



**Special Meeting of
Corporate Malaysia Roundtable (CMR)
with the Ambassador of the United States of America
H.E. Joseph Yun
on
“US-Malaysia’s Relations: A New High-Post Obama Visit”
Monday, 23rd June at 11:00am v Bankers Club
Kuala Lumpur**

The following is an summary report of the roundtable discussion featuring H.E. Joseph Yun, Ambassador of the United States of America.

The discussion was moderated by Tan Sri Michael Yeoh, CEO of ASLI, who welcomed and introduced H.E. Joseph Yun before honing in on the purpose of the event. He stated that Ambassador Yun was invited to provide insights on the future of US-Malaysia relations, especially after the visit of President Barack Obama. Furthermore, he mentioned that there is a lot Malaysia can benefit from, given the strong relationship between both countries. Noting this, Tan Sri Michael Yeoh asked Ambassador Joseph Yun to give an introductory statement before the interactive dialogue commenced.

Ambassador Yun began by thanking ASLI for the opportunity, stating that previous meetings with ASLI always led to productive discussions. He subsequently mentioned that his speech today would be split into two chunks, the first touching upon US-Malaysia relations, and the second addressing US relations with the region. To preface his comments on US-Malaysia relations, Ambassador Yun mentioned that he arrived in Malaysia in September 2013. He recalled that high-level engagement between the two nations were beginning at that time, and counted himself “lucky” for being granted the opportunity to facilitate the above. Ambassador Yun also remembered visits made by Secretary of State John Kerry, Ambassador and Trade Minister Michael Froman, Commerce Minister Penny Pritzker, and Treasury Secretary Jacob Lew, stating that both countries now ought to review where they are and where they ought to go from there.

Ambassador Yun provided a summary of President Obama’s visit to Malaysia. He mentioned that Obama is indeed the first president who has associated foreign

policy automatically with Asia, which may be a testament to his background. Obama's visit to Malaysia, lasting 3 days and 2 nights, was a natural progression. More specifically, Ambassador Yun noted that not only did the President not have to be briefed much, but that his natural affinity with the region also meant that he already knew what the issues were.

According to Ambassador Yun, from Obama's visit to meet the Malaysian King, to his meetings with ministers, and finally the elaborate state dinner, substance was never lacking. In fact, Ambassador Yun stated that Obama's meeting with Prime Minister Najib was divided into several segments. Their engagement was well over 3 hours in length, with many issues in areas such as bilateral agreements, multilateral agreements, business and trade being covered.

This was followed by a visit by President Obama to the Malaysian Global Innovation & Creativity Centre (MaGIC). There, Ambassador Yun said that the President witnessed much of the work going on in the high-tech sector. Moreover, President Obama subsequently engaged with students and leaders through the Young Southeast Asian Leaders Initiative (YSEALI) at Universiti Malaya. Ambassador Yun indicated that many, through various forms of media, also witnessed the event.

Finally, the President met many members of civil society. Ambassador Yun mentioned that President Obama spoke to those from NGOs, in particular members of society who worked to promote human rights, democracy, and religious freedom. In total, the President met more than 12 leaders from civil society through the intimate arrangements.

Following the above, Ambassador Yun said that it is not merely ceremonial when a leader visits, but that these engagements ultimately highlight where two countries are in terms of their relationship. In this context, both Malaysia and the USA thereby agreed to embark on a "comprehensive partnership." This would entail working through a number of pillars, whilst staying committed to the goal of advancing relations. In particular, Ambassador Yun mentioned the political and diplomatic pillar, the security pillar, the trade and investment pillar, and people-to-people engagement. Regarding the political and diplomatic pillar, Ambassador Yun stated that this is one's "bread and butter," referring to those in the audience involved in the work of a foreign ministry or embassy. Ambassador Yun subsequently said that the USA now looks forward to Malaysia playing a larger diplomatic role in the region. For example, he noticed that Malaysia would soon be the Chair of ASEAN. Malaysia may also be granted a seat on the United Nations Security Council come fall 2014. Ambassador Yun thereby noted that the above would act as good springboards for Malaysia to enter into regional affairs.

Secondly, Ambassador Yun spoke about the security pillar. A highlight of this pillar, he acknowledged, is Malaysia and the USA's cooperation to foster military ties. More specifically, this resulted in naval exercises previously, and may possibly lead to 'army to army' exercises in the future. Furthermore, Prime Minister Najib agreed that Malaysia would join the Proliferation Security Initiative (PSI), an act that is looked upon favourably by the Obama administration. Ultimately, Ambassador Yun recognized that a lot of government-to-government work is being done, which serves to benefit both nations.

Following the above, Ambassador Yun addressed trade and investment. To begin, he emphasized the Trans-Pacific Partnership (TPP) agreement, which is taking

place among 12 countries, including Malaysia and the USA. Ambassador Yun stated that all 12 nations do suffer from specific political issues, but all 12 nations have indeed recognized the benefits of the TPP agreement. At this juncture, Ambassador Yun recalled Obama's previous visits to Korea and Japan. He reflected on the USA's trade agreements with both aforementioned countries, and explained that he sees TPP as an opportunity to foster the USA's and Malaysia's growing economic relationship. After all, the USA is both a major exporter to Malaysia and is Malaysia's biggest foreign investor in terms of FDI. Moving forward, Ambassador Yun thus wants to strengthen the above through the transfer of technology among other means.

Lastly, Ambassador Yun spoke about people-to-people ties, especially in the field of education. To begin, he noted that the Fullbright English Teaching Achievement program had been renewed. Currently, hundreds of young Americans teach English within Malaysia, and this will certainly continue. Education aside, Ambassador Yun also highlighted the launch of the Malaysia-America Foundation (MAF) and the promotion of sister cities, such as Portland, Oregon and Kota Kinabalu. Ambassador Yun then mentioned that the USA has always been a huge destination for Malaysian students, although numbers had declined post-9/11. He attributed this partially to the recent surge of tertiary education opportunities in Malaysia. Approximately 6500 Malaysians leave to study in the USA every year, which is a far cry from previous numbers. Ambassador Yun then mentioned the visa waiver program, which will hopefully encourage more Malaysians to both visit and study in the USA. In fact, the Malaysian Home Minister has already appointed a chairman to further this initiative, which was described as good progress by the Ambassador.

After stressing the strengthening of ties between the USA and Malaysia, Ambassador Yun subsequently spoke about the American economy post GFC. He described the USA as a destination for large amounts of trade, pointing out that the nation's strength lay in the energy sector. Ambassador Yun heralded the USA as the world's largest oil producer and exporter, after the country surpassed both Russia and Saudi Arabia. With improved health services through the Patient Protection and Affordable Care Act (PPACA), or "Obamacare", Ambassador Yun noted that this would inevitably make a difference regarding how the government and nation spends from here on out.

Prior to receiving questions and answers, Ambassador Yun briefly touched upon American relations in the larger region. Firstly, he was quick to mention that an improvement in the USA's relationship with Malaysia should be viewed in the larger context. The Obama administration made an intentional decision to "pivot to Asia," after recognizing that Asia is where much economic growth stems from. More specifically, Ambassador Yun cited India, Japan and China, as the largest democracy and 2nd and 3rd largest economies in the world respectively. He subsequently concluded this section of his speech by mentioning the USA's mission in Jakarta – to go into all ASEAN countries and form higher profile, deeply rooted relationships. The USA thus plans on playing a bigger role in this region, evidenced by President Obama's plans to visit Malaysia again in 2015.

At this point, Tan Sri Michael Yeoh opened the time up to the floor, allowing audience members to pose questions or make comments. The first question was centered on concerns about US-Malaysia relations. More specifically, continuity and sustainability were questioned. The huge gap between President Lyndon Johnson's and President Obama's visits was also noted.

Ambassador Yun approached this question by outlining 3 key elements – making sure that there is high-level engagement, ensuring that engagement takes place at a people-to-people level concurrently, and the existence of pillars to ensure that aims are achieved. Regarding the former, Ambassador Yun stressed directive from leaders, because bilateral and multilateral opportunities ultimately have to be created. Furthermore, he mentioned Malaysia's new role in ASEAN again, to prove that both the USA and Malaysia could see this through by creating a body for execution. Moving on to address people-to-people engagement, he subsequently provided examples of Malaysian think tanks, in hope that organizations would promote relationships between Americans and Malaysians via exchanges. The ambassador finally underscored the fact that this is a long-term process, which cannot elicit drastic changes overnight.

Tan Sri Michael Yeoh, who indicated President Obama's desire to see the TPP agreement concluded by November 2014, posed the next question. He asked Ambassador Yun how he viewed this process going forward, questioning if the USA was even willing to compromise on issues that may be sensitive to Malaysia and other nations involved.

Ambassador Yun was in full agreement, and mentioned that agreements are indeed "all about compromises." In fact, he stated that there is no doubt that both Malaysia, the USA, and other nations will reach an deal before November 2014, provided the domestic-political question of "how a larger pie ought to be sliced" is answered. Ambassador Yun was pragmatic, stating that some sectors will inevitably benefit from the TPP agreement, whilst some will not. However, he also pointed out that Malaysia will truly gain much, and compromise will see this multilateral agreement through to fruition.

Following the above, Ambassador Yun answered yet another question on continuity and sustainability. This time, the audience wished to know how much the USA was willing to "give," especially because Malaysia's and the USA's political systems are vastly different. The ambassador recounted his personal experiences, stating that smaller countries ought to realize that dialogue fosters trust and a merging of views. As Malaysia therefore gets more deeply involved in ASEAN, the United Nations, and global affairs, dialogue with the USA and other countries will undoubtedly improve the nation's foreign relations.

Ambassador Yun went on to quell the audience's worries regarding Malaysia's position on the USA's Trafficking in Persons Report. He noted that after being placed on the Tier 2 watch list for a year, Malaysia was automatically shifted into Tier 3 alongside countries such as Saudi Arabia, primarily because the USA saw no improvement in Malaysian policies regarding human trafficking.

This query was then expanded, when the broader issue of Malaysian dealings with human rights was raised. In particular, Ambassador Yun was asked why there was an omission of a human rights clause in the comprehensive partnership, especially when such a clause was included in partnership agreements with other nations. He stated that the partnership was ultimately formed according to consensus, and in this case, that resulted in a lacking human rights clause.

Before closing, the ambassador therefore reiterated the fact that the TPP agreement is of great importance and can be concluded by November 2014. He stated that all countries, including Malaysia, know what the issues are. Once decisions are made at

a political level, finalizing the agreement can subsequently take place smoothly. In fact, he also stressed that as a founding member, Malaysia ought to take advantage of this opportunity to “set up the rules.” Ambassador Yun said that the TPP agreement deals with many issues many citizens are concerned about (e.g. the environment, transparency, labour standards), and should encompass a lot more than merely tariffs. Bearing in mind a possible visa waiver and the launch of MAF, the ambassador expressed his confidence that ties between Malaysia and the USA would be strengthened.