

REGIONAL OUTLOOK FORUM 2023
Understanding the Drivers of Change in a Disrupted World

Welcome remarks by Mr Choi Shing Kwok
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10 January 2023

Excellencies, distinguished guests, ladies and gentlemen,

1. A very warm welcome to the Regional Outlook Forum 2023, which is the 26th conference in this annual series organized by the ISEAS – Yusof Ishak Institute. After two years of online Zoom forums, it is such a pleasure to see everyone in person again today. However, we have not gone completely offline – as we have decided to make this a hybrid event to allow more people to participate. I would therefore also like to extend warm greetings to our online audience, many of whom are following today's proceedings from abroad.
2. Before I go any further, let me first express my thanks to all our sponsors, especially the Gold sponsors for this year's Forum – The Asia Foundation and Nikkei Group Asia – for their generous support that has made this year's ROF possible. In particular, their support has made the forum accessible and affordable for the wide audience that we have gathered here today.
3. The ROF convenes at the start of each year to analyse high-level trends and issues that will have the greatest impact on Southeast Asia in the short to medium term, and to consider how key developments in specific countries in the region will unfold. This year's theme is "Understanding the Drivers of Change in a Disrupted World". The intention is to move beyond the day to day dramas that continue to capture media headlines, and understand the deeper forces at play that will over time 'bring the chickens home to roost', whether in a positive or negative fashion.
4. To help us with this, we have gathered a highly distinguished slate of speakers to help us think through the many complex issues on the table. We will start with a keynote address by distinguished scholar and former Foreign Minister of Singapore Mr George Yeo. Given a free hand to pick his subject, Mr Yeo has chosen to speak on the current

state of the world and Southeast Asia's part in it. He has also kindly agreed to a question-and-answer session that will be chaired by ISEAS Chairperson Prof Chan Heng Chee.

5. In Session 1, Ashley Tellis, Wu Xinbo, Nguyen Hung Son and C Raja Mohan, all of whom are deep strategic thinkers, will address how the ongoing war in Ukraine will impact on the strategic dynamics in the region. There is no question that the war in Ukraine is the biggest event to hit the world in the last 20 or more years. It has upended the norms and foundations of the international system set up after the end of the Second World War. In addition, it has complicated US-China rivalry, slowed down the recovery from the pandemic and compounded the climate-related energy and food security problems, among other things. The panel will assess the US's objectives and strategies in the Russia-Ukraine conflict; the prospects for a further deterioration in Sino-US relations and the likelihood of an outbreak of unintended conflict here. They will also discuss the implications for the region – particularly the strategic choices available to countries seeking to preserve a degree of agency amidst the heightening great power rivalries.

6. In Session 2, we will dive deeper into how the region is coping with the economic problems brought on by the war, the pandemic and the collapse of the latest tech bubble. A few days ago, IMF Managing Director Kristalina Georgieva warned that one-third of the world economies is expected to be in recession and she added that, for those countries not in recession, it would feel like a recession for hundreds of millions of their citizens. Last October, the IMF had reduced its 2023 forecast for global growth to 2.7%, the slowest growth since 2001 apart from the GFC and the acute phase of the Covid pandemic. On the other hand, the region may benefit from further relocation of global value chains from China as well as China's recent re-opening. We are privileged to have two well-respected professionals in the trade and finance sectors share with us their perspectives on the outlook for the regional economy. Bapak Tom Lembong, who was formerly Indonesia's trade minister, and Tan Sri Nazir Razak, formerly Chairman of CIMB Bank, will share their views on the key risks facing the global economy amidst of the current inflationary environment and supply chain disruptions, and the implications and opportunities for the Southeast Asian region.

7. For Sessions 3, 4 and 5, we will put the focus on a few key countries in the region. In session 3, Prof Ardeth Thawngmung will assess the prospects for a return to political stability in Myanmar. Since the coup by the Tatmadaw in Feb 2021, the country has been in an internal conflict that verges on being a civil war. The key questions are whether the military's State Administrative Council be able to hold its planned elections, which it sees as an exit strategy to resolve the current political impasse and if so, whether it be accepted inside and outside Myanmar. The other speaker in Session 3, Dr Khemthong Tonsakulrungruang will share his reading on the current state of Thailand's democracy and address the various trends and factors that seem to suggest a rather bleak and uncertain outlook.
8. In Session 4, we are honoured to have two senior politicians from Malaysia provide their perspectives on the political outlook for Malaysia. After the historic election in 2018 that saw a new coalition govern the country for the first time before it fell apart in less than 2 years, the latest election has shown that the forces that propelled the GE14 results have not dissipated. GE15 resulted in an unprecedented hung Parliament and witnessed for the second time in recent times the intervention of the monarchy to break the political deadlock. Minister for Transport YB Anthony Loke, who is also secretary-general of the Democratic Action Party and Tuan Khairy Jamaluddin, a former Cabinet minister and UMNO Youth Chief, will discuss the deep fissures in the Malaysian political landscape and the likelihood of Malaysia settling into a more politically stable trajectory, after seeing 4 prime ministers take the helm in quick succession. Is the current Unity Government just a marriage of convenience or does it have a life and logic that can be enduring?
9. In Session 5, we welcome another two prominent political figures, this time from Indonesia. Bapak Anies Baswedan, the former Governor of Jakarta, and Ibu Yenny Wahid, the Director of the Wahid Institute, will address the trends and developments that have undermined the functioning of Indonesia's democracy and its outlook as Indonesia prepares to hold its presidential and parliamentary elections in 2024. What kind of political system and society is Indonesia becoming? Is the era of mega-

- coalitions and convergence of elite interests here to stay? After a successful G20 presidency, can Indonesia continue to play a leading role internationally as a middle power in the midst of US-China competition and what does that mean for ASEAN.
10. I suspect that a recurring theme that may emerge in today's discussions across the sessions is the question of governmental capacity and resilience. Every country we are discussing today, whether the major powers or the various Southeast Asian countries, are experiencing, in their own ways, mounting domestic political pressures and stress. These are driven, in part, by the long tail of the Covid-19 pandemic and the ongoing war in Ukraine which have increased financial stress and exacerbated domestic socio-economic inequalities. The knock-on effects have been a deepening of political fissures and ideological divides, leading to greater risk of political instability or policy paralysis. The cumulative effects of pressures on multiple fronts – are likely to challenge any national leadership's ability to focus on the right priorities and make good strategic decisions. The end result could be a deterioration in the quality of leadership and greater fragility domestically, regionally and internationally.

 11. On that note, it is now my pleasure to give way to the keynote session by Mr George Yeo. I am now pleased to welcome Amb Chan Heng Chee, Chairman of the ISEAS Board of Trustees, to introduce the session and our keynote speaker. Professor Chan, please.