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ASEAN Focus



ASEAN

1967 - 2017

CELEBRATING FIVE DECADES
OF REGIONAL COOPERATION

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AHA Centre

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ASEAN

These are indeed times of great curiosity in world affairs. US President Donald Trump marked his first 100 days in office as trouble continues to brew in the Middle East and the Korean Peninsula. The world watched with bated breath the first ever summit between President Trump and Chinese President Xi Jinping at Mar-A-Lago, Florida, as it bore significance not only to their bilateral relationship but also to the state of affairs of Asia-Pacific. President Trump took the opportunity to walk back from some of the more confrontational comments he made on China during the campaign. The good vibe coming out of the summit holds the promise that one of the most important relationships on earth is stabilising after a wobbly start.

Within the region, the Jakarta gubernatorial election in Indonesia saw its conclusion with incumbent Basuki Tjahaja Purnama's defeat to former Education Minister Anies Baswedan, casting a spotlight on President Joko Widodo's tenuous grip on power two years away from the next presidential election. Meanwhile in Thailand, King Maha Vajiralongkorn approved a new Constitution, the 20th of Thailand since 1932, paving the way for the next general election expected to be held mid-next year.

ASEAN has also had its share of exciting moments. The visit by US Vice President Mike Pence to the ASEAN Secretariat gave the much awaited assurance of American continued

commitment to the ASEAN-US strategic partnership. And April wound up with the 30th ASEAN Summit in Manila. Ms. Hoang Thi Ha will comment on the outcome of the Summit and how it will set the tone for this year of ASEAN's golden anniversary.

In the economic arena, ASEAN trade ministers have set an ambitious target of concluding negotiations for the Regional Comprehensive Economic Partnership (RCEP) by the end of this year. Thus for *Insider Views*, we are honoured to feature Mr. Iman Pambago, Director-General for International Trade Negotiations of Indonesia's Ministry of Trade and Chair of the RCEP Trade Negotiating Committee, who will share with us the progress and the way forward of RCEP negotiations.

In this issue, we will pay special attention to President Trump's first 100 days in office and the bearing thus far for Southeast Asia. Dr. Tang Siew Mun delves into the fundamentals of ASEAN-US relations for some silver linings during these uncertain times. Ms. Selena Ling takes us through a US-China trade war scenario which could turn out too costly to be contemplated. We then have a conversation with six regional experts on the future of American engagement in Southeast Asia under President Trump. Lastly, we present to you our findings from the ASEAN Studies Centre survey on how Southeast Asians view the Trump Administration and the US' standing in the region.

This issue's *Outlook at 50* is dedicated to the pressing subject of urbanisation in the region. With more and more people leaving the countryside to pack Southeast Asia's fast-growing cities, these urban sprawls are increasingly under stress to provide conducive living spaces for its citizens. To start with, Ms. Moe Thuzar presents an overview of the state of urbanisation in Southeast Asia. Dr. Banasopit Mekvichai and Dr. Yap Kioe Sheng respectively expound on how to attain more sustainable cities in the region and how to make housing more affordable for urban areas. Mr. Jason Salim then provides a snapshot of the pressing problems facing urban transport in the region. To complete this section, some facts and figures on urbanisation in Southeast Asia will be presented in *ASEAN in Figures*.

We profile up-and-coming Myanmar singer Ah Moon and Malaysian resort island of Langkawi for *People and Places*. For *Know Your ASEAN*, Ms. Adelina Kamal, Acting Executive Director of the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre), will introduce us to this primary ASEAN regional coordinating agency on disaster relief.

On the last note, we seek your understanding for the late publication of this issue of *ASEANFocus* so as to capture the latest updates from the 30th ASEAN Summit held from 28-29 April. We thank you for bearing with us and for your continuing support. ■

Review of the 30th ASEAN Summit

HOANG THI HA looks into some of the prominent issues that transpired at the April Summit.

For all the ceremonial fanfares of the ASEAN golden jubilee, the 30th ASEAN Summit on 28-29 April in Manila went by smoothly, yet uneventfully. If anything, it will be remembered as the one bearing the marks of the host president, Rodrigo Duterte.

Down-to-earth and known for his populism, Duterte found a niche in promoting a people-centred, people-oriented ASEAN, a priority of the Chair this year. The only signed document of the Summit, the ASEAN declaration on the role of the civil service to the ASEAN Community, jives well with his drive of streamlining bureaucracy and tackling red tape at home.

Unfortunately, the long overdue ASEAN instrument on the rights of migrant workers could not make it to the April Summit. With migrant workers being its core interest and concern, Manila has pushed hard for the finalisation of the instrument to be its landmark deliverable. However, the last-minute negotiations among ASEAN labour officials failed to bridge the gap between the sending and receiving ASEAN states on its legal status.

The previous proposition of a morally binding instrument – or in other words just another show of goodwill with no legal effect – did not get enough buy-in especially from Indonesia, which is pursuing a more results-driven foreign policy. The goalpost is now moved to the November Summit.

The jury is still out on whether it can be fulfilled, in a meaningful way.

Building on his pro-poor credentials, Duterte also cast aside high politics in his Opening Address to focus more on bread-and-butter matters such as sub-regional cooperation, narrowing development gaps, and empowering small and medium enterprises. Economic issues therefore featured high on the Summit agenda, especially on how to buttress regional integration against surging anti-globalisation and protectionism in a slowing global economy and how to promote inclusive growth – another priority of the Philippine chairmanship.

On security issues, the unprecedented escalation in tensions on the Korean Peninsula seized much attention of the ASEAN leaders who recently received a letter from North Korea's Foreign Minister – a rare act of reaching out from the reclusive state. The gravity of the problem prompted another ASEAN statement on the Korean Peninsula on 28 April. The statement not only expressed ASEAN's concern over North Korea's nuclear and missile tests but also urged self-restraint by all parties, suggesting ASEAN's anxiety over both North Korea's acts of defiance and the Trump Administration's sabre-rattling. ASEAN's call for prudence now acquired a higher sense of urgency as the spectre of war looms larger on the Peninsula with potential serious repercussions for Southeast Asia.

ASEAN Leaders at the ASEAN 30th Summit.





ASEAN Leaders at the Closing Ceremony of the 30th ASEAN Summit.

On the South China Sea (SCS), the Chairman’s Statement doubled down the ‘soft and safe’ approach of the ASEAN foreign ministers retreat in February. Having the prerogative over the final text, the Philippine Chair could have exerted a stronger position. But with its president now eager not to upset China, Manila chose the soft way out. Once the most vocal voice within ASEAN when it came to the SCS, Manila now sets a low bar for ASEAN discourse on the SCS as it joins the ranks of some other regional countries in gravitating towards Beijing.

The statement began with a positive tone on recent progress in ASEAN-China cooperation on the SCS, and looked forward to the completion of the framework of a Code of Conduct (COC) by mid-year. It did register the concerns by some ASEAN leaders over the recent developments in the SCS but in a very brief and fleeting way, without reference to “land reclamation and militarisation”. This is a big tone-down compared to the last 28th-29th ASEAN Summits in September 2016 which featured ASEAN unanimous serious concerns over recent and on-going developments and pointedly mentioned land reclamation and the importance of non-militarisation in the SCS.

As a key claimant state, the Philippines is not oblivious to Beijing’s continued activities to militarise its man-made islands and assert its presence in the SCS. Manila even rang the alarm when Chinese survey ships recently explored Benham Rise which lies within the Philippines’ exclusive economic zone, a move that its defence chief Delfin Lorenzana considered “very worrying”. Yet the ASEAN Chair decided that keeping mute would serve better than speaking out.

In the same appeasing manner as reflected in some ASEAN statements last year, “full respect for legal and diplomatic processes”, a remote allusion to the July 2016 arbitration ruling on the SCS, was kept under another heading to walk the line between ASEAN’s adherence to the rule of law and Beijing’s sensitivity on this matter. In his Opening Address, President Duterte gave a long list of threats facing ASEAN, from piracy to terrorism

to drugs, but conspicuously omitted the SCS. And while still clinging to “supremacy of the law”, he made the point of leaving the arbitration award on the back burner.

With this restrained approach, Manila is hoping for China to respond in the same kind. That remains to be seen. But the opportunity cost of this appeasement is already clear: ASEAN’s lowest common denominator of last year now reached another new low. More seriously, it emboldened Beijing’s habit of leveraging its usual sticks and carrots to get the ASEAN Chair to toe Beijing’s line. It worked in 2012 in Phnom Penh, and now it worked in Manila.

Duterte also left his stamp both in his speech and in the Chairman’s Statement with an unequivocal call for Dialogue Partners not to interfere in the domestic affairs of ASEAN countries. Western admonishments on democracy and human rights grounds are not new to ASEAN with Myanmar once being a soft spot. But rarely had ASEAN made such a direct rebuke. As his war on drugs reaped mounting criticisms from some ASEAN Dialogue Partners, including the EU and US, Duterte used the ASEAN platform to hit back. ASEAN is after all a means to enhance national sovereignty, not to erode it. It is just peculiar that while passionately defending his country’s independence as a sovereign equal, he opted out reference to the arbitration ruling that was hugely in favour of the Philippines.

Overall, the 30th Summit set the tone for ASEAN cooperation in the remaining 2017 which will focus on addressing social, economic and non-traditional security issues rather than entangling in intractable territorial disputes. At 50 years old and under the Philippine chairmanship, ASEAN is not going to rock the boat. It is just muddling through the current uncertain global and regional environments. ■

Ms. Hoang Thi Ha is Lead Researcher (Political and Security Affairs) at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.

Uncertainties Ahead, but No Cause for Panic

TANG SIEW MUN looks at the current trajectory of ASEAN-US relations and explains why both sides need each other.



US Vice President Mike Pence visiting the Istiqlal Mosque in Jakarta, Indonesia, 20 April 2017.

The White House

More than three months after Donald J. Trump was sworn in as the 45th president of the United States of America, the region is still awaiting the broad parameters of the administration’s Asia policy. While President Trump was quick to cast aside the Trans-Pacific Partnership (TPP) agreement – the US’ most substantive and visible commitment to the region in the last decade – he has been slow to offer any alternatives or even mention Southeast Asia in any meaningful way in his public remarks.

The fact that Secretary of State Rex Tillerson and Secretary of Defence James Mattis visited Beijing, Seoul and Tokyo in the last 100 days but failed to make even a whistle stop at any Southeast Asian state speaks volume of the administration’s perception of the region. This omission was partly redressed by Vice President Michael Pence’s visit to Indonesia on 20 April, where he met Indonesian President Joko Widodo and visited the ASEAN Secretariat in between his trips to Japan and Australia.

In the Trump era, the region must wake up to two new realities.

First, America’s profile and visibility in the region will shrink as the administration sharpens its attention on the Middle East, Russia and North Korea. Trump’s proposal to reduce the State Department and USAID budgets by 28% will no doubt have a bearing on US engagement in the region. How will US-initiated and-funded programmes be affected?

Second, the days of the president being the standard bearer in ASEAN and regional affairs may also have passed. Trump is no Barack Obama. Few see him having the inclination nor the patience to participate actively in ASEAN’s summity processes, which are laden with time consuming but important confidence-building overtones. The buck would literally be passed to his lieutenants, notwithstanding his decision to attend the East Asia Summit and APEC Economic Leaders Meeting.

For all intents and purposes, the burden of projecting the US’ image and profile may fall disproportionately on the Secretary of Defence’s shoulders. While Tillerson appears handicapped in the near term by the White House’s hesitation to define the US’ Asia policy, Mattis has more leeway to “fly the American flag” by operating on a “business as usual” mode and working through existing military-to-military mechanisms such as the Cobra Gold, CARAT, SEACAT, Khaan Quest and Pacific Partnership military exercises and ASEAN Defence Ministers Meeting Plus process (ADMM Plus). Under this new scheme of things, the US military, especially its Pacific Command, will take on an additional diplomatic role of reassuring allies and friends of the US’ continuing interest in the region.

On balance, there is no reason for ASEAN to panic or feel abandoned by the US. It may not be intuitive, but the fact of the matter is Southeast Asia is vital to the US. Trump can ill-afford to de-prioritise Southeast Asia, a region that bears more than US\$226 billion of American investments as of 2015. In fact, it is imperative for the US to remain actively engaged in the region

What does the future hold for these US initiatives in the region?

- ASEAN-US Partnership for Good Governance, Equitable and Sustainable Development, and Security (PROGRESS)
- ASEAN-US Science Prize for Women
- ASEAN-US Science & Technology Fellows Programme
- Fulbright ASEAN Research Program for US Scholars
- Fulbright US-ASEAN Visiting Scholar Initiative
- Maritime Security Initiative for Southeast Asia
- USAID Asia Counter Trafficking in Persons
- USAID Connecting the Mekong through Education and Training (COMET)
- US-ASEAN Business Alliance for Competitive SMEs
- US-ASEAN Connect
- US-ASEAN Expanded Economic Engagement (E3)
- Young Southeast Asian Leaders Initiative (YSEALI)

to protect its vast and growing investments which are bigger than all US investments in China, India and Japan combined.

In addition, while President Trump may be dismissive of his predecessor’s rebalance strategy, he cannot ignore its logic. At its core, this strategy as it pertains to Southeast Asia was a belated defensive response by the Obama Administration to reverse America’s declining influence in a region that has moved closer into the Chinese orbit in the last few years. Keeping America’s primacy in the region is consistent with “Making America Great Again.” The US cannot claim to be “great” by abrogating its leadership in Southeast Asia and jeopardising its standing as a global power.

To be sure, Southeast Asia will not be among Trump’s top priorities. But a long view of US engagement in the region suggests that although the US’ attention to the region has waxed and waned under different administrations, substantive and long-term interests will nudge it back on track. Having weathered through almost eight years of benign neglect under the George W. Bush presidency, ASEAN is better placed today to manage America’s uncertain strategic priorities.

Furthermore, the institutionalisation of US engagement within ASEAN-led multilateral processes ensures that US remains embedded within the regional architecture. The ASEAN Regional Forum (ARF) and ADMM Plus, for example, are “low cost, high impact” mechanisms for the US to signal and entrench its position in the region.

Indeed, the past 100 days have been an unnerving experience for Southeast Asia as it struggles to sift through the Trump Administration’s inconsistent messaging on Asia. The USS

“To be sure, Southeast Asia will not be among Trump’s top priorities. But a long view of US engagement in the region suggests that although the US’ attention to the region has waxed and waned under different administrations, substantive and long-term interests will nudge it back on track.”

Carl Vinson debacle, which saw the carrier task force heading in the opposite direction of the Korean Peninsula when the administration intended the deployment to signal its commitment to South Korea, only served to deepen the region’s pessimistic view on America’s reliability.

However, it is important to understand that Trump is not a “conventional” president and is literally re-writing the entire playbook. We need to respond less to his tweets and loud pronouncements, and focus more on US’ actions on the ground.

In fact, the situation recently appears to be on the upswing. In the last two weeks, Trump has invited four Southeast Asian leaders (the Philippines, Singapore, Thailand and Vietnam) to the White House for bilateral talks. It remains to be seen, however, if the new administration could sustain this positive momentum.

The headlines in ASEAN-US relations and American presence in Southeast Asia should be defined by the US’ long-standing and stable military-to-military partnerships across the region, business activities and strong people-to-people relations. While the military component of that relationship is susceptible to political undercurrents, the other pillars of the multifaceted relationship will provide elements of stability and continuity for the US and Southeast Asia to navigate these uncertain times.

More importantly, the advent of the Trump presidency and its attendant uncertainties provide strong incentives for the region to explore alternative strategic options in the event of the US’ prolonged sojourn from Southeast Asia. What is Plan B? ■

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



Did You Know?

Cast in 1843, the Revere Bell in the National Museum of Singapore is the only bell cast by the renowned Revere foundry (of Paul Revere fame) that is located outside of the United States.

No Winners in a US-China Trade War

SELENA LING explains why a trade war between the US and China is unlikely to happen.

It was a big relief to the market when the Trump-Xi summit from 6-7 April went smoothly with an agreed 100-day trade plan to address bilateral trade issues. Before this summit, there had been a lot of concerns over President Donald Trump’s campaign promises to levy a 45% tariff on all Chinese imports and label China as a currency manipulator. The Trump Administration has stepped up scrutiny over American trade deficits to identify possible trade abuses. Rising US protectionist sentiments allegedly contributed to the absence of the phrase “resisting all forms of protectionism” in the G20 communique on 18 March.

Trade is one area where Trump hoped to boost his domestic political capital after the health care bill debacle. The Trade Expansion Acts of 1962 and 1974 gave the President discretionary powers in actions against unfair trade practices.

However, a US-Sino trade war seems unlikely, less as a result of the Trump-Xi summit than because of economic realities that would render it an ill-considered move where both sides would come out as losers.

For the first two months of 2017, the US ran a US\$54.3 billion deficit with China. The figure throughout 2016 was US\$347 billion, marking the fifth straight year that the annual bilateral trade deficit exceeded US\$300 billion. These figures nevertheless may not tell the whole story. A study by the Organisation for Economic Cooperation and Development (OECD) and the World Trade Organisation (WTO) estimated that if bilateral trade imbalances were measured according to the value of trade that occurred domestically (i.e. stripping out intermediate trade), then American trade deficit with China fell by 35% to US\$181.1 billion in 2011.

“Collateral damage from a protectionist US and a retaliatory China not only would hurt the two countries but also further destabilise the tentative growth recovery in Southeast Asia.”



US President Donald Trump, Chinese President Xi Jinping and their spouses at the Mar-A-Lago Resort, Florida, 6 April 2017.

The first salvos of a trade war, if it were waged, could come in the form of duties on imports of carbon and alloy steel wire from China. Other likely candidates on the US watch-list include communications equipment, computer equipment, miscellaneous manufactured commodities, apparel, semiconductors and other electronic components. Which of these imports would be targeted depends on whether the objective is to boost growth or jobs. Whichever the potential case, the impact will likely trickle down to China's supply chain partners while plausibly benefiting other competitors such as Canada, Mexico, India and Vietnam who could pick up the slack on some of these products.

China will likely hit back. It is the US' third largest export market on goods and the fourth largest on services, with a US\$33.3 billion services trade surplus for the US in 2015. Any US unilateral action could be met with similar anti-dumping or anti-subsidy taxes on US imports.

There is potentially more at risk than just trade. The interim uncertainty would be adverse for financial markets. Furthermore, China holds crucial bargaining chips. 2.6 million Chinese travelled to the US in 2015, the fifth largest source of foreign visitors to the US. This number could double to 5 million by 2020, making China the third largest source of international travelers to the US after Canada and Mexico. Many American multinationals operate in China which serves as a key node of their global supply chains and a major market for their products and services. An annual survey of business conditions by the American Chamber of Commerce in China found that 81% of the 462 companies surveyed felt less welcome in China than before (77%).

There are already numerous dispute cases filed by the US against China for a wide range of products. Even as the Obama Administration had frequently imposed anti-dumping duties on selected Chinese imports, it shied away from an outright trade war. Escalation in these trade frictions would likely result in Chinese retaliatory actions and potentially spiral into a "tit-for-tat".

Labeling China as a currency manipulator was another wild card that Trump recently withdrew after his meeting with President Xi Jinping. Surprising as it may seem, this move was

based on facts. Out of the three criteria for such a labelling, namely (a) a significant bilateral trade surplus with the US, (b) a material current account surplus, and (c) persistent one-sided intervention in the foreign exchange market, China meets the first one only. Moreover, China has eroded its foreign exchange reserves by US\$1 trillion over recent years to prevent the renminbi from depreciating too fast, which would make the last criterion a stretch by any imagination.

On this front, China has leverage. China remains the largest foreign owner of US Treasury securities with US\$1.1 trillion (17.6% of total foreign holdings) in 2016. Between 1990 and 2015, Chinese foreign direct investment stock in the US reached US\$64 billion, while 2016 marked the first year when Chinese firms invested more in the US than the other way around. President Xi had publicly warned at the World Economic Forum in January that "no one will emerge as a winner in a trade war". Hopefully cooler heads will prevail, and so far they have.

Collateral damage from a protectionist US and a retaliatory China not only would hurt the two countries but also further destabilise the tentative growth recovery in Southeast Asia. As ASEAN celebrates its 50th anniversary, its external economic environment sees some dark clouds on the horizon. Advocating free trade appears to be an uphill task. There is little impetus to press on with the Trans-Pacific Partnership (TPP) without the US.

Still, there are some silver linings. The ASEAN Economic Community (AEC) remains the regional economic integration pathway, with a market of 640 million people and collectively forms the seventh largest economy in the world (US\$2.6 trillion). In addition, the Regional Comprehensive Economic Partnership (RCEP) offers a market of 3.4 billion people with US\$21.4 trillion GDP or 30% of global GDP. The One Belt One Road (OBOR) initiative also covers 65 countries on three continents. Strengthening existing regional trade partnerships and establishing new ones would help ASEAN countries navigate through the current uncertainty and possible disruptions in US-China trade relations. ■

Ms. Selena Ling is Head of Treasury Research and Strategy at OCBC Bank, Singapore.



Did You Know?

More than 1,500 species of orchids grow wild in the forests of Thailand. Thailand is the world's largest exporter of orchid plants.

A Conversation on US Engagement with Southeast Asia

As US President Donald Trump crosses the milestone of his first 100 days in office, we invite six Southeast Asian experts to discuss what the Trump Administration would mean for the strategic and economic outlook of the region.

■ **Mr. Julio AMADOR III** is Deputy Director-General of the Foreign Service Institute, Department of Foreign Affairs, The Philippines.

■ **Dr. Vannarith CHHEANG** is Visiting Fellow at ISEAS-Yusof Ishak Institute and Co-Founder and Chairman of the Cambodian Institute for Strategic Studies.

■ **Dr. CHONG Ja Ian** is Assistant Professor at the Department of Political Science, National University of Singapore.

■ **Mr. ENDY M. Bayuni** is Editor-in-Chief of *The Jakarta Post*, Indonesia.

■ **Prof. Dr. Mohd. KAMARULNIZAM Abdullah** is Dean of the Ghazali Shafie Graduate School of Government and Director of the Research Institute for Indonesia, Thailand and Singapore, Universiti Utara Malaysia.

■ **Prof. Dr. PHAM Quang Minh** is Rector of the University of Social Sciences and Humanities, Vietnam National University-Hanoi.

AF: How would you gauge the Trump Administration's interest in ASEAN? And how can ASEAN and its member states sustain and deepen the US' interest in the region?

PHAM: US policy towards this region has been inconsistent from one administration to another. Southeast Asia is on the verge of being sidelined as a result of Trump's "America First" policy. In order to sustain and deepen the US' interest in the region, ASEAN and its member states have no other choice but to strengthen ASEAN capacity, cohesion and centrality.

KAMARULNIZAM: I think the Trump Administration will put less emphasis on ASEAN only for the short term. In the meantime, ASEAN can continue to engage the US in two main areas of trade imbalance and security, especially in the South China Sea.

CHONG: ASEAN does not seem to have figured in any sustained and substantive manner for the Trump Administration. What ASEAN and its members can or should do to sustain and deepen US interest in the region is an open question, since it remains unclear what ASEAN and its members want, or if they even want the same thing. A first step for ASEAN may be for its members to articulate a clearer vision for what they want and how the US fits into that vision.

CHHEANG: The Trump Administration does not have a strong interest in multilateral institutions including ASEAN. However, the US will likely remain actively engaged in regional security mechanisms such as the East Asia Summit (EAS), ASEAN Defense Ministers Meeting Plus (ADMM Plus) and ASEAN Regional Forum (ARF).

AF: Will Trump's much-vaunted "transactional" modus operandi work in the context of US relations with the region?

CHONG: The transactional approach is very vague, whether applied to Southeast Asia or elsewhere. Does it mean that everything is up for a deal at any time, even if there was a previous agreement? Bear in mind that there is no final arbiter or enforcer of agreements in international politics. As a result, it is difficult to say whether a transactional approach would work in itself. A lot will have to come down to the substance of any agreement and the willingness and ability of parties to credibly commit to any collaborative agreement.

SOUTHEAST ASIA'S TRADE BALANCE WITH THE US

Country	Trade Balance (in millions of US\$)
Brunei	-815
Cambodia	1,809
Indonesia	8,377
Laos	19
Malaysia	5,832
Myanmar	17
Philippines	1,628
Singapore	-7,869
Thailand	12,183
Vietnam	26,453

(Source: CEIC, 2016)

AMADOR: Trump's transactional approach must be viewed with guarded optimism since it risks overlooking the historical and geopolitical realities in the region. There are regional issues that cannot be resolved on the basis of cost-benefit calculations alone. Trump tends to look at diplomacy as zero-sum and projects himself as more results-oriented, while ASEAN looks at the process as an outcome in itself. If Trump is impatient with and does not acknowledge the decision-making process in ASEAN, that may limit possible breakthroughs in ASEAN-US relations.

AF: What does the future of the hub-and-spokes alliance system in Asia-Pacific hold given that the Thailand and the Philippines spokes appear to be breaking away from the US hub?

ENDY: Thailand and the Philippines are small players and contribute less to this system than the other spokes. The US-led alliance members that truly matter are Japan, South Korea and Australia, and while they are holding up, the Southeast Asian spokes have been steadily weakening because China has been rising in power relative to the US.

CHONG: This may mean the need for some modification of the hub-and-spokes system, but truth be told, neither Thailand nor the Philippines were that central to the US alliance system in the Pacific except during the Vietnam War. The US alliance system can remain robust with committed participation from Australia, Japan, and South Korea, especially with strong interactions with security partners like Singapore and Taiwan. Moreover, the sustainability of the Philippines' current foreign policy trajectory remains uncertain at this point.

AMADOR: President Duterte has been more welcoming to the Trump presidency and less enthusiastic about severing ties with the US. He is, however, seeking to balance Philippine foreign policy to improve relations with other states, especially with China for trade and investment. The hub-and-spokes alliance system will remain important if the Trump Administration wants to maintain US influence in Indo-Pacific, ensure its naval power in the Pacific, and retain the existing regional order.

KAMARULNIZAM: The US would seek to modify its management of the alliance system by delegating more responsibilities to major regional allies such as Australia and Japan. This approach is not much different from Trump's admonishment for Europe to shoulder more of the burden in sustaining NATO.

AF: Does it matter if President Donald Trump attend the ASEAN-US and East Asia Summits?

CHHEANG: The US' presence at the ASEAN-led regional dialogues is critical to reaffirming and reassuring its active engagement and role in the region. Strengthening multilateral institutions does not harm but serve American interests. Trump's absence at these ASEAN-led mechanisms will be strategically costly to the US.

AMADOR: Trump's attendance at the Summits will be highly significant as this will reflect the US' continuing commitment to advancing regional security, prosperity, and democracy. It may also signal its willingness to facilitate stronger engagement in the region, while advancing US interests. Likewise, this will enable the US to make its position known on various issues concerning ASEAN and its dialogue partners.

ENDY: His presence in the region would be a symbolic gesture of the importance of Southeast Asia to the US. Similarly, his absence would be taken as a sign that ASEAN matters little, or worse, that Trump takes the regional organisation for granted. Face-to-face communication is an important facet of Asian culture, especially in diplomacy.

AF: Is "hedging" still a realistic strategic option for ASEAN member states in light of the US perceived disinterest in the region? Is bandwagoning with China inevitable?

CHONG: "Hedging" may not be the panacea that some imagine it to be. In principle, "hedging" means that governments want to have their cake and eat it too. "Hedging" assumes that there is sufficient space for regional actors to maneuver among major powers, which may not always be the case. If major powers wish to bend others to their will, this may place significant pressure on regional countries and limit their freedom of action. Meanwhile, bandwagoning with China is not inevitable. Like any other strategy, bandwagoning is neither risk- nor cost-free.

AMADOR: It is in ASEAN's collective best interest to balance relations with both China and the US since siding with one

could bring more long-term repercussions than benefits. Keeping the US engaged in the region will be a challenge for ASEAN but it will be necessary.

AF: Are there any bright spots in the US-ASEAN relations given that the Trump Administration's interest in ASEAN is "underwhelming" at best?

ENDY: Trump is a businessman, and he (or his family now) has properties in most ASEAN countries. At the very least, he has some "working knowledge" about some of these countries because of his past business dealings. This bodes well for most ASEAN countries that put business ahead of other issues like culture and military in their international relations, including with the US.

PHAM: The brightest spots in ASEAN-US relations can be found in Southeast Asia itself. Compared to other regions such as fractured Europe and tumultuous Middle East, Southeast Asia stands out as a home to peace, prosperity and partnership. ASEAN countries with a combined economy of US\$2.4 trillion and a population of 640 million presents a good investment for American foreign policy now and into the future.

AF: How could other regional powers, including Japan, Australia and India, step in to mitigate the US' apparent absence in the region? Is this even a realistic option?

CHHEANG: Middle powers are urged and forced to play a greater role in the region as the US appears to be less active in regional engagement. Japan has been trying to assert its security role in the region, while Australia and India are coming along with their engagement strategies. If these middle powers come together to shape regional order, then the region will be more balanced and stable.

PHAM: As Asian geopolitics is changing dramatically, middle powers in the region – India, Japan and Australia – are under increasing pressure to devise alternative strategies to mitigate the repercussions of US diminishing presence in the region. They continue their security partnership with the US on the one hand and actively hedge against China's growing power on the other. As the US appears to "come home", and China is rising back to its old glory, it is time for a new trilateral of Japan, Australia and India to play a more proactive role in shaping the future of Asia-Pacific and even Indo-Pacific.

AF: What worries you the most with respect to the Trump Administration's approach toward Southeast Asia?

CHHEANG: Time is of the essence. The main concern is that the Trump Administration might take a long time to understand, appreciate and recognise the important role of ASEAN and Southeast Asia. The longer the administration takes to announce its Asia policy, the more uncertainty and unease it generates in the region.

ENDY: My biggest concern is that Trump expects Southeast Asia to ally with the US in the emerging hegemonic contest with China, and that he would take "either you are with us or against us" attitude to force countries to make their choices. Indonesia and a few other ASEAN countries will likely

struggle in maintaining their non-aligned position in this emerging bipolar world.

PHAM: The uncertainty and unpredictability in Trump-style governance are worrisome. Trump's rejection of the TPP, embrace of protectionism, and travel ban under the "America First" slogan have caused anxieties throughout Southeast Asia. Another big concern is how the Trump Administration would approach China since this dynamic will influence the region's approach towards the two major powers.

AF: What is the main take-away from American withdrawal from the Trans-Pacific Partnership (TPP) agreement?

KAMARULNIZAM: The key take-away is the Trump Administration's belief that the TPP and multilateral trade deals in general do not help the Americans. Trump is a fervent champion of "America First". The rise of this American nationalism under Trump has placed the TPP in a limbo.

PHAM: US withdrawal from the TPP marked an end to a key pillar of Obama's rebalance strategy. It also unveiled Trump's distrust of multilateral trade deals that he thought only perpetuate unfair trading practices by its partners and result in American job losses. Meanwhile, many see this decision as a mistake that cedes space for greater Chinese economic influence in the region, sending a troubling signal of American disengagement from Asia-Pacific.

AF: At this point in time and from what we know of the Trump Administration's pronouncements and policies (or the lack thereof), how reliable is the US as a strategic partner of ASEAN?

PHAM: There is little hope for ASEAN to have the US as a reliable strategic partner under the Trump presidency. Economically, there would be negative effects from US emerging protectionism since many ASEAN economies run trade surpluses with the US. US withdrawal from the TPP was another blow since it had been expected to be a catalyst for further economic reforms in the region. In security terms, the balance of power in Asia-Pacific might tip in favour of China and ASEAN states would find it even harder to stand united and credible in addressing the South China Sea issue.

KAMARULNIZAM: The US will continue to be an important strategic partner of ASEAN. I believe that Trump's rhetoric is only temporary. I do not think the US will allow China to freely expand its influence in the region.

AF: Help us walk through the scenario, however unlikely, of the US downgrading its strategic commitment to the region. What impact would this development have on regional stability and security?

CHONG: A downgrading of the US' security commitment to the region may mean less restraint on regional rivalries and competition. Regional governments may become more fearful of their neighbour rivals, thus seeking ways to enhance their security that may threaten others. This can increase overall instability. In other words, security dilemmas in Asia-Pacific may sharpen in light of a US drawdown and the absence

of robust regional mechanisms to manage differences and disputes. In more acute instances, some governments with the nascent capability to develop and field nuclear weapons may decide to do so to secure themselves. Possible candidates include South Korea, Japan and even Taiwan.

AF: How have Trump's rhetoric and immigration policy that disproportionately target Muslims affected US relations with Indonesia and Malaysia respectively?

ENDY: Indonesia is not one of seven Muslim-majority countries targeted by Trump's immigration/visa policy. So it is a non-issue for most Indonesians, and it is not likely to affect bilateral relations.

KAMARULNIZAM: Trump's focus on Malaysia so far is only on trade imbalance. Based on my communication with some American diplomats, Malaysia is not on the radar of US immigration policy yet since firstly, the involvement of Malaysians in terrorism is minimal, and secondly intelligence-sharing on terrorist activities and impending attacks between both countries is at its height. Malaysia is considered a moderate and friendly country that has consistently helped Washington on counter-terrorism.

AF: What would be the significance of President Donald Trump's attendance at the APEC Economic Leaders Meeting in Da Nang?

PHAM: US Vice President Mike Pence on 20 April confirmed that President Trump would attend the APEC summit. This encouraging development has eased concerns over Trump's apparent disinterest in multilateral institutions. Trump's attendance at the APEC summit would carry on the good efforts of his predecessors in this regard and testify to the US' long-term interests and commitment to the region. This is also good news for Vietnam which considers visits by American presidents as a boost to its international position and reputation.

AF: Now that US credibility in the region appears uncertain, how would this affect Hanoi's strategic thinking vis-à-vis China?

PHAM: Despite all this uncertainty, the US remains important

to Vietnam's foreign policy. While sharing some concerns about possible rising Sino-US tensions due to American engagement with Southeast Asia, Vietnam is keen to see enhanced American presence in the region. Many consider it inevitable that smaller mainland Southeast Asian states would fall completely into China's orbit, if not already. But for Vietnam, Washington's efforts to improve ties with these countries especially under the Obama Administration mean that the US has not given up on them. Vietnam will continue to maintain a delicate balance between the two giants by adhering to its "Three Nos Principle" – no military base, no military alliance, and no relationship with one country against another.

AF: President Duterte has recently warmed up to Washington under the Trump Administration. How would this factor into the future of US-Philippines alliance?

AMADOR: US-Philippines relations will remain strong amidst complexities, based on shared history and commitment to democratic principles, as well as long-standing military, economic and socio-cultural ties. Duterte has expressed his willingness to honor all agreements concluded by the previous government including the Enhanced Defense Cooperation Agreement (EDCA). More so, joint military exercises will continue. Overall, the Philippines under Duterte continues to be willing to engage and cooperate with the US, politically, economically and socio-culturally.

AF: Does the Trump Administration's apparent indifference to the region vindicate Phnom Penh's strong embrace of China?

CHHEANG: Amid high uncertainty caused by the US, some ASEAN countries have quickly mediated the risks by aligning closer with China. Cambodia's embrace of China proves to be a smart and right strategic choice. However, Cambodia also greatly benefits from the US' active engagement with ASEAN. The US is the biggest export market for Cambodia's garment industry. Comprehensive ties between the two countries have been significantly enhanced since 2010, a telling sign that a strategy that appears to be "turning to China" does not mean turning away from the US and others. ■



SURVEY REPORT:

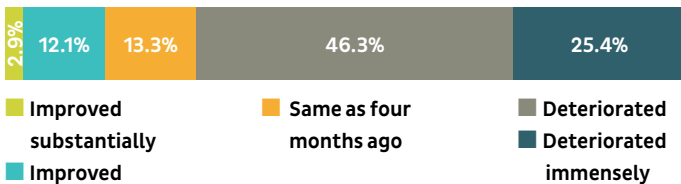
How Do Southeast Asians View the Trump Administration?

The ASEAN Studies Centre at ISEAS-Yusof Ishak Institute conducted an online survey from 10-23 April to get a sense of how Southeast Asians view the Trump Administration and US engagement in the region.

US global image and credibility take a beating

The transfer of executive power from Barack Obama to Donald Trump has left an indelible impact on America's global image. When asked for their views on the US' global image today compared to four months ago, 71.7% of the respondents offer that it has either deteriorated (46.3%) or deteriorated immensely (25.4%).

Which statement comes closer to your view of the US' global image today compared to that of four months ago?



In the same vein, 64.3% of the respondents hold the view that the US cannot be relied on to uphold free trade, human rights and international law in the region. US withdrawal from the Trans Pacific Partnership (TPP) agreement and President Trump's expressed support of President Duterte's drug war, which involved thousands of extrajudicial killings in the Philippines, no doubt played a role in nudging US' trustworthiness downward.

The US' reliability as an ally/partner has also decreased in the eyes of Southeast Asians. 54.3% consider the US less dependable than four months ago, 16.2% still have confidence in its credibility while 29.5% see no change.

The US rides the waves in the South China Sea

The South China Sea is where the US could hope to find some measure of redemption. There are high expectations (67.9%) that the US will continue upholding the freedom of navigation in the South China Sea. In this respect, the respondents may be reading the early signs from Secretary of State Rex Tillerson's strong rhetoric on this issue during his

confirmation hearing in January, as well as the deployment of the *USS Carl Vinson* carrier strike group in the South China Sea in February.

Southeast Asia does not matter that much

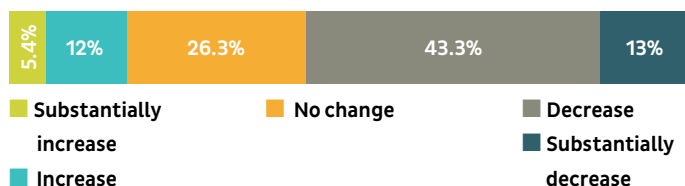
More than one third of the respondents rate the Middle East as the most important geographical region for the new administration. Resurging tensions in Syria, including US missile attack in retaliation to the use of chemical weapons against Syrian civilians, ensures that the Middle East remains the priority strategic concern for the Trump Administration. Northeast Asia, Europe, and Central and South America are ranked second, third and fourth respectively. Southeast Asia stands at the fifth, followed by Africa and South Asia.

The concern that Southeast Asia shall remain at the periphery of Washington's strategic radar is shared by the plurality of the respondents (43.4%) who pessimistically view that the US is "not interested" in Southeast Asia. Another 8.5% worry that the region might slip into irrelevance to the new administration. On the other hand, 42.4% kept their faith in the US maintaining an interest in Southeast Asia.

Rare sighting of Uncle Sam, but he remains the bedrock for regional security

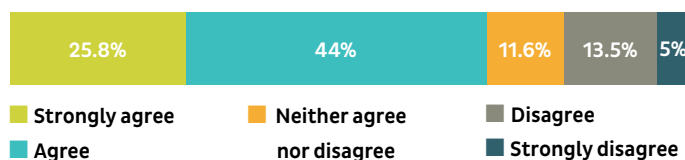
There is hardly any optimism either on the prospects of US engagement with the region under the Trump Administration. 56.3% of the respondents expect the US level of engagement in Southeast Asia to ease off, while 17.4% hope for an uptick in such engagement, and 26.3% expect no changes. This lack of confidence is attributed to the low visibility of Southeast Asia during the first 100 days of the Trump Administration which has not offered any public announcements on the region except in the context of the South China Sea and bilateral trade balances. Furthermore, there had been no visits by high-level US officials to Southeast Asia before Vice President Mike Pence's visit to Jakarta and the ASEAN Secretariat on 20 April.

What are your expectations of the US' level of engagement in Southeast Asia under the Trump Administration?



Despite inconsistency and uncertainty in American commitment, the region still appreciates the importance and functionality of the US in Southeast Asia. There is a high degree of agreement that the US is the bedrock for regional security with 69.8% of the respondents agreeing that the region is “more stable and secure with active US engagement.” A minority of 18.5% hold contrarian views.

Southeast Asia is more stable and secure with active US engagement.



Is Trump coming to Southeast Asia?

More than 85% of the survey responses were submitted before Pence’s announcement on Trump’s attendance at the ASEAN-US and East Asia Summits. Nevertheless, close to half (47.8%) of the respondents are optimistic that Trump would “likely” (37.7%) or “definitely” (10.1%) attend the ASEAN-led meetings, hoping that sooner than later, the Trump Administration would come to appreciate the necessity and utility of attending ASEAN-led dialogues. (Pence also announced that Trump will attend the APEC Economic Leaders’ Meeting).

Can ASEAN step up?

When external headwinds come to your doorstep, you must put the house in order. Half of the respondents (50.2%) believe in that logic, affirming that the reduction of US commitment to Southeast Asia would induce ASEAN to strengthen intra-regional cooperation and unity. However, 40.4% do not share that confidence while the remaining 9.5% are ambivalent on whether ASEAN could pull together.

Travel ban has no tangible impact on Southeast Asians

Trump’s rhetoric on Islam and his travel bans targeting several Muslim countries do not have a tangible impact on Southeast Asians’ views of travelling to the US. 41.6% will still travel to the US albeit with some concerns while 28.7% have no reservations at all. On the other hand, 18.9% prefer not to travel to the US while a speckling of 1.3% would not travel to the US under any circumstances.

“America First” will hit regional economies at varying degrees

Eight out of the ten ASEAN countries run a trade surplus with

the US, making them potentially easy targets for Trump’s crusade to redress America’s gargantuan trade deficits under the “America First” banner. The top three countries with big trade surpluses with the US in 2016 are Vietnam (US\$26.4 billion), Thailand (US\$12.1 billion) and Indonesia (US\$8.3 billion). Only Brunei and Singapore have trade deficits with the US. 55.5% of the respondents are concerned that their national economies will be negatively affected, 47% expect “carry small economic losses,” and 8.5% brace for the “huge losses” scenario. A sizeable number of respondents (28.7%) are hopeful that their country will “not be affected,” while 15.8% even aspire for some gains.

China emerges as clear winner in the Trump sweepstakes

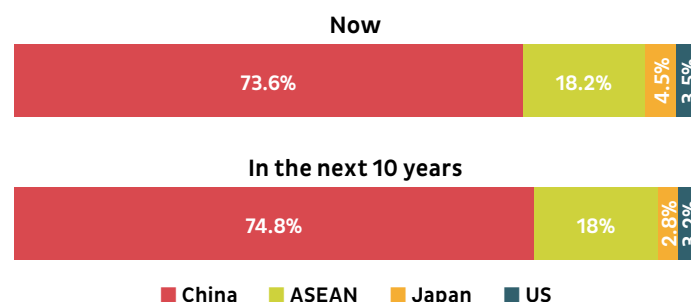
Under the Obama Administration, the rebalance strategy and the TPP had somewhat managed to arrest the trend of US declining influence in the region. However, this trend is facing a sharp U-turn. The majority of the respondents (51.4%) hold the view that the US has lost strategic ground to China since Trump took over the US presidency. China is the overwhelming candidate (80.2%) to fill the strategic vacuum in the event of the US’ indifference to the region and ASEAN. The only other viable option, Japan, trails by a wide margin, with only 10.9% having confidence in the island nation to fill in the strategic space vacated by the US.

Has the US lost strategic ground to China since Donald Trump took over the US presidency?



Chinese omnipresent influence is being felt across the region with 73.6% saying that it is currently the most influential country in Southeast Asia, and 74.8% believing that this trend will hold ten years later. Paradoxically, although many see the importance of US engagement to regional security, very few consider the US the most influential country in the region now (3.5%) or into the future (3.2%). This points to the perceived irretrievable shifting of power from the US to China, declining confidence in the US and growing recognition of China as the dominant power in the region. It also reflects China’s success in translating its economic prowess into regional political influence.

Which country is the most influential in Southeast Asia?



China rising but the US still #1

The US will also have to grapple to maintain its global primacy. Trump's battle cry of "Making America Great Again" will be measured against America's global standing. While the respondents regard China as the most influential major power in the region, they believe that the US will remain on its perch on the global scale over the next decade. However, the respondents hold different views as to the stability of America's position at the top. A plurality of 41.6% expect the US to "lose its grip on global primacy but will remain as the world's strongest power." 38.5% see the US retaining "its primacy but facing increasing challenge from the other major powers." Overall, the results of the survey suggest that Southeast Asia sees China as the dominant regional power and the US as a global power.

Dark clouds on the horizon for US-Sino relations

Despite the good vibes flowing from Trump's first meeting with Chinese President Xi Jinping from 6-7 April 2017, many in Southeast Asia do not buy into the budding Trump-Xi "bromance." The majority of the respondents expect US-Sino relations to take a negative turn in the next 12 months, with 43.8% expecting the relationship to be "more competitive" while 14.5% think both sides will undergo a period of "increased tensions and animosity." With vexing issues such as the trade imbalance (US\$347 billion in China's favour), North Korea's nuclear programme, the South China Sea and cybercrime unresolved, the lukewarm relations can boil over fairly quickly. The overall prognosis for the bilateral ties is gloomy with the pessimistic view (58.3%) outnumbering the optimistic view (21.8%).

Who does Southeast Asia trust the most?

Japan is the most trusted in the region and the only major power to receive more "positive" than "negative" responses by a margin of 62%-35%. Nearly half of the respondents (49.7%) feel "confident" and another 12.3% "very confident" that Japan would "do the right thing" in contributing to global peace, security, prosperity and governance.

Despite immense challenges that the EU is facing, the residual confidence in its benign power remains with 45.4% providing positive ratings. Meanwhile, India does not score very well with negative responses among 67.7% and positive among 23.4%.

China and the US receive the highest and almost identical "negative responses" with China chalking up a disapproval rating of 72.5% and the US coming close at 72.2%. Obviously, there is a trust deficit in the region with regard to the world's two largest major powers.

46.2% of the respondents have "little confidence" while another 26.3% have "no confidence" in China to "do the right thing" to contribute to global peace, security, prosperity and governance. There is a big gap in the region's realistic acknowledgment of China's power and low trust in the exercise of such power for global goods.

The results for the US show a similar downcast view, with "little confidence" among 51.1% and "no confidence" among 21.1%. The Trump Administration has a mountain to climb to regain its battered image in the region. ■

How confident are you that _____ will "do the right thing" in contributing to global peace, security, prosperity and governance?

	China	European Union	India	Japan	United States
Very confident	3.2%	7.9%	2.2%	12.3%	4.7%
Confident	20.6%	37.5%	21.2%	49.7%	21.5%
No comment	3.8%	2.8%	8.9%	2.8%	1.6%
Little confidence	46.2%	42.0%	48.4%	29.4%	51.1%
No confidence	26.3%	9.8%	19.3%	5.7%	21.1%

ABOUT THE SURVEY

This survey uses the purposive sampling method, and its findings do not reflect the views of the whole Southeast Asia. For purpose of readability, the figures in this analysis are rounded up or down to the one decimal point.

The survey drew 318 respondents from governments, business, academia, think tanks, the media and civil society across ten ASEAN member states: Myanmar (49), the Philippines (49), Vietnam (47), Malaysia (42), Indonesia (33), Singapore (29), Thailand (26), Cambodia (20), Brunei Darussalam (18) and Laos (5). Detailed survey results can be found on the ISEAS website.

Dr. Tang Siew Mun, Ms. Moe Thuzar, Ms. Hoang Thi Ha and Mr. Jason Salim contributed to the conduct and analysis of this survey.

5 Facts About Urbanisation in ASEAN

MOE THUZAR outlines the contours and considerations of the state of urbanisation in ASEAN.

1 Although still one of the least urbanised regions, ASEAN has a unique variety of urban manifestations.

Southeast Asia's urbanisation rate, currently about 42%, is expected to rise to 50% by 2025. The region's current urban population (about 250 million) is also projected to double by then. Around two-thirds of this will live in smaller urban centres.

The region has a very diverse urban landscape, including: (a) three mega-cities (Bangkok, Jakarta and Manila) with populations over ten million; (b) a 100% urbanised city-state (Singapore); (c) three countries (Brunei, Malaysia, the Philippines) with urban populations over 50%; and (d) six countries (Cambodia, Indonesia, Laos, Myanmar, Thailand and Vietnam) with predominantly rural populations but nevertheless experiencing rapid urbanisation in their quest for economic development.

2 More than half of ASEAN's urban population lives in secondary towns and cities.

Several of ASEAN's fastest growing cities – in population or economically – are relatively unknown. Some have emerged as the outcome of administrative or political decisions while others have economic motivations:

- According to United Nations Population Division estimates, Can Tho in Vietnam grew from a population of less than 400,000 in 2000 to over 1,000,000 by 2015, after it was re-classified as a provincial-level municipality in 2004, absorbing the adjacent rural population;
- Established in 2005, Myanmar's new capital Nay Pyi Taw incorporates three existing towns and five newly built towns. But its over 1,000,000 residents are largely civil servants whose families have opted to remain in commercial hub and former capital Yangon;
- In Thailand, Samut Prakan saw its population expand from 389,000 in 2000 to about 1.8 million by 2015, due to the overspill from migration into adjacent Bangkok; and
- Batam in Indonesia, part of the Singapore-Johor-Riau (SIJORI) growth triangle, is the world's fastest growing city by population according to Demographia, with an annual population growth rate of 7.4%.

3 Urban liveability in ASEAN is premised on housing and transport.

As ASEAN countries will see more gravitation towards urban centres, successful and thriving cities will attract and retain talent by their liveability, with housing and transportation affordability being the main considerations. ASEAN countries have tackled this in a variety of ways.

Indonesia and Thailand have pioneered slum upgrading programmes. Malaysia and Singapore address high-density

housing needs through a range of options, including public housing schemes and subsidies. This has inspired city planners in Myanmar, who must now balance rapid urbanisation needs with preserving urban heritage and addressing urban poverty.

The stress and strain of urban transportation are also becoming more pronounced. Yangon, Hanoi and Ho Chi Minh City are becoming newly-motorised, and may approach traffic-saturation like in Jakarta, Bangkok and Manila. The quest for new mass transit and other transportation alternatives has also brought fresh concerns over infrastructure, governance, and environment.

4 ASEAN's economic growth is driven by cities.

ASEAN's mega-urban agglomerations are the region's economic powerhouses, connected to global markets. Singapore, Kuala Lumpur and Jakarta are in the top 30 of the 2014 Worldwide Cities of Opportunity index. Bangkok and its environs account for close to half of Thailand's GDP. Metro Manila National Capital Region constitutes more than a third of the Philippines' GDP.

Ho Chi Minh City, Hanoi and Yangon are among the top five cities in their respective country income bracket. The Yangon region is the top contributor to Myanmar's GDP. Additionally, new mega-urban regions are emerging around industrial clusters in Ho Chi Minh City in Vietnam, and Surabaya and Bandung in Indonesia.

Cities in high- and lower-income ASEAN economies alike face the challenge of improving their urban planning and management capacities to continue growing in a sustainable manner.

5 Urbanisation is inevitable for ASEAN's economic integration. But this has to be sustainable.

As cities in ASEAN countries continue to grow and develop, three key concerns underpin their future:

- sustaining economic growth, generating employment and enhancing productivity;
- reducing inequalities through greater access to essential services and participation in urban decision-making; and
- reducing the impact of environmental pollution and destructive weather events on cities and their populations.

It is important to strike a balance between the three as the pursuit of each may compete and conflict with other priorities. Yet, all three are important in moving towards sustainable urbanisation, economically, socially and environmentally. ■

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Going Forward to Basics

BANASOPIT MEKVICHAI sees the future of sustainable urban development through networking and tackling inequality.

The world’s efforts toward sustainability have been highlighted since the Brundtland Report in 1987, and more so with the Sustainable Development Goals adopted in 2015. Goal No. 11 in particular seeks to make “cities and human settlements inclusive, safe, resilient and sustainable.”

People live in urban communities to best serve their collective and economic needs, in particular in search for better economic opportunities, good infrastructure, and availability of goods and services. Access to a good environment, safety and low personal risk as well as international connectivity help make cities more livable and draw in more people.

Sustainable urban development in the ASEAN region can only be attained by (1) providing all urban residents with equitable access to sufficient necessities and services, with co-sharing urban resources and services a potential means to help alleviate environmental degradation; and (2) strengthening networking among ASEAN cities to facilitate sustainable urban development.

Current Urban Development Trends

The world’s urban population is increasing rapidly, nearly doubling between 2011 and 2050, when 68% of the projected world population of 9.3 billion will live in cities. The fastest growth is in developing countries, with Southeast Asian cities among them, all facing the burden to provide resources and services to their expanding populations. But recent trends in human development show increasing inequality in access to urban resources and services.

Benefits from development have been highly unequal by place and by socio-economic group. Thailand is typical of most of the developing world. Though rising in the UN Human Development Index from a “low” to “high human

development” country between 1980 and 2016, Bangkok and larger regional urban centers benefited much more than the more rural provinces, according to reports by the United Nations Development Programme (UNDP). Income distribution is also skewed, with 80% of the population earning less than half, and the poorest 20% earning less than 5% of total national income. This leads to huge disparities in people’s ability to acquire basic necessities and gives rise to considerable inequality in access to health, education, and social services.

Providing sufficient basic necessities equitably

Tackling this inequality and allocating limited resources and services sufficiently and equitably for all should be a top priority for cities to assure “the ability of the future generations to meet their own needs.” One means of achieving this is with His Majesty King Bhumibol Adulyadej’s “Sufficiency Economy” philosophy, recognised by the UN as a model for sustainable development. Sufficiency Economy aims toward sustainable and resilient development following three simple but significant principles:

- (1) **Moderation** in producing and using sufficient resources, without taking advantage of others;
- (2) **Reasonableness** in applying theories, technologies, and methods, always being aware of the consequences; and
- (3) **Building Resilience** by strengthening one’s ethics, honesty, and knowledge to guard against external and internal social and economic shocks.

Resources and services should be allocated to assure a standard and sufficient level of basic necessities in health, education, social services, transportation and communication facilities, and basic urban physical infrastructure. Adequate provision of these would significantly reduce costs and improve the standards of urban living for all.

Government agencies, both local and national, should put emphasis on raising the socio-economic status of lower-income groups, now the majority of urban residents. Local and community enterprises should be encouraged to provide jobs with decent income, as well as low-cost food and household products. Everyone should be able to earn sufficient income, have adequate food security, and find decent affordable housing inside the city. The Bangkok city government, for example, supports job promotion and product development, community development, and occupational training for street food vendors, and for cottage industries in arts and handicrafts, health foods and other health products.

As the pattern of urban living changes with greater connectivity, people use shared spaces, facilities and services more. This “co-sharing” behavior provides cost-effective access to facilities and resources. Well-known examples are Airbnb and crowdfunding, and community-building activities like co-housing and co-working. Adapting these co-sharing principles to provide sufficient basic necessities, infrastructure, and services for targeted populations would be a creative way to help reduce the inequality between different socio-economic groups. Co-sharing of facilities, infrastructure, tools, and materials can help community and household enterprises, small entrepreneurs, and the self-employed reduce costs and compete economically.

Going forward together as a region

Since at least the 5th Century AD, the region’s cities have flourished from local, regional, and global exchanges of goods

and resources, labor, technology, and knowledge, bringing wealth as well as new religions, cultures and arts, and forms of governance. ASEAN today depends on similar patterns of interrelationships and networks. The urban centers of our region are important not just for national development, but also for the development of the entire ASEAN region.

By promoting urban networks within and among the ASEAN countries, our resources and capacities can be combined to help facilitate equitable provision of basic necessities to all our people. Information technologies can reinforce close relationships among cities, strengthening all aspects of urban management, both administrative and academic.

Finding the proper types of development to meet the Sustainable Development Goals is a great challenge. Urban development should benefit everyone. Networking should be strengthened between city governments, universities, and other urban development organisations in ASEAN to assist the sharing of urban development knowledge and practices. Pooling our resources and capacity allows us to build on each other’s strengths, and ensures that we can move forward together as a region. In this regard, the ASEAN Cities Mayor Forum should keep up its momentum to provide a niche platform for empowerment of urban management through cooperation among cities in the region. ■

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“By promoting urban networks within and among the ASEAN countries, our resources and capacities can be combined to help facilitate equitable provision of basic necessities to all our people.”



Urban Life in ASEAN

BY PHAM THI PHUONG THAO

Air Quality and Waste



Singapore is the city with the most greenspace in the world, with 29.3% of canopy coverage. (*Business Insider*, 2017)



The average e-waste generation per capita in Southeast Asia for 2015 is 10kg, with Cambodia ranking the lowest (1.10kg), followed by Vietnam (1.34kg) and the Philippines (1.35kg). (*UN University*, 2016)



Thailand generates the highest daily Municipal Solid Waste per capita (1.76kg) in ASEAN, followed by Malaysia (1.52kg), Singapore (1.49kg), and Vietnam (1.46kg). (*World Bank*, 2012)



Endless streams of traffic create 70% of Hanoi's air pollution, making it one of the most polluted cities in Southeast Asia. (*Vietnam Centre for Environmental Monitoring*, 2016)

Southeast Asia experiences one of the highest urban air pollution levels amongst low and middle income countries with annual mean levels often exceeding the WHO limits by 5-10 times. (*WHO*, 2016)



Indonesia has the largest urban population in ASEAN (over 138 million), 330 times the total population of Brunei. (*World Bank*, 2015)



Urban population accounts for almost half of the total population in the ASEAN region (48%). (*World Bank*, 2015)



Laos has the highest annual urban population growth at 4.5%, followed by Vietnam (3%) and Thailand (2.8%). (*World Bank*, 2015)

The combined urbanisation level of Indonesia, Malaysia, Philippines, Thailand and Vietnam has increased from 29.5% in 1980 to 51.4% in 2015, and is expected to reach 67.7% in 2050. The aggregated urban population is forecasted to reach 452 million in 2050. (*OECD*, 2016)



Living conditions and access to utilities

100% of the urban population in Cambodia, Malaysia and Singapore have access to improved water source. This rate ranges from 93–99% in Indonesia, Myanmar, the Philippines, Thailand, and Vietnam. Laos has the lowest rate at 86%. *(World Bank, 2015, data is unavailable for Brunei)*



For the first time in 17 years, water prices will be increased in Singapore, with a 30% hike. *(PUB, 2017)*

Only 40% of Jakarta's residents have access to piped water for cooking. More than a third (36%) of the population still use artesian wells, while 15% use bottled and refilled water. Almost 8% still rely on rainwater. *(The Straits Times, 2016)*



100% of the urban population in Malaysia, Singapore and Thailand have access to electricity. *(World Bank, 2012)*



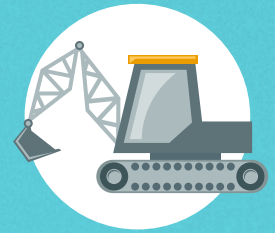
55% of Cambodia's urban reside in slums, followed by 41% in Myanmar, 38% in the Philippines, 31% in Laos and 27% in Vietnam. *(World Bank, 2014)*



Singapore was ranked 8th on the Global Cities Index, measuring business activity, human capital, information exchange, cultural experience, and political engagement. *(AT Kearny, 2016)*

Ms. Pham Thi Phuong Thao is Research Officer, ASEAN Studies Centre at ISEAS-Yusof Ishak Institute. Ms Eliza Chee assisted with the preliminary research.

Infrastructure needs

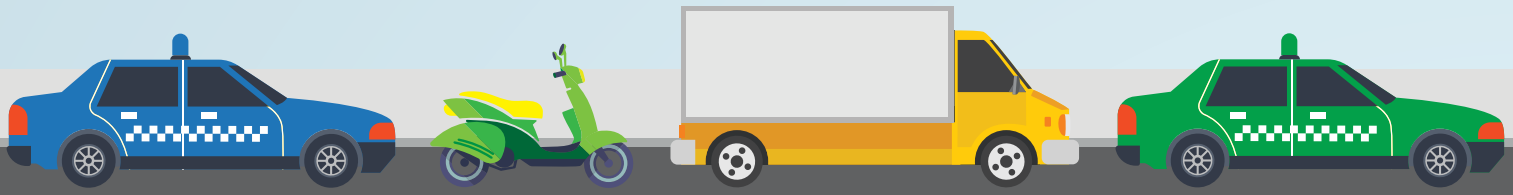


ASEAN countries need at least **US\$7 trillion** for new urban infrastructure and housing over the next two decades to accommodate current urbanisation trends. *(McKinsey, 2014)*



The infrastructure stock, excluding housing, for well-provisioned countries amounts to **70% of GDP** whereas the average for **Southeast Asia is about 50%**.

Annual infrastructure spending of Indonesia, the Philippines and Vietnam would have to **increase by five to six times to reach this level.** *(McKinsey, 2014)*



Moving People in ASEAN Cities

JASON SALIM gives us a snapshot of how seven Southeast Asian cities deal with their transportation challenges.

One of Southeast Asia's biggest urbanisation challenges is transportation mobility. Exploding populations of personal cars, inadequate public transport infrastructure, overstretched roads and highway systems all compound the perennial dilemma of frequently massive traffic jams in the city, and at its exit and entry points. Additionally, mobile technology has increased on demand taxi services in most major cities, with Uber, Grab and Go-Jek competing with "conventional" local services. We feature here seven ASEAN cities to find out how they deal with and manage their transport needs.

BANGKOK

Bangkok is a by-word for tourist attractions and bad traffic. The TomTom Traffic Index reports that drivers in Bangkok spent an average of 64 minutes a day stuck in congested traffic last year. This translates to 61% extra travel time stuck in traffic at any time of the day, breaking the record for Southeast Asia and placing it second globally. About 6.3 million of Bangkok's 8.3 million residents live in suburbs, exacerbating the suburban-to-urban traffic problem. The chronic shortage of roads faces tremendous pressure from a skyrocketing car population. The BTS Skytrain, the Metropolitan Rapid Transit (MRT) and the Airport Rail Link aim to ease this pressure, but the relatively short length of the entire rapid transit network (110km) and expensive fares make buses and tuk-tuks the preferred options. The National Reform Steering Assembly reported that city traffic jams cost THB 97 million (US\$2.8 million) daily in fuel wastage.

(Source: Bangkok Post)

HO CHI MINH CITY

With 8 million inhabitants in the city and its closest suburbs,

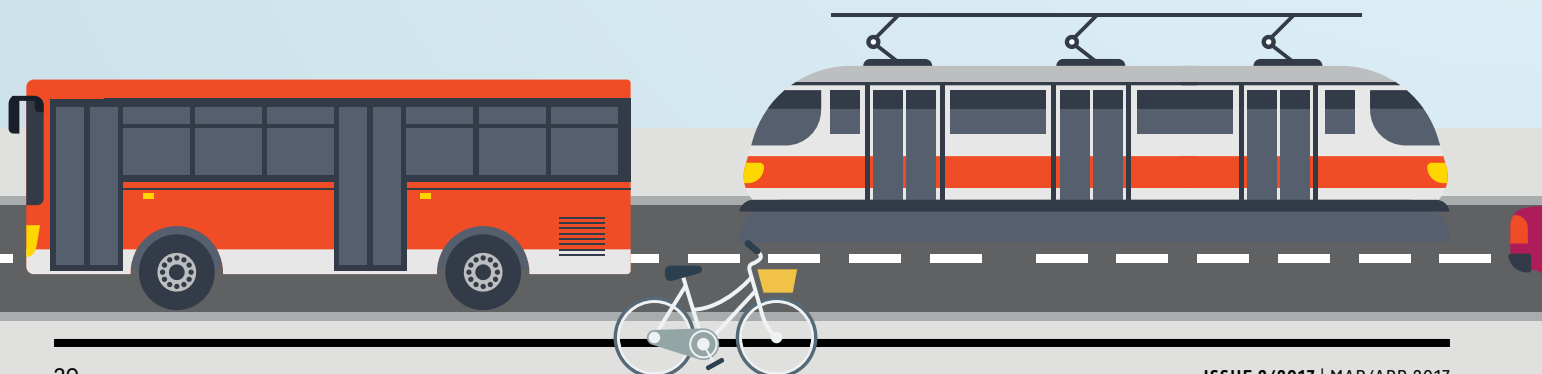
Ho Chi Minh City (HCMC) is the pulse of Vietnam's economy and also its largest city by population. There are more motorcycles (8.5 million) than people in HCMC. Approximately 1,000 vehicles of all kinds, including 140 new cars and 750 new motorbikes, are registered every day in HCMC. A municipal official once declared that there are 36 congestion spots in the city. Construction for the HCMC Metro is currently underway, with the first of six lines, connecting Bến Thành Market and Suối Tiên Park, expected to be completed by 2020. When the entire network is completed, it will connect the city to its closest suburbs as well as Tân Sơn Nhất International Airport and the Biên Hòa industrial district. Fares are expected to be set lower than city buses.

(Source: VnExpress, Tuổi Trẻ News)

JAKARTA

Jakarta, the capital of Southeast Asia's largest economy, ranks among the world's worst cities for traffic jams. Jakarta is in the Castrol Stop-Start Index's "Red Index", with drivers stop-starting their cars on the road around 33,240 times annually, and spending 27.22% of time on the road idling. Jakarta's average peak-hour speed is 8.3km per hour. The annual cost of Jakarta's traffic congestion is estimated at IDR 65 trillion (US\$4.9 billion). The Jakarta MRT line's first stage, stretching 15.5km from South Jakarta to the city centre, is expecting completion this year, followed by an extension to the north in 2018. When an east-west line is completed by 2025, the MRT's entire length will be 108km, complementing the popular TransJakarta bus network for inner-city traffic, an existing 235km commuter rail network connecting Jakarta and the suburbs, and an LRT line under construction between Jakarta and adjacent populous towns Bekasi and Bogor.

(Source: TIME, Reuters, The Jakarta Post)





KUALA LUMPUR

Malaysia has shot up in the rankings of the World Bank's Ease of Doing Business Index in recent years. Traffic problems, however, present an unwelcome downside. Kuala Lumpur is in the Castrol Stop-Start Index's "Amber" zone, with drivers stop-starting their cars in traffic 12,000 times a year. The consumer data company Nielsen reports that 93% of Malaysia's households own at least one car, and 1,000 new cars are registered daily in the city. Only 20% of all movement in the capital is via public transport. Public transport in Kuala Lumpur and the Klang Valley integrate seven rail lines, two airport link lines and a bus rapid transit service totalling 168 stations and spanning a distance of 342.85km. Plans are underway to extend the Klang Valley Integrated Transit System through one line extension, four new lines and one new bus rapid transit service totalling a distance of 157.88km.

(Source: The Guardian, New York Times)

MANILA

Metro Manila is home to about 13 million residents, ranking it among the world's most densely populated capital regions. Its overstretched road networks are usually snarled with traffic jams. According to the Metro Manila Development Authority, EDSA Avenue – Metro Manila's 23.8km-long main thoroughfare connecting six of the National Capital Region's 17 composite cities – carries 6,800 cars per hour per direction. Manila residents spend an average 3 hours a day in traffic. Traffic congestion in Metro Manila costs the Philippine economy 800 billion pesos (US\$16 billion) annually. The GPS-based navigation app Waze has listed Metro Manila as having the longest minutes spent in home-to-office commutes, with an average time of 45.5 minutes. Even with its extensive rail and bus networks, around half of the city's inhabitants "take one of its 45,000 jeepneys to work every day, more than double the number riding the city's buses and trains".

(Source: CNN Philippines, Financial Times, Popular Mechanics)

SINGAPORE

Despite its world-renowned measures to prevent a spiralling car population, the city-state still faces increasing car numbers. The number of private cars peaked at around 600,000 in 2013,

but has since fallen to 552,427 by 2016. Even so, this is 86,000 more than ten years ago. The number of rental cars spiked with Uber and Grab entering Singapore. From only 9,235 in 2006, rental cars numbered 51,336 by 2016. Extensive road-widening projects, and new highways and flyovers have eased Singapore's traffic congestion, but it is still in the Castrol Stop-Start Index's "Amber index", with drivers stop-starting their cars 15,000 times annually. Singapore's public transport system spans a distance of 170.7km, and is expected to increase to 360km by 2030, with three line extensions and two new lines. Singapore's bus network has also undergone improvements with new asset purchases under the government's Bus Service Enhancement Programme, and the entry of two new operators. However, frequent breakdowns in Singapore's MRT system due to increased passenger load and ageing infrastructure have occasioned much public comment.

(Source: The Straits Times, The New Paper)

YANGON

With its economy booming, Myanmar has seen a surge in urban migration, especially to the Yangon Region which is now home to around 7.5 million people. The Yangon City Development Committee's Urban Planning Division estimates that 79% of Yangon's over two million commuters use buses. In January 2017, the new Yangon regional government introduced the city-wide Yangon Bus Service (YBS), streamlining over 300 bus lines to 71, replacing and halving over 4000 rickety buses, and introducing a smartcard system. An easing of import restrictions saw Yangon's car population double from 2011 to October 2015. It now counts more than 500,000, of which one-fifth are taxis. Unlike other major cities in the region, three-wheelers and private motorcycles are not allowed within Yangon's city borders. Since 1954, the 45.9 km-long Yangon Circular Railway has been an important mode of transport for lower-income residents from Yangon's suburbs to the city centre. ■

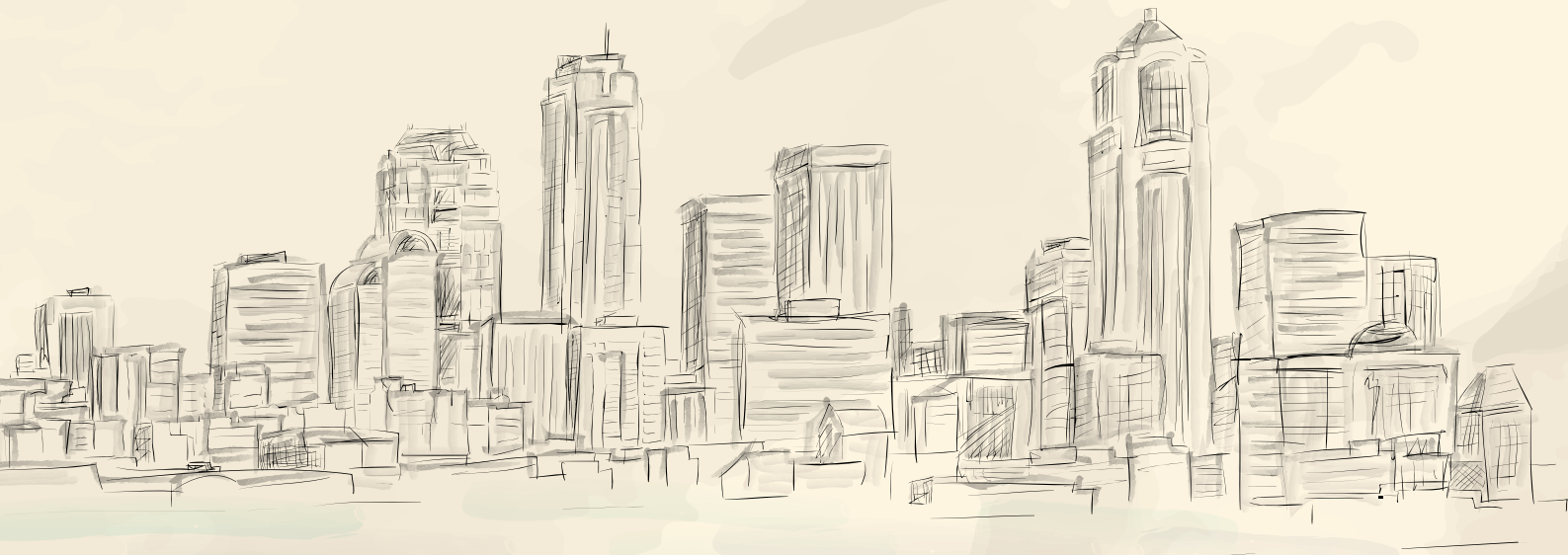
(Source: Myanmar Times, Myanmar Platform for Dialogue on Green Growth, Eleven Myanmar)

Mr. Jason Salim is Research Officer at ASEAN Studies Centre, ISEAS-Yusof Ishak Institute. Ms. Moe Thuzar also contributed to this article.



Housing the People

YAP KIOE SHENG looks at how megacities across the region are tackling the ever-pressing concern of ensuring sufficient affordable housing.



Housing conditions and policies are diverse across ASEAN, ranging from Brunei Darussalam and Laos, which are said to have no significant urban housing problem, to Singapore where public housing accommodates almost the entire population.

Singapore's situation is unique – a relatively small city without a rural hinterland, large-scale public landownership, policy consistency over five decades, sustained economic growth and a conviction that homeownership in a nation of immigrants gives the population a stake in the country's future. Moreover, Singapore upgraded the quality of its public housing stock incrementally, as it grew wealthier, from a very basic level to where it is now.

The remaining countries can be divided into two groups: Indonesia, Malaysia, the Philippines, Thailand and Vietnam for the first group; and Cambodia and Myanmar for the second.

The first group has seen rapid economic growth and the emergence of an urban middle class with homeownership within reach. Housing policies enable private developers to supply housing for middle-class households, while housing finance institutions extend project financing to developers and mortgage loans to homebuyers. Housing finance requires a mature financial sector that exists in Indonesia, Malaysia, Philippines and Thailand and is developing in Vietnam. Developers supply apartments for a growing number of small households, and detached family houses in gated communities in the periphery.

Yet, many households could not afford formal housing and housing finance due to their low and irregular incomes. More than 70 million people still live in slums which are characterised by low land tenure security, inadequate access to safe water supply and sanitation, overcrowding, structural building deficiencies and unsafe locations.

Country	Slum Population	% of Urban Population
Cambodia	1,740,000	55.1
Indonesia	29,212,000	21.8
Laos	813,000	31.4
Myanmar	7,389,000	41.0
Philippines	17,055,000	38.3
Thailand	8,264,000	25.0
Vietnam	8,295,000	27.2

Source: UN-Habitat, 2016

Many politicians believe that improving such housing conditions will only boost rural-urban migration, although economic opportunities rather than housing conditions motivate people to migrate. Indonesia, Malaysia, the Philippines and Thailand have applied various housing policies, including building heavily subsidised apartments to replace informal settlements. However, in many cases, their budgets were depleted before sufficient units could be built.

Moreover, these apartments are unsuitable for many urban poor. They preclude home-based enterprises and cannot be adjusted to changing household needs. They are often located on inexpensive land away from employment centres. Ultimate beneficiaries from this policy tend to be middle-income households rather than the poor.

Some programmes in Indonesia, the Philippines, Thailand and Vietnam aim at upgrading rather than demolishing informal housing by legalising land tenure, extending services and providing home improvement loans. The approach faces opposition from landowners and developers who lament missed opportunities to redevelop valuable land.

As a result, in Jakarta, land tenure was not legalised and some upgraded settlements were later demolished. In Bangkok, the approach evolved into “land sharing” – land is divided between landowners and occupants rather than awarded to only one of them. It is now well understood that these approaches cannot be effective without active participation by the poor.

Today’s emphasis is on community organising to empower the poor to negotiate the purchase or sharing of land with landowners. Examples include the Community Mortgage Programme in the Philippines, and Thailand’s Baan Mankong. Once acquired, land is initially often kept in collective ownership to prevent gentrification. But the approach only works where development pressure is low.

Where land values rise, the poor are evicted. They move to the urban fringe where job opportunities are scarce, or into small semi-formal low-rent apartments with minimal services. The advantage of rental housing is, however, its flexibility and its variety in quality, type, size and rent. Moreover, many tenants are migrants who prefer home ownership in their hometown rather than in the city.

For the second group of Cambodia and Myanmar, urban land markets have not evolved smoothly. In Cambodia, cities were

evacuated to the countryside under Khmer Rouge’s rule in 1975. When the civil war ended, refugees occupied any empty land or building available. But once the cities returned to normalcy, they were evicted. In the “best” case, they were granted land in the periphery away from jobs and services; often, they were simply made homeless. The housing policy in Cambodia aims at improving informal housing, but high land values make this difficult in Phnom Penh. Opportunities are however better in smaller cities.

In Yangon, Myanmar’s main city, many middle-income households live in centrally located but poorly maintained formal housing. Meanwhile, the poor live in informal housing without basic services. Given the low tenure security, the eviction threat is growing for both groups, as the market economy expands and redevelopment pressure mounts. Alternative private-sector housing and housing finance are unavailable. Furthermore, land markets are non-transparent; regulations do not match emerging conditions; and government institutions are ineffective. In other smaller cities, conditions are similar, but development pressure is lower.

Across ASEAN, the challenge is to make housing affordable for more people, which will also make the housing problems of the poor more manageable. Besides supporting the private real estate sector, regional governments need to do more to help the urban poor improve their own housing and supply more affordable serviced land in suitable locations and affordable transport to employment centres.

Besides, regulations which raise production costs unnecessarily should be revised. Government policies should also promote adequate low-rent housing. And last but not least, different types of housing finance need to be made available for different income groups of homebuyers. ■

Dr. Yap Kioe Sheng is an urban development specialist and Honorary Professor of Housing and Urban Development at Cardiff University, UK.

“Across ASEAN, the challenge is to make housing affordable for more people, which will also make the housing problems of the poor more manageable.”



Making a Difference through Music

In her rapidly changing country, Ah Moon sings the voice of a new generation.

BY ELIZA CHEE



Ah Moon in one of her performances.

Ah Moon Music

Against the pulsating lights and kaleidoscopic projections, Ah Moon commands the stage, belting out power pop tunes whilst executing slick choreography in a skin-tight outfit. Often dubbed as “Southeast Asia’s Rihanna”, the fiercely passionate, spirited and confident popstar has pushed the boundaries of artistic acceptability in Myanmar’s socially conservative society.

Born Lung Sitt Ja Moon in 1991 in Myitkyina, the capital of Kachin State, Ah Moon grew up with the sounds of church music (her father is a pastor). She can speak five languages and graduated from Yangon University of Foreign Languages with a degree in Russian. Ah Moon jump-started her career through modelling, and won the ‘Miss Alliance Francaise’ competition in 2009. Her venture into singing started in 2010 when she was chosen, together with four other girls, to form Myanmar’s first all-girl pop band – Me N Ma Girls (a homophone of ‘Myanmar girls’).

Since 2014, Ah Moon has been living her dream as a solo artist. Her first solo album, *Min Pay Tae A Chit*, sold out within weeks. Her meteoric rise to fame led to a distribution deal by big-name Myanmar label Bo Bo Entertainment. Her second solo album, *Automatic*, was released in 2015, and she has since been belting out well-received tunes across the country.

Yet, beneath the glitz and glamour, the

road to success has not been easy. In Myanmar, living off one’s music career remains difficult. Prior to her first album release, she had to juggle between logistics, billboards and press releases. Furthermore, music production infrastructure is lacking in a society that still struggles with poverty. “Three dollars for a CD is a lot of money... They have to think about how to get food on the table first,” Ah Moon related in an interview. While piracy is rampant, Ah Moon is unexpectedly sympathetic – she wants more people to gain access to her music.

Ah Moon’s confidence in expressing her sexuality and opinions has sometimes pushed it too far for Myanmar’s censorship board and conservative society. Her performance on Runway Girl Collection Fashion & Music Festival was deemed too risqué and cut from the televised broadcast. Even the mere existence of Me N Ma Girls was controversial, as Myanmar’s music industry has typically been male-dominated. The notion of unmarried women on tour was frowned upon. Initially, it was difficult to tune out the relentless verbal abuse from people who grapple with Ah Moon’s provocative outfits and performances. She feels held against a different standard, as many are simultaneously fans of Western popstars such as Beyoncé. However, she insists on “expressing herself honestly”.

Change nonetheless is happening. Since the transition to civilian rule, Myanmar has experienced a wave of socio-

economic reforms, trickling down into the music scene via increasing freedom of expression. Ah Moon has been a front runner in this period of transition. Instead of singing “copy-songs”, the popular practice of replicating international hits in Burmese language, she forges her unique identity by writing her own music. Her newest album features high energy tunes with influences from trap music to EDM, reflecting her desire to make music that is fresh and resonates with the youth.

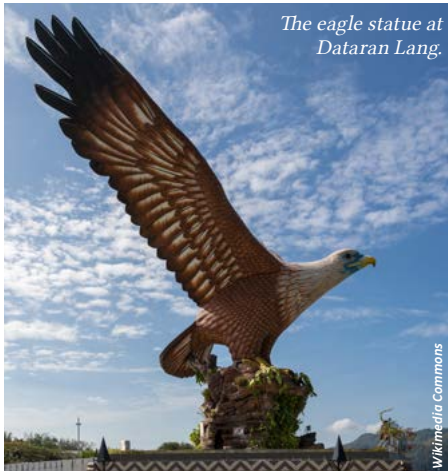
The ambitious popstar hopes to break into the international stage one day. For now, however, she is content with making a difference at home. From performing at the Advancing Opportunities for Women music concert for International Women Day, to serving as the Charity Ambassador of YOMA Yangon International Marathon, Ah Moon hopes to inspire her listeners to dream big. She expresses these beliefs in her hit song, “Myanmar”— “When I rise, there’s life, there’s laughter in my home / And there’s fire, in our eyes, from all that burns inside”. In her quest to create music to express herself and at the same time expand artistic expression, Ah Moon has unwittingly crushed gender stereotypes and revolutionised the image of a modern Burmese woman. And she continues to chart the way forward, both in musical and societal terms. ■

Ms. Eliza Chee is an Intern with the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.

Malaysia's Jewel in the Andaman Sea

A renowned tourist destination of Malaysia, Langkawi is also home to one of the world's most diverse ecosystems.

BY NUR AZIEMAH AZIZ



The eagle statue at Dataran Lang.

Wikimedia Commons

About 30km off the coast of Kedah state in northern Peninsular Malaysia lies an island synonymous with mystic and folklore. Langkawi's fabled legend that has stood through the test of time is the tale of Mahsuri, the maiden who was put to death for allegedly committing adultery. The charge was concocted by her mother-in-law, Mahura, who was gripped with envy over her daughter-in-law's beauty. Mahsuri found herself defenceless and without any recourse to clear her name. During her execution, when the spear penetrated through her heart, white blood gushed out which was taken as proof of her innocence. Just before her last breath, Mahsuri cursed Langkawi to languish in poverty for seven generations. Langkawi soon found itself in a state of devastation with the Siamese army invading it not long after.

Unlike other parts of Malaysia which prospered through the colonial era, Langkawi was very much left behind. It was said that the plans to modernise Langkawi, with overseas investors setting up factories and resorts, never took off. Langkawi reportedly even served as a place of punishment for

government officers who misbehaved until as late as the 1930s, where they would be isolated and ostracised from the mainland.

All that changed when Mahsuri's seventh generation descendant was born, and the curse saw its end. The Langkawi archipelago, formed on ninety-nine islands, grew by leaps and bounds after then-Prime Minister Mahathir Mohammad embarked on a project to rejuvenate Langkawi. During Mahathir's tenure, he gave it a facelift and transformed it to a premier holiday resort destination. He took a personal interest in the island's urban planning and encouraged trade by declaring Langkawi a free port in 1987, which granted it duty-free status to attract tourists and investors. Both luxurious and affordable holiday resorts began sprouting up like mushrooms. The Langkawi International airport was first built in 1987. By 2015, the airport had welcomed more than two million tourist arrivals.

Every two years, the picturesque island welcomes fleets of modern aircraft and



Langkawi Sky Bridge.

Thousand Wonders

battleships heading for the Langkawi International Maritime and Aerospace Exhibition (LIMA), one of the largest maritime and aerospace exhibitions in the Asia-Pacific for both civilian and defence sectors.

The booming tourism industry propelled Langkawi to be one of the most visited vacation spots not just in Malaysia but in Southeast Asia. The tourist arrival numbers have snowballed now that newer routes to Langkawi have been added. More than just idyllic beaches with pristine water and a tax-free haven for shoppers, Langkawi is also a 'Global Geopark' – a title awarded by UNESCO in 2007 for the untouched and mind-blowing natural geological wonders and its conservation efforts to preserve Langkawi's geodiversity, biodiversity and rich cultural heritage.

Langkawi is home to a diverse wildlife of over 240 species of birds and more than 500 types of butterflies living in the mangrove forests and rainforests. Not only rich in flora and fauna, visitors are in for a visual treat with picturesque landscapes of nature's wonders such as Gunung Mat Cincang, which holds the record for Southeast Asia's oldest rock formation. Not to be missed, the numerous caves all over the archipelago promise visitors an exhilarating time discovering the different and unique formations of stalactites and stalagmites, some resembling living creatures such as the Cave of the Legends or the Bat Cave. Myth or otherwise, we can thank Mahsuri whose "curse" has bequeathed to us a pristine ecosystem for us to enjoy and share with the island's population of close to 95,000.

Under the watchful eyes of the towering 12m-tall eagle at Dataran Lang (Eagle Square), one will realise that the beauty of Langkawi is not just skin deep. With places rich in meaning and just as intriguing in names, the history and folklore of Langkawi will do just as much to excite the imagination of visitors travelling around these mystical islands. ■

Ms. Nur Aziemah Aziz is Research Officer at the ASEAN Studies Centre, ISEAS-Yusof Ishak Institute.



RCEP is the Only Game in Town

Mr. Iman Pambagyo is Director-General for International Trade Negotiations at the Ministry of Trade, Republic of Indonesia. Currently the Chairman of the Trade Negotiating Committee of the Regional Comprehensive Economic Partnership (RCEP) and Chief Negotiator for the Indonesia-EU Comprehensive Economic Partnership Agreement, he was also the ASEAN Senior Economic Officials Meeting (SEOM) Leader for Indonesia from 2007 to 2014.

AF: What was the genesis of RCEP and ASEAN's role in initiating and leading this process?

IMAN: The idea was floated in 2011 as part of the larger discussion between then-Minister of Trade Mari Pangestu and I on Indonesia's ASEAN Chairmanship deliverables. We assessed that ASEAN was presented with two proposals, one from China which favours an ASEAN+3 Free Trade Area (FTA) and the other by Japan advocating the Closer Economic Partnership in East Asia (CEPEA). We thought that instead of being cornered or put in a choosing mode, ASEAN should seize the initiative to put the ASEAN Economic Community (AEC) in a broader context.

This idea of the Regional Comprehensive Economic Partnership was fleshed out and endorsed by the ASEAN Leaders in Bali in 2011 as an ASEAN concept. Indonesia then introduced the concept to the ASEAN FTA partners in 2012. By November 2012 we fine-tuned the concept with some modifications so as to develop a sense of ownership on the partners' side. As a result, the "Principles and Objectives for Negotiating the RCEP" was agreed by the 16 Ministers in August and endorsed by the 16 Leaders in November 2012. The first round of negotiations began in May 2013 in Brunei Darussalam.

Because it was an ASEAN initiative, the ASEAN Economic Ministers (AEM) at their retreat in February 2013 agreed to assign Indonesia as the ASEAN Coordinator and Chair of the RCEP Trade Negotiation Committee (TNC). This decision was endorsed by the 16 Ministers when they met in August 2013.

ASEAN has contributed a lot of inputs to this process, including many ideas from the TNC Chair. To be frank, no one, including myself, has a completely clear thinking on how to proceed with these negotiations since there is no prior example from other regions to follow.

AF: What value-add does RCEP provide to ASEAN given the fact that ASEAN has bilateral FTAs with all of the other six members?

IMAN: It is more about deepening and expanding the existing value chains which have been developed through separate ASEAN+1 FTAs. ASEAN also thinks that pursuing the RCEP is a logical step for ASEAN agenda after the establishment of the AEC by 2015.

AF: What are the key contentious issues during the on-going RCEP negotiations?

IMAN: RCEP includes the most advanced, emerging, developing, and least developed economies in the region. They have diverse backgrounds and different levels of capacities and readiness to embark on a mega-regional FTA such as RCEP. Also, some parties have no prior FTA relations with the others, i.e. Japan-Republic of Korea (ROK); Japan-New Zealand; India-China; and China-Japan, whereas some others are still negotiating an FTA such as New Zealand-India, and China-Japan-ROK. Some bilateral FTAs have been completed but have not yet entered into force, or the levels of ambitions are rather low.

Addressing sensitivities among different configurations of countries is a great challenge here. It needs also to be underlined that countries who already have FTA relations with some others could not easily grant the Most Favoured Nations (MFN) status across the board to all RCEP participants since countries tend to have different sensitivities toward specific partners in these negotiations.

AF: What are the key priorities for the upcoming 18th Round of RCEP Negotiations?

IMAN: My intention would be to bring the 16 countries to the next phase of market access negotiations in goods, services and investment while in parallel trying to settle

the outstanding issues (such as limited deviations on goods commitments; quantitative benchmarks of value-add elements in services; and application of value-adds in investment commitments).

AF: With the Trans-Pacific Partnership Agreement (TPP) derailed, are there any initiatives by the TPP signatories to TPP-nise the RCEP process?

IMAN: Yes. For example, on intellectual property rights (IPRs), an ASEAN partner has pressed hard to have a TPP Plus-Plus provisions in RCEP. There is also growing pressure to adopt “inclusive growth” principle in RCEP (which ASEAN agrees to and indeed has been championing for). However, a partner or two are now trying to operationalise the notion of “inclusive growth” by asking for higher ambitions in some areas (customs & trade facilitation, rules of origin, e-commerce and IPRs) in the name of promoting and helping small and medium-sized enterprises. For ASEAN, some proposals will work but some others simply will not because of the contentious issues as I explained above.

AF: In the wake of American withdrawal from the TPP, do you discern any noticeable change in China's participation in the RCEP negotiations?

IMAN: At the political level, China stresses the importance and value of RCEP. One will naturally expect that China will become pro-active in the RCEP negotiations. The truth is – at least two months after the US withdrew from the TPP – China is still struggling to deal with India, Japan and to a lesser extent the ROK, and there has been no sign or sense that China has become more pro-active in RCEP negotiations other than a significant increase in the number of participants in the Chinese delegation.

AF: Experience from the WTO and ASEAN-India FTA negotiations tells us that India is generally a defensive player in free trade negotiations. Does that play out in the RCEP process as well?

IMAN: Yes, accurate. But I have my own strategy to deal with this at a later stage, which I am not at liberty to share at this moment.

AF: The tide of protectionism and anti-globalisation is sweeping across the Western world, and hints of it are appearing in Southeast Asia. Is this adding to tensions in the RCEP negotiations and how?

IMAN: The impact is not that significant. In fact, all 16 countries stressed the importance of RCEP to be concluded meaningfully as the only game in town. The tensions we are confronting have been there since the onset of the negotiations, not in the wake of US withdrawal from the TPP, Brexit, populism in the EU and other untoward developments.

AF: If some participating country ultimately fails to reach a consensus, would the “16 Minus X” configuration be considered so as not to delay the RCEP process any further?

IMAN: While there have been some closed and limited conversations on “Minus X”, we have not discussed it as the whole group. Our task, and my mandate, was and still is having the 16 countries on board. The matter of an alternative configuration is something that the Ministers should decide.

AF: What is the most important lesson learned for ASEAN from the long-drawn RCEP negotiations?

IMAN: Some of the lessons learned are the need for proper capacity to negotiate with multiple countries at once, and the availability of strong political support to make difficult decisions including in areas where ASEAN has no prior experience or has never pursued under the AEC.

AF: Do you foresee the completion of RCEP negotiations by the end of this year?

IMAN: I could say that we can conclude the substantive parts of the negotiations this year, if we could finalise within this year the market access negotiations and manage significant progress on text-based negotiations. These objectives would be my ultimate focus in the next few months. We will have a clearer picture of the finishing line in August. ■

“It is more about deepening and expanding the existing value chains which have been developed through separate ASEAN+1 FTAs. ASEAN also thinks that pursuing the RCEP is a logical step for ASEAN agenda after the establishment of the AEC by 2015.”

Saving Lives in Trying Times

ADELINA KAMAL introduces us to the relief work of the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre).

The AHA Centre team on the ground amidst the destruction caused by Typhoon Bopha.



In the wake of the 2004 Indian Ocean Tsunami, the ASEAN leaders convened a special meeting on 6 January 2005, calling for the establishment of “an ASEAN humanitarian assistance centre” and a “regional instrument on disaster management”. The instrument was concluded a few months later on 26 July 2005 as the ASEAN Agreement on Disaster Management and Emergency Response (AADMER).

AADMER prescribes the roles of the AHA Centre in facilitating regional coordination on disaster management and emergency response. As suggested in its name, the AHA Centre is not meant to respond to disasters unilaterally but to add value to regional cooperation by supporting

the government of the affected country and coordinating assistance from fellow ASEAN members and other parties.

Among other things, the Centre is tasked to facilitate the establishment and maintenance of regional standby arrangements for disaster relief and emergency response; disseminate data received from ASEAN countries on their earmarked assets and capacities for the regional standby arrangements; and facilitate joint emergency response.

After AADMER’s entry into force in December 2009, the AHA Centre was established on 17 November 2011. Complete with office space, staffing, an Emergency Operations Centre and a strategic work plan, the Centre was operational from the day



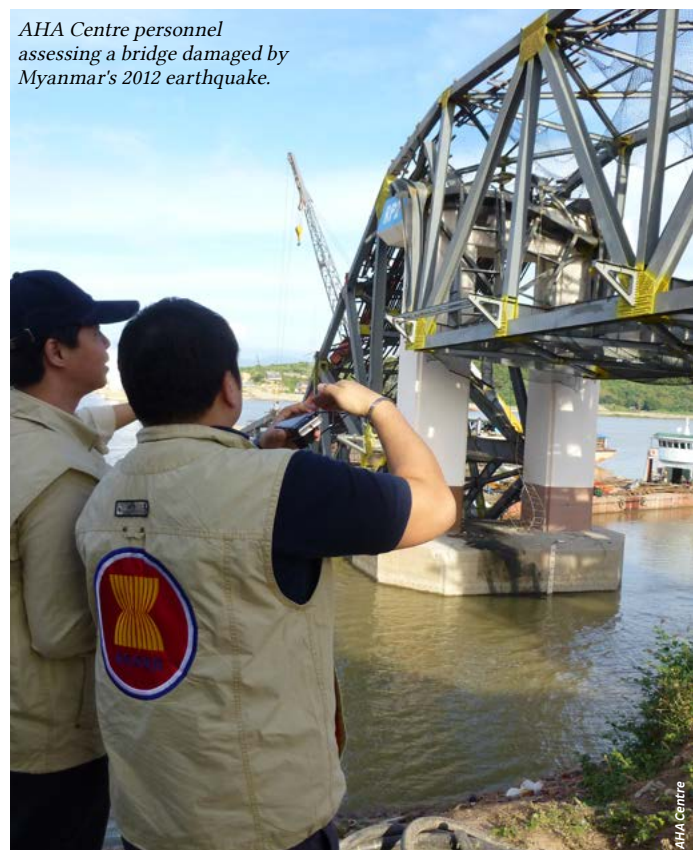
The AHA Centre's Emergency Operations Centre.

2008 Cyclone Nargis, Haiyan affected twice the number of people from Nargis, and six times that of the Indian Ocean Tsunami. Haiyan's scale of destruction exposed ASEAN's nascent response mechanisms, and the need for a multi-faceted, multi-sectoral and multi-disciplinary approach in responding to large-scale and complex disasters.

The Haiyan experience catalysed the need for stepping up regional coordination in disaster response. This led to the ASEAN Declaration on One ASEAN, One Response: ASEAN Responding to Disasters as One in the Region and Outside the Region signed by the ASEAN Leaders on 6 September 2016. The Declaration tasks the AHA Centre with implementation responsibility, strengthening its role as the "primary ASEAN regional coordinating agency". To this end, the Centre has developed the ASEAN Joint Disaster Response Plan (AJDRP) for speed, scale and solidarity in disaster response, and a Joint Operations and Coordination Centre of ASEAN (JOCCA) to serve as a field coordination post for ASEAN's response activities on the ground.

With a steep but enriching learning curve over the past five years, the AHA Centre continues to improve its performance and overall impact. The challenge ahead for the Centre is to transition from a fledging to a mature organisation with sustained relevance in the dynamic humanitarian landscape of the region. ■

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AHA Centre personnel assessing a bridge damaged by Myanmar's 2012 earthquake.

the ASEAN Foreign Ministers signed it into existence at the 19th ASEAN Summit, witnessed by the ASEAN Leaders.

The Centre had a memorable first anniversary when it was mobilised for its first mission to the Thabaitkkyin Earthquake that hit Myanmar in November 2012. To date, the Centre has responded to fifteen disaster emergencies across six ASEAN countries, and provided five preparedness missions. A Disaster Emergency Logistics System for ASEAN (DELSA), which is an emergency regional stockpile of relief items, was established in Subang, Malaysia, in late 2012, allowing for timely and concrete relief assistance to affected populations. The Centre is developing a five-year roadmap to transform DELSA into a more robust logistics system.

Another major accomplishment of the Centre is the strengthening of the ASEAN Emergency Response & Assessment Team (ASEAN-ERAT). As the first team on the ground during disasters, it comprises individuals trained in emergency response and assessment. To date, ASEAN-ERAT has been deployed for 18 different responses in seven ASEAN countries. The Centre is implementing a transformational plan to expand the diversity and number of ERAT members and enhance their capacity.

The Centre's new premises in Indonesia's National Disaster Management Authority in Jakarta are equipped with state-of-the-art technology such as the Web-based Emergency Operations Centre (Web-EOC) to connect the Centre with ASEAN countries, and the Disaster Monitoring and Response System (DMRS), a near-real time disaster monitoring system.

The Centre's biggest disaster response thus far is Typhoon Haiyan, one of the strongest typhoons ever recorded which struck the Philippines in November 2013. Though causing fewer deaths than the 2004 Indian Ocean Tsunami and the

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