

Speech: UK is extensively involved in Southeast Asia: Speech by Scott Wightman

Southeast Asia is among the most dynamic regions of the world. In 2016, taken together, the economies of ASEAN contributed more to global growth than anywhere else. It has a young population. It is ethnically, religiously, linguistically and economically incredibly diverse. It lies at the heart of global trade routes and finds itself courted by the two most powerful countries on Earth.

So any nation with global interests needs to be focused on what is happening in this region. Any nation with global interests needs to be present and engaged in this region. It needs to be developing stronger partnerships in Southeast Asia, working with Governments to help them address emerging challenges, promoting more business, research and people-to-people links, and helping the region to confront new security threats. This evening I want to make the case that the United Kingdom is such a nation. A nation that is already extensively involved in Southeast Asia, with deep people-to-people links, an important economic partner, making a significant contribution to security and economic development. And as we leave the European Union, a nation committed to enhancing its presence in the region, seizing the economic opportunities it offers, and strengthening the role of ASEAN and the rules-based system.

I want to begin with a confession. Sometimes I get a bit frustrated when Singaporeans tell me that the UK doesn't take Southeast Asia seriously. Why frustrated?

Well, did you know, for example, that according to EDB statistics, over 4000 British companies have a presence in Singapore alone, employing over 50000 people here? I'd say that's serious. Or did you know that after Typhoon Haiyan struck the Philippines in 2013, the British Government provided £77 million in humanitarian support, contributing 14% of the global contributions. That was more than any other government in the world. Even more remarkably, the funds raised by voluntary contributions from the British public to help the people of the Philippines constituted a yet larger contribution, at £96 million.

Were you aware that the UK is responsible for providing 60% of the fuel used by the US Seventh Fleet through the fuel depot operated by the Royal Navy at Senoko here on Singapore? That's a serious contribution to security and stability in the Western Pacific.

And while the very tight parliamentary arithmetic in Britain makes it difficult for our Ministers to travel at the moment, despite that, in 2017, 15 UK Ministers visited one or more ASEAN Member State. In the case of Singapore, there was a period last year when we had visits from seven

different ministers in the space of seven weeks. And four members of The Royal Family, came here last year.

That is all evidence to me of serious engagement.

Of course, Britain has a long history in this part of the world. Now I am not here to suggest that our presence here was glorious or that we were somehow a uniquely benevolent imperial power. All empires are exploitative to a greater or lesser degree. And we came to Southeast Asia, and to Singapore in particular, for reasons of self-interest: fundamentally to open up new trade routes and to protect existing ones. That was the spirit of the age. Two centuries later, we, like every other nation, are still motivated by self-interest. But the spirit of our age is very different, or at least it is in the UK. Our understanding of our self-interest is much, much wider. We know now that British interests are best served by an effective rules-based international system. Like Singapore, as an island nation, our security and prosperity depend completely on respect for international customs and agreements guaranteeing the freedom of navigation and overflight. Like Singapore, as a trading nation, our businesses rely on free trade and open markets. The UK and the people of Britain benefit hugely from reduced levels of international poverty. It is in our self-interest to work with others to tackle global challenges. Challenges such as climate change, international terrorism, human and wildlife trafficking, the proliferation and use of weapons of mass destruction, anti-microbial resistance.

And it is that wider definition and understanding of our self-interest which moulds Britain's approach to Southeast Asia today.

That is why the UK is engaged on security challenges here. We're helping to build prosperity in the region. And through growing people-to-people links, we are putting in place the foundations of an even stronger relationship for the future. I want to look at each of these in turn.

Security

The United States has been the architect and the guarantor of security in the Western Pacific for over 70 years. The US security guarantee, through its various bilateral security arrangements and the presence of the 7th Fleet, has helped to create an environment that has allowed the economies of the region, first in Japan, then the four tigers, then China and now the rest of Southeast Asia to forge ahead. The US contribution has been fundamental. The UK contribution is of course on a lesser scale. But we maintain a permanent and enduring defence presence in the Asia-Pacific region and I believe we are playing an increasingly significant role in the long-term maintenance of stability, peace and security.

For example, at the request of HM The Sultan, British Forces Brunei provides a permanent UK military presence in SE Asia supporting peace and security in Brunei since independence in 1984. The UK military in Brunei regularly conduct defence engagement with ASEAN member states in support of wider regional stability. They deployed to East Timor in 1999 as part of the multinational peacemaking taskforce and have deployed globally in recent

years as part of both NATO and UN security framework forces.

In Korea, the UK is an increasingly active and high-profile member of UN Command, taking part in exercises that help to uphold the armistice on the peninsula. We work hard with other members of the UN Security Council to halt North Korea's development of weapons of mass destruction and to limit their threat to regional security, most recently through the deployments of the HMS Sutherland and HMS Albion to the East China Sea.

In Southeast Asia, the Five Power Defence Arrangements, FPDA, are East Asia's only collective security arrangement. The UK second military personnel to the FPDA's Integrated Area Defence Headquarters in Malaysia. And every year, we deploy hard military assets to the region to exercise with Australian, Malaysian, New Zealand and Singaporean Armed Forces. Through full participation in FPDA, the UK is committed to the onward development and integration of our defence capabilities, including the latest generation of military equipment. In this way, we are helping to address collectively future regional security challenges, be they conventional or unconventional in nature. As part of our commitment to bring military hardware to the region, in 2017 the UK deployed a squadron of Eurofighter Typhoon aircraft into SE and NE Asia. And we can expect a similar deployment in 2019, showcasing the UK's highly agile and potent multi-role fighter aircraft capability. Already this year, the amphibious assault ship, HMS Albion and HMS Sutherland have visited Singapore. And later in the year, HMS Argyll, one of the most advanced frigates in the world, will visit the region. All three vessels are exercising with ASEAN nations, building trust and interoperability, and supporting the maintenance of freedom of navigation as part of a permanent UK defence presence in the Indo-Pacific for the next 12 months and beyond. Looking ahead, we can expect to see the Royal Navy's largest ever and most technologically advanced vessels, the aircraft carriers HMS Queen Elizabeth and HMS Prince of Wales, in the seas around Singapore before too long. These extraordinary vessels, which will be equipped with the new F35 Lightning II Joint Strike Fighter, will be central to the UK's ability to project 5th generation military effect and capabilities into the region over the decades to come.

Our aim is to reinforce our enduring and permanent defence presence within the Asia-Pacific region. So we have increased the number of personnel into our Loan Service elements in our Commonwealth partners, our liaison staff with the US's Indo-Pacific Command HQ in Hawaii and our Counter-Terrorism hub in Kuala Lumpur. In line with the Prime Minister's announcement in December 2016, a British Defence Staff (BDS) for Asia Pacific has been established in Singapore. This now acts as the focal point for our significant investment in defence in the Asia-Pacific region. The British Defence Staff for Asia Pacific brings coherence and adds impact by coordinating UK actions and messaging. The team augments the efforts of our defence advisors and attachés across the region, who deliver a comprehensive programme of events that showcase UK defence. And it supports the efforts of our allies and partners, through capacity building, security sector reform, conflict prevention and stabilisation across Asia-Pacific.

Former Prime Minister, the late Mr Lee Kwan Yew, knew that true independence

comes when a nation is capable of defending itself against external and internal security threats. And the UK helps to build that capability through its extensive military training programmes. In the last five years, just under one hundred officers from ASEAN Member States have graduated from one of the UK's defence establishments. Right now, Service Chiefs of Singapore, Malaysia, Thailand and Brunei all studied in Britain.

Of course the challenges to security in the region are evolving. Terrorism, cybersecurity and serious organised crime arguably pose a greater threat to societies here than conventional threats. Here too the UK is making a difference and helping to build resilience.

For example, Singapore is deploying Counter Improvised Explosive Device operators to Iraq this year as part of the international effort to deal with terrorism at its source. The units will be integrated with the British Army to train Iraqi forces in counter IED techniques.

In Indonesia, over several years, the UK was a critical part of the JCLEC process that has transformed Densus 88 into an effective counter-terrorism force. Our experts in counter-terrorism played a key role in developing D88's ability to monitor and disrupt the activities of terrorist groups in Indonesia. Since 2015 hundreds of arrests in Indonesia have been by officers who used the skills learned on UK training at JCLEC. Countless innocent lives have been saved as a consequence. And what once appeared to be a serious threat to Indonesia's stability has been largely contained, notwithstanding the recent dreadful suicide attacks in Surabaya.

And we share the concerns of governments in the region about the threat posed by jihadists returning from fighting with Daesh in Syria and Iraq. We saw last year in Marawi how violent extremists in the Middle East can radicalise disaffected young men in Southeast Asia. That is why we have established a regional Counter-Terrorism and Extremism Unit in our High Commission in Kuala Lumpur, to enhance coherence and cooperation between the UK's various agencies and other interested parties and governments across the Asia-Pacific region. Recent activity has included work on maritime security, foreign fighters, and engagement with civil society to better understand shared challenges. And the British Army is contributing to SG Secure by sharing its experience in deploying in support of police-led CT operations to contain mass casualty incidents. Again, this work will potentially save more innocent lives in the future.

We're also engaged in conflict prevention in the region. When I was the Director for the Asia Pacific region in the Foreign Office in London, we launched an initiative to support the moribund Mindanao Peace Process. As a result, we became a founding member of the International Contact Group mandated to support the peace process between the Philippine Government and the Moro Islamic Liberation Front. We helped to drive the peace talks forward by bringing out people who had been involved on both sides of the conflict in Northern Ireland to talk to the conflict parties about the process of reconciliation. They met people from the British Government and foreign terrorists involved in the talks leading to the Good Friday Agreement to learn how they had negotiated an end to a seemingly intractable conflict. In

these and other ways, we were pleased to have helped the parties towards the signature of a peace agreement. And we remain committed to support its implementation.

In Cambodia, we've helped to address the issue of impunity. Sustainable progress can never be made when those responsible for genocide and crimes against humanity escape justice. That is why the UK has contributed over £12 million to the Extraordinary Chambers in the Courts of Cambodia.

The latest security threat facing the region comes from cyber. And here again the UK is an active player in the region. We have quickly developed a deep and productive dialogue with Singapore's Cybersecurity Agency. We share information and know-how across our respective governments, working to tackle security threats and create a free, well-regulated international cyberspace. Our top academics and researchers work together on everything from AI to Big Data. We work with the private sector in Southeast Asia to protect the integrity of their systems. On the back of this, the UK has been invited to join the initiative Singapore has launched during its ASEAN Chairmanship to build the cybersecurity capabilities of other ASEAN States – making us the only country that is not an ASEAN Dialogue Partner involved in this initiative. In April in London, Foreign Minister Balakrishnan signed an agreement with the UK Secretary of State for Digital, Culture, Media and Sport to collaborate on cybersecurity capacity-building in Commonwealth and ASEAN countries over the next two years.

I also want to say a word about a more insidious security threat. The SARS outbreak in 2003 was arguably the most challenging security threat Singapore has faced since independence. The threat from infectious diseases has not gone away. Indeed the UK Government-funded report on Anti-microbial resistance (AMR), written by Jim O'Neill in 2016, raised international awareness of the potentially huge economic and social impacts if we fail to curb the indiscriminate use of antibiotics in humans and animals. So the UK is leading on a range of measures aimed at preventing AMR across the globe, including through our Fleming Fund. Thanks to the Fleming Fund we are helping to improve laboratory capacity for diagnosis of anti-microbial resistance in Southeast Asian countries and improving human security as a result.

So you can see that the UK is already very active across the range of conventional and unconventional security challenges in the region. And the commitment of the British Government to a global role, a Global Britain, means that our engagement in Southeast Asia will grow after we leave the European Union. Because we have the capability, the skills and experience to add value to the work of groups such as ADMM+. And through our engagement, I believe that we can increase the room for countries in the region to act independently.

Prosperity

I mentioned earlier that there are over 4000 companies with a presence in Singapore. Rolls Royce, Standard Chartered, HSBC, Barclays, GSK, Dyson, Shell, BP: global titans, leading the world in their sectors in terms of innovation. Almost every week, I meet more British businesswomen and men

looking to set up here, bringing their cutting-edge technology, innovation and entrepreneurial flair with them. Companies like McLaren Applied Technologies which is working with health authorities and the LTA to bring their astonishing capabilities in real time data analytics from F1 to improve health outcomes and help the LTA reduce delays and breakdowns on the MRT. Or First Derivatives from Northern Ireland. First Derivatives was the UK's Fintech of the year in 2017. It is providing data analytics and data base products and consulting services to some of the world's largest finance, technology and energy institutions. Here in Singapore it provides business critical support to GIC, SGX, Olam, Standard Chartered Bank among many others.

According to the IMF UK businesses have contributed to the SG\$60bn of UK investment in Singapore. That's a big number. But in practice, the figure is much higher than that, since a significant proportion of the SG\$150bn of investment from Luxembourg and the Netherlands is really British capital.

The same is true elsewhere in Southeast Asia. The UK's outward direct investment in the region is over SG\$100bn, making the UK the region's 4th largest foreign investor. We invest three times as much as Germany or France.

But it's not just capital that our companies bring. Most UK businesses understand that governments in the region don't just want their cash. They understand that host countries have a legitimate expectation that foreign investors should contribute in a lasting way to the development of the host economy. So the attitude of British companies to technology transfer can be very different from some of our competitors.

And British companies are keen to grow their businesses further in the region. UK goods exports to ASEAN increased by 13% in 2016. Our total exports to ASEAN were more than double those to India. We're seeing particularly strong growth in Vietnam, Indonesia and Singapore. But there's huge scope for us to do even better. Our market share in Southeast Asia lags the UK's share of the global market. That reflects to a large degree the structure of the UK economy, which is heavily services-based. But as the economies of the region mature, that will begin to play more to our strengths, whether in advanced manufacturing, financial and professional services, architecture and design, or data analytics and artificial intelligence.

And with the agreement the UK reached with the EU at the March European Council, we will now be able to negotiate our own bilateral trade and investment agreements to come into force at the end of the Implementation Period in December 2020. And because the UK has always been committed to free trade we have high ambitions in this area. As a first step we want to see continuity in the case of the EU's FTAs with Singapore and Vietnam. But we also want to explore the potential for us to accede to the CPTPP and how through other liberalisation measures we can increase the potential for trade and investment between Britain and ASEAN Member States. But we want to be economic partners for ASEAN and Southeast Asia, not simply a country out to maximise sales. That's why for many years we have been running programmes with local partners which aim to foster economic development and address some of the barriers to sustainable growth.

For example we helped Laos, Burma, Cambodia, Thailand and Vietnam to define their Intended Nationally Determined Contribution pledges ahead of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) in 2015 and 2016 respectively. The projects supported the development of commitments that are based on national circumstances and raised the level of ambition on climate action in the region.

In December 2016, the Thai Parliament approved the country's first Public Procurement Act. This was the result of project funded by the UK's Foreign and Commonwealth Office on 'Enhancing Integrity and Openness in Public Procurement in Thailand' which supported the country in its efforts to reform and modernise its public procurement system. The Public Procurement Act is helping to improve transparency and ensure fairer competition and increased efficiency in public spending in Thailand.

We are about to see a step-change in the scale of these partnerships. We have just launched a major multi-million pound programme to support Economic Reform in Thailand, Philippines, Malaysia, Vietnam, Indonesia and Burma. The programme will have three pillars:

- strengthening the business environment through better protection of intellectual property, better regulation and fairer competition
- advancing government and business transparency and compliance with international standards, promoting business integrity, and strengthening the ability of authorities to tackle corruption
- broadening and deepening financial markets and promoting financial inclusion by the adoption of FinTech, supporting the development of capital markets, strengthening the capabilities of anti-money laundering authorities, and by raising accountancy standards

We will be providing capacity-building to regulators, auditors, accountants and university professors on International Financial Reporting Standards. We'll be holding seminars, workshops and tailored training events and capacity-building for policy-makers and market-shapers on the development of FinTech regulation. And we'll be providing advice to governments on how to align national legislation with international standards and guidelines for public procurement transparency and accountability. Some elements of the programme will be supporting the objectives of the AEC blueprint and we will be working in conjunction with the ASEAN secretariat and relevant ASEAN working groups.

We believe our interventions have the potential to add approaching half a billion US dollars to regional economies over the next decade. That means more jobs and better jobs for the people of the region.

We have also launched a multi-million pound programme to accelerate the transition to low carbon energy in Southeast Asia. This will operate in Malaysia, Philippines, Burma, Thailand, Vietnam and also in Indonesia. The programme will have two strands. It will provide policy support, capacity building and technical assistance to facilitate green finance flows into energy infrastructure and other investments, drawing on the City of London's leading global expertise on green finance. And it will improve the

regulatory, policy and practical conditions for energy efficiency measures, helping to reduce energy demand and the associated costs for ordinary people and for businesses. The programme will improve energy security and inclusive access to clean and reliable energy sources and support ASEAN's emissions reduction targets, with direct benefits for the most vulnerable populations, including women, and providing significant opportunities for employment and investment.

In Indonesia specifically, we will be running a programme to accelerate the deployment of renewable energy, bringing reliable and clean energy to parts of the country for the first time, with potentially transformative impacts on local economies and significant reductions in business-as-usual carbon emissions. And we will be developing further partnership programmes in the region on future cities, healthcare, education and trade facilitation. This builds on the work the UK's Department for International Development – DfID – has been doing for several years in Indonesia. It is working with Bapenas – Indonesia's National Planning Ministry, provincial governments and NGOs. Through a mixture of grants, agreements and commercial contracts, it is helping the Indonesian Government to improve environmental and social regulations for palm oil production. As a result we are seeing more equitable and sustainable land use and forestry, a reduction in fires and toxic smoke, and better enforcement of labour laws to protect approximately 7 million undocumented and indentured labourers.

All of these programmes, past, present and in the next five years, are helping to bring down barriers to trade and develop policy and regulatory frameworks. They are contributing to sustainable economic development in Southeast Asia. They are building resilience in ASEAN. They are helping to create the conditions for more and better innovation.

Science and innovation provides yet another example of how the UK is active and engaged in this region. Britain has one of the strongest science and research systems in the world. Second only to the US in terms of the numbers of Nobel Laureates; responsible for 15% of internationally cited scientific papers.

As in all other areas of the economy and society, the UK is open to ideas and to talent. Prof Low Teck Seng, the Chairman of the National Research Foundation, himself one of our most distinguished Singaporean alumni from the University of Southampton, believes that researchers working in Singapore have more bilateral collaborations with researchers in the UK than they have with any other country in the world. Whether it's the Lee Kong Chiang School of Medicine – a collaboration between NTU and Imperial College London which is bringing leading edge medical training to Singapore's future doctors. Or the partnership between the University of Cambridge and NTU, NUS and industrial partners, working on reducing the carbon footprint of the petrochemical industry. Or joint work between Southampton and NTU on photonics, which will influence areas as diverse as telecommunications and medicine.

We are extending these research collaborations throughout the region through our Newton Fund and Global Challenges Research Fund. I talked earlier about

the work we are doing in Southeast Asia on anti-microbial resistance. Well the Newton Fund is supporting research collaborations in other areas too. Thanks to the Fund, scientists from the University of York and the University of Sheffield, as well as others, are working with researchers across the region on interdisciplinary research to help the sustainable production of rice. This includes increasing rice resilience to temperature change, droughts or floods, as we respond to the changing climate.

The UK's Met Office is already working with partners in the Philippines and Malaysia and has just begun working in Indonesia as well to improve weather forecasting systems and our understanding of high-impact weather events. This is critical in order to anticipate and manage the socio-economic impacts when these events occur. And earlier this year, the UK Space Agency announced the latest round of projects funded through our International Partnership Programme. These include projects which use satellite technology to tackle illegal fishing in the Philippines; enable advance warning of dengue outbreaks in Indonesia; and reduce the risk of forest fires in Malaysia and Vietnam.

This is opening up exciting new channels of cooperation. It is helping ASEAN members to grow their science and research base. It is building resilience and fostering innovation.

These are just the latest examples of the extensive educational links between the UK and Southeast Asia. Singapore offers the prime example: over half the Cabinet here studied at one of our top universities and each year over 7000 Singaporeans study in Britain. Over half of public service scholars opt to study in the UK and every year, over 50000 people in Singapore study for a UK qualification of one sort or another.

In Malaysia, over 16,000 students study in the UK, our second largest market globally after China. British universities are making it easier for young Malaysians to gain internationally recognised degrees. Nottingham University opened its Malaysia campus over 15 years ago, and now has 5,000 students. Since then Newcastle, Reading, Southampton and Heriot Watt Universities have all opened in Malaysia, along with Epsom and Marlborough Colleges and soon King Henry VIII.

Almost the entire Cabinet in Brunei studied in the UK, a trend which is replicated across the senior levels of government. One British company (CfBT) has been delivering English language literacy, numeracy and teacher coaching in Brunei for the last three decades – reaching 90% of the country's school age children.

Now there are 130m people in ASEAN under the age of 14, and another 100m due to be born between now and 2030. So there is a massive need for education, far ahead of the growth in many other parts of the world. The UK is perfectly placed to help the governments of the region respond to the challenge. So in Laos, our Embassy this year facilitated Nottingham's entry as the first British (indeed the first Western) University to run courses in that country. British Council consultants have worked with the Ministry of Education and Sports to develop a strategic framework to improve the teaching of English,

now a mandatory subject for all Lao children from the age of eight. We have sponsored ELT programmes for teachers – and for government officials ahead of Laos' ASEAN Chairmanship in 2016.

I'm delighted to say that these educational flows are increasingly two-way with more and more British students choosing to come to Southeast Asia for studies, including my own daughter, who spent a year as an undergraduate at NUS before my wife and I lived here.

It is these people-to-people exchanges which will constitute the bedrock of our engagement in Southeast Asia in the future. It's what makes me so optimistic and excited about the prospects for even deeper and more productive partnerships in the future.

So whether we're talking about education or science, trade or investment, defence or security, the UK is involved in this region. Very seriously involved.

I'm not pretending we're the US. I'm not pretending we're on a par with China. But Britain is present. We are making a difference. We are helping the countries of Southeast Asia to grow their economies. Through our programmes and presence, we are increasing their scope to act independently, in their own national interests. We are enhancing their capacity to resist coercion.

And our role is set to increase in the coming years. Prime Minister Theresa May has made it clear that her vision for the UK after we leave the European Union is one of Global Britain; a Britain that leads the argument for global free trade; a Britain that sets the international agenda on challenges like ending modern slavery, promoting education for girls, protecting the oceans; a Britain that works through the UN Security Council to uphold international law: building international pressure on North Korea to give up its nuclear and ballistic missile programmes, holding Russia to account for its support for the brutal Assad regime in Syria and its illegal occupation of the Crimea, helping the Government of Bangladesh deal with the influx of hundreds of thousands of innocent Rohingya fleeing persecution in Northern Rakhine; a Britain committed to using the second biggest development budget in the world to help end global poverty and build an open, sustainable global economy that works for everyone.

A Britain that is a strong economic and security partner for Southeast Asia.