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We move now to Asia and we will start with the most Asian of countries, Singapore. Bilahari, you have the floor.

Bilahari KAUSIKAN, Ambassador-at-Large and Policy Advisor in the Ministry of Foreign Affairs of Singapore

I will be very brief, but I want to take up a few points that arose on our discussions on East Asia during this conference, and I will make three points. First, how do we understand and describe East Asia today? At a number of points in this conference, I heard Asia described as being divided into two blocks. One is the China-led Regional Comprehensive Economic Partnership (RCEP) block and the other is the US-led Trans-Pacific Partnership (TPP) block.

This is at best a caricature and in fact, it is profoundly misleading. The pattern is far more complicated. The RCEP is an Association of South East Asian Nations (ASEAN) initiative, not a China initiative. All US allies in East Asia are members of the RCEP and so is India. The TPP contains a substantial number of members who are closely linked to China, either through bilateral or regional free trade agreements (FTA). Let us not forget the origins of the TPP.

It started as an initiative and a small free trade agreement between small Asia Pacific Economic Cooperation (APEC) economies, Singapore, Brunei, Peru and New Zealand. We started it because we thought an APEC wide free trade region was too big a vision. Then we persuaded the US to join. By the way, the US was initially very reluctant to let Japan come in, curious but true. In the meantime, the US, under the administration of George W Bush, proposed a free trade agreement of Asia Pacific. This idea was subsequently taken up by China last year at the APEC meeting in Beijing. It is clear that the pattern is quite complex. If I may invert an old Chinese saying, there may be different beds, but there is one dream of an APEC wide free trade agreement.

Now I will make my second point. It is true that all this takes place in the context of US China relations. That is the defining relationship for our region, and possibly before too long, for the whole world. Again, this is not a relationship that can be simplistically characterised. Certainly, there are simplistic dichotomies like the US in decline, China rising or the US as a status quo power and China as a revisionist power. They over simplify a much more complex reality. Changes in the distribution of power are for a start, as everyone knows, relative, not absolute. While there may eventually be a more symmetrical military and in particular naval equation in East Asia, it is not as if the US will ever disappear from the region.

In fact, even if it could make the US disappear, it is not self evident to me that China will consider this in its interests. The almost immediate consequence will be a Japan that goes nuclear and this is a complication that the Chinese do not want to deal with. The US and China are like all big powers. You will forgive me, because perhaps this is the jaundiced view of a small country, but all big powers are selectively revisionist when it suits them. They are selectively upholders of the status quo when it suits them. The US and China are no exceptions. There are many examples, but we will not go into that now.

The US and China are engaged in a search for a new *modus vivendi* between them in East Asia, a new equilibrium. This will be the work of decades, not just a few years, and neither finds it particularly comfortable. At present, neither of them knows what it wants from the other. However, this process is one that has both competitive and cooperative elements, and this is true even with a very fraught issue like the South China Sea. You must all have heard about the US sending one of its naval vessels to patrol on a freedom of navigation operation, to patrol within 12 nautical miles of these artificial islands that the Chinese have constructed in the South China Sea.



There was a lot of chest thumping and venting, but there was also something that was not quite publicised. This was that, not unexpectedly, the People's Liberation Army (PLA) Navy sent a ship to intercept and shadow the US ship. However, the PLA Navy ship adhered exactly to the Code of for Unplanned Encounters at sea that had been agreed between the US and China last year. In other words, this is something that will be ritualised.

There is, of course, a possibility that there will be an accident. But I do not think there will be a conflict by design. If there is an accident, I would bet anything, if I were a betting man, that both sides will work hard and quickly to contain it. The Chinese will probably work harder, because the overwhelming priority of the Chinese, the most central of its core interests, is the preservation of Communist Party rule. They know that any serious conflict with the US would put that immediately in jeopardy.

Now I will make my final point. What do those of us who live in conditions of strategic uncertainty do about it? I know what we do not do, and this was implicit in some of the discussions that we heard in this meeting. We do not choose and it is not a question of choosing wisely. The strategic issue for us is how to avoid being forced to make invidious choices. It is about how to preserve the widest range of options, even as we lean on one side or the other and how to preserve the best possible relationship with all the major powers.

For us in South East Asia, one of our key instruments for this has been our regional organisation, ASEAN. This is under great stress right now. Yesterday, in Malaysia, the ASEAN leaders declared the formal start of an ASEAN community. That is too big a word and it is a word we adopted from the European Union before all the flaws of the European construct became as evident as they are now, but we are stuck with it. ASEAN is an inter-state organisation and if community implies supra nationality, that is not on anybody's agenda. Therefore, the main challenges for us are not these external complexities. The main challenges are within ASEAN, in the political changes that key ASEAN members are undergoing. We can go into that later.