



Asian Strategy & Leadership Institute
Dedicated To Creating A Better Society

Event	China Daily Roundtable - ASEAN Leadership Forum
Date	7 - 13 May 2018
Publication	China Daily Asia Weekly

10 CHINA DAILY ROUNDTABLE

May 7-13, 2018 CHINA DAILY 中國日報 ASIA WEEKLY

China's Belt and Road Initiative is a force for regional cooperation as ASEAN countries make the most of their 21st century potential

By YANG HAN in Singapore
kelly@chinadailyjapac.com

As Asia's economy continues to improve on the strength of the region's stability, the China-led Belt and Road Initiative will promote greater regional communication and cooperation for win-win outcomes.

This was the underlying message at a China Daily Asia Leadership Roundtable hosted in Singapore on April 28. Panelists shared their views on how member states in the Association of Southeast Asian Nations (ASEAN) can benefit from the initiative through further cooperation. The theme of the session was The Asian Century and the Belt and Road Initiative: Where Do We Go From Here?

Asia is now the world's center of gravity, said Wiryo Sastrohadoyo, senior fellow of the Jakarta-based think tank Centre for Strategic and International Studies. Wiryo, the session's moderator, admitted that the region used to experience GDP growth that was below expectations. Nevertheless, he believes it will be the center of economic expansion in the 21st century.

"We are hopeful that the situation will be improved, because what the region needs is continuous stability, not confrontation. We also need coexistence, not contradiction," he said.

The session was part of the 15th ASEAN Leadership Forum. With the theme Future Proof ASEAN: Strengthening Resilience, Promoting Innovation and Moving Forward the Digital Space, the event brought together leaders from government, business, academia, think tanks and civil society to discuss the future challenges facing ASEAN in the new global era.

The ASEAN Leadership Forum is organized by the Asian Strategy and Leadership Institute, a leading independent private think tank based in Kuala Lumpur, together with the S. Rajaratnam School of International Studies, Singapore's Social Innovation Park and the ASEAN Business Advisory Council.

The Belt and Road Initiative "is starting to prove to be a workable system ... It can fit in the current context of the situation of the world," said Wiryo. He said it has the potential to strengthen regional cooperation, adding that economic cooperation should be formed on the basis of dialogue.

Wang Huiyao, president of the Beijing-based Center for China and Globalization (CCG) and a counselor to the State Council, China's Cabinet, said the initiative helps strengthen the idea that Asia is the center of



A China Daily Asia Leadership Roundtable session in Singapore on April 28, under the theme The Asian Century and the Belt and Road Initiative: Where Do We Go From Here?, noted that the region will be the center of economic expansion in the 21st century. KATE YAU / CHINA DAILY ASIA WEEKLY

Asia sits at world's center

globalization and the world's economic growth.

"We need some new momentum for globalization so that we can maintain, sustain and improve the current global system and governance," said Wang. "China is not going to change the system. Instead, just like President Xi Jinping has said, we want to enrich, safeguard and improve the existing system."

Huge potential

This year marks the 40th anniversary of China's reform and opening-up. Wang said that while the past 40 years saw people from all over the world coming to China for investment, the next 40 years will probably see China sharing with the rest of the world what it has achieved, including in infrastructure, e-commerce, and its technologies.

"We can see huge potential" for ASEAN's prosperity, said Wang, through its sustained resilience and innovativeness.

He said the ASEAN countries can better collaborate with China through the Belt and Road Initiative in infrastructure, as well as in people-to-people exchange.

Taking education as an example, over 130,000 students from ASEAN countries are now studying in China, but only around 70,000 Chinese students are in ASEAN countries.

Wang suggested a Belt and Road committee or coordinating group be set up between China and ASEAN to make sure that these nearby countries get early advantage and benefits from related projects.

"The magnitude and size of the Belt and Road Initiative is breathtaking," said Mohd Munir Abdul Majid, chairman of both Bank Muamalat Malaysia and the CIMB ASEAN Research Institute.

"Third countries should participate vigorously in the Belt and Road Initiative to ensure it becomes what is more than just a China initiative," said Mohd Munir, referring to a recent memorandum of understanding signed between Singapore and China for closer partnerships in third-party markets along the Belt and Road.

He believes that third parties' participation will help build standards concerning finance, the environment, society and project management.

"The Belt and Road Initiative is a game changer for China, for ASEAN and for China-ASEAN relations," said Tang Siwei Mun, head of the ASEAN Studies Centre at Singapore's ISEAS-Yusof Ishak Institute. He said that while infrastructure plays a big role in the initiative, it is important to note the plan's four other key elements — policy coordination, unimpeded trade, financial integration and people-to-people bonds.

China-ASEAN bilateral trade totaled \$514.8 billion last year, up 13.8 percent year-on-year, the fastest growth pace between China and any of its major trading partners, according to Xinhua. China registered a trade surplus of \$43.4 billion with ASEAN countries, narrowing by 27.4 percent from 2016.

As regional cooperation deepens in various areas, Tang expects China to come up with more supporting systems like an arbitration mechanism to resolve possible conflicts during the Belt and Road process. In addition, while links between China and ASEAN are enhanced with increasing investment, Tang said both sides should make sure this is win-win cooperation that can benefit society.

China is projected to be the largest economy in the world by 2050, while

five member states from ASEAN will rank among the top 30, according to a report by international consultancy and accounting firm PricewaterhouseCoopers.

Noting increased anti-China sentiment in Cambodia over the past few months due to lack of knowledge on Chinese infrastructure projects, Vannarith Chheang, vice-chairman of the Cambodian Institute for Strategic Studies and chairman of the Mekong Connect, said more local consultation should be conducted to build a positive perception of China.

Building trust

For better cooperation between China and ASEAN in terms of connectivity, Chheang said a regional standard should be created to ensure the quality of projects.

Michael W. Michalak, senior vice-president and regional managing director of the US-ASEAN Business Council, and former US ambassador to Vietnam, said ASEAN countries should start to think about how to utilize the Belt and Road infrastructure projects once completed.

"Once you have this kind of connectivity, it should provide opportunity for the rest of ASEAN, and ASEAN should be gearing up now to take advantage of that," said Michalak, adding that achieving harmony on a free and open internet and its regulation is crucial to unleashing the potential of the initiative's connectivity.

"ASEAN plays a crucial role in helping to develop the kind of trust that is needed in order to bring in a broader participation in the Belt and Road," said Michalak.

Xu Ningning, executive president of the China-ASEAN Business Council, said the future trend in the region, with the Belt and Road

Initiative, should be active cooperation, co-discussion, co-construction and co-sharing. Moreover, countries that are not included in the Belt and Road routes are also welcome to participate, for joint cooperation.

Xu said the 10 member nations of ASEAN are at different stages of economic development. Each of these countries has its own demands for growth, which are all considered in related Belt and Road projects, toward building a community with a shared future for mankind.

ASEAN, as a regional bloc, aims to promote intergovernmental cooperation and facilitate economic integration among its members. In 2015 it launched the ASEAN Community with three pillars, Political-Security Community, Economic Community and Socio-Cultural Community.

"The majority of countries along the Belt and Road routes are developing countries, so they need financial support from China, whether it is from the Silk Road Fund or other project-based loans," said Xu, adding that financial institutions like the Asian Infrastructure Investment Bank are formed under a multilateral basis and its investments are made through consensual decisions.

Xu suggested that a comprehensive and detailed feasibility study is needed for Belt and Road infrastructure projects, focusing on project returns and environmental and social values for the sustainable development of the initiative.

"The success of the ancient Silk Road lasted for about 1,700 years by creating wealth and encouraging the flow of people," said Kho Choon Keng, group executive chairman of Singapore property developer Lian Huat Group. "I believe there is great wisdom in it, and it has shown it is a workable experience."