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# ASEANFOCUS



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## “ASEAN and its Member States are shifting into higher gear as the countdown to the year-end announcement of the ASEAN Community nears the end.”

on its efficacy amidst calls from some to expand its scope and modality. As ASEAN prepares the groundwork for a peaceful, dynamic and prosperous region, it will also seek to consolidate and deepen its ties with its friends.

Since the last issue of ASEANFocus, the ASEAN Studies Centre has welcomed ISEAS Senior Fellow Dr Tang Siew Mun as its new Head. Dr Tang succeeds Mr Rodolfo C. Severino, who helmed the Centre since its inception in 2008 and built it up to its present capacity before retiring in August 2015. ISEAS and ASC are grateful to Mr Severino for the generous sharing of his expertise and leadership, and not least his warm-heartedness and friendship. ASC is privileged to be able to continue tapping into Mr Severino’s vast knowledge on all things ASEAN as he remains with us as Associate Senior Fellow.

In this issue, Dr Tang assesses the dynamics of the ASEAN Chair. One of the Centre’s new Research Officers, Mr Jason Salim, assesses the recently concluded Trans-Pacific Partnership’s strategic implications for the region. Addressing the information needs of the business sector, Ms Sanchita Basu Das outlines five facts about the ASEAN Economic Community for a quick grasp of this crucial but complicated area of ASEAN cooperation. This is complemented in our **ASEAN In Figures** section by a presentation of where the ten ASEAN members stand on global competitiveness and foreign direct investment inflows. The burning topic of transboundary haze pollution caused by forest and land fires in Kalimantan and Sumatra is used by Ms Moe Thuzar to comment on disaster management and environmental protection for ASEAN. Our regular **ASEANInfo** section explains the ASEAN Dialogue System, and highlights the difference between a full Dialogue Partner (ASEAN has 10) and a Sectoral Dialogue Partner (Norway was recently conferred this formal status).

**ASEANFocus** now includes two new sections. **People and Places** begins by featuring Datuk Nicol Ann David, the world squash champion from Malaysia; as well as Singapore’s 156-year old Botanic Gardens which was recently inscribed as a UNESCO World Heritage Site. The second new section, **Insider Views**, invites Tan Sri Dr Mohd Munir Abdul Majid, who holds the 2015 Chair responsibilities of the ASEAN Business Advisory Council during Malaysia’s ASEAN Chair year, to share with us his views on the AEC and the regional economy.

**A**SEAN Foreign and Economic Ministers met in August to finalize arrangements for the 27<sup>th</sup> ASEAN Summit that is to be held in Kuala Lumpur on November 20-22. Far from being a tame affair, the ASEAN Foreign Ministers Meeting (AMM) provided some excitement when the joint communique was delayed. The truism that it is “better late than never” had never rung truer. Concerns over ASEAN’s disunity and divergence over the South China Sea disputes were cast aside with the issuance of the 28-page communique.

The coming few months will see final activities being carried out to usher in the ASEAN Community. A post-2015 “vision” for ASEAN will also be revealed to serve as the blueprint for the next phase of community-building, stretching from 2016-2025.

The East Asia Summit (EAS) will also be returning to the city that hosted its first meeting and there, it will face questions

# 5 Facts about the ASEAN Economic Community

*The AEC is trying to bring together ten diverse economies, which are not only facing constant global challenges but also domestic resistance and antagonism from protectionist groups.*

BY SANCHITA BASU DAS

As the ASEAN Economic Community's (AEC) 2015 deadline approaches, there is a lively debate where some claim that ASEAN is not really an economic community while others assert that the AEC should be seen as a work in progress as some targets have already been met by member countries. The majority belongs to the former group and feel that the AEC's deliverables, namely an integrated

production space with free movement of goods, services, and skilled labour will not be achieved by 31 December 2015.

These broad statements have some merit. But we must also ask – what does ASEAN want in terms of economic community? Even if ASEAN cannot deliver on the AEC, who is accountable for that? To answer these and more, I will attempt to explain five crucial facts about ASEAN economic cooperation.

## FACT 1

The AEC was not developed to accord with the European Union (EU) model, though there are some learning experiences to be gleaned from this process. Since the early days of ASEAN, the sovereignty of nation states and non-interference in domestic matters were its key principles. Economic cooperation was sought in areas where it was felt to be necessary, such as to provide economies of scale to multinationals doing business in Southeast Asia or to anchor the production networks (i.e., a single good is not produced in one but across multiple countries) that were already developing in the broader Asian region. ASEAN economic cooperation is envisioned as a gradual process with long term aspirations, rather than as a mechanism with strict rules that apply irrespective of the economic nature of member economies and changing global conditions.

## FACT 2

Although the AEC is a regional initiative, its implementation is carried out by the national economies. Initiatives like tariff cutting, removal of non-tariff barriers, services sector liberalisation, national treatment of foreign investors, customs modernisation, and many others have to be adopted in domestic law and policy decisions. At the national level, implementation faces institutional difficulties as each initiative is not the sole preserve of any one ministry, but rather multiple government ministries and other agencies. The AEC also generates proponents and opponents of integration at the domestic economy level, slowing down the pace of implementation further.

## FACT 3

The AEC is not the sole cause of increasing competition. It is important to note that the vision for the AEC was developed with an awareness of current global economic trends, such as production fragmentation, China's accession to the WTO, developments of the EU and the NAFTA and the 1997-98 financial crisis. The ten countries of ASEAN realised that WTO membership by itself was not helpful as there are 150 countries at different levels of economic development involved; and the concerns and objections of small economies like the ones in Southeast Asia are not likely to get heard. ASEAN is a small grouping where the member economies will consider the interests of all and may also accord flexibility for a short period. Of course, this is likely to slow down the process for the establishment of the AEC, but advanced member countries (like Singapore, Malaysia, Thailand) are not restricted to this framework only. They have pursued bilateral Free Trade Agreements (FTAs) with their own key trading partners. Thus, for any single country, heightened competition is a part of the globalisation process and there are other trade frameworks – bilateral, regional and multilateral – that further economic liberalisation.

## FACT

**A**SEAN economic cooperation is a top-down initiative and hence awareness among stakeholders is low and uneven. ASEAN was instituted in 1967 to promote peace and stability and economic cooperation came much later – in 1976 in fact – onto the agenda. Slowly, by the 1990s, economic cooperation had become a form of diplomacy and most often was carried out in foreign ministries in consultation with the commerce or trade ministries. This led observers of trade agreements to say that economic regionalism in Southeast Asia is a subject for political elites, with almost no involvement from other stakeholders. This has been accompanied by a generalised low level of awareness of relevant economic cooperation measures, particularly among the end-users. The advocacy for trade initiatives is not unanimous in nature and is often driven by the relative strength of particular firms that bring in foreign direct investment to the country.

**“ASEAN realised that WTO membership itself was not helpful as there are 150 countries at different levels of economic development involved; and the concerns and objections of small economies like ones in Southeast Asia are not likely to get heard.”**

## FACT

**T**he AEC should be seen in conjunction with the ASEAN Political-Security Community and the ASEAN Socio-Cultural Community. An economic community in ASEAN entails increased economic cooperation, delivering on free flow of goods, services and investments, equitable economic development and reduced poverty. The political security community works towards regional peace and stability and the socio-cultural community encompasses regional cooperation in areas like protection of the regional environment, limiting the spread of contagious diseases, combating transnational crime, and cooperation in responding to natural disasters. It is hoped that all this put together will eventually cultivate a sense of regional identity. Hence, the AEC should not be seen in isolation when judging whether ASEAN can deliver on its community-building commitments.

In summary, the AEC should be seen as a work in progress. It is a humongous task that started only in 2003. It is trying to bring together ten diverse economies, which are not only facing constant global challenges but also domestic resistance and antagonism from protectionist groups. These are bound to slow the progress and hamper the goal of a ‘single market and production base’.

Nevertheless, now, more than ever, is the time when the ten countries can come together to strengthen the economic community. The global economy has been in a constant state of flux since the 2008 crisis, and the exponential growth of

the social media has meant that every event is instantly transmitted and discussed all over the world. In such an environment, any form of cooperation among the ten small countries is warmly welcomed. ■

*Sanchita Basu Das is an ISEAS Fellow and Lead Researcher (Economic Affairs), ASEAN Studies Centre at the ISEAS-Yusof Ishak Institute. Earlier versions of the article have been published as an ISEAS Perspective on 23 April 2015, and in The Business Times on 20 May 2015.*

# THE ASEAN CHAIRMANSHIP Duties, Obligations and Challenges

*The Chair wears both a national hat and regional hat. It has to be mindful that the bigger ASEAN hat comes with the trust of member states and the obligation to put the common regional good at parity with that of its national interest.* BY TANG SIEW MUN



**T**he ASEAN Foreign Ministers Meeting (AMM), the organisation's workhorse, met for the 48<sup>th</sup> time on 4<sup>th</sup> August 2015. The ministers discussed and reviewed ASEAN's many activities and initiatives, including updates on the three pillars of community-building and relations with external parties, but it was the South China Sea (SCS) disputes that hogged the limelight. Its lengthy 28-page joint communique bears testament to the AMM's comprehensive mandate and responsibilities.

Malaysia's Ministry of Foreign Affairs missed the deadline in releasing the communique, however, and this led to much media frenzy and speculation about the reasons for the delay. In the end, the ignominy of the Phnom Penh debacle where

ASEAN failed to agree on a joint communique for the first time in its history was averted. However, this episode was nevertheless instructive in two aspects. In the first instance, it reaffirms ASEAN's spirit of compromise, collegiality and consensus which has been its hallmark since its formation in 1967. It is no secret that some member states would prefer to dilute or dispense altogether with any mention of the South China Sea, but acceded to the larger interest of the grouping and respected the positions of the ASEAN claimant states. Secondly, it underlines again the critical role played by the ASEAN Chair. Malaysia's statesmanship shone most brightly in building the consensus document under extraordinary circumstances.

## “ASEAN’s credibility will be put into question if the Chair is seen to privilege one party over another or bows to external demands.”

Malaysia’s objective dispensation of its chairing duties was all the more commendable considering that it faces certain Chinese displeasure and rebuke. This is no small feat as China is Malaysia’s largest trade partner. According to Malaysia’s Department of Statistics, China accounts for 12% and 16.9% of Malaysia’s exports and imports respectively in 2014. The two-way trade has exceeded the US\$100 billion mark. China may have understandably felt a tinge of disappointment with Malaysia, which it considers a close friend, taking into account Beijing’s interest when crafting the communique. Only last year, Prime Minister Najib Razak had retraced the footsteps of his father, who as prime minister in 1974 visited China and paved the way for the establishment of diplomatic relations between the two countries. Based on these solid economic and political foundations, China would have expected to find a sympathetic friend in Malaysia as the ASEAN Chair.

If the Chairman’s Statement of the 26<sup>th</sup> ASEAN Summit and the Joint Communique of the 48<sup>th</sup> AMM are any indication, Malaysia successfully insulated its chairing responsibilities from its national positions and kept external influences at bay. Whenever an ASEAN state assumes the chairmanship, it has to balance its national interest with that of the regional association’s. It wears both a national hat and regional hat. The chair has to be mindful that the bigger ASEAN hat comes with the trust of member states and the obligation to put the common regional good at parity with that of its national interest.

Subduing one’s national interest in favour of regional concerns flies in the face of conventional wisdom. Holding true to this unconventional precept, however, is key to ASEAN’s centrality. ASEAN would risk irrelevance if the chairmanship is used by the holder to pursue its national interest or to allow itself to be influenced by outside parties.

The Chair performs three duties: (a) being spokesperson for the ten-member regional organisation, (b) being “chief executive” in chairing and facilitating official meetings and task forces, and (c) tabling new initiatives and programmes to advance regional

cooperation. However, it is the Chair’s informal role as a consensus builder that is its most important (and often overlooked) tasking. ASEAN’s high threshold of unanimity requires all-round agreement and requires the Chair to exhibit leadership and diplomatic acumen to find common ground among diverging views.

Malaysia’s dispensation of its duties as ASEAN Chair is a case study for future Chairs that share the strategic predicament of having a relatively high degree of economic dependency on external parties. Malaysia was able to perform the role of consensus builder by exercising the principles of neutrality and independence which provide the Chair with the diplomatic cover to minimise blowback from external parties. It is vital for the Chair to recognise that its actions represent ASEAN’s collective will and interest, and not its own.

It is also important for external parties to understand and respect the role of the Chair as a facilitator and consensus builder. ASEAN’s credibility will be put into question if the Chair is seen to privilege one party over another or bows to external demands. An impartial Chair enhances ASEAN credibility by facilitating intra-ASEAN consensus building and serving as an effective interlocutor with external parties.

As ASEAN inches closer towards pronouncing a community, which will draw heightened interest from the major powers, it is in its best interest to reaffirm and strengthen the impartiality and independence of the Chair to avoid being pulled in different directions by external parties. ASEAN centrality is predicated on it being relevant to itself and to external stakeholders. Malaysia has led by example in taking a principled stand that may be painful in the near term, but it holds its head up high for not letting ASEAN down.

The bar has been set for Laos, which will chair ASEAN in 2016. ■

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



### Did You Know?

**At a height of 21 metres, the Khone Phapheng Falls in Laos’ segment of the Mekong River is Southeast Asia’s tallest waterfall. The waterfall is the main reason why one cannot travel from the South China Sea into China through the river.**

# A Hazy Lining to Regional Solutions?

*ASEAN countries, most notably Singapore and Malaysia, have bolstered their participation in regional initiatives by offering bilateral assistance to Indonesia to support responses in the affected provinces.*

BY MOE THUZAR

Serious episodes of smoke haze from peatland forest fires affected countries in maritime Southeast Asia throughout the late-1980s and 1990s, worsening to a then-unprecedented level in 1997-1998. Recurring regularly since then, the haze in 2015 is the worst thus far, spreading from Indonesia's Sumatra and Kalimantan provinces to major cities in Malaysia and Singapore and other ASEAN shores including Thailand, the Philippines, and Vietnam.

The outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003 followed by the H1N1 Avian Flu spread rapidly across the borders of several ASEAN countries, requiring flexible arrangements to sovereignty in tracking and containing the spread of the virus across borders. The social and economic costs of SARS induced the ASEAN Health Ministers to convene special meetings with their counterpart from China (the country of origin) to receive full information and updates on the SARS situation there.

The devastating impact of the Indian Ocean tsunami on coastal cities in Indonesia and Thailand in 2004, the 2008 Cyclone Nargis humanitarian crisis in Myanmar, and Typhoon Haiyan in the Philippines in 2013, have shown that regional collaboration can catalyse or facilitate better responses.

These instances also highlight the limited role that ASEAN has in emergency responses to crisis situations. At the same time, ASEAN has learned from these crises by putting into place workable regional mechanisms to coordinate responses across borders and departmental jurisdictions. Still, there are gaps and challenges, requiring ever flexible adaptation to new or emerging realities.

This is nowhere more evident than in the spate of haze that has periodically occasioned bilateral tensions between Indonesia, Singapore, and Malaysia.

From July to October 1997, ASEAN countries including Brunei Darussalam, Indonesia, Malaysia and Singapore were badly affected by the smoke haze from fires in Sumatra and Kalimantan. When

the ASEAN environment ministers convened their regular meeting in Indonesia in September 1997, President Suharto, who gave the opening speech for that meeting, apologised for the haze but blamed natural causes rather than deliberate land-clearing for commercial purposes by slash and burn efforts. ASEAN environment ministers again met in Brunei Darussalam in April 1998 and spoke candidly (but not publicly) on the need to punish the irresponsible plantation companies involved in igniting the forest fires and causing the haze.

The haze crisis in 1997 affected millions of people and caused losses in the transport, tourism, construction, and forestry and agriculture sectors [1]. This compelled the ASEAN environment ministers to set up a special ministerial meeting, reactivate a moribund regional haze action plan, and seek external assistance in tackling the issue on the ground.

The ASEAN Ministerial Meeting on Haze (supported by a Haze Technical Task Force) adopted a Regional Haze Action Plan at its first meeting in Singapore in December 1997. This action plan was unique among ASEAN mechanisms at the time, as it had an operational focus that required monitoring by the ASEAN Specialised Meteorological Centre based in Singapore. ASEAN members were also required to develop national plans to prevent and mitigate land and forest fires. Sub-regional fire-fighting arrangements were institutionalised to ensure coordination among national fire-fighting responses to the haze. Following the adoption of the Regional Haze Action Plan, the Asian Development Bank approached ASEAN with an offer of technical assistance to strengthen ASEAN's haze monitoring and response efforts, to which the governments of Australia and United States contributed. Canada assisted with the Southeast Asia Fire Danger Rating System (handed over to the Malaysian Meteorological Service in 2003). These efforts set in motion the move for developing a region-wide agreement on transboundary haze pollution, which was adopted in 2002. The agreement entered into force in November 2003, after six ratifications [2]. Indonesia was the last country to ratify the agreement in September 2014, after haze levels spiked again in 2013. Until September 2014, Indonesia was the single remaining ASEAN country that had not ratified the ASEAN Agreement on Transboundary Haze Pollution. But even after the Indonesian ratification, and despite the commitment of President Joko Widodo and some members of his administration, Indonesia's decentralised government structure has shown weak enforcement of the agreement's provisions.

The haze crisis in 2015 shows unprecedented levels of air pollution that continue to hover between the unhealthy to hazardous range. But no special meetings of the ministers on haze have been

convened, although bilateral meetings have taken place among ministers of Indonesia and Malaysia, and Indonesia and Singapore. The haze has also affected President Joko Widodo's attempt to be more hands-on in tackling this issue; his planned visit (in September) to the "ground zero" areas in Sumatra and Kalimantan had to be cancelled due to the haze causing poor visibility below the legal minimum. Yet, local authorities have been reluctant to declare states of emergency in the affected areas; and seem more concerned with "looking good" in the upcoming regional elections.

This highlights the political nature of regional responses and the reality that ASEAN countries will be more alive to their domestic priorities over collective regional interests. ASEAN-wide initiatives have thus had limited success in managing the problem. Thus, Singapore took the unilateral action in 2014 to enact the Transboundary Haze Pollution bill as an alternative solution. But ASEAN countries, most notably Singapore and Malaysia, have also bolstered their participation in regional initiatives by offering bilateral assistance to Indonesia to support responses in the affected provinces. Regionally, all ASEAN members are involved in peatland management strategies under the environmental cooperation framework [3].

At the time of writing, Indonesia has accepted the offer of help from Singapore (among other countries offering assistance) after earlier refusing overtures from these countries when the haze started spreading westward.

It seems that bilateral or sub-regional negotiations between the affected parties may be the way to go. A hitherto unexplored area is to engage civil society organisations (CSOs) more in public awareness and support initiatives. A Singaporean CSO recently travelled to Kalimantan, to offer respiratory masks to the local populace who were suffering the brunt of the haze pollution [4]. The humanitarian aspect of the haze situation and its nexus with natural disasters is also worth examining, as ASEAN members can consider formally engaging the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) as a platform to assist the communities in need. To this end, more flexible application of ASEAN's non-interference policy may be necessary, as all offers of assistance are still



*A scene from a forest fire in Riau Province, Indonesia*

subject to domestic acceptance on the recipient side.

A significant difference between the haze situations of 1997 and 2015 is the immediacy of information and analysis shared via social media platforms and networks. This, if anything, has the power of nudging policymakers, private enterprises, and people towards practical responses. ■

#### WHAT ARE THE KEY TAKEAWAYS FROM THIS RECENT HAZE SAGA?

- Bilateral and sub-regional responses among the countries most affected/concerned seem to have replaced the convening of special ASEAN ministerial meetings of the past.
- Even as responsibility lies at the national level, the political factor plays an important part in each national government's responsibility to meet its regional commitments, or lack thereof.
- The role of the mass media, especially social media, has become evident in 2015, in providing information and context to the issue.
- Non-governmental organisations may have an important role in monitoring and reporting activities related to environmental degradation; they can also work with local communities to assist these communities cope with the situation.
- The humanitarian assistance role of ASEAN to assist communities at the source of the haze pollution has not yet come into play.

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#### NOTES AND REFERENCES

[1] Estimates calculated some years later placed the total loss at about US\$9 billion.

[2] The ratification process for the regional haze agreement followed that of the Southeast Asia Nuclear Weapon Free Zone (SEANWFZ) Treaty of 1995, which required 7 ratifications to enter into force. The motivation for a faster timeline for the haze agreement to enter into force was due to concerns by the environment ministers that implementation of the agreement would be delayed if it required all ASEAN members to ratify it.

[3] The ASEAN Peatland Forests Project funded by the Global Environment Facility (2009-2014), and the EU-funded project on Sustainable Management of Peatland Forests in Southeast Asia.

[4] At "ground zero" in Kalimantan, the air pollution level was ten times more than what Singapore or Malaysia experienced on the Pollution Standard Index.

# The Strategic Implications of the TPP in Southeast Asia

*The TPP signals US's continuing commitment to building a long-term relationship with the region.* BY JASON SALIM



The Asia-Pacific region woke up to the news on 6 October that the 12 countries negotiating the Trans-Pacific Partnership (TPP) in Atlanta had succeeded in confounding expectations and achieved a ground-breaking agreement that would deepen trade relations among them, who collectively constitute 40% of the global economy. While the TPP proponents trumpet the virtues of free trade and extoll the benefits of the agreement, it bears reminding that the TPP will have a significant impact on the Asian-Pacific strategic landscape. With the successful conclusion of the TPP negotiations, the United States is hoping that this deepening of economic relations with the vast region, particularly with the four Southeast Asian state parties to the TPP (Brunei Darussalam, Malaysia, Singapore, and Vietnam), will entrench US presence as a stabilising force in Southeast Asia.

The TPP is one of the most tangible manifestations of the US rebalance to Asia, which was first outlined as a key feature of President Barack Obama's foreign policy early in his presidency, only to languish in the shadows of the United States' inescapable preoccupations with the Middle East and Russia. With rising tensions over the South China Sea reflecting the spectre of a rising China, US engagement with the region has been driven primarily by security and geopolitical concerns.

Over the last decade, the US has stepped up its presence in the region, and one of the concrete ways it has done so can be measured in the number of port calls by US Navy ships in the region, especially to Malaysia and Vietnam. Malaysia has seen an average of 22 US Navy visits annually from 2008 to 2013, significantly up from the single digit

1 The Trade Ministers of the 12 countries negotiating the Trans Pacific Partnership

in the early 2000s. In Vietnam, annual US Navy visits, termed Naval Engagement Activities (NEA), have happened without interruption since 2010. Beyond that, both Malaysia and Vietnam have entered into comprehensive bilateral partnerships with the United States, with several significant visits by dignitaries highlighting the growing ties: President Obama becoming the first US president since 1966 to visit Malaysia in 2014; and an historic visit by Vietnamese Communist Party General Secretary Nguyen Phu Trong to Washington, D.C., in 2015. The TPP adds a different dimension to the US strategic engagement with the region, one driven by trade, investment and economic cooperation.

By allowing the economic dimension of the rebalance strategy to take centre-stage and concomitantly downplaying the military dimension, the US is making it more politically palatable for Hanoi and Kuala Lumpur to work closer with Washington without stirring up any domestic or regional sensitivities. More importantly, the TPP signals US's continuing commitment to building a long-term relationship with the region, and underlines US's interest to remain an indispensable and all-encompassing Pacific power.

The TPP is an expansion of the Trans-Pacific Strategic Economic Partnership (Pacific-4), comprising four relatively small Asia-Pacific economies (Brunei Darussalam, Chile, Singapore, and New Zealand). The subsequent entry of the US – the world's No. 1 economy – and crucial US leadership role in TPP negotiations gave heft to the ambitious economic partnership idea, and attracted the participation of Japan, the world's No. 3 economy.

Southeast Asia's economic relations with the US has been very robust. Data from the United Nations Conference on Trade and Development (UNCTAD) shows that the US has substantially increased its foreign direct investment (FDI) stock in Southeast Asia year-on-year, from \$70.5 billion in 2001 to \$189.8 billion in 2012, an increase of 169%. However, 73% of American FDI stock in Southeast Asia is concentrated in Singapore. To date, Singapore is the only Southeast Asian state to have signed a bilateral free trade agreement with the United States. As such, the TPP would be a golden opportunity for the United States to increase its economic footprint in the region and

to diversify its investments beyond Singapore, into Brunei Darussalam, Malaysia and Vietnam. With American FDI stock in Malaysia and Vietnam only amounting to 2.4% and 0.16% (2012) of the total American regional investment respectively, the TPP could provide the catalyst for the region to receive a larger share of American investment, especially in Malaysia and Vietnam.

Although it is unlikely that the domestic political situation in Malaysia or Vietnam will jettison the TPP's ratification, as it might in the US, domestic politics remains a foreseeable obstacle to even deeper strategic ties between these two Southeast Asian countries and the US. Historical baggage from the Vietnam War and a fear of alarming their large neighbour to the north has led Vietnam to limit US Navy visits to only one visit of three ships annually as well as simultaneously foster closer ties with Russia and India. Similarly, public opinion in Malaysia vacillates between disdain of the US for its ties to Israel, and support for the US as shown in the warming of ties under the Abdullah Badawi and Najib Razak premierships. However, the most recent survey by Pew Research Center on America's Global Image, released on 23 June 2015, found that 78% of Vietnamese respondents and 54% of Malaysian respondents had a favourable image of the United States. The high favourability ratings of the United States in Vietnam and Malaysia, especially at a time when public sentiment is wary of increased Chinese presence in the region, shows great potential for the TPP to succeed in these two countries. Through greater trade and the resulting increase in people-to-people exchanges between the United States and these two countries, the TPP promises to be a new and more effective way for the United States to reach out to the region without necessarily resorting to political-security tools.

Ultimately, the TPP will allow the United States to foster stronger economic and bilateral relations with Malaysia and Vietnam – two claimant states in the tempestuous South China Sea dispute. In a way, the United States is only playing catch-up to China, which signed with the 10 ASEAN Member States the China-ASEAN Free Trade Agreement way back in 2002. And now China and its 10 ASEAN counterparts are upgrading their FTA agreement with the aim of raising their combined two-way trade to US\$1 trillion by the year 2020. However, one concern on the ASEAN side is China's ever-growing willingness to flex its diplomatic, military, and economic muscles in order to assert its national interests, which means that the uncertainty over the South China Sea can only escalate from its present limbo.

The TPP should be considered as a sign of US

## ASEAN'S TRADE WITH THE UNITED STATES

- US Goods Exports to ASEAN countries in 2013: US\$79.0 billion, 5.0% of overall US exports (up 4.7% from 2012, up 75% from 2003)
- US Services Exports to ASEAN countries in 2013: US\$21.5 billion (down 6.9% from 2012, but up 93% since 2003)
- US Goods Imports from ASEAN countries in 2013: \$127.0 billion, 5.6% of overall US imports (up 3.3% from 2012, and up 55.1% from 2003)
- US Services Imports from ASEAN countries in 2013: \$14.2 billion (up 0.9% from 2012, and up 180% since 2003)
- U.S. foreign direct investment (stock) was \$204.0 billion in 2013, up 9.1% from 2012

SOURCE: The Office of the US Trade Representative



**“The TPP can be considered as a sign of US willingness to play a balance-of-power role in the region. Southeast Asia stands not only to reap the benefits of the US security umbrella but will also partake in economic gains derived from the TPP as well.”**

willingness to play a balance-of-power role in the region. Southeast Asia stands not only to reap the benefits of the US security umbrella but will also partake in economic gains derived from the TPP as well.

Given that non-TPP participants, especially China and India, are eager to cement their economic ties with ASEAN, the TPP could be the much-needed new stimulant to speed up the on-going Regional Comprehensive Economic Partnership (RCEP) negotiations. This bodes well for ASEAN as the array of trade partnerships and FTAs gives major extra-regional parties a stake in the region's economic success and prosperity. In turn, those same extra-regional parties will be even more committed to ensuring the region's peace and security. ■

*Jason Salim is Research Officer, ASEAN Studies Centre at the ISEAS-Yusof Ishak Institute.*

# Living Her Dream

*Nicol David may be a world champion, but deep down she remains an ordinary Malaysian who loves her char kway teow.*



Photo Credit: www.squashmad.com

In February 2015, Nicol David officially celebrated her 106<sup>th</sup> month at the top of the Women's Squash Association (WSA) world rankings, becoming the longest-reigning top ranked player in the history of women's squash. The 31-year-old winner of six consecutive WSA Player of the Year Awards would go on to extend her record-breaking feat for another three months, but remains to this day the undisputable queen of squash.

Born to mixed Chinese-Indian parentage, Nicol spent her formative years in Penang's Convent Green Lane (the sister school of Singapore's CHIJ convents). Her father, a goalkeeper for the Penang and Malaysian national football teams, passed on his love for sport to his three daughters. Nicol started playing squash at the tender age of 5, and she recalls training under the legendary coach Ee Phoeh Huat in the Penang International Squash Centre, Bukit Dumbar. After podium finishes in successive competitions within both Penang and Malaysia, she broke out onto the world squash scene by winning the 1999 Women's World Junior Squash Championships when she was just 15. She won her first professional title – the Savcor Finnish Open – barely a month after turning pro in 2000. From then on, she has gone on to emerge victorious in 79 WISPA titles, not to mention 6 gold medals – 2 from the Commonwealth Games and 4 from the Asian Games. In honour of these stellar achievements, she was awarded the inaugural Asian Sportswoman of the Year Award in 2007 by Hong Kong-based Asian Sports Press Union (ASPU).

Nicol's accomplishments are not limited to the squash court. As a United Nations Development Programme National Goodwill Ambassador for the last 13 years, Nicol regularly visits rural Malaysia to advocate for poverty reduction and intercultural understanding. She has also actively advocated for squash to be included as an Olympic

1 Nicol David at her game



**TITLES WON INCLUDE:**

- 8**  
World Opens
- 5**  
British Opens
- 9**  
Hong Kong Opens
- 5**  
Qatar Classics
- 11**  
Malaysian Opens

**FAVOURITE FOOD**

Char kway teow

**FAVOURITE MUSIC**

R & B, hiphop. Sometimes chill-out music like jazz or lounge music.

**FAVOURITE AUTHOR**

Malcolm Gladwell

② Nicol David lobbying tennis champion Roger Federer to back squash's bid to enter the Summer Olympic Games

sport in the Summer Olympic Games, becoming the public face of the effort and delivering presentations in front of the Tokyo 2020 Organising Committee. In recognition of her achievements both on and off the squash court, the Governor of Penang conferred Nicol with the Darjah Setia Pangkuan Negeri (D.S.P.N) order, which carries the title Datuk. Nicol is also only one of two recipients (the other being Malaysia's other notable sports personality, badminton player Lee Chong Wei) of the highly prestigious Darjah Bakti order, which can only be awarded by the Yang-di-Pertuan-Agong of Malaysia to ten people at any one time and recognizes significant contributions in the fields of the arts, sciences, and humanities.

Nicol has inspired not only Malaysian youths to excel in sports, but is also a sporting icon who is one of Southeast Asia's

handful of world champions in their sport. In an interview with the *Penang Monthly* in February 2010, she said:

**“My dream was to be world champion someday. That has come true, I am living my dream. So, have a dream. Find what you love doing and stick to it, that’s my advice.”**

We can only hope that there will be more Nicol Davids out there who will realise their dreams, be world champions in their sports, and make Southeast Asia proud! ■

**OTHER PROMINENT FEMALE SOUTHEAST ASIAN WORLD CHAMPIONS**

**SUSI SUSANTI**

In the early 1990s, Susi Susanti of Indonesia was the Queen of Badminton. She and her husband Alan Budikusuma won Indonesia's first gold medals ever at the Summer Olympic Games: she in women's singles and he in men's singles in the Barcelona 1992 Games. The next year, she won the International Badminton Federation World Championships in the women's singles category. Winner of four All England Cups and six World Badminton Grand Prix finals, she retired in 1998 with the birth of her first child. She was inducted into the Badminton World Federation Hall of Fame in 2004.

**UDOMPORN POLSAK**

In 2004, Udomporn Polsak of Thailand became the first Thai woman to win an Olympics gold medal, beating Raema Lisa Rumbewas, another Southeast Asian from Indonesia, in the weightlifting 53kg category. The year before, she won a gold medal at World Weightlifting Championships in Vancouver, Canada, with 100 kg in the snatch and a 222.5 kg in total, and was named Thai Athlete of the Year by the Sports Authority of Thailand. A pioneer and role model to subsequent Thai female weightlifters, she had the honour of lighting the torch in the 2007 SEA Games in Nakhon Ratchasima, Thailand.



# Singapore Botanic Gardens

*A green oasis in the midst of urban Singapore, the Singapore Botanic Gardens is truly a rich part of the world's heritage.*

The 156-year-old Singapore Botanic Gardens receives more than four million visitors annually and is one of the city state's most visited attractions. It traces its roots to the famed Royal Botanic Gardens in Kew, England. The original garden, founded by Sir Stamford Raffles in 1822 in Fort Canning, was abandoned following his departure from Singapore. It was only re-established at its present site at Tanglin in 1859 by a group of botany enthusiasts. When the Botanic Gardens was transferred to colonial government ownership in 1874, Kew-trained botanists and horticulturalists were brought in not only to maintain the green space but to conduct experiments with local flora. Under their watch, the Botanic Gardens not only became an oasis in an urban jungle but also a test bed for commercial crops to be planted across British colonies in the region. H M Burkill, Director of the Botanic Gardens from 1957 to 1969, wrote that *"the intention behind all these Gardens was to foster and encourage the agriculture of the fast-expanding Colony"*. The much-loved green lung had, over the decades, breathed new life into botany and scientific research, and provided a sanctuary for plants and animals of all shapes and

sizes to flourish. Today, the Botanic Gardens is home to research facilities such as the Herbarium, the Library of Botany and Horticulture, the National Biodiversity Centre, and the state-of-the-art Orchid Breeding and Micropropagation Laboratories.

The Botanic Gardens is well known for its research on orchid cultivation and hybridisation. The emphasis on orchids began as early as in 1928, when Eric Holttum, Director of the Botanic Gardens from 1925-1949, dedicated a considerable amount of effort and funding to house an orchid seedling culture laboratory within the Gardens. The resulting hybrids from the laboratory sowed

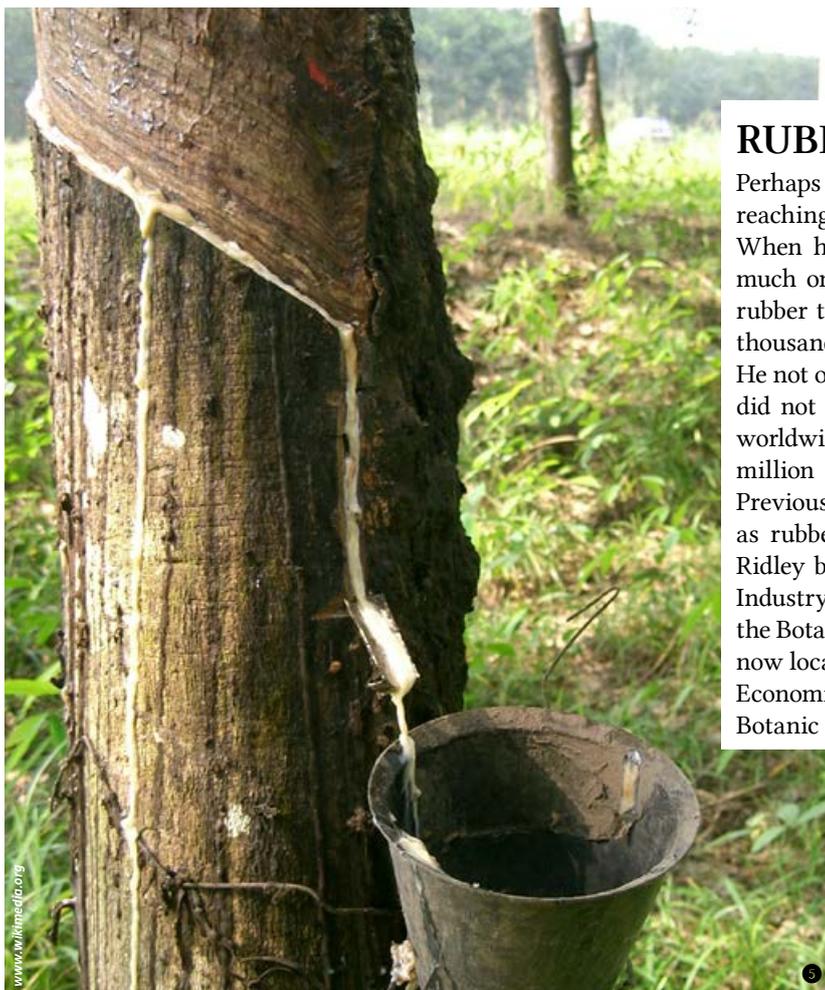
1 The Gazebo, Singapore Botanic Gardens

2 Renatanda Akihito, named after HIM Emperor Akihito of Japan

3 Renatanda Prince Norodom Sihanouk, named after HRH Prince (subsequently HM King) Norodom Sihanouk of Cambodia

4 Papilionanda William Catherine, named after HRH the Duke and Duchess of Cambridge of the United Kingdom





## RUBBER, RUBBER EVERYWHERE

Perhaps no research in the Botanic Gardens was more far-reaching than Henry N Ridley's investigations into rubber. When he arrived as Director in 1888, he experimented so much on the Gardens' then-existing holdings (nine mature rubber trees, fifty 2-4 year old trees, and approximately one thousand seedlings) that he became known as "Mad Ridley". He not only developed a more efficient way to tap rubber that did not kill the tree, but also made the Botanic Gardens a worldwide hub for rubber seeds, having sold close to seven million rubber seeds by the time it ceased sales in 1917. Previously intransigent coffee planters were instant converts as rubber plantations mushroomed all across Malaya, and Ridley became known as the Father of the Malayan Rubber Industry. A marker highlighting Ridley's contributions and the Botanic Gardens' role in developing the rubber industry is now located near the Shaw Foundation Symphony Stage. The Economic Garden in the Bukit Timah zone pays tribute to the Botanic Gardens' historic role in the colonial economy.

5 Ridley's method of collecting rubber has continued to this day

6 The tiger orchid, *grammatophyllum speciosum*, at the Singapore Botanic Gardens

## THE GRAND OLD DAME

Recently, the Singapore Botanic Gardens discovered that the world's oldest orchid plant might just be within its confines. On 19 July 2015, Director of the Botanic Gardens Dr Nigel Taylor shared with *The Straits Times* that a tiger orchid plant measuring 5 metres in diameter might have been planted at its present location as early as in 1861 by then-Director Lawrence Niven.



the seeds for Singapore's orchid industry. Today, the National Orchid Garden within the Botanic Gardens is home to more than 1,000 species and 2,000 hybrids of orchids, a living testament to Holttum's life-long work in orchid experimentation. As an homage to this storied connection with orchids, Singapore has a tradition of naming new orchid hybrids after visiting dignitaries and celebrities.

In July 2015, the World Heritage Committee of the UNESCO formally inscribed the Singapore Botanic Gardens as Singapore's first ever World Heritage Site, joining 36 other such sites in Southeast Asia. According to the UNESCO citation, the Singapore Botanic Gardens "*demonstrates the evolution of a British tropical colonial botanic garden that has become a modern world-class scientific institution used for both conservation and education*". Beyond that, it has become a recreational space for both Singaporeans and tourists, young and old alike.

Over the years, the Botanic Gardens has expanded beyond its original confines in Tanglin, and developed more exciting attractions. The one-hectare Ginger Garden is home to several hundred species of ginger plants and heliconia flowers, segmented by regions of origin. One of the newest and most intriguing additions is the Jacob Ballas Children's Garden, located in the Bukit Timah core near the National University of Singapore (NUS) Bukit Timah Campus. A space solely dedicated to children and family, it employs interactive and tactile displays to educate future generations about nature in a more hands-on and engaging way, and encourages bonding between family members. Various works of public art dot the entire 74 hectares, such as *Chang Kuda* by Singapore Cultural Medallion recipient Chong Fah Cheong; the Swiss Granite Fountain, a 700kg rolling granite ball donated by the Swiss community in Singapore in commemoration of the Swiss Confederation's 700th anniversary in 1991; and three sculptures by Sydney Harpley – *Lady on a Hammock*, *Girl on a Bicycle*, and *Girl on a Swing* – all three were donated by the late David Marshall, a Singapore statesman and former Chairman of the ISEAS Board of Trustees.

Apart from its physical attractions, the Botanic Gardens is a living and vibrant space for all to appreciate life amidst lush greenery. The Shaw Foundation Symphony Stage regularly hosts performances by the Singapore Symphony Orchestra and Singapore Lyric Opera, and has even hosted opera sensation Andrea Bocelli's free concert in 2010. The Botanic Gardens is also home to a 4-hectare virgin rainforest, making Singapore only one of two cities in the world (the other is Rio de Janeiro) to have a virgin rainforest within the city. Not surprisingly, it is a popular venue for newly-weds to take their wedding photographs. It is just as common to find young mothers enjoying a stroll with their children and groups of senior citizens practicing Tai Chi.

The crown jewel in Singapore's Garden City, the Botanic Gardens is a space where humans learn to interact with nature, and in turn appreciate one another more in this fast-paced urban metropolis. The Botanic Gardens' gates remain open all year round, making Southeast Asia's newest World Heritage Site a truly "people's Eden." ■

## SOUTHEAST ASIA'S UNESCO WORLD HERITAGE SITES

### CAMBODIA

- ▶ Temple of Preah Vihear
- ▶ Angkor

### INDONESIA

- ▶ Cultural Landscape of Bali Province: The Subak System as a Manifestation of the Tri Hita Karana Philosophy
- ▶ Ujung Kulon National Park
- ▶ Sangiran Early Man Site
- ▶ Prambanan Temple Compounds
- ▶ Komodo National Park
- ▶ Borobudur Temple Compounds
- ▶ Lorentz National Park
- ▶ Tropical Rainforest Heritage of Sumatra

### LAOS

- ▶ Vat Phou and Associated Ancient Settlements within the Champasak Cultural Landscape
- ▶ Town of Luang Prabang

### MALAYSIA

- ▶ Melaka and George Town, Historic Cities of the Straits of Malacca
- ▶ Gunung Mulu National Park
- ▶ Archaeological Heritage of the Lenggong Valley
- ▶ Kinabalu Park

### MYANMAR

- ▶ Pyu Ancient Cities

### THE PHILIPPINES

- ▶ Tubbataha Reefs Natural Park

- ▶ Mount Hamiguitan Range Wildlife Sanctuary
- ▶ Rice Terraces of the Philippine Cordilleras
- ▶ Historic Town of Vigan
- ▶ Baroque Churches of the Philippines
- ▶ Puerto Princesa Subterranean River National Park

### SINGAPORE

- ▶ Botanic Gardens

### THAILAND

- ▶ Historic City of Ayutthaya
- ▶ Thungyai-Huai Kha Khaeng Wildlife Sanctuaries
- ▶ Dong Phrayayen-Khao Yai Forest Complex
- ▶ Historic Town of Sukhothai and Associated Historic Town
- ▶ Ban Chiang Archaeological Site

### VIETNAM

- ▶ Phong Nha-Kẻ Bàng National Park
- ▶ Mỹ Sơn Sanctuary
- ▶ Central Sector of the Imperial Citadel of Thang Long – Hanoi
- ▶ Hội An Ancient Town
- ▶ Tràng An Landscape Complex
- ▶ Hạ Long Bay
- ▶ Complex of Huế Monuments
- ▶ Citadel of the Hồ Dynasty

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### ***Did You Know?***

***The national flag of Cambodia is the only national flag in the world to display a real-life architectural feature – the majestic Angkor Wat, a UNESCO World Heritage Site.***

*The ASEAN Economic Community (AEC) is one of the most significant milestones in ASEAN’s history, and is perhaps the best representation of ASEAN’s spirit of regional cooperation. ASEANFocus (AF) spoke to Tan Sri Munir Majid (MM) on the state of the regional economy, the opportunities and challenges for the AEC, and the workings of the ASEAN Business Advisory Council.*



Tan Sri Dr Mohd Munir Abdul Majid chairs the ASEAN Business Advisory Council, and is Chairman of Bank Muamalat Malaysia. He is also Chairman of the CIMB ASEAN Research Institute (CARI), and serves on the board of the Institute of Strategic and International Studies (ISIS) Malaysia.

The ASEAN Economic Community (AEC) is one of the most significant milestones in ASEAN’s history, and is perhaps the best representation of ASEAN’s spirit of regional cooperation. ASEANFocus (AF) spoke to Tan Sri Munir Majid (MM) on the state of the regional economy, the opportunities and challenges for the AEC and workings of the ASEAN Business Advisory Council.

**AF: What is the regional macro-economic outlook for 2016?**

**MM:** It will be a difficult year, but not all doom and gloom. The fear about the Chinese economy falling on its face is overdone. Slowdowns occur everywhere, including in China over these past 30 years of formidable growth. There are consequences on demand requiring restructure of exports and dependencies. At the same time, the developed economies, particularly the US and the UK, are showing resilience and revival. In ASEAN, the CLMV countries are showing good growth. The main problem economies are Indonesia, Malaysia and Thailand, which also have political issues.

**AF: What are the 3 key deliverables the business community expects from the ASEAN states to deepen economic integration?**

**MM:** I would want to see action on SME access to finance, not just more and more studies, although I understand these have to take place for a comprehensive understanding of issues facing SMEs. They are the backbone of the ASEAN economy. If fractured, the economic integration effort can reverse because of the

threat to domestic employment. Secondly, more serious financial services and capital markets integration. Finance is the lifeblood of the real economy. Finally, removal of NTBs (non-tariff barriers), to begin with at least in some prioritized sectors.

**AF: Is ASEAN ready for a single market?**

**MM:** ASEAN is as ready as it can be for a single market. There is not the perfect moment. Businesses see great opportunities from ASEAN economic integration. What they want to see is the removal of hidden barriers to trade, investment, and free movement of skilled labour and capital.

**AF: Will the free movement of labour across Southeast Asia become a reality?**

**MM:** It is more likely there will be only freer movement of skilled labour. There has been some progress in respect of eight identified professions, especially engineers and architects. However, there must be greater domestic enabling measures and better understanding (that) the skill pool is global. *(The other six identified professions are: accountancy, dentistry, medicine, nursing, surveying, and tourism.)*

**“ASEAN is as ready as it can be for a single market. There is not the perfect moment. Businesses see great opportunities from ASEAN economic integration.”**

**AF: How does the business community view the development gap between the ASEAN economies? What are some of the immediate actionable measures that could be taken to narrow this gap?**

**MM:** There are two, within and between member countries. Sometimes gaps between countries are used to explain away gaps

## “I would want to see action on SME access to finance, not just more and more studies, although I understand these have to take place for a comprehensive understanding of issues facing SMEs.”

within. This is disingenuous. Nevertheless, those between countries should be addressed. Getting things done for the SMEs and micro firms should be the immediate measure as those sectors employ the most people at the lowest wage levels.

### **AF: What could ASEAN SMEs do to improve their competitiveness?**

**MM:** SMEs have been made to be fearful of the AEC. But there are already so many FTAs around which will only intensify. Competition is increasing. SMEs have to become more productive, more informed, and linked to opportunities. Access to finance, use of technology, and better management are absolutely essential.

### **AF: How does the ASEAN business community view China's "one-belt, one road" initiative? What are the opportunities for ASEAN businesses?**

**MM:** It's a great strategy, particularly for connectivity and infrastructure development. Together with the AIIB, there will be a massive process of turning China's huge financial, steel and cement resources into power plants, roads and railways. These opportunities however should not overwhelm ASEAN countries into doing unsustainable things. For example, a US\$7 billion high speed train and railway in a US\$11.5 billion economy like Laos is something that might be going over the top.

### **AF: How are businesses responding to the de-valuation of the renminbi?**

**MM:** Businesses have to live with the fact that slowly but surely the *renminbi* will float even if within cautious margins. Its internationalization, now already evident in many bilateral trade arrangements, will gather pace as China moves to have its currency included in the IMF's SDRs. I think Western commentators particularly have not quite come to accept China as the new normal.

### **AF: What are the ASEAN Business Advisory Council's (ABAC) top three priorities for 2016?**

**MM:** ABAC's top three priorities will continue to be the position of SMEs, including the micro firms, the role of young entrepreneurs,

and the contribution of women to the economy. Under Lao leadership in 2016, I would expect there will be a carry-over of two initiatives: focus on four sectors (aviation, retail, agri-food and logistics) for removal of non-tariff barriers (NTBs); and a better structured private sector consultation process in ASEAN decision-making.

### **AF: How do you see the role of ABAC evolving in the future?**

**MM:** ABAC has been in existence since 2003, but the involvement of the private sector in the ASEAN integration agenda has only deepened more recently. Although not exclusively the fault of ABAC, the council must now work smart to ensure better focus and coordination in private sector contribution to decision making.

### **AF: What is the role of an integrated financial sector in ASEAN for an effective "single market and production base"?**

**MM:** An integrated financial sector is the lifeblood of the ASEAN single market and production base. As companies spread out, familiar bankers and advisers can understand and support them better, and by following them, will also give comfort in less familiar environments. With integrated capital markets, greater depth and liquidity will attract funds as well as establish ASEAN as an asset class, a particularly important consideration for long term capital.

### **AF: What are your views of the ASEAN Pathfinder project?**

**MM:** The ASEAN business community fully supports the Pathfinder Project after I had arranged for ABAC and all its dialogue organizations to be briefed on earlier this year. It is a good way to break down barriers to trade and investment. While all other efforts must continue, it is specific, focused, and outcome-driven. ■

## ASEAN PATHFINDER PROJECT

*The project will provide opportunities for performing Southeast Asian companies who are interested in expanding into other ASEAN economies to network with relevant government officials and seek swift approval for their investment plans. Each ASEAN member state will propose 10 local companies, and these 100 Pathfinder-status companies will be given administrative convenience in securing licenses and approvals in their expansion efforts into ASEAN economies.*

# ASEAN's Dialogue Partners

BY TERMSAK CHALERPAPANUPAP

Early last August at the 48<sup>th</sup> ASEAN Foreign Ministers Meeting (AMM) in Kuala Lumpur, Norway was conferred the status of a Sectoral Dialogue Partner (SDP). In a nutshell, the SDP is the entry level status for an external partner going into formal relations with ASEAN. The next higher status is Dialogue Partner (DP).

Another country that has been an SDP is Pakistan, since late 1992. India started at the same time with Pakistan as a SDP but was promoted to DP status in December 1995. Similarly, the Republic of Korea (ROK) was first an SDP in November 1989 and was promoted to DP in July 1991.

A SDP has no regular annual meeting with ASEAN Foreign Ministers. The sectoral partnership is coordinated by the ASEAN Secretariat, with the Secretary-General of ASEAN representing ASEAN in meeting with an SDP counterpart. On the other hand, a full dialogue partnership is coordinated by one ASEAN Member State acting as the Country Coordinator for three years. After the 48<sup>th</sup> AMM, as a result of the rotation that occurs once every three years, Brunei Darussalam began to coordinate the ASEAN-Japan relations (previously it did the ASEAN-India relations); Singapore succeeded Thailand in coordinating the ASEAN-China relations; Thailand moved on to coordinate the ASEAN-EU relations.

Each Country Coordinator is represented by its Permanent Representative to ASEAN (PR), based in Jakarta, in undertaking the day-to-day dialogue coordination. The Foreign Minister of the Country Coordinator co-chairs the annual ASEAN+1 meeting with his counterpart from the Dialogue Partner country. However, all summits with Dialogue Partners are chaired by the Head of Government of the country chairing ASEAN for the year.

An SDP is not expected to set up its Permanent Mission to ASEAN in Jakarta. An SDP's Ambassador to Indonesia is usually concurrently accredited to ASEAN.

Seven DPs (the US, Japan, China, the ROK, Australia, New Zealand, and India) have opened their Permanent Missions to ASEAN, each is headed by a dedicated Ambassador to ASEAN. The US was the first DP to have done so in early 2010. The three remaining DPs (Canada, the European Union and Russia) are expected to follow suit soon.

In the past, ASEAN's cooperation with an SDP would be confined to specific functional and economic sectors. However, the new partnership between Norway and ASEAN has seen the scope of cooperation broadened to include even areas of political and security cooperation.

In the ASEAN Charter's Article 44, a new status of Development Partner was included. Switzerland is reportedly applying for this new status.

Among the 10 DPs there are some differences in their status, too. China became ASEAN's first Strategic Partner

(SP) in October 2003. Subsequently Japan, the ROK, and India have also been conferred the coveted SP status.

Each SP usually has a regular annual summit with ASEAN Leaders, a bilateral free trade agreement (FTA) with all ASEAN Member States, and a Permanent Mission to ASEAN in Jakarta.

Australia and New Zealand are next in line to becoming SPs of ASEAN. Starting in 2016, there will be a regular biennial ASEAN-Australia Summit. But there is no plan yet for any regular ASEAN-New Zealand Summit.

The US has all the necessary attributes of an SP, except it does not have an FTA with all ASEAN member states. In the ASEAN region, the US has an FTA only with Singapore. However, at the 48<sup>th</sup> AMM, ASEAN Foreign Ministers stated in their joint communique there was an ASEAN commitment to elevate ASEAN-US relations to the strategic partnership status "*in recognition of the role of the US in the region and the partnership's importance in sustaining Southeast Asia's rapid economic growth and maintaining peace and stability.*"

Another subtle difference among DPs could be detected from how often and where ASEAN Leaders meet with their DP counterparts to celebrate key milestones in their relations. ■

## ASEAN COUNTRIES COORDINATOR (AUGUST 2015 – JULY 2018)

*Brunei Darussalam – Japan*

*Cambodia – the Republic of Korea*

*Indonesia – New Zealand*

*Laos – Russia*

*Malaysia – the US*

*Myanmar – Australia*

*The Philippines – Canada*

*Singapore – China*

*Thailand – the European Union*

*Vietnam – India*

*Dr Termsak Chalermpanupap is an ISEAS Fellow and Lead Researcher (Political and Security Affairs), ASEAN Studies Centre at the ISEAS-Yusof Ishak Institute.*

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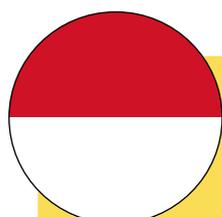
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## Did You Know?

**According to the Maritime Affairs and Fisheries Ministry, Indonesia has 17,504 islands. At 1,904,569km<sup>2</sup>, of which 4.88% of it is water, Indonesia is the largest archipelagic country in the world. The largest island solely under Indonesian sovereignty is Sumatra (480,848km<sup>2</sup>). The most densely populated in Indonesia is Java, which has an average of 1,026 people per square kilometre. It is also the 77<sup>th</sup> most densely populated island in the world.**

## UPCOMING EVENTS

**4 Nov 2015**

ASEAN Lecture Series – ASEAN-China Relations: Dispelling Misconceptions and Enhancing Understanding

**Speaker:** Prof Zhu Feng  
(Executive Director, China Center for Collaborative Studies of the South China Sea)

**11 Nov 2015**

ASEAN Studies Centre Seminar – Tackling the Haze Issue in Southeast Asia: Domestic and Regional Approaches

**Speakers:** Mr Chua Chin Wei, Dr Jonatan A Lassa, Dr Helena Varkkey

**16 Nov 2015**

Workshop on Islamic Development in Southeast Asia

**1 Dec 2015**

ASEAN Lecture Series – ASEAN’s Post 2015 Vision

**Speakers:** HE Ambassador Sihasak Phuangketkeow (Thai Ambassador to Japan), and HE Ambassador Ong Keng Yong (Executive Deputy Chairman,

S Rajaratnam School of International Studies)

**18 Dec 2015**

ASEAN Lecture Series – Lao PDR’s Chairmanship of ASEAN in 2016

**Speaker:** HE Ambassador Yong Chanthalangsy (Director-General of the Institute of Foreign Affairs, Lao PDR Ministry of Foreign Affairs)

**12 Jan 2016**

ISEAS-Yusof Ishak Institute Regional Outlook Forum 2016

*For more information on upcoming events, please visit us at [www.iseas.edu.sg](http://www.iseas.edu.sg).*

## PAST EVENTS

Seminar on Labour Politics in Indonesia, 3 September 2015

Seminar on Spirits of Power in 21st Century Thailand: Magic and the Supernatural at the Centre of Political Authority in Thailand, 10 September 2015

ASEAN Roundtable 2015 – ASEAN Community 2015: Expectations and Realities, 14 September 2015

Seminar on Recent Trends in Chile’s Trade Policy: The Trans-Pacific Partnership and Pacific Alliance, 16 September 2015

Seminar-cum-Book Launch – From “Indonesian Form” to “Chinese Indonesian Form”: Indonesian Government Policies Towards the Chinese and their Impact, 17 September 2015

Seminar on Salafism and Politics: The Malaysian Case, 21 September 2015

ASEAN Lecture Series – Japan’s “New” Approaches to Southeast Asia, 23 September 2015

Seminar on the ASEAN Economic Community and Need for Managing Domestic Consensus Beyond 2015, 25 September 2015

Seminar on Myanmar Elections 2015: Issues and Concerns, 2 October 2015

Launch of the World Bank’s East Asia and Pacific Economic Update, 5 October 2015

Workshop on the Chinese in Vietnam - Trends and Developments, 6 October 2015

Seminar on Bringing the (Central) State Back In? Decentralization,

Recentralization and Patronage Democracy in Indonesia’s Local Politics, 9 October 2015

Seminar on Magic and Divination in Malay Illustrated Manuscripts, 16 October 2015

Seminar on Re-Emergence and Re-Configuration of Islamic Education in Malaysia, 22 October 2015

Seminar on Myanmar Foreign Policy since 2011: Continuities and Changes, 26 October 2015

Seminar on The Perils of Power: Thailand’s Anti-Democratic Elites and the Challenge of Replacing Dictatorship with a Constitutional Regime, 30 October 2015

Lecture on Analyzing Cambodian Cave Art: Ecology, Social Dimensions, Networks and Supply Chains, November 2015

## UPCOMING NATIONAL DAYS



2 December  
Lao PDR



5 December  
Thailand



8 December  
Myanmar

**A**s the world's fifth largest economy and the world's third largest market with more than 630 million population, ASEAN continues to be one of the most significant recipients of global FDI flows. The total FDI inflows to the region in 2014 reached US\$136 billion, accounting for almost 12 percent of the global FDI of US\$1,228 billion. This includes the increasing intra-ASEAN FDI which accounts for 18 percent of the total FDI flows, and is now the second largest source of FDI in the region.

The European Union, Japan, and the USA are among the biggest investors in ASEAN, with EU's contributions of 21% to the total FDI inflows, followed by Japan with 10%, and the USA with 9.5%, whilst intra-ASEAN FDI remains a major contribution to the total FDI in the region with almost 18%.

Among the group, Singapore stands as the most attractive FDI destination with more than half of total FDI to the whole region (53 percent in 2014). Indonesia ranks second with 16 percent share, followed by Thailand (9 percent) and Malaysia (8 percent).

COUNTRY	EASE OF DOING BUSINESS RANKINGS 2015	COMPETITIVENESS RANKINGS 2015	FDI INFLOWS (IN US\$ MILLION) 2014
Brunei Darussalam	101	n.a.	568
Cambodia	135	90	1,727
Indonesia	114	37	22,276
Laos PDR	148	83	913
Malaysia	18	18	10,714
Myanmar	177	131	946
Philippines	95	47	6,201
Singapore	1	2	72,098
Thailand	26	32	11,538
Vietnam	78	56	9,200
ASEAN			136,181
World			1,228,283

## REFERENCES

- *Doing Business 2015*, World Bank
- *Global Competitiveness Report 2015*, World Economic Forum
- *FDI Statistics*, ASEAN Secretariat
- *ASEAN Statistical Yearbook*, ASEAN Secretariat



## Did You Know?

**Bandar Seri Begawan's Kampong Ayer is the largest water settlement in Southeast Asia, and is home to approximately 10% of Brunei Darussalam's population. Records showed that it has existed as early as in 960AD, and was even visited by Ferdinand Magellan in 1521 during his famous circumnavigational voyage.**

## **ASEAN**FOCUS

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