ASEAN's agenda, it would take 16 years for the mechanism to be established in the form of the ASEAN Intergovernmental Commission on Human Rights (AICHR).

Singapore's ASEAN Chairmanship is also characterised by institutional innovations to consolidate and streamline ASEAN processes and mechanisms towards more effectiveness and efficiency. One prominent example is Singapore's initiative as the ASEAN Chair in 1999 to

host a retreat of ASEAN Foreign Ministers at Sentosa Resort. The retreat was a resounding success, allowing the Foreign Ministers to engage in candid and substantive discussions on important issues facing ASEAN. It has become a regular practice ever since, adopted by other ASEAN bodies as well such as the ASEAN economic and defense ministers.

The most important hallmark of Singapore's ASEAN Chairmanship is perhaps the conclusion of the ASEAN Charter at the 13th ASEAN Summit on 20 November 2007 in Singapore. Professor Tommy Koh, Singapore's representative to and also the second chairman of the ASEAN Charter drafting task force, contributed significantly to the drafting process, a historic task that, in his own words, “helped to strengthen ASEAN by augmenting its institutions and the rule of law.”

The constant pursuit of Singapore's strategic vision for a united, forward-looking and outward-looking ASEAN has also left important imprints on ASEAN's external relations as well as today's open and inclusive regional architecture. Long before the discourse about India's rise and the coming of the Indo-Pacific that excites many today, Singapore had played a crucial role in embracing India into ASEAN's fold, first as a Sectoral Dialogue Partner in 1992, then a full Dialogue Partner in 1995 under the country-coordinatorship of Singapore, and a member of the ARF in 1996 and of the EAS in 2005. Being ever adept and adaptive to the changing regional landscape in the post-Cold War, Singapore was among the most forward-leaning ASEAN member states in engaging all major powers in ASEAN-led mechanisms, especially through the establishment of the ARF during its chairmanship in 1993, while not losing sight of the imperative to maintain ASEAN unity. Singapore's ASEAN Chairmanship theme in 2007 – “One ASEAN at the Heart of Dynamic Asia” – was essentially the continuation of this longstanding tradition.

As ASEAN faces uncertain times ahead that is filled with opportunities and potential headwinds with the return of major power rivalries and the advent of Industrial Revolution 4.0, Singapore has aptly chosen Resilience and Innovation as the theme for its 2018 ASEAN Chairmanship. The Vision for a Resilient and Innovative ASEAN adopted at the 32nd ASEAN Summit in April sets out the key principles and deliverables for ASEAN and its member states to be well prepared to meet the multi-faceted challenges in a changing strategic and economic environment. Always striving to look forward and stay ahead of the curve, Singapore has, despite its small size, earned for itself a significant role and presence in ASEAN. More importantly, Singaporeans and all others in ASEAN should cheer on Team ASEAN to score as many touchdowns as possible this year and beyond. 🏈

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Seeding a Smarter ASEAN

Poon King Wang posits that the ASEAN Smart Cities Network would be an enabler for building smart cities in the region.

Smart cities are not about being smart, but about how being smart can improve the quality of life of people. Energy-efficient smart technologies and infrastructure, for example, could help citizens to save energy, companies to save costs, and cities to save the environment. Smart cities thus offer the potential of building better cities for the well-being of citizens and the thriving of companies delivering innovative solutions.

Recognising that robust policies for smart cities could open up opportunities across society and economy, Singapore has set out to establish an ASEAN Smart Cities Network (ASCN) as a key deliverable for its ASEAN chairmanship in 2018. According to its Concept Paper, the ASCN is envisaged as “a collaborative platform where up to three cities from each ASEAN Member State, including capitals – with room for expansion when it matures – work towards the common goal of smart and sustainable urban development. [...] Its primary goal will be to improve the lives of ASEAN citizens, using technology as an enabler.” In essence, the ASCN is expected to support city-level efforts in leveraging innovative solutions to tackle their urban problems, and facilitate business opportunities for start-ups across the region.

As demonstrated through conversations and interviews with citizens, companies and city leaders, including at the RISING 50: Indonesia-Singapore Forum held in Singapore in December 2017, two pertinent issues that must be taken into account in the building of smart cities in the ASEAN region. First, smart solutions should focus on improving citizen lives. Second, diversity and differences among Southeast Asian cities could simultaneously be an impetus and impediment to innovation. Taking the cue from these two issues, Southeast Asian cities need to address two basic but often overlooked questions to build smarter cities across the region.

The first question pertains to the citizen perspective: how can smart city infrastructure and technologies improve the life of city residents in a concrete and meaningful way? This sounds so simple that it feels almost banal, and yet it is not easy to find a definite answer. The Economist Intelligence Unit reached a similar conclusion in their survey on smart cities in Asia that included many Southeast Asian cities – more than 50% of the respondents pointed out that “identifying the value of smart city initiatives is difficult.” Southeast Asian cities must stay focused on what they want to accomplish with smart city technologies and infrastructure, whether it is to make urban management

more efficient, to build lively public cultures, or to make the city more inclusive.

The ASCN could play a pivotal part in finding the answer by encouraging the participating cities to seek their citizens’ perspectives. It could collate good examples of robust solutions across Southeast Asia that could be used as reference by ASEAN cities. It could facilitate arrangements where cities with similar answers to this question agree to share strategies and exchange experiences, thus helping each other to stay focused on and committed to delivering results that matter to their citizens’ lives.

The second question is from the corporate perspective: how can innovations scale up across ASEAN more rapidly as one ASEAN living lab? This question is asked by many companies providing smart city solutions. ASEAN’s diversity is its strength, but at the same time, it can impede the rapid expansion of innovations across cities within countries and across countries. Companies might be able to scale up their smart city test-beds and pilots in a particular city, but quickly run into difficulties when they expand to other cities due to differences in demographics, cultures, languages, histories, economic development stages, regulatory regimes, infrastructure, and business environments.

This in turn could slow down the pace at which ASEAN can benefit from smart cities. How can companies and cities overcome this, so that ASEAN’s diversity is not an obstacle but an opportunity? A number of companies are exploring the possibility of conducting simultaneous test-beds and
























Singapore Foreign Minister Vivian Balakrishnan at the inaugural Smart Cities Network Meeting

Vivian Balakrishnan Facebook

A FUTURE ASEAN SMART CITY



 AIR QUALITY SENSOR	 POOR AIR QUALITY	 SMART FARMS ON ROOFTOPS	 E-COMMERCE	 SMART GOVERNANCE
 NOISE SENSOR	 GOOD AIR QUALITY	 WIND TURBINES	 ENERGY CHARGING	 WIFI HOTSPOT
 PARKING LOT SENSOR	 SENSOR-EQUIPPED GARBAGE TRUCKS AND BINS	 SMART TRAFFIC LIGHTS WITH VIDEO SURVEILLANCE	 TELE-HEALTH SCREENING AND CARE	 SMART GRID
 SOLAR PANELS	 REAL-TIME TRAFFIC TRANSMISSION	 RIVER AND FLOOD SENSORS		
 ENERGY BATTERIES	 CLOUD COMPUTING / SERVICES	 SHARED BIKES		

pilots in several ASEAN cities. These concurrent regional test-beds could yield a greater variety of insights at one go, and this variety could in turn be translated into robust solutions that are more versatile. Companies can thus scale up their innovations more readily across different cities.

The ASCN can be a critical catalyst of such concurrent test-beds and pilot projects in Southeast Asian cities. It could encourage cities with similar challenges to collaborate, and then match groups of cities to companies or consortiums of companies. This matching could even be done by algorithms and artificial intelligence. The Network could thus help transform Southeast Asia into one big ASEAN Living Lab. Companies will find such an ASEAN Living Lab of tremendous value to accelerate the scaling of solutions. Then, more citizens in more Southeast Asian cities will benefit more quickly from smart city solutions.

Another value-added from the ASCN is the potential expansion of its learning and sharing network through collaboration and partnerships with ASEAN's Dialogue Partners, Development Partners and other external parties. A good example in this respect is the recently announced

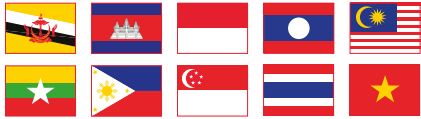
ASEAN-Australia Smart Cities initiative to foster collaboration on smart city development. The ASCN stands to benefit significantly from this AU\$30 million initiative, including tapping on Australia's education, training and technical assistance on innovation.

ASEAN member states want to build better cities for their citizens and create business opportunities for their companies. They are hungry to learn more from each other about building smart cities. The ASCN could speed up both the building and the learning. By facilitating knowledge sharing, mutual support and opportunities matching, it could help cities stay focused on improving lives and on scaling solutions across cities. The ASCN therefore could be an invaluable partner in helping cities find the answers that best fit their culture and circumstances. This collaborative effort in turn would plant the seed of a future Smart Southeast Asia. 🌱

Mr. Poon King Wang is Director of the Lee Kuan Yew Centre for Innovative Cities (LKY CIC) at the Singapore University of Technology and Design (SUTD).



Views from ASEAN Leaders



“ASEAN is about trust, confidence and close cooperation. This habit of cooperation must be **constantly nurtured, never taken for granted.**”

Hassanal Bolkiah
Sultan and Yang Di-Pertuan of
Brunei Darussalam

“As members of the ASEAN family, **sometimes we give, sometimes we receive, and sometimes we must be considerate in reaching compromise. As I have said before, this is the beauty of ASEAN.**”

Susilo Bambang Yudhoyono
Former President of Indonesia

“[A]t the time that Foreign Ministers of the five states signed the Bangkok Declaration establishing ASEAN in 1967, **regionalism and regional identity were new concepts** which did not readily inspire public support. For we had long maintained strong political, economic, and cultural ties with others outside the region. We identified more with them than with ourselves of the region. But since then, there has **emerged a new consciousness**, and we have undergone fundamental and wilful changes...”

Kukrit Pramoj
Former Prime Minister of Thailand

“... over the years ASEAN has succeeded in **contributing significantly to the reduction of rivalry and confrontation in the region, helping transform our region into an epicentre of genuine peace and cooperation in the favourable context of international politics, especially the end of the Cold War.**”

Hun Sen
Prime Minister of Cambodia

“**I am ... an ASEANist.** I am deeply committed to ASEAN which has played such a critical role in turning what was an area of turmoil, antagonism, conflict – sometimes violent conflict – an area with no history of cooperation whatsoever, into **a zone of cooperative peace and prosperity.**”

Mahathir Mohamad
Prime Minister of Malaysia

“If the Southeast Asian peoples are to **embrace ASEAN as their “Community”... they must see it as a pervading, beneficial influence on their daily lives. They, as stakeholders, must regard the ASEAN vision as their very own.**”

Fidel Ramos
Former President of the Philippines

Individually, the ASEAN member states will find it hard to make much impact on their own. **But when we speak in one collective ASEAN voice, we can be effective.** ASEAN has to adapt and integrate further, to remain **a central, dynamic driving force that can deal with the challenges and opportunities of the 21st century.**

Lee Hsien Loong
Prime Minister of Singapore

“Over the past five decades, ASEAN has gone through various kinds of test and has become a region of **peace and stability.** The region’s economy has continued to grow and people-to-people exchange **has been enhanced.**”

Thongloun Sisoulith
Prime Minister of Laos

“ASEAN provides a model for **peaceful borders, and wider regional harmony.** ASEAN’s recipe for success is consultation and more consultation **until consensus is reached and cooperation made possible.**

The ASEAN Way has served us well as we navigated the waters of our constantly changing world during the last fifty years. The tools that have served us well in the past must be **honed and updated** for effective use in the present and the future.”

Daw Aung San Suu Kyi
State Counsellor and Union Minister
for Foreign Affairs of Myanmar

“ASEAN has turned Southeast Asia from **confrontation to dialogue, from suspicion to cooperation, from disunity to solidarity, culminating in the formation of the ASEAN Community. Today, as the region of peace, security, stability and development, Southeast Asia is the bright point on the world map full of uncertainties.**”

Nguyen Xuan Phuc
Prime Minister of Vietnam

Towards a Digitally Connected ASEAN

Lyon Poh suggests the way ahead for ASEAN digital economy.

Digital economies are characterised by the presence of digital platforms and technologies that connect consumers, businesses, suppliers and payment networks. Such economies transcend geographical boundaries and time, and provide businesses with almost unlimited opportunities to disrupt and grow.

Beyond platforms, being a digitally connected economy is also about facilitating and promoting greater participation in the digital value chain. With the digital economy's rising prominence, policymakers around the world are paying more attention to its development and contribution.

In their “e-Conomy Southeast Asia Spotlight 2017” report, Temasek Holdings and Google found that the region's internet economy had outpaced the 10-year compound annual growth rate (CAGR) previously projected at 20% in 2016. It is growing at 27% CAGR and is on a solid trajectory to exceed US\$200 billion by 2025.

This growth can be attributed to ASEAN's growing middle class and burgeoning youthful and technologically savvy population. More than 40% of the region's population of some 640 million people is under the age of 30, and 90% of them have access to the Internet. E-commerce, a substantial sub-set of digital economy, has been growing at over 40% CAGR, and projected to grow to US\$88.1 billion in 2025 from US\$10.9 billion in 2017.

To realise this potential, infrastructure for the digital economy is necessary. The use of data and emerging technologies such as digital ledgers and artificial intelligence (AI) can significantly accelerate trade flows in the region and unlock the immense inherent value of ASEAN.

Digital Infrastructure and Public-Private Collaboration

As it stands, ASEAN member states are aware of the benefits of adopting digital technologies and have expressed strong interest to enhance their technological capabilities. However, without policy commitment and coordinated effort, it will be challenging to develop the necessary digital infrastructure.

The ASEAN ICT Masterplan (2016-2020) (AIM 2020) strives to move the region towards a digitally-enabled, inclusive and integrated digital economy. It focuses on several strategic areas and provides clear action points

and targeted projects, such as improving information and communications technology (ICT) connectivity and infrastructure, establishing a model cloud-computing platform for use by private and public sectors, and encouraging human capital development.

ASEAN member states are also taking steps to implement digital strategies. The Philippine Digital Strategy sets the national vision and roadmap to achieve ICT development in the country. Similarly, the Thailand 4.0 initiative puts the digital economy at the top of their economic growth agenda.

With Singapore's ASEAN chairmanship in 2018 focusing on Resilience and Innovation, we are hopeful that Singapore will realise the deliverables designed to deepen regional digital connectivity. Its proposal of developing an ASEAN smart cities network, which aims to leverage innovative technological solutions to improve the lives and livelihoods of ASEAN citizens, has received strong support from other ASEAN member states and Dialogue Partners.

In addition to digital infrastructure, it is equally important to foster a collaborative environment in and between the public and private sector to accelerate the transfer of knowledge.

For instance, Singapore and Malaysia have taken steps to establish forums or platforms for the private sector to share big data developments. Alibaba Group's Malaysia City Brain initiative in collaboration with the Malaysia Digital Economy Corporation and Dewan Bandaraya Kuala Lumpur (DBKL) was recently announced in January 2018. This is an Alibaba cloud service that uses data and AI to increase traffic efficiency in the city. Within the private sector, Singapore's Info-communications Media Development Authority (IMDA) has in the pipeline an industry-led Data Collaboratives initiative to encourage businesses to share data in order to solve common business problems. Other governments are also at varying levels of implementing similar strategies.

Supporting the MSMEs in ASEAN

Singapore has announced that its ASEAN chairmanship this year will focus on developing the regional digital economy and facilitating regional e-commerce trade flows, especially micro, small and medium-sized enterprises

(MSMEs). Its signature initiative, the ASEAN Smart Cities Network, will also facilitate business opportunities for MSMEs across the region.

Recognised as a key pillar of all ASEAN member economies, MSMEs are an important driving force of economic growth in ASEAN. They are collectively responsible for 23-58% of the overall GDP, and about 10-30% of exports within the region.

Yet, MSMEs, especially those in early- to growth-stage, continue to be underserved by financial institutions, as they are perceived to be risky and costly clients. Without access to financing, their economic growth engine is often found spluttering. For them to thrive in today's digital economy, they will need to capitalise on digital technologies and leverage their capabilities early.

Perhaps one way of solving this is through the introduction of regional digitalised trade and supply chain platforms that are built on blockchain. For instance, Singapore's first blockchain-based digital trade platform for small and medium enterprises is slated to go live by first half of 2018. The platform, Fasttrack Trade (FTT) helps SMEs seek out new business partners, buy and sell goods, and purchase insurance via a single, safer and cheaper platform.

A digital platform such as FTT could help boost the trade corridors in ASEAN, strengthen business communities, and bring about significant economic benefits to all member states. Cross-border flows would also become more secure, efficient and transparent.

Challenges Ahead

The significant digital divide within ASEAN needs to be addressed for the region as a whole to reap the full benefits of technological evolution. There are varying levels of infrastructural and human resource readiness, digital risk management and privacy protection across ASEAN member states. The slow pace of structural change is also a common predicament among them.

The full potential of the digital economy cannot be realised without the right talent and workforce. The 2017 Harvey Nash/KPMG CIO Survey noted that big data, analytics, business analysis and enterprise architecture are the most in-demand or fastest-growing skills. Yet, IT skills shortages are felt most keenly in Asia-Pacific countries, with 68% of IT leaders surveyed saying that technology skills shortage stands in the way of meeting objectives.

To address the human capital challenges, the next development of AIM 2020 focuses on skill-sets required in a knowledge-based economy. AIM 2020 will provide programmes for continual education and upgrading to equip ASEAN citizens with the latest infrastructure, technology, digital skill-sets, information, applications and services.

Corporates can play a role in addressing skills deficits in the ASEAN region. Instead of "parachuting" talent into these emerging markets to bridge skills gaps, companies can consider working with local education institutions to provide

training programmes. For example, in Vietnam, Microsoft funded a YouthSpark Digital Inclusion project where nearly 200,000 students across the country are equipped with IT skills, and developed problem-solving skills.

ASEAN is at an inflection point. In order to fully capitalise on its potential and remain competitive, it needs to position itself as a seamless region for economic activities and opportunities, as well as invest in developing the right skills and workforce for a digitally connected and thriving ASEAN. 🚧

Mr. Lyon Poh is Head of Digital & Technology, KPMG in Singapore.

Digital Glossary

- Digital economy** refers to (a) the digital-enabling infrastructure needed for a computer network to exist and operate, (b) the digital transactions that take place using that system ("e-commerce"), and (c) the content that digital economy users create and access ("digital media").
- E-commerce** describes all purchases and sales of goods and services that occur over computer networks.
- Digital infrastructure** is the entire spectrum of network, computer, and storage functions required for the successful delivery of applications and services in a mobile, all-IP connected economy.
- Cloud computing** means storing and accessing data and programmes over the Internet instead of from a computer's hard drive.
- Big data** describes the large volume of data – both structured and unstructured – that can be analysed for insights that lead to better decisions and strategic business moves.
- Blockchain** is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. With blockchain, contracts are embedded in digital code and stored in transparent, shared databases, where they are protected from deletion, tampering, and revision.
- Digital divide** refers to the gaps in access to information and communication technology (ICT) among individuals, groups or entire countries.
- Privacy protection** is the protection of personally identifiable information in electronic communications such as people's names, contact details, financial health, and purchase records.
- Digital skill-set** is a range of abilities to use digital devices, communication applications, and networks to access and manage information, including but not limited to programming and web development, app development, digital design, digital marketing, social media, and big data analytics, as well as to be cyber-secure and use information for business.

Sources: US Department of Commerce, SevOne, PCMagSEA, SAS Singapore, Harvard Business Review, OECD, UNESCO, Digital Skills Academy

ASEAN-Singapore Engagement



ASEAN's GDP annual growth rate was ^{1,2}

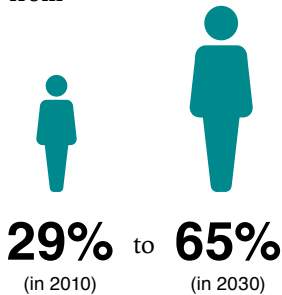
5.1% and is projected to be **5.2%**
(in 2010-2016) (from 2016-2020)

ASEAN is the



largest exporting region in the world, accounting for **7%** of global exports after the EU, North America, and China. ³

Percentage of the middle class of ASEAN population will rise from ⁴

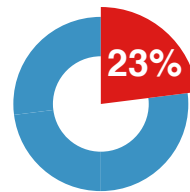


SINGAPORE makes up:

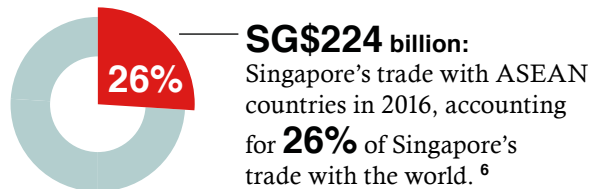
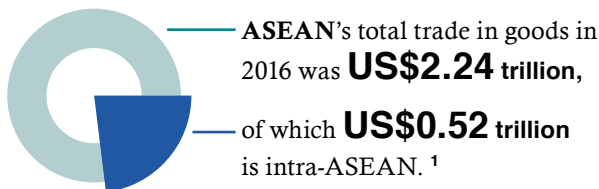
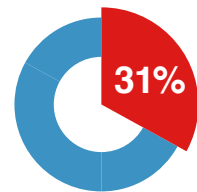
0.88% of the ASEAN region's population,
0.02% of land area, and
11.6% of ASEAN's combined GDP. ⁵

TRADE

Singapore's share in total intra-ASEAN FDI flows in 2016. ¹



Share of trade with Singapore in total intra-ASEAN trade in 2016. ¹



Malaysia is Singapore's **2nd** largest trading partner with total trade volume at **SG\$93.7 billion** in 2016. ⁶



Share of Singapore's total trade with ASEAN:

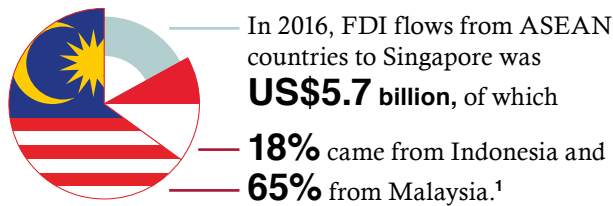
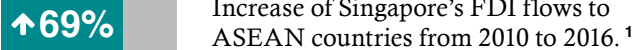
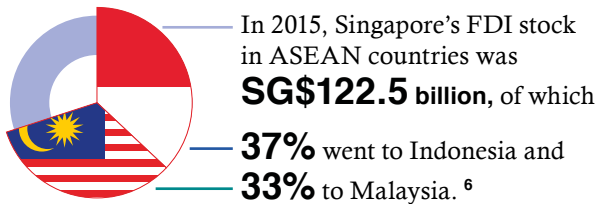


INVESTMENT



— In 2015, FDI stock in Singapore from ASEAN countries was **SG\$47 billion**,
 — **70%** of which were from Malaysia. ⁶

— Developing countries — Global FDI stock



Singapore has **27%** share of e-commerce start-ups in the ASEAN region. ⁷



TOURISM & CONNECTIVITY

3 ASEAN countries in the list of **top 5** country markets for Changi Airport: ⁸

- 1st** Indonesia
- 2nd** Malaysia
- 4th** Thailand



6 ASEAN countries in the list of **top 10** Changi City Link in 2017: ⁸

- 1st** Kuala Lumpur
- 2nd** Jakarta
- 3th** Bangkok
- 5th** Manila
- 7th** Denpasar (Bali)
- 8th** Ho Chi Minh City

There were **6M** ASEAN tourist arrivals, accounting for **37%** of total tourist arrivals to Singapore in 2016.

Share of ASEAN tourist arrivals to Singapore (2016):



EDUCATION & CULTURE

The Singapore Cooperation Programme (SCP) has provided capacity building to **70,000** people from ASEAN. ⁹



Under the Initiative for ASEAN Integration (IAI), Singapore has pledged about **SG\$170 million** from 2000-2016 to provide human resource capacity building development to the **CLMV countries** (Cambodia, Laos, Myanmar, Vietnam). Singapore has also established training centres in each CLMV country. ⁹

Singapore offers **ASEAN Scholarships and ASEAN Undergraduate and Graduate Scholarships** to students from all ASEAN countries to study in Singapore secondary schools, junior colleges and universities.



National Gallery Singapore oversees the largest public collection of modern art in Southeast Asia, including over **8,000 works** that chronicle the art history of Singapore and the region from the **19th** century to present. ¹¹

¹ ASEAN Secretariat, 2017. ² The Straits Times, 2016. ³ Mc Kinsey, 2014. ⁴ UOB, 2015. ⁵ World Bank, 2016. ⁶ Yearbook of Statistics Singapore, 2017. ⁷ Start-up Decisions, 2017. ⁸ Changi Airport Group, 2018. ⁹ Singapore Cooperation Programme. ¹⁰ Singapore National Gallery.

Marry National Interest into Regional Thinking

Hoang Thi Ha looks back on how Singapore has linked its fortune with ASEAN to survive and thrive.

Let's begin by going back to 1967 – only two years after Singapore was unexpectedly thrust into independence and found itself in a much more hostile region than it is today. The Singapore leadership then made a judicious decision in requesting to be one of the five ASEAN founding nations. The membership not only enhanced the legitimacy and international recognition of the young republic but also rendered it an equal say in shaping the region instead of leaving its fate to the whims of others. In the words of former Foreign Minister S. Jayakumar, by joining ASEAN, Singapore asserted itself “to be at the table, not on the menu.”

Being an ASEAN member helped Singapore – a “largely Chinese island in a sea of Malays” – anchor its identity within Southeast Asia – a region as ethnically, religiously and culturally diverse as Singapore itself. This regional identity sent a strong message that Singapore was not a “Third China” but a young nation seeking its rightful place in Southeast Asia. This message was meant to be heard not only regionally and internationally but also domestically as many Singaporeans of Chinese ethnicity then maintained strong affinity and ancestral links to mainland China from which the Singapore government preferred to distinguish and distance itself due to the ideological divide and the imperative to build a “Singaporean Singapore” from the start. Furthermore, taking root in Southeast Asia through ASEAN also enabled Singapore to create a common cause with its predominantly Malay-Muslim neighbours.

Singapore's spectacular transformation from a Third-World entrepot to a First-World global city during the following decades is mainly attributed to the wisdom of its leaders and the hard work of its people. But such transformation might not have been possible without the peaceful and conducive regional environment that ASEAN has helped bring about over the last five decades.

ASEAN's foundation rests on sovereign equality which resonates strongly with Singapore. ASEAN members vary greatly in size and power – Indonesia for example is 2555 and 46 times larger than Singapore in terms of territory and population – but they are all bound by a set of principles that uphold national sovereignty and independence, non-aggression, renunciation of the use of force and peaceful settlement of disputes. Since ASEAN's birth, war among its members has become “unthinkable” while differences have been managed through the exercise of self-restraint

among the parties concerned, bearing in mind the need to at least keep the appearance, if not the essence, of ASEAN solidarity. As aptly observed by British scholar Michael Leifer, being a small state wedged between far larger neighbours whose relationships with Singapore have ebbed and flowed like the sea waves separating them, the innate sense of vulnerability is deep in the country's psyche. Against this background, the above ASEAN principles that centre on the sanctity of national sovereignty constitute a significant normative constraint on external transgressions against Singapore.

Being part of the ASEAN family also helps Singapore foster friendly relations with regional countries, especially Indonesia and Malaysia. In the first three decades of Singapore's nationhood, when bitter memories of *Konfrontasi* were very much alive, Mr. Lee Kuan Yew and Indonesian President Suharto still developed a strong bonding and mutual trust under the ASEAN ambit, which helped navigate bilateral relations through rocky times. As ASEAN cooperation has expanded to almost all areas of human endeavour throughout the past five decades, that sense of good neighbourliness and regional affinity has been continuously cultivated among not only regional leaders but also government officials and the general public.

“Singapore's ASEAN membership is therefore characterised by its consistent efforts to inculcate and induce an ASEAN that is open, outward-looking and inclusive.”

While grounded in the hard truth that Singapore is too small to change the world, Mr. Lee Kuan Yew asserted that “we can try to maximise the space we have to manoeuvre among the big ‘trees’ in the region.” Similarly, Mr. S. Rajaratnam – Singapore's first foreign minister – preferred to have “many suns for greater freedom of navigation of the minor planets.” Following this logic of balance of power, Singapore has always sought to engage and sustain the presence of extra-regional powers in the region, through both bilateral and multilateral arrangements, to counterbalance malevolent forces,



ASEAN Secretariat Gallery

A portrait of the signing of the Bangkok Declaration by Peter Paul Perez Blanco

perceived or real. Singapore's ASEAN membership is therefore characterised by its consistent efforts to inculcate and induce an ASEAN that is open, outward-looking and inclusive. Singapore's leading role in the establishment of the ASEAN Regional Forum (ARF) in 1994 – the first multilateral security dialogue in Asia-Pacific, in the admission of India as a Dialogue Partner of ASEAN in 1995, and in the inclusive nature of the East Asia Summit (EAS), are some telling examples.

ASEAN in turn provides the natural conduit for Singapore to broaden its diplomatic space by engaging the major powers and enmeshing them with the ASEAN Way which prioritises dialogue and cooperation and eschews confrontation. ASEAN today possesses the convening power and central role in the regional architecture through many ASEAN-led mechanisms including the ARF, EAS and ASEAN Defense Ministers Meeting Plus (ADMM-Plus). Through these platforms, Singapore not only has its presence felt and its voice heard in matters affecting its interests, but also proactively shapes the regional environment to its advantage.

But a sweet spot can also become a soft spot. Southeast Asia is increasingly becoming a contested region with intensified rivalries among the major powers, especially China and the US. A cohesive and resilient ASEAN that can speak with one voice would be an important shield for Singapore to stake out a principled position without having to make a binary choice. Unfortunately, ASEAN's

performance in this respect lately has been chequered at best. Singapore therefore aptly chose "resilience and innovation" as the theme for its 2018 ASEAN chairmanship with a view to building up an ASEAN that can withstand not only natural disasters, economic shocks, pandemic diseases but also tectonic strategic shifts in the region. As far as ASEAN is concerned, to Singapore, "If we do not hang together, we shall surely hang separately" is not a cliché. It makes material sense.

At the meeting giving birth to ASEAN in August 1967, Mr. Rajaratnam made a statement that remains true today: "It is necessary for us if we are really to be successful in giving life to ASEAN to marry national thinking with regional thinking. We must think not only of our national interests but posit them against regional interests." After five decades, that remains a work in progress with mixed results on the part of all ASEAN member states. As for Singapore, its efforts over the past 50 years to link its fortune with the regional organisation have served its national interests well. Moving forward, its future will continue to closely intertwine with ASEAN. 🇸🇬

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Strengthening Regional Resilience: Coping with Non-Traditional Security Challenges

Mely Caballero–Anthony reminds us that regional resilience stands on safeguarding and enhancing human security.



Singapore Armed Forces medics work closely with military personnel from ADMM-Plus members

Singapore Ministry of Defence

Much has changed in Southeast Asia's security environment. Regional security is no longer only about managing intra-state relations, territorial disputes and competition for material power. Many threats confronting states and societies in the region are non-traditional security (NTS) in nature, which are defined as "threats to the survival and well-being of peoples and states that arise primarily out of non-military sources, such as climate change, resources scarcity, infectious diseases, natural disasters, irregular migration, food shortages, people smuggling, drug trafficking, and transnational crime." Given their trans-border implications, addressing and managing these threats require comprehensive approaches, going beyond the political-security to also include socio-economic means.

NTS has now become part of ASEAN's security lexicon. Reference to NTS is found in statements of ASEAN leaders and ASEAN declarations. Under the ASEAN Political-Security Blueprint (2009-2015), "ASEAN subscribes to the principle of comprehensive security, which goes beyond the requirements of traditional security but also takes into account non-traditional aspects vital to regional and national resilience, such as the economic, socio-cultural, and environmental dimensions of development."

The rise of NTS threats has made ASEAN's security agenda much more extensive and complex, covering human security challenges faced by the different communities of a highly integrated ASEAN community. These threats range from the severe impact of economic inequality, lack of access to basic needs like food, healthcare and education, threats to societal identity and culture, and forced displacement as a result of conflicts, natural disasters and degraded environment. The multi-faceted and interlocking challenges presented by NTS threats are testing the capacity of ASEAN member states to effectively deal with them.

How prepared is ASEAN to respond to an increasingly complex security environment? Are existing regional mechanisms adequate to manage NTS risks and challenges facing the region? The most serious ones include the growing impact of a changing climate that contributed to extreme weather events, leading to natural catastrophes like Cyclone Nargis and Typhoon Haiyan which displaced more than 6 million people. Handling displaced populations due to natural disasters has been a difficult terrain for ASEAN to deal with. According to the Asian Development Bank (ADB) in 2014, many communities are forced to live below the poverty line after extreme weather events that cause severe flooding and displacement.

Extreme weather also includes debilitating heat waves like El Nino that further aggravate water scarcity in many parts of the region. Moreover, climate-sensitive diseases and infections such as diarrhoeal diseases, malnutrition, malaria, and dengue are expected to worsen with climate variability. ASEAN has already seen this in the rising cases of dengue in parts of the region, and the recent outbreaks of vector borne diseases like Zika. The World Health Organisation (WHO) estimates that the direct damage costs to health from the impact of climate change are between US\$2-4 billion annually by 2030.

ASEAN's food security also faces grave challenges. The Consultative Group on International Agricultural Research (CGIAR) has predicted that food productivity in Asia will decrease by as much as 20% due to climate

change as the geographical boundaries of agro-ecosystems, as well as species composition and performance, will change. Moreover, the ADB has estimated that rice yields in Southeast Asia will fall to about 50% by 2100 since more frequent and intense weather extremes are badly disruptive to agriculture, fisheries, and the natural resource base of the region.

Closely related to the impact of climate change is the chronic problem of transboundary haze pollution, exacerbated by forest fires in parts of Indonesia. ASEAN has already seen some of the worst impact of transboundary haze in 2013 and 2015. The health impact of the 2015 haze, for instance, led to more 100,000 people in Indonesia falling ill from respiratory problems. The economic impact was also quite significant. The World Bank estimated that the economic losses to Indonesia from the 2015 transboundary haze amounted to US\$16 billion – more than double the sum spent on rebuilding Aceh after the 2004 tsunami.

Building Resilience

In its Vision 2025, ASEAN aspires to be “a resilient community in a peaceful, secure and stable region with enhanced capacity to respond effectively and in a timely manner to challenges for a common good of ASEAN, in accordance with the principle of comprehensive security.” Building regional resilience requires a lot from ASEAN as a regional body to help its members deal with complex NTS threats. To its credit, ASEAN has established a number of mechanisms to this effect. Among these are the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) and the ASEAN Centre for Humanitarian Assistance (AHA Centre) to deal with natural disasters; the ASEAN Agreement on Transboundary Haze Pollution to address the haze problem; the ASEAN Plus Three Emergency Rice Reserve to deal with food security; and numerous ASEAN working groups to handle health issues like highly-pathogenic influenza pandemics.

One can argue, however, that these regional mechanisms bring about rather limited impact, aside from awareness raising and knowledge and experience sharing. Regional responses are often fragmented and policy coordination weak since ASEAN operates as an inter-governmental with no overarching body to monitor and enforce implementation of agreements. ASEAN’s experience with the Transboundary Haze Agreement illustrates the challenges of collective action among member states, and the difficulties of implementing different regional plans of action (POAs) on the environment, health, food and other NTS issues.

Nonetheless, the importance of regional approaches to shared problems cannot be overstated. ASEAN’s commitment to address common challenges as one regional community goes a long way in helping its member states in building capacity, mobilising and sharing resources and expertise, and providing the platform for other stakeholders like the business sector, civil society organisations and the rest of the international community

to be engaged in helping the people of ASEAN prepare and cope with the multi-faceted NTS problems.

Leadership Matters

While regional efforts are necessary, leadership in addressing NTS also matters. It is thus important that every ASEAN member state takes up this leadership challenge. In fact, each ASEAN member is given the opportunity to exercise leadership, especially when they take their respective turns to be the ASEAN Chair.

As the Chair of ASEAN, Singapore can once again lead the way as it has done so in the past. It was during its Chairmanship in 2007 when Singapore highlighted the importance of climate change and energy security. Through the ASEAN Transboundary Haze Agreement, Singapore has provided the technical expertise in helping its neighbours identify hot spots, and set the example of introducing a national legislation to support regional efforts in preventing transboundary haze. Singapore also contributes to military-to-military coordination in disaster response in the region by establishing the Changi Regional HADR Coordination Centre (RHCC).

Singapore has introduced the theme of “Resilient and Innovative ASEAN” for its 2018 ASEAN Chairmanship, highlighting the importance of technology to improve the lives and livelihood of the peoples in the region. Singapore has launched the ASEAN Smart Cities Network, and pushed for deeper regional cooperation on cybersecurity to keep up with rapid pace of digitalisation. Indeed, Singapore can still do more to help its neighbours deal with NTS challenges, building on its advances in technology, research and development. For example, Singapore can help ASEAN deal with food security and food safety by leveraging on its knowledge in high-tech and urban farming, and research in food borne diseases like anti-microbial resistance (AMR) through whole genome sequencing that helps in disease surveillance and response.

With its well established legal system, Singapore can also set the example of how security and resilience can be achieved through promoting a ‘rules-based’ system and adherence to international norms. The latter is particularly salient as Singapore hopes to rally ASEAN member states to work together in finding a collective approach on how to proceed on the Rakhine situation without alienating Myanmar.

As ASEAN members come to grips with the multifaceted NTS challenges facing the regional and global community today, there are critical elements that should be in place to ensure a secure and resilient ASEAN. Foremost amongst these is the shared determination to strengthen ASEAN institutions and deeper cooperation underpinned by the understanding that ASEAN’s security is a shared responsibility. 🇸🇬

Associate Professor Dr. Mely Caballero-Anthony is Head of the Centre for Non-Traditional Security Studies at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University in Singapore.

Going Regional is a Win-Win Strategy for Singapore and ASEAN

Moe Thuzar examines the symbiosis between Singapore and ASEAN.

Singapore's beginnings as an independent nation-state were unprecedented and unpromising. A city-state with a small domestic market, hardly any natural resources and no hinterland, Singapore's economic growth and development model were contingent on its linkages with other economies in the region and the world. These realities pushed the country to "go global" in the quest for survival as a small state. The 'Global City' vision enunciated in 1972 by Singapore's first Foreign Minister S. Rajaratnam was a clear indication of this long-term view. Being a global city in a new urban age, said Mr. Rajaratnam, would have the world as an (unlimited) hinterland for the city-state.

The advent of ASEAN in 1967 presented a platform for Singapore to seek deeper economic engagement with other regional economies. In 1972, Singapore's founding father Lee Kuan Yew shared his vision of ASEAN's role and relevance to Singapore's growth, noting that a key purpose of the fledgling organisation was to strengthen and consolidate domestic economies. ASEAN's economic agenda in its first three decades, however, was underwhelming and fell below Singapore's expectation as the member states were preoccupied with nation-building and the region's geopolitical problems.

The end of the Cold War has unleashed market forces across Southeast Asia, paving the way for deeper regional economic integration through various ASEAN frameworks. "Going regional" has since become an indispensable component of Singapore's national development strategy.

Singapore's immediate economic hinterland originally constituted Malaysia and the Indonesian islands of Sumatra and Kalimantan. Through ASEAN cooperation channels, this hinterland has stretched to the rest of Southeast Asia, allowing Singapore and the other ASEAN economies to deepen their areas of specialisation, develop economies of scale, and reduce production costs. Building upon its entrepôt economy origins, Singapore has applied the hub concept to become a global business city that connects ASEAN and other economies in the world. It has also developed its competitive advantages in shipping and air transport, investment and finance, ICT and biotechnology, education and healthcare, and intellectual resources.

Going regional, Singapore businesses have reached beyond its small domestic market of 5.6 million people to ASEAN's much larger consumer base of 640 million. Enterprise Singapore estimates that 65% of ASEAN's population is projected to be in the middle-income class by 2030 with countries such as Myanmar, Vietnam, Philippines and Indonesia experiencing the greatest increases. This translates into over 120 million middle-class households across the region. ASEAN's relatively young population, with active workforce participation, is also significant. The World Economic Forum estimates that the working-age population of Southeast Asia contributes 70% of the region's consumption growth.

The limited room for expansion domestically has compelled many Singapore's home-grown companies to view ASEAN and global markets as their main source of growth and expansion, with benefits linking back to Singapore's economy and citizens. This trend is seen in its food and lifestyle-related ventures across the region. Fast-fashionware and accessories retailer Charles and Keith has opened over 140 outlets in all ASEAN countries except Laos, close to five times the number of its retail outlets in Singapore, and almost half of its outlets worldwide. Out of 48 Ya Kun Kaya Toast international outlets, 40 are found in Cambodia, Indonesia, Myanmar, Thailand, Philippines and Vietnam. Fish & Co. has expanded to Brunei, Cambodia, Indonesia, Malaysia, Myanmar and the Philippines, with the outlets in Indonesia alone double that of its twelve local outlets in Singapore. These investments help to diversify the culinary offerings in the recipient countries, while also providing them with valuable franchising experience.



Singapore and Indonesia agreed to boost cruise tourism during President Jokowi's visit to Singapore (2017)

Prime Minister's
Office, Singapore

Prime Minister Lee Hsien Loong has consistently encouraged Singapore firms to take full advantage of business opportunities present in ASEAN. At the launch of Singapore's ASEAN year in January 2018, Mr. Lee acknowledged that ASEAN's economic community had opened up many job and business opportunities for Singapore companies. Apart from the food and lifestyle sectors, the Ministry of Trade and Industry and Enterprise Singapore have identified sectors such as e-commerce, logistics, tourism, air travel, and healthcare where Singapore firms can expand their business and investment footprint in the region. Singapore's current investments in ASEAN range from real-estate development, industrial and urban planning, manufacturing, transport and logistics, oil and gas, and professional services.

Singapore today is an international switchboard that connects people, goods, and services in and around the region. At SG\$223.9 billion in 2016, Singapore's merchandise trade with ASEAN constitutes about 25% of its total merchandise trade (SG\$870.2 billion). In 2016, Indonesia, Malaysia, Thailand, the Philippines and Vietnam collectively became Singapore's largest market for goods and services, surpassing the United States. On the investment front, Singapore is the top investor in Indonesia and Vietnam, and the second largest source of foreign direct investment in Malaysia and Myanmar.

All this has been taking place with the supportive surrounding environment which ASEAN provides. Consider, for example, customs harmonisation under the ASEAN Single Window (ASW) initiative. As a single digital platform for cross-border customs documentation among the ASEAN economies, the ASW streamlines customs procedures and cut down business transaction costs. This will boost Singapore's trade and investment links with the other regional economies in the future.

Through capital flows and sharing of expertise, Singapore has helped to strengthen mutually beneficial economic linkages with other ASEAN countries, thus contributing to ASEAN community-building. Singapore's investment ventures have assisted lesser developed ASEAN members in transforming their economies and embracing regional integration. Assistance to these countries is tailored to meet their specific needs. The Vietnam-Singapore Industrial Park (VSIP) project, inaugurated in 1996, illustrates this aspect of regional economic cooperation. There are now seven VSIPs, attracting 630 enterprises from 30 countries and territories with a total capital of over US\$9 billion, generating jobs for 174,000 Vietnamese workers and reaching a total export value of US\$32 billion. The VSIP experience has encouraged Myanmar and Indonesia to seek similar industrial development partnerships with Singapore.

In another prominent illustration, CapitaLand – a Singapore-based real estate company – is actively present in all ASEAN countries except Brunei, with 117 projects in integrated developments, malls, schools, homes and serviced residences. Apart from the much needed capital,



The Oxygen, a CapitaLand mall in Ho Chi Minh City, Vietnam

these investments have brought to the recipient countries crucial management skills and helped them develop their human resources, especially in integrated developments.

On the capacity front, the Initiative for ASEAN Integration (IAI) embodies mutually beneficial ventures. The IAI was launched at the Fourth Informal ASEAN Summit in Singapore in 2000 to assist Cambodia, Laos, Myanmar and Vietnam (CLMV) in bridging the development gap. To date, more than 35,000 CLMV officials have received training in a range of topics: public administration, trade and tourism promotion, civil aviation, healthcare, environmental management, urban planning, and English language. The large numbers of trainees are possible due to Singapore's establishment of IAI training centres in CLMV. Under the IAI, Singapore has also assisted vocational training in CLMV and Indonesia. The improved computer literacy, English language proficiency and industry-relevant technical skills in these countries have encouraged more investment and joint venture opportunities. At least a fifth of Singapore businesses seeking to go regional with support from Enterprise Singapore have their eye on markets in Indonesia, Myanmar and Vietnam.

Looking ahead to the future, Singapore's going regional strategy now highlights promoting the digital economy, leveraging on innovation to create further value-added ventures and enhance the quality of life of the people in the region. This will continue to attract big global players to the region, and help local entrepreneurs to have access to new green fields. E-commerce, mobile finance, cybersecurity, new transport solutions and innovative urban planning via the ASEAN Smart Cities Network all present opportunities for Singapore to pursue its commitment to work together with its ASEAN fellow members in ensuring inclusive and sustainable growth for the region. 🏡

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Singapore's Financial Hub in a Dynamic ASEAN

Manu Bhaskaran takes us through the prospects and challenges for Singapore as ASEAN's financial hub.

Singapore's financial hub has expanded in size and sophistication through the past few decades of tumultuous political, technological and economic changes. Now, as another period of disruption approaches, questions are again being asked about how Singapore's financial centre will evolve and how this will affect ASEAN. Singapore's track record suggests that it can make the adjustments needed to remain the pre-eminent financial and business hub of the region – and in so doing, it will continue to support the ASEAN region's rapid economic development.

Singapore's Hub is in a Good Position and has Staying Power
Over the years, Singapore has brought together an interlocking set of activities that constitute its regional hub: its financial centre is strongly anchored in this regional hub. First of all, the financial centre is bolstered by the presence of virtually all the major financial institutions in the world carrying out a wide range of activities including lending, capital market activities, financial advisory and wealth management, among others. Many of these institutions such as Barclays Bank, Deutsche Bank, Allianz and Mizuho Bank have set up their regional offices in Singapore to branch out to Southeast Asia and Asia-Pacific. The hub also includes the Port of Singapore and Changi Airport which rank among the busiest in the world. In addition, the hub takes in the plethora of regional and global headquarter operations that the world's largest multinational corporations (MNCs) have located in Singapore (according to KPMG in 2018, Singapore

is Asia's top destination for MNCs to set up regional headquarters). Undergirding these activities are a range of service providers in areas such as legal, accounting, consulting and logistics.

The key to its staying power is that all these institutions are here because all the other institutions (which could be clients or service providers) are here as well. One or a few of these institutions cannot move away without losing the immense advantages of being in close proximity to their clients or providers of critical services.

Another reason for staying power is the head start that Singapore enjoys. Having brought together all these various interlocking activities ahead of other cities in the region makes it tough for putative competitors to muscle in.

In addition, Singapore continues to enjoy political, economic and financial stability which is vital for sustaining a regional financial centre. Its regulatory infrastructure is also considered among the world's best while its tax regime is attractive, not just because of low taxes but also because of the ease of compliance.

Of course, there are Challenges

That is not to say that Singapore's financial centre can rest on its laurels. For one, it has to watch its cost structure which has become an issue for some institutions, causing the relocation of some activities to other locations.

Singapore's central business district,
home to offices of global financial institutions

Nur Aziemah Aziz



Singapore's financial centre also faces regulatory hurdles as regulators react to the rising concerns over money laundering, terrorist financing and the erosion of the tax base as companies find inventive accounting techniques to shift profits to low tax regimes like Singapore. In a continuing response to the global financial crisis of a decade ago, financial regulations continue to tighten as well, constraining the growth of financial trading activities.

A related factor is nationalism around the region which can sometimes trip up Singapore's offerings in the financial marketplace. An example is Singapore's current standoff with India's equity market which is opposing the development of derivative instruments on the Indian equity market benchmark as it seeks to keep equity trading activity within India.

It is also the case that some segments of Singapore's financial centre are not performing well. The equity market, for example, is now far behind that of Hong Kong, which has the tremendous benefit of being able to host an explosion of Chinese company listings. But even the smaller equity markets in ASEAN are catching up with Singapore in terms of listings and daily trading volumes. The structure of Singapore's savings industry is a decided disadvantage. A disproportionate amount of the country's massive savings is channelled through non-market mechanisms such as the government-run Central Provident Fund into a single institution, its sovereign wealth fund GIC which in turn only invests abroad. Thus, the availability of institutional funds such as pension funds which anchor most equity markets has been less than optimal.

Finally, the advent of new financial platforms such as blockchain could prove disruptive to the incumbent institutions which dominate Singapore's financial sector.

So, what of the Future?

Despite these challenges, there are many reasons to expect Singapore's financial centre to grow in the coming years

First, we expect the ASEAN region's economy to grow by at least 5.5%-6% a year. It is not just that the size of the economic pie will expand and so require more of the same financial services. The region's development will also see it moving up the value chain and its increasingly sophisticated consumers and businesses will seek even higher value financial services which Singapore can provide competitively.

Second, Singapore has also invested heavily in the new Fintech and other innovations so as to stay ahead of the game. Its regulators have evolved a pragmatic approach to new technologies – adopting a “sandbox” approach where start-ups are given substantial leeway to experiment. This, and the availability in Singapore of sizeable amounts of venture capital, has attracted many of the start-ups to locate in Singapore, giving it a leg-up in the new financial technologies which could well dominate finance in the future.

“It is important to emphasise that ASEAN's growth is likely to be large enough to provide benefits not just for Singapore's financial hub but also for the smaller but still vibrant financial markets and institutions in other ASEAN cities such as Bangkok, Kuala Lumpur and Jakarta.”

However, there might well be some areas where the growth of Singapore's financial hub might be constrained, such as new regulations. But overall, Singapore's head start and its continued vigorous efforts to invest in the future should help it see through the challenges.

What does this mean for ASEAN?

ASEAN's rapid growth does not only represent a quantitative change: more importantly it represents a qualitative transformation into a more sophisticated regional economy. High growth will be accompanied by a more urbanised population which will demand more value-added financial services, among other things. This growth will be accompanied by a massive step up in infrastructure spending which will have to be financed. Many of these financial activities will be fulfilled within each country by its own financial markets and institutions. However, the more advanced and complex services will probably benefit from Singapore's experience in such areas.

Growing regional integration as the ASEAN Economic Community is fully implemented will have important consequences as well. Integration would mean an increase in the flow of goods, services, people and capital – much of which will be arbitrated through regional hubs such as Singapore. Another implication would be a gradual shift towards a regional rather than just single-country market for financial services. This is another area where Singapore's financial hub can help out in.

It is important to emphasise that ASEAN's growth is likely to be large enough to provide benefits not just for Singapore's financial hub but also for the smaller but still vibrant financial markets and institutions in other ASEAN cities such as Bangkok, Kuala Lumpur and Jakarta. There should be enough growth in the size of the cake for each of these cities to share in the value creation, while leaving sufficient areas where it would make sense for Singapore to be the dominant provider.

In other words, while there will always be a degree of competition among cities in ASEAN, ultimately, there is good reason to expect a win-win for all the various financial centres in ASEAN. 🏢

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The Sky is the Limit for ASEAN's Aviation Hub

Sanchita Basu Das explains how Singapore is flying high as the premier aviation hub of ASEAN.

With green shrub-covered walls depicting Singapore tropical landscape, excellent retail and leisure facilities, moving walkways and inter-terminal trains, and the seamless MRT network connecting the airport to the city, passenger comfort and convenience are at the core of Singapore's Changi Airport. A winner of more than 500 awards since opening its doors in 1981, the airport offers an unparalleled travel experience for both vacationers and business travelers with multiple snooze lounges, thematic gardens, spas, rooftop pools and theaters. In fact, even the local non-travelers get to experience the airport's hustle-bustle as they stand on the viewing galleries to observe aircraft movements or venture around with families and friends in a wide-range of dining options.

Changi Airport is one of the busiest airports in the world and the most connected aviation hub in the ASEAN region with over 7,200 flights weekly. It currently serves more than 100 airlines that fly to around 400 cities in about 100 countries worldwide. In 2017, Changi handled 62.2 million passengers, the most in its 36-year history, and 2.13 million tonnes of cargo, with transshipment volume to other parts of ASEAN and beyond constituting almost half of the throughput.

Lying at the heart of ASEAN, Changi Airport is the region's premier aviation hub with 45 city links within the region.

Southeast Asian passengers are the largest customer group for the airport. Out of the total 30.5 million air passenger arrivals in Changi over the past year, 45% of them are from the region. According to Changi Airport Group, Kuala Lumpur, Jakarta, Bangkok, Manila, Denpasar, and Ho Chi Minh City are six of the top 10 destinations for Changi; its top ten passenger markets include Indonesia, Malaysia, Thailand, the Philippines and Vietnam. Changi has literally contributed to ASEAN community building by bringing ASEAN people closer to one another through better and wider flight connectivity.

Changi is also a key stop-over for passengers from the ASEAN region who want to travel to the rest of the world. With excellent quality of transit facilities, a wide array of airlines, and connection to many destinations worldwide, Changi is a popular bridge connecting ASEAN people with the world. For example, a Vietnamese travelling from Hanoi to Auckland in New Zealand or Hyderabad in India has to transit via Changi. A Filipino needs to stop over in Changi when travelling from Manila to Colombo in Sri Lanka or Zurich in Switzerland.

With Changi serving as the springboard, Singapore has become a regional hub for aerospace maintenance, repair and overhaul (MRO) activities. The city-state has 40 MRO providers, compared to only 6 for Thailand and

Singapore's Changi Airport



Changi Airport Facebook

8 in Malaysia which are also trying to build up their MRO capacities. Despite mounting competition from other regional players, there are good prospects ahead as airlines across the region are expanding their current fleet from 1,050 aircrafts to 3,150 by 2030 according to Boeing forecasts.

The city-state also serves as a training and education hub for aerospace engineers and technicians in the region. Its educational institutes, including the National University of Singapore, Nanyang Technological University, Singapore Polytechnic, Temasek Polytechnic, Nanyang Polytechnic, Republic Polytechnic, Ngee Ann Polytechnic, Singapore Institute of Technology and Singapore University of Technology and Design, offer courses and programmes related to the industry. The city-state produces over 1,700 aerospace graduates annually from its educational institutes, serving both Singaporeans and many ASEAN nationals.

The aviation industry contributes 6% to Singapore's GDP, covering direct contribution from aviation sector, indirect contribution from aviation supply-chain and induced contribution through spending of employees in the airline industry. For the direct contribution, Singapore's aviation industry with 130 enterprises generates an output worth SG\$8 billion, of which 90% is derived from aerospace MRO activities and 10% from manufacturing.

The GDP share of the aviation industry is even more pronounced if one takes into account its spillover effects into the tourism industry. Furthermore, aviation in Singapore creates 20,000 highly skilled jobs, 80% of which are taken by local professionals. Additional 9,000 jobs are found in supply-chain activities and another 9,000 in induced employment. Singapore is currently developing an Aerospace Park in Seletar that covers a wide range of activities including manufacturing, assembly, MRO, business, training, research and development. The park hosts around 60 local (Singapore Airlines, ST Aerospace and many local SMEs) and foreign businesses (Rolls-Royce, Bombardier, Bell Helicopter, among others).

Expansion of the Changi airport is a priority in Singapore's national infrastructure development plan. The target is to boost annual passenger handling capacity from 66 million to 135 million. On top of Terminal 4 which was newly opened in 2017, Terminal 5, slated to be completed by 2030, is said to be bigger than Terminal 2 and 3 combined. Runways will be expanded from two to three to accommodate increased traffic and larger passenger aircrafts. Another project, Jewel at Changi, due for completion by early 2019, will connect with the Terminals and feature a 40-metre indoor waterfall, a five-storey garden and 300 shops and food and beverage outlets for both travelers and residents.

Like in many other business realms, Singapore has punched beyond its weight in the aviation industry. With a population of only 5.7 million, Singapore is continuously tapping on the big and broad client base

20 busiest international airline routes of the world in 2017 (OAG, 2018)

- 1 Kuala Lumpur-Singapore
- 3 Jakarta-Singapore
- 5 Jakarta-Kuala Lumpur
- 11 Bangkok Suvarnabhumi-Singapore

Kuala Lumpur-Singapore flight traffic in 2017 (OAG, 2018)

- Total flights: **30,530**
- Total passengers: **> 4 million**



45% of 30.5 million air passengers arrivals in Changi in 2017 come from ASEAN (data.gov.sg)

Changi's top city links in 2017 (Changi Airport Group, 2018)

- 1 Kuala Lumpur
- 2 Jakarta
- 3 Bangkok
- 5 Manila
- 7 Denpasar (Bali)
- 8 Ho Chi Minh City

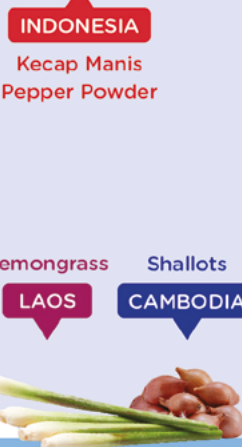
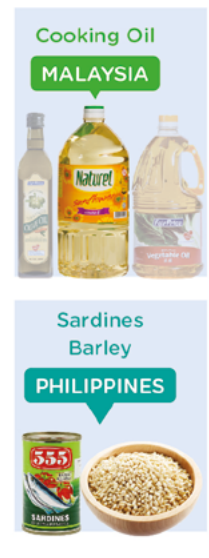
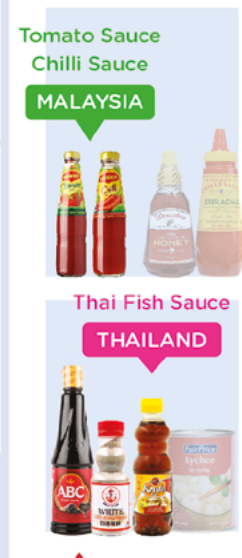
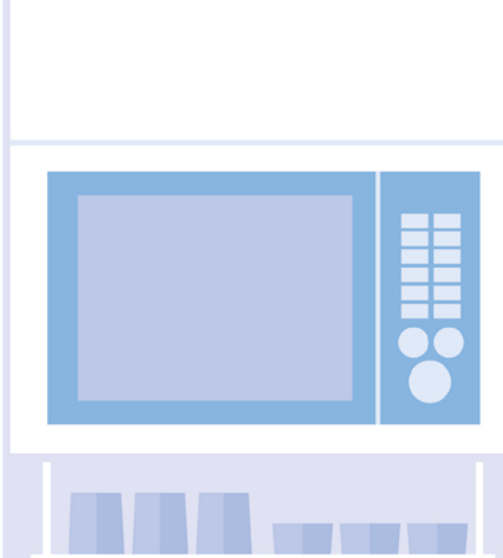
5 out of 10 top passenger markets of Changi:

- Indonesia
- Malaysia
- Thailand
- The Philippines
- Vietnam

from Southeast Asia and beyond to keep surging forward. Singapore is therefore one of the most enthusiastic champions of the ASEAN Open Skies agreement and the ASEAN Single Aviation Market which aim to enable Southeast Asian carriers to fly more freely in the region. As reported by the Pacific Asia Travel Association, this agreement is an enabling factor for the sharp increase of scheduled daily flights in the region from 22,000 in 2012 to 28,600 recently. The ASEAN Open Skies and the boom of regional budget airlines also open up Changi to second-tier cities such as Chiang Mai, Da Nang, Medan and Surabaya, helping the airport to link the world to the more remote corners of the region.

On-going de-regulation of regional aviation will continue to boost the momentum for Singapore to remain a premier aviation hub for Southeast Asia and the whole Asia-Pacific. In return, with its locational advantage and excellent infrastructure and services, Singapore has made considerable contributions to developing air connectivity and the aviation industry in the region, bringing ASEAN people closer together and closer to the world. 🇸🇬

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Sights and Sounds

ASEAN in My Kitchen

Cheryl Teh invites us to her ASEAN kitchen, where the region's flavours congregate as one.

The sun is setting, and a pot rages to a boil on the stove, aromatic spices wafting through the air. On the table, fresh chicken is prepped for the oven, while fragrant coconut rice steams steadily in its cooker. A little girl sits on a high stool, looking on curiously as vegetables sizzle in a wok while sugar and chilli caramelize in a pan.

This is the home many of us grow up in, where food is literally the centre of the universe. We would gather at dusk, sitting in our dining rooms, chatting about our days over a warm bowl of rice and delectable dishes, at times ending dinner with a bowlful of sweet treats – red bean soup, *kueh* – the list is endless.

It is only when we grow older that we start to think more deeply about the origins of our food. As far as we know, Singapore generates precious little of our locally consumed produce. So where does all this food come from?

Singapore sits in the cradle of Southeast Asia, and our palates have long been accustomed to the diverse and colourful tastes of our region. Yet many of us may not be aware of how much of our food comes from our neighbours. Southeast Asia, a region of robust agricultural development and diversity, has availed the presence of a rich variety of produce making their way to our city-state.

In every well-stocked kitchen in Singapore, one is likely to find at least a few essential products from ASEAN countries. A groceries shopping trip to NTUC Fairprice will reveal several interesting facts about the many origins of our food. While Malaysia is often perceived to be the main exporter of produce to Singapore, including meat, seafood, spices, fruit and vegetables, much of our kitchen stock also comes from other ASEAN countries. This includes jasmine rice from Thailand, sweet potato and coffee from Vietnam, mangos from Myanmar and the Philippines, and even Kolo Mee from Brunei. Even in a simple dish of noodle



soup that one might whip up in their kitchen, there might be chicken from Malaysia, organic *chye sim* from Thailand, and spices from Indonesia. In another local favourite, fried rice, most ingredients are sourced from our neighbours too – rice from Thailand, eggs from Malaysia, garden peas from Vietnam, carrots from the Philippines, garlic and spring onions from Indonesia and shrimp from Brunei. The region has, literally, come to our kitchen, being present in almost every local Singaporean delicacy, from *nasi lemak* to *char kway teow*.

The presence of ASEAN in Singapore kitchen is emblematic of the multi-fold and far-reaching benefits of enhanced regional trade in agricultural products. Malaysia, Indonesia, Thailand and Vietnam are among the top ten exporters of food products to Singapore. Thailand and Vietnam especially are among the top three rice exporters to Singapore, accounting for 62% of its total rice imports. A number of ASEAN initiatives have been put in place to enhance the sustainability of Singapore's food imports, including the ASEAN Integrated Food Security (AIFS) Framework which provides an enabling environment for ASEAN member states to operate and cooperate in various aspects related to food production, processing and trade.

With the ever-present threat of climate change, episodic droughts, floods and other natural disasters, it is of utmost importance that Singapore join hands with other ASEAN countries to enhance food security in the region, including promoting conducive food market trade, agri-

innovation and food security emergency arrangements. One notable achievement in this respect is the ASEAN Plus Three Emergency Rice Reserve established in 2013. With earmarked stocks and voluntary donations from ten ASEAN member states plus China, Japan and the Republic of Korea, this reserve offers rice supplies for affected countries especially in times of acute emergency.

Now when I recall my childhood, I think not only of the bursts of flavour in every bite, but the lustrous fields across the region from which my rice and noodles hail. When it comes to food, ASEAN is ever present in our home as much as we have always been right at home in the ASEAN region. These culinary connections highlight the intimate ties that bind Singapore to and with ASEAN. 🌾

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ASEAN Food Trail in Singapore

Nur Aziemah Aziz takes readers on an ASEAN-themed food journey around the island.

ASEAN is known for its culinary delights, attracting travelers and foodies from around the world to have a taste of these famous dishes. Singaporeans are no exception to this, and are known to journey around Southeast Asia, indulging in the best gastronomic experience that countries in the region have to offer. What is lesser known to most is that one need not travel to experience authentic Southeast Asian delicacies! One might embark on an ASEAN-themed food trail across Singapore, with destinations for Southeast Asian cuisine being just an MRT ride away.

Malaysia – Singapore’s closest neighbour – is often the first port of call for Singaporean travellers looking for great, home-style food. One of these dishes that has captured the hearts and palates of many a visitor to Asia is *roti prata*, or *roti canai* (as they call it in Malaysia). The dish is, in fact, a simple concoction whipped up in the kitchen of many South Indian restaurants – and in its final form, it is a soft flat bread, baked crisply, and served with a side of curry or sugar. However, there is great *prata* to be enjoyed in Singapore too. Let’s start off the food trail with a delicious *prata* breakfast in the heart of eastern Singapore, Joo Chiat.

At Mr and Mrs Moghan’s Super Crispy Roti Prata, one can expect crispy *kosong* (plain) *prata*, flavoured with *ghee*. Mr. Moghan makes the *prata* from scratch every day, ensuring the utmost freshness and consistent standards with each dish. The thickness of the dough is essential, as he fries the *prata* and serves it, sizzling hot. The crispy texture of fresh *prata* certainly tantalizes the senses, with the buttery *ghee* flavor leaving one craving for more. Guests at Mr and Mrs Moghan’s who enjoy a flavourful dose of heat with their food will certainly appreciate a side of mutton, fish or *dhal*

curry to go with the *prata*. This perfect meal combination brings back memories for many Singaporeans – standing at the door on weekends, waiting for our parents to bring back freshly-made *prata* from the local hawker centres. What’s more, if you are feeling a little stuffed from the *prata*, you can walk off your breakfast with a short seven-minute stroll to Geylang Serai. A Malay enclave that has historical roots in Singapore’s colonial past, there is much to discover and learn in this special neighbourhood.

For lunch, Inle Myanmar Restaurant is the perfect option for one to sample Myanmar’s cuisine. Located at the basement of Peninsula Plaza in City Hall, Myanmar’s cuisine might not seem as ubiquitous and readily available to locals in Singapore. Nonetheless, one who desires an introduction to Myanmar’s cuisine might taste-test dishes from the menu that comes with English descriptions of the food. Some noteworthy dishes, such as *lahpet thoke* (pickled tea leaves salad) are popular snacks in Myanmar, and make for great starters. The salad is flavourful, with a special mix of savoury, salty, sour, and spicy. The combination of textures in the dish, varying from crunchy and chewy, are a treat for the senses. One must not miss a bowl of *mohinga* (rice noodles served with fish broth), which is lauded as one of Myanmar’s national dishes. The *mohinga* broth is served piping hot, and the dish itself boasts a full-bodied, comforting flavor that packs a punch. Still feeling for more? Try traditional Burmese desserts, such as *sanwin makin* (Burmese semolina cake), or *shwe yin aye*, a coconut cream-based sweet dessert. Both options are perfect treats to cool one down on a hot Singapore afternoon – and definitely worth the calories!



When the sun goes down and Singapore's city centre bursts into life, one may well be spoilt for choice with dinner options. If you happen to be near Lucky Plaza at Orchard Road on Sunday, it is an experience in itself to sit, side by side, with Filipino and Indonesian natives flocking to the shopping complex for authentic hometown cuisine. *Adobo* (meat marinated in vinegar, soy sauce, garlic and black peppercorns) and *lechon* (roasted pork belly) are some popular Filipino treats at Lucky Plaza. In the mood for fast food with Philippine flavour? The Philippines' famous fried chicken joint, *Jollibee*, has been packed to the brim with satisfied customers since its opening in 2013. *Jollibee's* chicken is not just ordinary fried chicken. Its breaded skin, fried to a golden crisp and juicy meat makes every bite a delightful experience.

Winner winner, chicken dinner! There's more at Lucky Plaza for the chicken aficionado, in the form of Singapore's popular *nasi ayam penyet* shop, Ayam Penyset Ria. The chicken dish is marinated specially with spices and herbs imported from Indonesia, and made with a dose of homesickness! Once again, one must prepare for a hearty offering with the *sambal* that comes with the *ayam penyet*, added specially for an extra oomph. After dinner, do have a walk around Lucky Plaza, which houses other services such as remittance offices, mini marts selling snacks from the Philippines and Indonesia that one might not find in local supermarkets.

If you are on another side of town, drop by Mrs Pho, a Vietnamese restaurant in Bugis. Mrs Pho brings a slice of Hanoi to Singapore, even from its décor alone. Low red stools and small tables are provided at the entrance for hungry diners waiting for their turn. Inside the restaurant, interesting posters that remind us of Hanoi's little quaint streets brighten the grey walls, with metal tables and chairs adding to the fuss-free, no-frills décor. At Mrs Pho, one

can dig into a hearty bowl of beef noodle *pho* (Vietnamese noodle soup) or *pho dac biet* (special beef combination noodle soup with meatballs, beef brisket, and a half-cooked egg.) The beef balls served at Mrs Pho are flown in from Vietnam on weekly basis, ensuring not only the authentic taste of Vietnam's produce, but freshness as well.

Meanwhile, just five minutes away from Mrs Pho, Golden Mile Complex houses several food stalls within its corridors that offer home-made Thai fare. Each serves up delicious Thai cuisine from *pad thai* (stir fried rice noodle) to *som tam* (green papaya salad), and for spicy food enthusiasts, creamy Green Curry and spicy *tom yum goong* (Thai sour spicy soup). If you happen to be going for dinner with meat lovers, *mookata* (Thai barbeque steamboat) is an excellent choice. Also at Golden Mile Complex, one can enjoy the 'music' of sizzling grilled meat being cooked on carefully oiled skillets. The 'art' of eating *mookata* also includes sampling the rich and flavourful steamboat broth, accompanied with a glass of Thai Iced Tea. Let the barbecuing begin – it is a fun activity that can be enjoyed by the whole family!

These food enclaves in Singapore have no longer just served as a cure-all for homesickness among Southeast Asians who have come to live and work in Singapore. Singaporeans, too, have enjoyed these cuisines, and are all the better for it – as the delights of our neighbours have become our favourites too. The cuisines of ASEAN's member states have brought us closer, and helped us to understand and appreciate each other more – for nothing forges bonds better than a good conversation over a tasty meal and a shared experience of home-style food. 🍴

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Mrs Pho

This is the place to be for a piping hot bowl of *pho* that will warm your heart and soothe your troubles away. You will forget that you are in Singapore in this little Hanoi.



Golden Mile Tower

Make your cheat day count with a *Mookata* (a Thai barbeque steamboat) session with your friends. Enjoy the flavour packed broth enhanced by the juices of grilled meat.



Mr and Mrs Moghan's Super Crispy Roti Prata

Watch Mr Moghan flip your *prata* as it sizzles away on the hot pan in this quaint looking coffee shop that seems to be stuck in time in the midst of new modern houses.



Jollibee - Lucky Plaza

This fast food chain is the remedy to satisfy your fried chicken cravings with rice and gravy à la Philippine style.



Inle Myanmar Restaurant

A pioneer in introducing and making Myanmar's food accessible to Singaporeans. Head for Inle to acquaint yourself with fine Myanmar cuisine and culture!



Javan Rhinoceros

Rhinoceros sondaicus

Numbers remaining in the wild: 58-68
Found in Java, Indonesia

Javan rhinos are one of the five rhino species worldwide, and are the most endangered. The rhinos that live in the Ujung Kulon National Park in Java are the last of their kind. Javan rhinos once lived throughout Northeast India and Southeast Asia, but less than 70 remain. The Javan rhino is a dusky grey colour, and has a single horn of up to about 10 inches. Its skin has a number of loose folds, giving the appearance of armor plating. The Javan rhino is very similar in appearance to the closely-related greater one-horned rhinoceros, but has a much smaller head and less apparent skin folds. It measures approximately 3.1-3.2m in length and 1.4-1.7m in height, and only adult males have horns. (WWF, 2018)

