

ASEAN NEWSLETTER

*Prepared for the Ministry of Foreign Affairs, Republic of Korea
by the Institute of Strategic and International Studies (ISIS) Malaysia*

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ASEAN News Updates

ASEAN Economic Ministers Roadshow in China to Enhance Trade and Investment

(October 28, 2013)

A high-level delegation from ASEAN led by the Honourable Pehin Dato Lim Jock Seng, Second Minister, Ministry of Foreign Affairs and Trade, Brunei Darussalam visited China from 22-25 October to further enhance trade and investment relations between the two sides. The delegation visited Hong Kong, Chengdu, Shanghai, and Beijing. The delegation further participated in a number of trade and investment symposium; visited Tak Cruise Terminal in Hong Kong, China; Chengdu Tianfu Software Park; Shanghai Stock Exchange; Shanghai General Motors Corporation and Shanghai Pilot Free Trade Zone; and held consultations with the private sector. (Source: ASEAN Secretariat)

Enhancing Infrastructure and Construction through the 2013 ASEAN-Korea Connectivity Forum

(October 22, 2013)

The ASEAN-Korea Centre hosted the '2013 ASEAN Connectivity Forum' at the Seoul Plaza Hotel for two days from 21-22 October to discuss enhancing ASEAN connectivity. The forum, organized in cooperation with the International Contractors Association of Korea focused on physical connectivity which is related mainly to infrastructure and construction. The forum was initiated on the backdrop that strengthening connectivity has become an important agenda for not only ASEAN but also its dialogue partners including Korea, with the upcoming launch of the ASEAN Economic Community (AEC) in 2015. (Source: ASEAN-Korea Centre)

ASEAN Disaster Emergency Response Simulation Exercise (ARDEX)

(October 21, 2013)

A regional disaster emergency response simulation exercise, called the ASEAN Disaster Emergency Response Simulation Exercise (ARDEX), was held in Hanoi from October 21 to 24. The exercise is aimed at testing the coordination, cooperation and communications between Vietnam and participating ASEAN member states in joint disaster search and rescue, and relief operations. The exercise scenario is based on a super typhoon making landfall in the Northern Delta Provinces of Vietnam. (Source: Channel News Asia)

The East Asia Summit (EAS) Ended with Notable Outcomes

(October 10, 2013)

The 8th East Asia Summit (EAS) was held on 10 October 2013 in Bandar Seri Begawan, Brunei Darussalam. The Summit was chaired by His Majesty Sultan Haji Hassanal Bolkiah, the Sultan and Yang Di-Pertuan of Brunei Darussalam. The Sultan of Brunei noted "good momentum" between ASEAN countries and China over the territorial disputes in the South China Sea, and development towards a Code of Conduct. The summit adopted a declaration on food security, which was one of the major themes set for this year's discussions. (Source: ABC News)

Chairman's Statement of the 23rd ASEAN Summit

(October 9, 2013)

The 23rd ASEAN Summit was held at Bandar Seri Begawan, Brunei Darussalam on 9 October 2013. The Heads of State/ Government of the Member States of the Association of Southeast Asian Nations (ASEAN) had extensive discussions under the theme "Our People, Our Future Together". The summit aims to promote the collective commitment of ASEAN citizens, bound together through the spirit of unity in diversity, to bring forward an ASEAN Community that is politically cohesive, economically integrated, and socially responsible. The summit also reaffirmed the importance of drawing upon common experiences between ASEAN states to strengthen the existing bonds of solidarity and cooperation. (Source: ASEAN Secretariat)

Inside this issue

Five Power Defence Arrangements: A New Zealand Perspective

Dr. Paul Sinclair

Four Hypotheses About The Relationship Between The Trans-Pacific Partnership And ASEAN's Regional Comprehensive Economic Partnership

Mr. Steven C.M. Wong

ASEAN's Quiet After The Storm

Ms. Natalie Shobana Ambrose

Five Power Defence Arrangements: A New Zealand Perspective

By: Dr. Paul Sinclair

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A strong commitment to the security of South-east Asia is in New Zealand's defence policy DNA. For more than six decades New Zealand has been actively engaged in contributing to collective regional security arrangements, beginning with a decision to join ANZAM in 1949. The name ANZAM was derived from the three members, Australia, New Zealand and then British-ruled Malaya. Originally formed with the protection of sea communications in mind, its scope was soon extended to tackle the Communist insurgency in Malaya. That was to lead to the basing of the front-line New Zealand Army battalion in Malaya and subsequently Singapore, for more than three decades until 1989 and to the stationing for many years of RNZN ships and RNZAF aircraft in the region.

Once Malaya gained its independence in 1957, New Zealand implicitly accepted a formal responsibility for the external defence of the region covered by the Anglo-Malayan Defence Agreement {AMDA} which was designed to provide a security umbrella for Malaya. This was effectively confirmed in 1963 when the New Zealand Prime Minister said that "New Zealand had always given cause to believe that she would not stand idly aside in the event of an armed attack on Malaysia". In 1971 New Zealand joined Australia, Malaysia, Singapore and the United Kingdom in forming the Five Power Defence Arrangements {FPDA} which replaced AMDA and reflected the new realities of the region in the face of the British desire to focus the bulk of its defence efforts closer to home which raised concerns about a regional power vacuum.

The five members of the FPDA had intended that the Arrangements would be a temporary security fix until Malaysia and Singapore had developed their military capabilities to the point where they could meet their own defence needs. In the meantime, the emphasis was to be on the provision of training assistance through collective exercises and bilateral training programmes. The building of confidence between Malaysia and Singapore was another important objective.

Instead of withering on the vine as had been expected, however, the FPDA was to take on a new lease of life a decade later. Growing uncertainty over a strategic environment that included Soviet naval vessels regularly passing through the Malacca Strait, Viet Nam's military presence in Cambodia, and competing territorial claims, had led to a collective re-think of the relevance of the FPDA.

Two years ago the Defence Ministers representing the Five Powers met to mark the 40th anniversary of the FPDA. The FPDA had become the oldest multilateral security arrangement in South-east Asia, and the only one with an operational arm in the form of the Integrated Area Defence System Headquarters at Butterworth in Malaysia.

There are several explanations for the enduring nature of the FPDA. First, there has been a quantum leap in the scale and level of sophistication in regular FPDA exercises that delivers a range of professional benefits on the ground, in the air and on the sea to all participants.

While the emphasis remains on conventional capabilities, recent exercises have reflected the multi-threat nature of the contemporary security environment. Scenarios have been added to cover non-traditional maritime security threats, and to build capacity in responding to regional disasters and providing humanitarian assistance. Provision has been made where appropriate for the involvement of civilian agencies including Malaysia's Maritime Enforcement Agency, Singapore's Police Coastguard, and the International Committee of the Red Cross. Professional defence forums are also now a regular feature of the FPDA landscape.

There have been significant enhancements in policy, planning and operational structures. There are regular meetings of Defence Ministers, which form the apex of FPDA policy-making, of Defence Chiefs, which provide professional military advice to Ministers, and of the Consultative Council, which has responsibility for policy, planning and budgetary matters. The sharpening of arrangements for policy oversight, with attention given to ensuring the relevancy of military activities, has enabled the FPDA to evolve with the times.

Other factors must not be overlooked in any accounting of the reasons for the FPDA'S staying power. The FPDA has always been a consultative arrangement. It is not a formal alliance. Decisions are taken by consensus reflecting the broader region's approach to security issues. The emphasis is on practical benefits to all FPDA members. And in tune with the principle of ASEAN centrality, Malaysia and Singapore, take the lead in formulating FPDA policy. Throughout its 40 plus years the FPDA has been careful to ensure that it does not

compete with other regional security structures and that it is a net contributor to the security of the wider region. The provision now made for other ASEAN countries to observe aspects of FPDA exercises reflects this approach.

A further and very important factor is the major contribution the FPDA have made to the development of Malaysia's and Singapore's defence capacity and to both countries confidence with each other. Access to the operational doctrine and range of capabilities of their FPDA partners has broadened experience levels and contributed to the development of a wide range of skill sets in both countries' militaries, a process aided by the psychological deterrent effect of the FPDA. The previous donor/client relationship has been replaced by a partnership of equals. Both Malaysia and Singapore continue to emphasise the importance of the FPDA in their defence settings.

For New Zealand, the FPDA occupies a special place in our defence settings. For more than two decades the FPDA provided the only opportunities for the New Zealand Defence Force to take part in multilateral exercises at a time when the United States cold-shoulder over our non-nuclear policy, had firmly closed the door on involvement in any exercises in which their forces were taking part. The professional benefits and the psychological reassurance these valuable opportunities provided for the New Zealand Defence Force cannot be over-stated.

Moreover, over the course of the last decade both Singapore and Malaysia have become important partners in peacekeeping and related missions. Singapore's contribution of a 70-strong infantry company group to New Zealand's battalion in Timor Leste reflected the long association between the New Zealand Defence Force and its Singapore counterpart through the FPDA, and signalled the growing maturity of that relationship characterised by the ability to work together effectively in an operational setting. Through our work together Singapore was subsequently able to replace our Iroquois helicopter squadron in Timor, and in conjunction with Thailand, to replace our battalion there providing a timely exit strategy after three years of continuous operations in Timor. Singapore subsequently attached engineers and medical personnel to New Zealand's Provincial Reconstruction Team {PRT} in the Afghanistan province of Bamiyan and the two Navies have worked together on counter-piracy patrols in the Indian Ocean.

Mention must also be made of Malaysia's attachment of a 40-strong medical contingent to our PRT in Bamiyan. This was a very welcome and substantive contribution as it included a number of female Muslim doctors who were better placed than their New Zealand counterparts to interact with Bamiyan women. There was significant symbolic value, too, in having a Muslim and non-Muslim nation work closely together in a country deeply fractured along ethnic and sectarian lines.

The continuing significance of the FPDA to New Zealand is clearly stated in the most recent New Zealand Defence White Paper published in 2010. It notes that "New Zealand's security relationships with Singapore and Malaysia, founded on the FPDA, are likely to remain our most enduring in the region. So long as these regional states maintain their support for the FPDA then New Zealand will continue to do so. As New Zealand's most significant operational security link to South-east Asia, the FPDA will continue to provide a valuable anchor for the presence of our defence assets in the region".

Four Hypotheses About The Relationship Between The Trans-Pacific Partnership And ASEAN's Regional Comprehensive Economic Partnership

By: Mr. Steven C.M. Wong

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The Trans-Pacific Partnership is the most significant effort being undertaken to realise Free Trade Agreement Asia Pacific (FTAAP). It ventures into uncharted waters by being an unprecedented and ambitious exercise in economic integration, going far beyond the usual tariffs cutting and non-tariff measures negotiations. It is a chief negotiators-driven process with 21 Working Groups covering 29 chapters that covers two main areas, that, is text covering rules, disciplines, dispute settlement, institutional arrangements and final provisions, and, second, market access for goods, services and investment, as reflected in country schedules of commitments with conditions, limitations and so forth.

Negotiations are on a single undertaking basis meaning that nothing is agreed until everything is agreed. This makes negotiation uncommonly demanding and high risk but considered important in the context of the times. It should be noted that participation is voluntary and encouraged through an open accession clause, meaning that rather than being a closed and cosy club, other countries are expected to join and abide by the rules at a later date. Leaders have also agreed that the TPP is a 'living agreement' or to be reviewed and presumably strengthened in future.

In some of the TPP's 29 chapters, negotiations are close to being finalised. Ones involving capacity building & technical assistance, competitiveness, development, regulatory coherence, SMEs, temporary entry and legal and institutional, for example, have almost been completed. In others, such as market access for goods, services, financial services, labour, customs, sanitary & phytosanitary measures and temporary entry and telecommunications are seeing progress, albeit with the usual exceptions, safeguards, carve-outs and non-conforming measures.

Of course, there are also serious and well-known sticking points involving intellectual property rights protection, state-owned enterprises, government procurement, environment and, within the investment chapter, investor-state dispute settlement. Negotiations over disciplines in these areas make successful conclusion of this "all-or-nothing" agreement far from assured at this late stage. Will countries back down or compromise, or will they be forced to accept unpalatable outcomes? The TPP is being negotiated among 12 countries, not just two, and the possible outcomes are many and complex.

All of this makes one wonder if the approach of the TPP, however successful or unsuccessful it becomes, will become standard modus operandi for future negotiations of regional trading and economic partnership agreements. Can the clock ever be turned back so that countries can return to the slow and plodding pace of multilateral trade negotiations under the World Trade Organization (WTO)? Unpacking this question forces us to consider others.

First, can one region or country have more than one standard of economic partnership obligations? Will convergence between the TPP, ASEAN's Regional Comprehensive Economic Partnership (RCEP) and its Plus One Agreements naturally occur? Will not the higher (or deeper) standard, in this case, the TPP, become the unyielding de facto regional standard?

Second, what is the possibility that this de facto regional standard is then propagated, such as through the Trans-Atlantic Trade and Investment Partnership (TTIP), to become one global standard? While the majority of the WTO's 160 or so members are unlikely to be able to sign on but the most trade-reliant ones will be under some pressure to accept tough disciplines in exchange for guaranteed market access. Countries such as China, South Korea and the non-TPP participating countries of ASEAN, for example, are likely to suffer the costs of trade and investment diversion at some level.

Already, there is some evidence that the TPP has impacted the way that things are done. The RCEP, in particular, is a whole lot more ambitious than anything undertaken by ASEAN to date. This leads to four interesting possibilities (or hypotheses), especially given that six countries are jointly negotiating both. These are offered as points for further discussion.

First, if there is good progress on the TPP, this will obviously pressure RCEP participants to go broader and deeper. Of course, with very large developing countries like India, China and Indonesia, there is likely to be stiff resistance. The inability to assume weightier obligations may mean that ASEAN is in danger of being made

irrelevant as an economic entity. In order to limit the downside, there could be some frantic efforts to shore up the RCEP, failing which there will be resort to Plus One and Plus Three agreements. In either case, there will be two trading regimes.

Second, if the TPP becomes unstuck while RCEP makes progress (a low probability event in this writer's opinion), the incentive for ASEAN to go broad and deep is not there and the likelihood of a basic consensual agreement of the kind that ASEAN is used to striking is high. This will favour the larger developing countries and ASEAN, on the whole, and be a negative result for APEC countries and the US in particular. In this scenario, the outcome may well be two weak trading regimes that are not far beyond WTO standards.

Third, if both the TPP and RCEP cannot be successfully concluded, which is within the realms of possibility, the status quo is preserved and the spaghetti bowl trade continues. Both sides, however, will probably seek face-saving measures again and Plus One, Plus Three and TPP Minus agreements will be re-examined so that countries can preserve their "free trade" credentials and claim some form of victory. This is a potentially dangerous scenario since bilateral and other plurilateral deals may be struck among coalitions of the willing, further adding to the confusing spaghetti bowl.

Fourth, and finally, if both the TPP and RCEP are concluded in reasonably good time and form, a convergence has been said to be expected. As the bearer of the higher standard, however, the TPP's disciplines cannot be lowered and so it is up to RCEP to be improved. This is unlikely to be within the short- to medium-term (otherwise there would not be two tracks to begin with) and, if at all, may be something for the longer term.

In all four scenarios, however, the likelihood of success is itself a major incentive for countries to conclude and for other countries to join in (particularly, China). If the prospects look dismal, then Hypothesis Two or Three may be the more likely outcomes. If the chances are good, then Hypothesis One or Four could be the result.

Whatever the case, parties are, at least for the time being, being pressured to take actions of one kind or another. Hypothesis Four is the ideal scenario, having been touted by virtually all leaders, but is the most challenging, leaving a Hypothesis Two or Three outcome the ones that look more likely.

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In May of this year, the ASEAN Regional Forum carried out the third ARF Disaster-Relief Exercise (ARF-DiREx) in Cha-am Phetburi Province in Thailand co-chaired by Thailand and the Republic of Korea. The disaster relief exercise was collaboration between civilian authorities and the military which included participants from over 26 countries and included organisations such as the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre), the Asian Disaster Preparedness Center (ADPC), the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), and the International Federation of Red Cross and Red Crescent Societies (IFRC).

Participants of the ARF DiREx 2013 had to manage efforts during a simulation 8.9 magnitude earthquake and subsequent 8 meter tsunami in the Andaman Sea, focused on the Table Top Exercise (TTX) in particular National and Regional coordination mechanisms that address Reception, Staging, Onward Movement and Integration (RSOI) of assisting nations, capabilities, theatre transportation requirements and national limitations/requirements.

The exercise also carried out tactical level (affected site) oriented Field Training Exercise (FTX) which focused on two objectives: demonstrate Search and Rescue (SAR) capabilities integrated with medical, engineering and chemical response requirements and the second objective as an exercise Incident Command System through the Multinational Coordination Center (MNCC). The whole exercise concluded with an After Action Review (AAR) to evaluate the success and identify areas of improvement.

Recognised as a landmark multinational collaboration-cooperation, the theme followed previous ARF DiREx held in the Philippines (2009) and Indonesia (2011) to enhance regional and affected national civilian enhance regional and affected nation civilian military (civ-mil) coordination, cooperation, effectiveness, and speed of response to a disaster. The exercises was carried out:

- To advance and build capacity of ARF members in the civil-military coordination in response to disasters.
- To advance the progress on multinational disaster response capability made during the last two exercises. The exercise will address disaster relief issues at the strategic, operational, and tactical levels. The ARF DiREx 2013 will continue to focus on civil-military coordination in response to disasters.
- To test the existing standard operating procedures/ protocols/ tools of ASEAN regional, international and the affected (host) nation pertaining to multinational disaster relief operations.
- To advance the ARF participants ability to rapidly provide coordinated and effective disaster relief.
- To advance the affected (host) nations ability to respond to humanitarian assistance requirements caused by natural disasters. (Source: ASEAN Regional Forum Disaster Relief Exercise 2013 website)

Now, in June of this year, the ADMM-Plus conducted its Humanitarian and Disaster Relief (HADR) exercise and Military Medicine Exercise in Brunei Darussalam which included close to 2000 military personal. In October, the ASEAN Committee on Disaster Management conducted its Disaster Emergency Response Exercise in Viet Nam with the objective to practice, assess and review disaster emergency response mechanisms under the ASEAN Standby Arrangements and Standard Operating Procedures (SASOP). The exercise aimed to strengthen ASEAN's collective response to massive disasters in the region. Add to that Indonesia playing host to the Mentawai Megathrust Exercise 2013-2014 which includes East Asia Summit members China, Japan, Korea, India, New Zealand, Australia, America, and Russia.

Clearly there has been no shortage of practise exercises perhaps an overcompensation to ensure ASEAN preparedness post 2008 Cyclone Nargis tragedy in Myanmar.

So why then has ASEAN been so quiet after Supertyphoon Yolanda (Hayan) slammed into central Philippines?

According to the press statement released by the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre), they repositioned its team members and the ASEAN Emergency Rapid Assessment Team (ASEAN-ERAT) in Manila and Tacloban one day before Hayan arrived, to coordinate with the National Disaster Risk Reduction and Management Council (NDRRMC) and deployed an emergency response team to the Philippines. A few days after the deadly typhoon hit, another ASEAN group comprising of

the AHA Centre Field Team Leader, ERAT members from Brunei Darussalam and a representative from the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) Partnership arrived in Tacloban to assess the devastation and decide on the types of assistance needed.

While these efforts are laudable and “no help is too little for the victims”, compared to the exercises conducted throughout the year, these efforts pale in comparison to what ASEAN is capable and able to provide.

According to the United Nations action plan for typhoon-battered central Philippines, a total of USD301 million (P13.174 billion) is needed. While the list of donors is impressive, ASEAN member states have not stepped up.

Although countries like Australia have pledged USD10 million and the United Kingdom £6million and £9.6 million emergency support package, Singapore initially pledged USD50, 000 and later increasing it to USD160, 000. Only three other ASEAN members have pledged to date include Indonesia (in-kind donations), Viet Nam (humanitarian aid) and Malaysia (medical, search and rescue teams). Bi-lateral requests by the Philippines to Singapore, Brunei and Thailand has proven positive with Singapore’s air force sending relief goods on a 2 C-130 Hercules which was later used to transport personal and goods to Cebu and Tacloban while Thailand sent two Royal Thai navy ships carrying two medical teams, food, medicine, water purifiers among other necessities.

While government financial pledges have been limited, local communities and civilians within the region have rallied together to help provide monetary aid and supplies to those affected by the typhoon, donating in their personal capacity through the Philippines Embassies and other organisations.

ASEAN Secretary-General Le Luong Minh stated that “ASEAN stands shoulder-to-shoulder with the Philippines in these difficult times and we are ready to show the ASEAN spirit of a caring community to affected populations in the country”, however we are yet to see a combined ASEAN-led effort which is very disappointing in light of the remarkable HADR exercises carried out this year alone.

The longer it takes for an ASEAN-led relief effort to materialise, the faster the HADR exercises loses credibility. Resource mobilisation success is based on efficiency and timeliness, something that ASEAN has stumbled at addressing with this real-life disaster.

While it may be the calm after the storm, there is plenty of room for ASEAN to put into effect a stronger HADR programme which includes is a long-term plan that works in tandem with the Philippine government’s recovery strategy, UN efforts and civil society organisations on the ground. The ASEAN way in line with ASEAN principles would assist as much as possible and ensure that the Philippines recovers well and fast from the devastation of Yolanda.
