

**WELCOME REMARKS OF
MR CHOI SHING KWOK, DIRECTOR, ISEAS – YUSOF ISHAK INSTITUTE
REGIONAL OUTLOOK FORUM 2020
9 JANUARY 2020, THURSDAY, RAFFLES CITY CONVENTION CENTRE**

Welcome to ROF 2020!

Beginning of new year & new decade

- **But old problems & the inherently contradictory reactions to them have been carried over** from the last decade.
 - That is why we thought it appropriate to entitle today's forum "Disruption, Competition and Collaboration"
- Purpose of ROF being at start of year is to give everyone a chance to pause and get updated on the **big issues** of the **our time** for Singapore and SE Asia
 - Yes, everyone is abuzz over US and Iran, the Phase One trade deal, the protests in Hong Kong and so on – not unimportant and will be mentioned today by some – but want to try to give you the bigger picture as to where we are and how to understand the day-to-day events in context
- Why do we do this? **This was why ISEAS was formed** – to give Singaporean and regional policy makers an understanding of what is happening in SE Asia and to SE Asia

We will start with the bigger geo-strategic picture, which is undergoing a once-in-multi-generation change.

- In the next 10 to 15 years, China will become the biggest economy in the world. Indeed, in PPP terms, China has already surpassed the US some years ago. Is this just a statistical curiosity or something more significant? Both the US and China think of it as being of great significance.
 - For the US, who took their pole position from Great Britain, this is a challenge to its place in the world and brings with it many uncertainties that are at least discomfiting, if not threatening.
 - For China, it is the critical moment in the great comeback story – one that restores it to the place it last held more than 100 years ago. China lost its position the last time because of technology and that lesson is not forgotten in their comeback plan.
- All this is taking place in a world vastly different from any that history has ever witnessed before in terms of technology, communications and economic integration.
 - So, we see an unfolding drama that no one knows the script to, and more worryingly, no one knows how to fashion a happy ending to.
 - We are fortunate to have an American David Shambaugh, a Chinese Jia Qingguo and a European Francois Godement, all deep thinkers in their own right, to illuminate us on the current state of play.

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One of the things that have been set in motion by the US-China rivalry, like it or not, is the displacement or re-configuration of global value chains

- Ever since it opened up and later joined the WTO, China has been the factory of the world, drawing an ever increasing flow of foreign investments to build factories that do the final assembly of products before they go to consumer markets. This is now no longer the case as companies recognise the need to build resilience and flexibility into their manufacturing operations.
- One big beneficiary is Vietnam, which is the subject of our 2nd session. Besides its low labour cost, Vietnam offers a hardworking dynamic still youthful population, an investor-friendly bureaucracy and a stable political environment.
- This year, Vietnam is gearing up for its 13th Communist Party Congress in 2021, which will see new faces taking power in the party and national leadership. Our speakers will help us look into these political dynamics as well as the evolving economic picture so that we can know what to expect.

In the afternoon, we will turn our attention to Indonesia where President Joko Widodo has just begun his second 5-year term in office.

- As the biggest Muslim-majority country in the world and largest economy in SE Asia, Indonesia has always been a complex country with many internal forces that are pulling it in different directions. Twenty years after the fall of the New Order regime, it is still not clear what forces will play the decisive role in shaping Indonesia's future.
- One worrying trend in the religious polarisation that has risen since the campaigning for the last Jakarta gubernatorial elections in 2016 & 2017. The session will try to take stock of this.
- The other part of the session will look at Indonesia's economic challenges. Can this new cabinet that has a mix of technocrats and political appointees deliver the level of growth that Indonesia has the potential for but failed to achieve in Jokowi's first term?

The mid-afternoon session will look at two countries undergoing transition – Thailand and Myanmar. Both are fascinating countries with a range of possible pathways and, within the time available, our speakers will try to give you a sense of what lies ahead for them.

- **Thailand new coalition government** is new but not new. The elections that brought this government into office were held to bring stability, but this has not been achieved. Nevertheless, it bought itself time to consolidate and deliver the economic goods, but can it do so?
- **In Myanmar, a new election is ahead of Aung San Su Kyi.** While she has lost the support of western opinion because of her position on the Rohingya issue, she remains

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popular with the Burmah majority. But important questions remain as to whether her government can perform well and move the country forward.

Finally, **the other highlight of today will be the Malaysia session.**

- As we all know, the unthinkable happened there one and a half years ago when UMNO was defeated in a general election.
 - But all the early euphoria of the Pakatan Harapan government has now fully dissipated and, if an election is held today, UMNO will likely return to power.
 - On top of that, the Pakatan Harapan coalition has its own serious problems of rivalry and disunity.
- We are fortunate to have one of those in the thick of these questions, Mr Rafizi Ramli, Vice President of PKR to share his views on Malaysian politics during the session. Dr Nungsari Admad Radhi, Chair of the Khazanah Research Institute, will talk about the Malaysian economy.

As you can tell, there is a lot packed into today to look forward to.

- Finally, **I thank our Platinum Sponsors** for today's ROF, **Albizia Capital, Mapletree Investments and OUE Ltd.** Their support and that of all our other sponsors has made the ROF possible.
- I wish you an enjoyable and enlightening time today.