



16th ASEAN Regional Forum

ASEAN Regional Forum Annual Security Outlook 2009

Thailand, 2009



**42nd AMM / PMC 16th ARF
THAILAND 2009**



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FOREWORD

It is my pleasure to present you with a tenth volume of the ASEAN Regional Forum's Annual Security Outlook, 2009, in this fifteenth anniversary of the ARF. This publication is based on voluntary contributions from ARF participants and is aimed at promoting mutual trust and understanding through greater transparency and information sharing amongst ARF participants, and is an essential tool for building confidence and developing concrete cooperation in the region. I am pleased that participants have used the streamlined format suggested by Thailand in preparing their submission, thus making the ASO more standardized and user-friendly. Indeed, I hope that the format of the ASO in the future can be further developed, refined and improved so that information and trends can be presented in a more uniform manner.

I wish to thank all ARF participants who have contributed to this year's ASO and hope that the valuable information and perspectives shared by each participant will contribute towards attaining our shared vision of the ARF.

A handwritten signature in blue ink, appearing to read 'Kasit Piromya'.

Kasit Piromya

Chairman of the 16th ARF and Minister of Foreign Affairs of the Kingdom of Thailand
Bangkok, 23 July 2009



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

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ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

AUSTRALIA

1. Participants Perceptions of and Approaches towards the Regional and Global Security Environment

Overview

Australia's first National Security Statement, delivered by Prime Minister Rudd in December 2008, noted the increasingly fluid security environment, characterised by a complex and dynamic mix of continuing and emerging challenges – both traditional and non-traditional - and opportunities. The Statement underlined that Australia's security is inextricably linked to the security of our region, so regional engagement is crucial. At the global level, Australia is committed to promoting a stable rules-based international order, particularly through the United Nations.

The global economic crisis, which is still unfolding, could have strategic impacts. This will depend on its duration, depth, and the differences in its impacts across nations and regions. The longer the crisis persists, the greater the strategic consequences could be.

Terrorism

Despite counter terrorism successes in recent years, al-Qaeda continues to plan attacks and seeks to forge partnerships with other networks of extremists in the Gulf, the Middle East and Europe.

Afghanistan and Pakistan remain central to international counter-terrorism efforts. Australia is committed to assisting Afghanistan and Pakistan address the significant challenges posed by terrorism. On 29 April, Prime Minister Rudd announced an enhanced military and civilian commitment by Australia to Afghanistan, in keeping with international recognition that a comprehensive approach is needed which better integrates military and civilian efforts as well as engaging regional countries more effectively. Australia has also stepped up its engagement with Pakistan, particularly on counter-terrorism, development and governance.

In South-East Asia, terrorist groups have been significantly disrupted by law enforcement and other counter terrorism efforts. However, there is no room for complacency. Groups and individuals with the capacity and intent to undertake terrorist attacks in the region remain at large. Terrorists in South-East Asia continue to draw inspiration from global jihadist ideology and seek to exploit local conflicts.

Australia remains concerned by the potential for terrorists to use chemical, biological, radiological and nuclear (CBRN) weapons in an attack. There is a heightened awareness globally of the threat of CBRN terrorism, and the need to take steps to prevent it under measures



such as the Global Initiative to Combat Nuclear Terrorism, of which Australia is a strong supporter.

Proliferation of Weapons of Mass Destruction

The proliferation of weapons of mass destruction, including the possibility of such weapons falling into the hands of terrorists, is a threat of increasing international concern.

The DPRK's nuclear and missile programs continue to pose a serious threat to regional and global security. Australia has welcomed the UN Security Council's unanimous adoption of Resolution 1874, which condemns strongly the 25 May nuclear test and builds upon the sanctions under Resolution 1718. Australia encourages all countries to implement fully the UNSC's decisions and urges the DPRK to return to the Six-Party Talks and implement its denuclearisation commitments.

Beyond the region, Australia is gravely concerned by Iran's failure to abide by its international obligations to suspend immediately its uranium enrichment activities and to cooperate fully with the International Atomic Energy Agency. Australia supports efforts by the United States and other members of the international community to engage Iran. We urge Iran to take this historic window of opportunity to respond clearly and constructively.

Border and Maritime Security

The Defence White Paper 2009 and the National Security Statement outline measures to strengthen Australia's border

security, including acquisition of new maritime surveillance and response aircraft and formation of the Australian Customs and Border Protection Service.

As a maritime state, Australia is working closely with regional partners to enhance maritime security. Regional efforts have been effective in reducing incidents of piracy and armed robbery at sea in Southeast Asia. Regional anti-piracy arrangements such as the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) are improving information sharing among governments. Australia has registered its interest in being an external participant at the 2010 ReCAAP Governing Council meeting.

Incidents of piracy have unfortunately escalated in other parts of the world, notably off the coast of Somalia. On 29 May 2009, Australia announced that it will deploy navy ships and military aircraft to anti-piracy operations in the Horn of Africa reflecting Australia's support for UNSC Resolutions 1846 and 1851.

Australia remains committed to combating the growing challenge of people smuggling in cooperation with regional partners, particularly through the Bali Process on People Smuggling, Trafficking in Persons and Transnational Related Crime (Bali Process). The Third Bali Regional Ministerial Conference (BRMC) held on 14-15 April, co-chaired by Australia and Indonesia, lent renewed momentum to the Bali Process. Agreement to reinstate the Ad Hoc Group (AHG) to develop shared responses to current regional priority concerns, such as irregular movement of Afghans, Sri Lankans and Rohingyas, represents a



welcome step in Bali Process cooperation. Australia has allocated significant additional resources to strengthen international engagement to combat people smuggling.

The welcome resolution of a number of maritime border disputes in the region in recent years shows that nations can resolve such delicate issues. However, disputed claims in the South China Sea remain a source of regional tension and potential conflict. Australia urges restraint and greater transparency on the part of all parties to such disputes and their peaceful negotiation in accordance with international law and agreed approaches including the 'Declaration on the Conduct of Parties in the South China Sea' (2002).

Climate Change and Resource Security

The National Security Statement referred to climate change as "a most fundamental national security challenge for the long term future". The 2009 Defence White Paper considered new security risks that might arise from climate change, including tensions over the supply of energy, food and water. The principal current concern is the impact the global financial crisis and economic downturn may have on investment in the energy infrastructure which will be needed when the global economy recovers. Without such investment, it is likely the tight supply demand balances that previously drove up energy prices will re-emerge.

Australia's concerns were reflected through co-sponsorship of the UN General Assembly Resolution "Climate Change and its possible security implications" adopted on 3 June 2009. Australia considers

effective mitigation and adaptation efforts will reduce the impacts of climate change and in turn its security-related consequences.

Australia valued the exchange of views at the ARF Seminar on International Security Implications of Climate-related Events and Trends held in Cambodia on 19 March 2009.

Other Regional Issues

Myanmar

Australia is deeply concerned about the political, economic and humanitarian situation in **Myanmar**. The recent trial and continued detention of Aung San Suu Kyi is particularly regrettable. Australia has consistently called for the full and free participation of all political players in Myanmar in a genuine process of political reform. Myanmar must respect the human rights of its citizens, and release immediately and unconditionally all political prisoners. Australia welcomes Myanmar's ongoing cooperation through the Tripartite Core Group with the UN and ASEAN on cyclone relief in the wake of Cyclone Nargis,

Sri Lanka

Given the conclusion of the military conflict with the LTTE, Australia believes the priorities for the Sri Lankan Government and international community are to: meet the needs of the 300,000 displaced civilians in government camps; ensure these civilians are resettled to their homes as soon as possible; and commence a process of reconciliation for all Sri Lankans. A political settlement which meets the legitimate political



aspirations of all Sri Lankans will assist in laying the foundations for lasting peace.

The Pacific

Australia will host the Pacific Islands Forum (PIF) from 4-7 August 2009 and will then be Chair of the Forum until the next annual meeting.

Australia is actively pursuing its Pacific Engagement Policy. Central to Australia's policy approach are Pacific Partnerships for Development which have now been signed with Papua New Guinea, Samoa, Solomon Islands, Kiribati and Vanuatu. It is expected that partnerships will be signed shortly with Tuvalu, Tonga and Nauru.

Australia remains gravely concerned about the situation in Fiji. Australia condemns the decision on 10 April by the President of Fiji to abrogate the 1997 Constitution. The military regime has said it will take five years for electoral and other reforms to be put in place in order to hold elections. This time frame reflects the will of the regime to hang on to power, in defiance of the best interests of the people of Fiji. The decision by PIF leaders to suspend the Leader, Ministers and officials of the Fiji Interim Government from forum meetings and events underscores the seriousness with which the region regards the situation in Fiji.

Australia's sanctions against the regime will remain in place until it demonstrates a genuine commitment to restoring democracy and the rule of law by holding a credible democratic election. Australia stands ready to support independent, time bound and inclusive political

dialogue between the Interim Government and key players in Fiji, particularly the major political parties. Unfortunately, there is no indication that the military regime is seriously committed to dialogue at present.

Australia is firmly committed to supporting Solomon Islands achieve a more prosperous and secure future. Australia supports the Solomon Islands Government through the bilateral aid program and through leadership of, and financial contribution to, the PIF's Regional Assistance Mission to Solomon Islands (RAMSI). Australia recently extended its commitment to RAMSI until June 2013. RAMSI is a successful example of regional cooperation; PIF oversight of RAMSI and the mission's regional character are critical to its success.

2. Contributions made to Peace and Stability in the Region

The regional groupings and institutions in place in the Asia-Pacific region all make valuable contributions. ASEAN, APEC, the East Asia Summit, ASEAN +3, the ASEAN Regional Forum and other bodies are doing important work in enhancing economic and other forms of cooperation. Given the many and complex security challenges facing the region, however, Australia has proposed the development in the long term of an Asia Pacific community (APC), with a mandate to engage across the breadth of the security, economic and political challenges. On 29 May, Prime Minister Rudd announced that Australia would convoke a one-and-a-half track conference of key government officials, academics and opinion makers from the region to further explore the idea of an



APC later this year or early next year.

Australia's contributions to security and stability in the region are discussed under the headings of the four inter-sessional meetings: Counter-Terrorism and Transnational Crime; Non-proliferation and Disarmament; Maritime Security, and Disaster Relief.

Counter-Terrorism and Transnational Crime

Continued bilateral engagement and capacity-building in South-East Asia remains a key counter terrorism (CT) priority for Australia. Australia's capacity-building aims to strengthen governmental CT structures and mechanisms and to develop community-level approaches to mitigate the threat posed by extremism. Key sectors for capacity-building include: policy coordination and incident response mechanisms; police and security sectors; legal and regulatory frameworks; border and transport security; and financial intelligence.

Australia also assists Pacific countries to implement international counter-terrorism obligations and seeks to make an appropriate contribution in South Asia, particularly Pakistan.

Australia and Indonesia's co-chairing of the ARF Terrorist use of the Internet Conference in November 2008 was a timely measure to address the use of the internet by terrorists.

Australia hosted a seminar on "*Radiation Incidents: Avoidance, Surveillance and Response*" and discussion exercise (DISCEX 'Blue Glow'), in Canberra, from 7-8 May 2009 under the framework of the

Global Initiative to Combat Nuclear Terrorism (GICNT). The event attracted some 80 participants from Australia and 21 other countries, including ARF members.

Cyber attacks have emerged as a serious threat to critical infrastructure and national security. Australia has decided to enhance its cyber security capabilities through the establishment of Cyber Security Operations Centre. In the ARF, we stand ready to participate in the Virtual Meeting of Experts (VME) on Cyber Security.

In earlier sections of this paper we have detailed Australia's commitment to addressing people smuggling, notably through the Bali Process.

Non-Proliferation and Disarmament

Australia is very supportive of the ARF's stronger focus on non-proliferation and disarmament, including the newly established ISM. Australia participated in the inaugural ISM on 1-3 July in Beijing.

Australia and Japan have established the independent International Commission on Nuclear Non-proliferation and Disarmament, which aims to reinvigorate the global effort against proliferation of nuclear weapons and make practical recommendations aimed at achieving the ultimate goal of a nuclear weapons-free world.

Australia continues to welcome opportunities to work collaboratively with ASEAN states to prevent WMD proliferation and to help meet commitments under UNSCR 1540. The export control regimes have a key role to



play in setting standards and providing advice. Australia, as permanent chair of the Australia Group and current chair of the Missile Technology Control Regime, is pleased to assist in this regard.

There is common recognition in our region of the need to combat illicit small arms proliferation. Australia has practical expertise to share in areas like stockpile management and implementation of model weapons control legislation. Australia hosted a regional meeting for Pacific island countries of the Pacific and East Timor on the UN Programme of Action on Small Arms and Light Weapons on 22-23 June 2009. Australia supports negotiation of an Arms Trade Treaty.

Australia appreciated the strong support of ARF members for the ROK-Australia joint resolution on brokering which was adopted without a vote at the UN General Assembly in 2008.

As an active participant in the Proliferation Security Initiative (PSI), Australia would welcome the support of more of our regional partners for the Initiative to underline the region's determination to prevent WMD proliferation and significantly boost PSI participants' operational capacity.

Maritime Security

Australia was pleased to contribute to the substantial outcomes at the inaugural ARF ISM on Maritime Security in March 2009 and look forward to the next ISM in New Zealand.

Australia works with many ARF participants in building capacity on border

protection such as through its Inter-Agency Border Strengthening (IABS) project involving agencies in the Philippines, Thailand, Indonesia and Malaysia. Australia also conducts coordinated maritime border patrols with our neighbours Indonesia and Papua New Guinea.

Australia has played a guiding role in the Philippines Coast Watch System (CWS) initiative, modelled on Australia's Border Protection Command. The CWS will contribute to enhanced maritime security in the tri-border area of the Philippines, Indonesia and Malaysia.

Port security is a critical element in dealing with a range of maritime threats. Australia initiated the APEC Port Security Visit Program in 2007 and has programs to enhance port security capacity in a number of countries including the Philippines and Indonesia.

Disaster Relief

Australia endeavours to be at the forefront of implementing best practice in civil-military engagements on natural disaster response, learning from and supporting partners in the region.

The Australian Government has established the Asia Pacific Civil-Military Centre of Excellence to support development of Australia's civil-military processes, plans and capabilities.

In November 2008, Prime Minister Rudd and Indonesian President Yudhoyono agreed to establish an Australia-Indonesia Disaster Reduction Facility in Jakarta to assist Indonesia and the Asia-Pacific region to: develop a coherent disaster



response through training and outreach to country disaster managers; adapt and apply science to determine risk and vulnerability of populations and identify mitigation strategies; and undertake research and analysis on emerging threats in Asia to inform disaster risk reduction strategies.

Australia was pleased to host the Asia Pacific Conference on Military Assistance to Disaster Relief Operations (APC MADRO) in November 2008. APC MADRO plays an important role in ensuring regional stakeholders, both military and non-military, understand how, and to what extent, their assets and capabilities can be used to coordinate and provide a rapid response in disaster relief efforts.

As co-chair with Indonesia of the APEC Taskforce for Emergency Preparedness (TFEP), Australia has pursued the TFEP's goal of building capacity in the region to mitigate, prepare for, and respond to emergencies and disasters. Australia has been working with Indonesia to harmonise economic damage assessment techniques, and with Thailand to strengthen public-private sector partnerships that build resilience to disasters. Australia is also working with Vietnam to support the annual meeting of heads of emergency management agencies from APEC's 21 economies and their focus on integrating disaster management education into school curricula.

We were pleased to contribute to the ARF Voluntary Demonstration of Response (VDR) on Disaster Relief held in the Philippines in May 2009 in which our key response agencies participated. Australia supports ARF consideration of further

practical activities in this field.

3. National Defence Policies and Budget

Australia's 2009 Defence White Paper explains how the Government plans to strengthen the foundations of Australia's defence. It sets out the Government's plans for Defence out to 2030.

The White Paper affirms the Government's commitment to the defence of Australia, the security and stability of the Asia-Pacific region and a rules-based global security order.

Australia's most basic strategic interest remains the defence of Australia against direct armed attack. The principal task for the Australian Defence Force (ADF) is, therefore, to deter and defeat armed attacks on Australia by conducting independent military operations without relying on the combat or combat support forces of other countries.

Our next most important strategic interest is the security, stability and cohesion of our immediate neighbourhood, which we share with Indonesia, Papua New Guinea, East Timor, New Zealand and the Pacific island states.

Beyond our immediate neighbourhood, Australia has an enduring strategic interest in the stability of the wider Asia-Pacific region, which stretches from North Asia to the eastern Indian Ocean. The ADF will contribute as necessary to military contingencies in the Asia-Pacific region, including in relation to assisting our Southeast Asian partners to meet external challenges, and to meeting our obligations under our alliance with the United States.



The ADF also has to be prepared to contribute to military contingencies in the rest of the world, in support of efforts by the international community to uphold global security and a rules-based international order, where our interests align and where we have the capacity to do so.

The Defence White paper can be accessed at:
<http://www.defence.gov.au/whitepaper/>

Australia's 2007-08 military expenditure return, as provided to the UN under the relevant UNGA resolution, is attached for reference.



FORCE GROUPS-->	STRATEGIC FORCES		LAND FORCES	NAVAL FORCES	AIR FORCES	OTHER COMBAT FORCES	CENTRAL SUPPORT AND ADMINISTRATION COMMAND		PARA MILITARY FORCES	MILITARY ASSISTANCE			UNDISTRIBUTED	TOTAL MILITARY EXPENDITURES	CIVIL DEFENCE
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
RESOURCE COSTS															
2.1.7 OTHER ORDNANCE AND GROUND FORCE WEAPONS	..	74,467	-	-	..	-	-	..	..	..	..	..	74,467	..
2.1.8 AMMUNITION	..	139,388	27,064	42,590	..	-	-	..	..	..	..	..	209,042	..
2.1.9 ELECTRONICS AND COMMUNICATIONS	..	5,157	-	4,063	..	63,068	-	..	..	..	..	..	72,287	..
2.1.10 NON-ARMoured VEHICLES	..	122,163	-	-	..	-	-	..	..	..	..	..	122,163	..
2.1.11 OTHER	..	126,586	20,335	27,518	..	114,560	-	..	..	..	..	..	289,000	..
2.2 CONSTRUCTION															
2.2.1 AIR BASES, AIRFIELDS	..	-	-	-	..	468,917	-	..	..	..	..	..	468,917	..
2.2.2 MISSILE SITES	..	-	-	-	..	158,655	-	..	..	..	..	..	158,655	..
2.2.3 NAVAL BASES AND FACILITIES	..	-	-	-	..	59,746	-	..	..	..	..	..	59,746	..
2.2.4 ELECTRONICS, ETC...	..	-	-	-	..	-	-	-	..	
2.2.5 PERSONNEL FACILITIES	..	-	-	-	..	-	-	-	..	
2.2.6 MEDICAL FACILITIES	..	-	-	-	..	-	-	-	..	
2.2.7 TRAINING FACILITIES	..	-	-	-	..	82,086	-	..	..	..	..	..	82,086	..
2.2.8 WAREHOUSES, DEPOTS, ETC	..	-	-	-	..	2,396	-	..	..	..	..	..	2,396	..
2.2.9 COMMAND AND ADM. FACILITIES	..	-	-	-	..	165,987	-	..	..	..	..	..	165,987	..
2.2.10 FORTIFICATIONS	..	-	-	-	..	-	-	-	..	
2.2.11 SHELTERS	..	-	-	-	..	-	-	-	..	
2.2.12 LAND	..	-	-	-	..	-	-	-	..	
2.2.13 OTHER	..	-	-	-	..	47	-	..	..	..	..	..	47	..
3. RESEARCH AND DEVELOPMENT															
3.1 BASIC AND APPLIED RESEARCH	..	356	153	4,375	..	130,165	27,949	..	..	..	..	..	162,997	..
3.2 DEVELOPMENT, TESTING AND EVALUATION															
3.2.1	..	356	153	4,375	..	130,165	27,949	..	..	..	..	..	162,997	..
4. TOTAL (1+2+3)	..	4,219,627	3,144,306	3,073,726	..	8,319,121	1,729,687	..	..	-	..	..	20,486,466	..



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

CANADA

Globalization has connected people and places in ways that were previously unimaginable, and has blurred the lines around national economies. While sovereign states remain the fundamental building blocks of international society, they share the landscape with a host of other actors. In this environment, an expanding international commitment to the principles of human rights, democracy and the rule of law offers the greatest hope for unprecedented levels of security, prosperity and quality of life worldwide. Nevertheless, challenges remain. Threats have emerged and continue to arise from unconventional sources. Security and prosperity remain unfulfilled dreams for many around the world, and democratic systems of government are often under threat. Our current institutions of governance continue to struggle to address complex problems, while ensuring that the principles of transparency and accountability are reflected.

Canada remains committed to making a distinctive contribution to a safer world. Our efforts are directed at helping to build a more secure world, in particular with regard to fragile states, counter-terrorism and transnational crime, the proliferation of weapons of mass destruction, civilians affected by conflict, and human rights.

Canada will continue to work within the ASEAN Regional Forum (ARF) to address

security challenges in Asia-Pacific and beyond. The *Annual Security Outlook* is an important contribution to transparency and confidence building among ARF partners, and is a useful tool for sharing perspectives and information about activities at national, regional and sub-regional levels in support of agreed priorities. Building on our 2008 submission, Canada's 2009 *Annual Security Outlook* outlines Canada's activities in a number of areas of direct interest to the ARF and proposes areas for possible cooperation.

The Regional Security Environment

While the region is largely peaceful, many new global threats to security are present in Asia-Pacific. Terrorism and transnational crime, including smuggling of migrants and trafficking in people, drugs and firearms are increasingly threatening the security and livelihood of the region and its neighbours, underscoring the need for strengthened practical regional cooperation and capacity development. Counter-terrorism and transnational crime cooperation must also be conducted in a manner that respects international human rights norms and standards. The need to ensure that weapons of mass destruction do not spread to states or terrorists is an international responsibility as set forth in UN Security Council Resolution 1540 (2004) and reaffirmed in UN Security



Resolution 1676 (2006). Non-proliferation and disarmament remain fundamental pillars of our common commitment to international peace and security. Multilateralism has been challenged by dramatic changes in the security climate, and there is a clear need to make our systems stronger and more responsive. Strict verification, as well as a concerted international response, is the key to strengthening non-proliferation and disarmament norms and mechanisms.

This is particularly true in Asia-Pacific given recent revelations of technology transfer, the continued rise in the number of indigenous development programs and new exporters, significant advancements in some national missile programs, and ongoing tension over North Korea's nuclear weapons programs. The Six-Party Talks on the denuclearization of the Korean Peninsula are currently stalled following North Korea's long-range rocket launch on April 5, as well as its announcement on April 14 that it would no longer acknowledge the Six-Party Talks and was embarking on a path of renuclearization. Tensions on the Korean Peninsula are high following North Korea's May 25 announcement that it had conducted its second-ever nuclear test, and its repeated threats to conduct additional missile tests. The international community has demonstrated a united approach to North Korea's recent aggressive actions, notably, through the unanimous adoption of UN Security Council Resolution 1874 on June 12 which imposes additional sanctions on North Korea.

Specific Regional Security Issues

Burma

In the case of Burma, Canada continues to be deeply concerned about the continued counter-insurgency operations of the authoritarian military government against various ethnic groups in Burma, which involves the widespread and systematic violations of human rights and international humanitarian law, including the forced migration of refugees into neighbouring countries. Canada is also concerned about various other human rights abuses, including forced labour, summary executions, the use of child soldiers, and arbitrary arrest and detention. Canada has consistently called for the immediate and unconditional release of all political prisoners, including Aung San Suu Kyi, and for the Government of Burma to engage in genuine dialogue with members of the democratic opposition and the different ethnic groups of Burma. Canada believes that conflict and instability in Burma will continue to affect regional stability unless there are genuine steps taken to promote national reconciliation in Burma, and therefore strongly encourages countries in the region to use their influence to promote genuine democratic reform and respect for human rights in Burma.

Timor-Leste

With the surrender of rebels involved in the civil unrest of 2006 and the February 2008 attacks on the President and Prime Minister, there is a renewed need to support Timor-Leste in its continued efforts to strengthen democracy, ensure public security, and maintain stability in the country. Canada has supported the



development of the security sector. Timor-Leste became a member of our Military Training Assistance Programme in 2008, and participants have recently begun language and military training courses in Canada. Canada has also contributed police experts to the UN Integrated Mission in Timor-Leste since December 2006. Canada encourages the increased integration of the Government of Timor-Leste into the international community, and the continued commitment to the rule of law to establish a peaceful and stable society.

Fiji

Canada is concerned about the situation in Fiji, and is monitoring developments closely. The Fiji Court of Appeal decided on April 9, 2009 that the interim government, installed by military force in December 2006 and led by Commodore Bainimarama, is illegal. The Court ruled that elections should be held to restore democratic institutions and processes. In response, the Fijian President, Ratu Josefa Iloilo, abrogated the 1997 Constitution, dismissed the judiciary, postponed elections until 2014, imposed Emergency Regulations and reinstated military chief Bainimarama as Prime Minister. In an April 17 Statement by Foreign Minister Cannon, Canada strongly condemned President Iloilo's decisions, and called for the restoration of the democratic rights of Fiji's people by taking immediate steps to restore the Constitution and the judiciary, and by holding early elections.

South Asia

The Mumbai terrorist attacks in November 2008 were a significant setback for Pakistan-India relations and

caused a suspension of the Composite Dialogue peace process. Despite ongoing concerns in India about Pakistan's level of commitment to bringing the perpetrators of Mumbai to justice, by mid 2009, both sides had begun to give positive signs that they were willing to consider restarting the talks. The May offensive by the Pakistani army against the Taliban in the Swat Valley and other parts of north-western Pakistan was a clear demonstration by the Government of Pakistan that it was taking strong action against the Taliban who are responsible for much of the terrorist activity in Pakistan. The offensive, however, resulted in a massive displacement of civilians out of the conflict areas, requiring a huge national and international aid response. Concerns remain over instability, insurgent activity and narcotics trade along the porous Pakistan-Afghanistan border.

While hostilities ended on May 17, 2009 and the Liberation Tigers of Tamil Eelam have been defeated as a conventional military force, the humanitarian situation in Sri Lanka continues to be of serious concern to Canada. Approximately 300,000 people who have been displaced by fighting in the government-controlled areas are now located in government-run camps. The influx of internally-displaced persons into concentrated areas has placed severe strain on the humanitarian services available.

The proliferation and flow of small arms and light weapons, the weapons of choice in most current armed conflicts in the region, continues to result in the killing of an estimated 500,000 people a year in conflict and other armed violence situations around the world and



represents a major threat to human, regional and global security. Anti-personnel landmines and other explosive remnants of war (ERW) still cause thousands of deaths and injuries each year, which, in addition to the human cost, also have a devastating impact on economic development, especially agricultural activities. They also hamper the delivery of humanitarian assistance as well as longer-term rehabilitation and reconstruction activities in post-conflict situations. It is only through total eradication of anti-personnel mines and explosive remnants of war that we can end the carnage caused by these weapons. The spread of infectious diseases, as we have seen with the H1N1 flu virus, the Avian H5N1 influenza, and earlier with SARS, also poses a significant risk to both the physical and economic health of the world's citizens.

What role for the ARF?

Canada was pleased to have co-chaired the 2007/2008 ARF Intersessional Support Group meetings with Brunei Darussalam and to have hosted our ARF colleagues in Ottawa April 2-4, 2008. There continue to be promising developments on the future of the ARF, in particular the ARF's efforts to move towards its preventive diplomacy phase and to ensure that the Forum remains relevant to all members. These developments will facilitate ongoing efforts to enhance the capacity of the Forum to focus its efforts on its value-added in building regional security and to further enhancing its ability to respond to challenges.

2008/2009 saw the creation of two new Inter Sessional Meetings, one on Maritime

Security and one on Non-Proliferation and Disarmament. Along with the Intersessional Meetings on Counter-Terrorism and Transnational Crime (ISM on CT-TC) and Disaster Relief (ISM on DR), these ISMs will provide useful recommendations for increased ARF cooperation and practical measures to address specific issues and enable ARF members to share information, identify best practises and undertake cooperative measures to address the range of security issues facing the region. It is essential that members work together to implement these measures. Further, in April 2009, the ARF Seminar on Laws and Regulations on the Participation in International Disaster Relief by Armed Forces provided an opportunity to share Canada's experiences and best practices in the use of military assets in response to natural disasters abroad.

Evolving regional integration efforts within Asia-Pacific, including the East Asia Summit, have resulted in the emergence of additional fora for dialogue and cooperation. The rising influence of the Shanghai Cooperation Organization and the greater focus of APEC on security issues, in particular, make it critical for the ARF to remain focussed on areas where it has a clear value-added in terms of enhancing regional security. Canada welcomes the work that has been achieved during 2008-2009 on the ARF Vision Statement, the Preventive Diplomacy Workplan and the Working Methods Paper. These initiatives will allow to further develop the ARF, so as to affirm its central role and reinforce its continued relevance in addressing security issues in the Asia Pacific region.



Counter Terrorism and Transnational Organized Crime (CT-TC)

The dual threats posed by terrorism and transnational organized crime remain high. These global phenomena require a global coordinated response.

Transnational Organized Crime

By its very nature, combating transnational organized crime requires bilateral, regional and multilateral approaches. We need to work together to combat organized criminal activities, including trafficking in illicit drugs, persons and firearms, migrant smuggling, cyber-crime, as well as the related corruption, money laundering and financing of crime. Most broadly, partnerships with civil society, private sector, national government agencies, foreign governments and international organizations are required to respond to the multi-faceted nature of transnational organized crime.

Global conventions provide a useful framework to facilitate that cooperation. For that reason, Canada works with its partners to support the ratification and implementation of the UN Convention against Transnational Organized Crime and its supplementary Protocols on Trafficking in Persons, Migrant Smuggling and Firearms, the UN Convention against Corruption and the three UN drug conventions¹.

Illicit opium poppy cultivation and consequent trafficking of opiates – particularly heroin and morphine – are a global threat and most prominent in Southwest Asia. Encouraging farmers within the region to not return to poppy cultivation and to seek out licit livelihoods is an important consideration when developing efforts to reduce illicit drug production and trafficking. Another key to preventing the spread of this insidious trade is to stop the trafficking of precursor chemicals used to produce narcotic drugs.

Production and trafficking of drugs including heroin, cocaine and illicit synthetic drugs, as well precursor chemicals used to manufacture those drugs, remains a serious concern. Sharing good practices and approaches to drug policies, including supply and demand reduction, as well as views on drug trafficking trends and regional and international cooperation remain useful in combating these issues.

The ARF could play a role in strengthening national and collective efforts to combat human trafficking, including sexual exploitation and forced labour, through support for the ratification of the *UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children* and through regional and multilateral fora such as the Bali process to exchange best practices on how to combat human trafficking and migrant smuggling.

¹ Single Convention on Narcotic Drugs, 1954; Convention on Psychotropic Substances, 1971; United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988



Terrorism

The first line of defence in countering terrorism is the promotion of accountable, democratic governments that promote and protect human rights and the rule of law, allow for peaceful dissent, take action to fulfill the aspirations of their people, promote tolerance, and respect diversity. Support for human rights, democracy and the rule of law will remain a core priority for Canada in all fora dealing with counter-terrorism, including the ARF.

No country is immune to the threat of terrorism. Canada is acting decisively to protect Canadians and is playing its part in the global fight against terrorism. Canada is a free and democratic society and our diversity of cultures contributes to our vibrant and dynamic country. Canada also stands firm in the fight against terrorism, and we will continue to pursue our efforts in this regard. Canada has an operational and legal framework that can react quickly and effectively – a key element of our multi-faceted approach to fighting terrorism – which has enabled us to disrupt terrorist networks.

We will also continue to promote international efforts to counteract terrorist organizations and their support networks. Canada is working with its partners in international and regional organizations to achieve the full implementation of the 13 international conventions and protocols on terrorism, including the UN Convention for the Suppression of the Financing of Terrorism. Canada welcomed and signed the International Convention for the Suppression of Acts of Nuclear Terrorism

in 2005 and will work with others to conclude the UN Comprehensive Convention on International Terrorism at the earliest possible opportunity. Canada also welcomed the adoption, in 2006, of the UN's Global Counter Terrorism Strategy by the General Assembly. September 2008 saw the two-year review of the UN Global Counter Terrorism Strategy, adopted by the General Assembly in 2006. Canada supports the objectives of the Strategy, and actively participated in the review. We continue to work with partners to move global implementation forward.

Terrorist organizations can and do exploit the proceeds of international crime and criminal methods to support their activities. As our world becomes more interconnected, global criminal networks have sprung up that are involved in the narcotics trade, the smuggling of migrants, trafficking in persons, the illicit trade in weapons, money laundering, identity theft, commercial fraud, extortion and cyber-crime. Civil wars in fragile states have been exacerbated by the illicit import of weapons and the illegal export of natural resources such as diamonds, timber and other highly valued resources.

Canada's Counter-Terrorism Capacity Building (CTCB) Program, created in 2005, continues to provide counter-terrorism related training, resources and expertise to ARF partners. The Program's activities assist in preventing and responding to terrorist activity in a manner consistent with international human rights norms, standards and obligations. In 2008, Canada funded 14 assistance projects to ASEAN member states, including programs in the areas of legislative



drafting assistance; the provision of anti-money laundering and anti-terrorism financing policy and capacity building; training to enhance response capabilities to chemical, biological, radiological, or nuclear (CBRN) incidents; in-flight security officer training; funding of training for counter-terrorism prosecutors, judges and correctional staff, and various other policy and law enforcement programming. Canada was particularly pleased to support a fifth phase of the CBRN international first responder training program to hand over all responsibilities to the four beneficiary states. The CTCB Program is also funding the placement of a RCMP officer at the Jakarta Centre for Law Enforcement Cooperation (JCLEC) who is providing assistance concerning intelligence, investigation techniques, forensics and other specialized skills during JCLEC training activities to local and regional authorities. Canada is committed to working with ARF partners to combat threats to the safety and security of the region, and continues to work very closely with state and agency partners in identifying appropriate CTCB related projects.

Canada is committed to working with ARF partners to combat threats to the safety and security of the region. From Canada's perspective, the ARF could build upon its valuable work on CT-TC issues to date by working to develop practical measures and best practices to effectively implement current international conventions and protocols related to terrorism and transnational crime, and identify opportunities for regional capacity-building. This should include the implementation of the recommendations from the ISM on CT-TC, as well as the

establishment of a regional CBRN response support network, an area where the ARF could develop valuable expertise in the region. We also encourage the ARF to consider the recommendations from the various meetings held on maritime security, and to encourage participation in collaborative initiatives, such as the maritime security and disaster relief exercises within the ARF context (including coordination with key humanitarian actors), as a means to complement the excellent work being done by littoral and affected states.

Non Proliferation, Arms Control and Disarmament

A robust global non-proliferation, arms control and disarmament (NACD) architecture is an essential framework for international peace and security, including the progressive reduction of nuclear weapons and the elimination of other weapons of mass destruction (WMD), limitations or bans on excessively harmful or indiscriminate weapons and efforts to control the proliferation of missiles and missile technologies. Canada has a longstanding commitment to strengthened international efforts to ensure that WMD do not spread to states or terrorists prepared to use them. Strengthening international export control regimes and supporting efforts to ensure the ability of countries to enforce effective and comprehensive export controls on proliferation-sensitive technologies, remain priorities for Canada. In this regard, Canada supports the effective implementation of UN Security Council Resolution 1540.

Canada will continue to play a major role



within the international community to strengthen regional and multilateral NACD norms and mechanisms. Canada is an active State Party to all of the major international treaties in the NACD area, including the Nuclear Non-Proliferation Treaty (NPT), the Biological and Toxin Weapons Convention (BTWC), the Chemical Weapons Convention (CWC), the Comprehensive Nuclear-Test-Ban Treaty (CTBT), the Convention on Certain Conventional Weapons (CCW) and its related protocols, the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Convention), and the recently negotiated Convention on Cluster Munitions. Canada also participates in the Proliferation Security Initiative (PSI), is a member in all export control regimes and is a founding subscriber to the Hague Code of Conduct against Ballistic Missile Proliferation (HCOB). We continue to strongly support the strengthening of compliance and verification mechanisms, such as nuclear safeguards implemented by the International Atomic Energy Agency (IAEA), and the ongoing construction and maintenance of the International Monitoring System for the CTBT. Canada is also participating both in the Oslo Process and the CCW to negotiate two legal instruments that address cluster munitions. Cluster munitions have a significant humanitarian and development impact on civilians, both at the time of their use and after a conflict has ended. Canada has never produced or used cluster munitions and is currently in the process of destroying its remaining stocks. Canada continues to support efforts towards the negotiation of a comprehensive, legally-binding Arms Trade Treaty (ATT) which would regulate

the trade in conventional arms, including small arms and light weapons. Canada is participating in the Open-Ended Working Group towards an Arms Trade Treaty.

Canada was pleased with the results of the 2009 NPT PrepCom, particularly the agreement on an agenda for the 2010 NPT Review Conference. Reinforcing the authority and integrity of the NPT, ensuring the implementation of its obligations and promoting its universalization continue to be the focus of Canada's NPT efforts. In that regard, Canada will continue to advance its working paper on the subject of strengthening the NPT review process. Canada is confident that the ideas expressed therein will help to strengthen the effectiveness and accountability of the NPT regime.

Canada welcomes the agreement on a Programme of Work in the Conference on Disarmament (CD) in Geneva, which broke 12 years of deadlock. Canada's top priority in the CD is the negotiation of a verifiable Fissile Material Cut-off Treaty (FMCT) to ban the production of fissile materials used to manufacture nuclear weapons. Canada also supports substantive work in the CD to prevent an arms race in outer space (PAROS). In February 2009, Canada tabled a working paper in the CD on the merits of certain Transparency and Confidence-Building Measures (TCBMs) as a precursor toward eventual treaty negotiations.

To reduce global WMD and terrorism related threats, Canada has committed up to CAD \$1 billion, over ten years, to the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction (Global Partnership) which



was launched under Canada's leadership at the 2002 G8 Summit at Kananaskis. The Global Partnership is committed to preventing terrorists from acquiring or developing chemical, nuclear, radiological and biological weapons; missiles; and related materials, equipment, technology and related knowledge. The Department of Foreign Affairs and International Trade (DFAIT) is responsible for Canada's Global Partnership Program. To date, Canada has expended approximately CAD \$400 million dollars and is on pace to fulfill its financial commitment to the Partnership by 2012.

Given the global nature of the WMD proliferation and terrorism related threats, DFAIT's Global Partnership Program activities benefit all ARF members, by reducing the likelihood that weapons and materials of mass destruction will be used in terrorist attacks. Focusing initially in Russia, the Global Partnership was created to assist recipient countries in securing and, where possible, eliminating weapons and materials of mass destruction. During the 2008 Summit in Toyako, the G8 Leaders agreed the Global Partnership needed to address threats outside the Former Soviet Union. This decision was based on the fact that, while the Soviet legacy still presents significant proliferation risks, vulnerable WMD and related materials remain located throughout the world.

The Global Partnership Program is involved in projects related to the destruction of chemical weapons, the dismantlement of nuclear submarines, nuclear and radiological security, the redirection of former weapons scientists, and biological non-proliferation. Through the Global Partnership Program, Canada

has contributed over CAD \$100 million to the Shchuch'ye facility in Russia for destruction of chemical weapons, which became operational in March 2009. Moreover, Canada has committed an additional CAD \$100 million for similar chemical weapons destruction facilities at Kizner in Russia. Canada has fully completed its initial submarine dismantling commitment, having dismantled 11 nuclear-powered submarines in North West Russia, and worked with the US and Russia to defuel a 12th, a Typhoon-class strategic ballistic missile submarine. Currently preparatory work is being done in Far East Russia to defuel additional submarine reactors.

In the area of nuclear and radiological security, Canada is working to strengthen physical protection at a number of Russian facilities, has contributed to the elimination and safe disposal of radiological sources, (which can be used in the making of a "dirty bomb") and has enhanced border security in Ukraine in order to prevent illicit trafficking. Additionally, in March 2009, the Minister of Foreign Affairs Lawrence Cannon, announced a CAD\$4 million contribution to strengthen nuclear security in countries of the Former Soviet Union through the International Atomic Energy Agency's (IAEA) Nuclear Security Fund.

To address the threat of "intellectual proliferation", Canada is working with the International Science and Technology Center in Moscow and the Science and Technology Center in Kyiv, Ukraine, to redirect former weapons scientists. 180 Canadian funded projects have provided civilian employment for over 3015 former weapons scientists. These projects involve cooperative research with Canadian



industry, universities and government. The Global Partnership Program's biological non-proliferation programming focuses on Central Asia where Canada is providing biosecurity and biosafety guidelines and training, creating biosafety associations and addressing inadequate security at biological facilities. For example, the Global Partnership Program is working to enhance biosecurity, biosafety and biocontainment capabilities in the Kyrgyz Republic.

Demonstrating the global nature of the threat, G8 countries have been joined by 13 additional members, including three ARF countries: Australia, New Zealand and the Republic of Korea. Amongst the G8 member countries, four are also ARF members as ASEAN dialogue partners: Canada, Japan, Russia and the United States. Canada encourages all members of the Global Partnership to continue their engagement and fulfill their pledges, so that its goals can be achieved. Canada welcomes new donors to join this important international threat-reduction undertaking.

The ARF can play a valuable role in promoting NACD cooperation through regional initiatives, including through the development of practical measures and best practices to support national implementation of international NACD treaties and norms, and through support for the universal application of the International Atomic Energy Agency (IAEA) safeguards system. The ARF could work to universalize key NACD instruments in the region, including both international treaties, such as the CTBT, as well as other arrangements, such as the HCOC. ARF members who have not yet done so, could also consider publicly

endorsing the PSI Statement of Interdiction Principles in order to improve their capacity to prevent and deter illicit trafficking in weapons of mass destruction, their delivery systems and related materials. One area where the ARF could have particular value-added is in increasing the effectiveness of national procedures for the implementation of effective export licensing measures. In this regard, Canada is pleased by the concrete results achieved at the ARF Export Licensing Experts Meeting which we co-hosted with Singapore in November 2005. The meeting resulted in a regional contact list of export licensing experts and a set of best practices.

The Effects of Conflict on Civilians

The safety and security of individuals is an important part of our security outlook. This approach is based on the principles of freedom, democracy, human rights and the rule of law and on the understanding that the security of states is necessary, but not always sufficient, for the protection of people. Over the past decade, important progress has been made in closing normative gaps related to protection of civilians including with respect to protection of children and armed conflict, landmines, cluster munitions and other explosive remnants of war, peace and security, and strengthening the rule of law to prevent impunity through the International Criminal Court and special tribunals. Despite recent progress, millions of people around the world are affected by armed conflict and remain displaced and dispossessed. Deliberate targeting and attacks against civilian populations, forced displacement, sexual violence, and the denial of land and property rights are far



too prevalent for millions of people globally. The targeting of civilians, especially women, and ongoing crises in Burma, Darfur, and in the Democratic Republic of the Congo serve as painful reminders of the gaps which remain between established norms and our ability to implement them.

The most effective method of reducing the human costs of war is to promote peaceful resolutions of conflicts where they exist, and to prevent their re-emergence. Over the past decade, there has been an expansion in international efforts to do this more effectively, from strengthening the capacity of peace support operations to the development of multi-dimensional peacebuilding missions. Increased mediation activities are also needed to this end. Additionally, greater consideration could be given to building upon cooperation in the promotion and protection of human rights and humanitarian law in an effort to address the root causes of the insecurity that civilians face.

A recent example of a measure to promote peace and prevent the re-emergence of conflict is the Peacebuilding Commission (PBC). Canada is a strong supporter of the Commission and rotated onto the Organizational Committee of the body in June 2008. Since February 2009, Canada has chaired the Commission's country-specific configuration for Sierra Leone (Burundi, Central African Republic and Guinea-Bissau are the other countries on the agenda), and hosted a Special Session on Sierra Leone on 10 June to align international support behind the country's new blueprint for peace, the 'Agenda for Change'. Canada is advocating for improvement to the

Commission's procedural and substantive work, including case referral and exit strategy, and making the Commission a more effective multilateral institution in support of post-conflict peacebuilding and recovery. To that end, Canada has to date provided over \$20 million to the voluntary Peacebuilding Fund, making Canada the fifth largest donor. The Fund establishes a crucial bridge between conflict and recovery at a time when funds are often not available. Canada encourages all ARF countries to seek necessary flexibility to fund both Official Development Assistance and non-Official Development Assistance activities supported by the Peacebuilding Fund in order to respond to the needs of conflict-affected countries and avoid relapse into conflict. Canada looks forward to working with our ARF partners on the PBC to enhance the institutional effectiveness of the Commission.

Another method of reducing the human cost of war is tackling the financial bases of conflict. Since the end of the Cold War, civil wars have increasingly had clear economic dimensions, whether through diamonds in Sierra Leone and Angola, tropical timber in Liberia and Cambodia, or narcotics in Colombia and Afghanistan. Positive developments in dealing with war economies include the Kimberley Process, which established an international certification scheme for rough diamonds that tightens controls over the trade that now includes 49 participants, including 17 ARF member States. There is growing evidence that the scheme successfully helps prevent the trade of "conflict diamonds".

The ARF could also play a role in diminishing the impact of conflict on civilians through technical assistance to



support adherence to and implementation of international treaties such as the Rome Statute of the International Criminal Court. Similarly, the ARF could play a key role in advocating for universal adherence to the Ottawa Convention, as it has done in April in Malaysia by hosting the ARF Seminar on Universalization of the Ban on Anti-Personnel Mines: Prospects and Challenges. The ARF could also support national and regional level implementation of the UN Programme of Action to Combat the Illicit Trade in Small Arms and Light Weapons in All Its Aspects. To further lessen the impact of conflict upon civilians, Canada encourages all those States that have not yet done so, and who are concerned about the humanitarian impact of cluster munitions, to sign and ratify the new Convention on Cluster Munitions (CCM) that resulted from the 'Oslo process' and in ongoing negotiations to develop a new Protocol to address cluster munitions within the Convention on Certain Conventional Weapons (CCW).

With regard to democracy, supporting its global growth offers the best chance for international peace and stability as well as the promotion of human rights for all. Over the last decade, the growth in the number of democracies has levelled out. There has been progress in some countries. However, many are sliding back to non-democratic forms of government. Democracy is up against significant obstacles. Democracy is a value to which Canadians adhere and one to which many around the world aspire because it empowers citizens to have a say over the decisions that affect their lives, renders governments more transparent and accountable, helps resolve conflict and

discord peacefully, and contributes to more equitable economic growth and prosperity. Long-term support for democracy leads to greater regional and international security and prosperity; contributes to long-term development in fragile and post-conflict contexts; and enables effective respect for the rule of law and protection of human rights. Canada's goal is to strengthen democracies that give individual citizens a say in the decisions that affect their lives.

Increasingly, the question of humanitarian access remains the critical challenge for ARF members. We have a collective interest in ensuring safe and unhindered humanitarian access to civilians in need. This is not simply an aspirational statement; it is a fundamental principle of international humanitarian action. It should not be open for interpretation and debate. And yet, full, safe and unhindered access – so critical to providing life saving relief and support to vulnerable populations - remains an elusive goal

Populations have the right to live in reasonable expectation that they will not be subject to serious violations of human rights or international humanitarian law. When it comes to the protection of civilians, early warning is rarely a problem. Early, robust and effective diplomatic action, however, is not always guaranteed. Ongoing conflicts such as in Sri Lanka, Burma and the Democratic Republic of Congo remind us of the toll that violence takes on civilians. Post-electoral uncertainty in Kenya demonstrated how we must be vigilant, and ready to provide support before crises take hold.



We have a rich and diverse set of norms, laws and principles to protect vulnerable populations, including victims of conflict and persecution. However, if we are to ensure greater freedom, the ARF must continue to strengthen the normative framework and, more importantly, take concrete steps to end impunity. The message we send to parties to a conflict must be unequivocal: perpetrators of abuse will be held accountable for their actions. Those who commit the most serious international crimes must be brought to justice. Canada welcomes the progress made to date at the Extraordinary Chambers in the Courts of Cambodia. Further, we must recognize that no erstwhile principle should be allowed to shield perpetrators of genocide, war crimes, ethnic cleansing and crimes against humanity.

The pre-eminent responsibility of states is to provide for the physical safety of the population. When a government fails in discharging that responsibility to protect, the international community has a subsidiary responsibility to act. This is not a license for intervention, but rather an obligation to assist.

One area where we have made some of the most important strides is in the protection of children affected by conflict. Security Council Resolution 1612's Monitoring and Reporting Mechanism has been accepted by all countries of concern, and we are seeing real results on the ground. In more instances, children are being released from armed groups and we are seeing the arrest and prosecution of some of the worst perpetrators of violations against children.

But more needs to be done to hold these criminals accountable, including travel restrictions on leaders, exclusion from governance structures and amnesty provisions, imposition of arms embargoes, bans on military assistance, and the restriction on the flow of financial resources. We also need to see greater attention to other violations committed against children in conflict situations, especially the horrific sexual violence continuing in the Democratic Republic of the Congo.

Fragile States: the Role of Peace Operations

Among the emerging threats we face are those resulting from weak, ineffectively-governed states. Canada's strategy to address the multiple challenges posed by fragile states is focused, first and foremost, on prevention: through the development of strategies, support for human rights and democracy, diplomacy to prevent conflict, and contributions to build human security as well as through the provision of assistance to stabilization and reconstruction efforts, particularly for those states emerging from conflict.

Recent conflicts and emergencies have taught us that we need to develop an integrated approach in responding to international crises when they occur, so that military operations, police and civilian assistance form part of a coherent operational plan. Military intervention has to be rapid in order to stabilize the situation on the ground and restore security for the local population. The stabilization of post-conflict societies needs to be undertaken in parallel with efforts to re-establish effective public



institutions, law enforcement and security and judicial systems, education and health care, functioning legislatures, governance and regulatory regimes. We have learned that there is a need for an early, comprehensive and coordinated approach to building national security capacities under the rubric of Security System Reform (SSR). Such multi-faceted action also sets the stage for long-term economic development, through international assistance and private sector initiatives. Canada is currently building its capacity to support national SSR efforts and is contributing to the establishment of international norms for SSR, including the development of a holistic United Nations approach to SSR

Canada's experiences in Sudan, Afghanistan, Haiti and following the Indian Ocean tsunami and earthquakes in Pakistan and Indonesia, clearly demonstrate the importance of a well-coordinated and rapid response to international crises. In order to facilitate this process, in September 2005, Canada created a Stabilization and Reconstruction Task Force (START) and a Global Peace and Security Fund (GPSF), located within the Department of Foreign Affairs and International Trade, initially resourced at CDN \$100 million per year until 2009/10. In June 2007, additional resources were provided for the GPSF, increasing it to \$235 million for 2007/08, and \$146 million per year for 2008/09 and 2009/10. In February 2008, the GPSF was extended by an additional three years, at CDN \$146 million per year, until 2012/13. These initiatives will enable the Government of Canada to ensure timely, coordinated responses to international crises requiring effective whole-of-government action and to plan and deliver coherent, effective

conflict prevention, crisis response and stabilization initiatives in fragile environments, such as Afghanistan, Sudan, Haiti and the Middle East.

Canada remains a strong supporter of international peacekeeping and peace operations. Canada champions the evolution of integrated peace operations, which involve a range of activities (political/diplomatic, human rights, governance, corrections, judicial, police, development, etc.) in order to produce the most effective international response to conflict and to lay the foundation for sustainable peace. Canada participates in 18 peace operations around the world, including 10 of the 16 current UN-led peacekeeping missions. Over 3,300 Canadian military personnel, police, diplomats, development, correctional services and justice experts, are currently deployed in either UN-led or UN-mandated missions worldwide. Canada supports UN peacekeeping through capacity-building, training, planning and logistics, as well as providing Canadian personnel for key positions. Canada was represented at ARF peacekeeping conferences in 2007 and 2008.

Of particular relevance to the ARF, Canada has implemented a whole-of-government approach in order to address the challenges in Afghanistan in an integrated way. Afghanistan remains a complex environment – complicated by tribal, ideological, economic and regional conflicts – and Canadian and international goals in Afghanistan can only be achieved in the long-run. In spite of these challenges, Canada's progress in Afghanistan and in Kandahar has been a tangible and important part of the overall international effort. Currently, Canada's



mission in Afghanistan consists of a permanent Embassy in Kabul; a Task Force base at Kandahar Airfield; a Provincial Reconstruction Team in Kandahar; and more than 2800 Canadian Forces personnel, as well as, approximately 100 civilians in support of operations.

In mid-2008, the Canadian government identified six key strategic priorities and three signature projects for Canada's engagement from 2008-2011. These priorities work to guide all whole-of-government efforts, and they place a heavier emphasis on reconstruction, development, and the training of Afghan security forces. The six strategic priorities include: 1) maintaining a more secure environment and establishing law and order by building the capacity of the Afghan National Army and Police in Kandahar; 2) strengthening Afghan institutional capacity to deliver core and essential services in Kandahar; 3) provide humanitarian assistance to Kandaharis in need; 4) enhance the management and security of the Afghanistan-Pakistan border; 5) advance Afghanistan's national capacity for democratic governance; and 6) contribute to Afghan-led national political reconciliation efforts. Canada's three signature projects focus on the rehabilitation of the Dahla Dam, the construction and repair of schools, and the eradication of polio.

Canada has backed up its strategic priorities by raising its ten-year aid commitment to Afghanistan to \$1.9 billion. Although Canada will continue a military presence in Kandahar until 2011, Canada's commitment to Afghanistan remains long-term, and our development and diplomatic contributions will continue beyond 2011.

The speed with which we intervene, together with the right mix of assistance, can be crucial in saving lives in a crisis situation. Sudan's Darfur region is an example of a humanitarian crisis that requires concerted international action and where a regional organization, the African Union, has played a leadership role. Canada was a principal supporter of the African Union Mission in Sudan, and continues to provide voluntary support to its successor, the hybrid United Nations-African Union peacekeeping mission in Darfur (UNAMID) as well as the UN Mission in Sudan (UNMIS). Canada's whole-of-government approach to our commitments in Sudan involves diplomatic, humanitarian, peacebuilding and reconstruction assistance, and support for improving the security situation. Since 2006, Canada has provided over \$430 million, including \$18 million in mine action, in support of efforts to bring peace to Sudan. In 2008-09, Canada will invest \$191 million in Sudan over and above our assessed contributions for UN peacekeeping missions. Spread across three pillars—security, diplomacy and development—this figure includes up to \$40 million in voluntary support for the enhanced capacity of African troop-contributing countries in UNAMID in 2008-09, and makes Canada the second-largest voluntary financial contributor to the UN-AU hybrid mission.

In Haiti, Canada supports an integrated peacekeeping and peacebuilding operation. Canada has up to 100 civilian police, 8 corrections experts, and 4 military officers serving in MINUSTAH. Additionally, DFAIT's GPSF provides CDN \$15 million per year to improve peace operations capacity, reform the police and



correction systems (including refurbishing prisons), improve border and migration management, and reduce community level violence and insecurity. These efforts complement Canada's development assistance and make us the second largest bilateral contributor to Haiti's stabilization and reconstruction.

From Canada's perspective, ARF members must consider practical ways to collaborate in terms of training for and participation in complex peace support operations, involving both civilian and military actors. To this end, Canada has been pleased to provide training support to some of our ARF partners through our Military Training Assistance Program (MTAP). Canada is also active in supporting G8 actions to build global capacity for peace operations with a focus on Africa. Canada has also been working to promote G8 engagement and cooperation in Afghanistan and the region by encouraging targeted G8 assistance to support the Afghan and Pakistani governments in fostering economic and social development in the border region. These sorts of exchanges of experiences and best practices, as well as the creation of peace support training programs between ARF countries, can make an important contribution to building regional capacity for peace support operations and promote better coordination of efforts within peace support operations.

Cooperative Conflict Prevention

There is a general consensus within the ARF that preventive diplomacy can contribute to preventing disputes and conflicts from arising between states that could pose a threat to regional peace and

stability. The time is ripe for the ARF to move towards building concrete capacity for cooperative conflict prevention within the region. This capacity building should focus on the provision of technical assistance to member states, and take a cooperative, problem-solving approach. In this regard, Canada welcomes recent initiatives on streamlining the working methods of the ARF to make it a more responsive organization. In the development of a proposed annual work plan, the ARF should consider how best to provide the Chair and the Unit the capacity to coordinate cooperative preventive diplomacy initiatives.

Investing in conflict prevention will contribute to preventing costly peace support operations. In this regard, the ARF should seek to strengthen partnerships with other regional organizations with experience in preventive diplomacy and conflict resolution, such as the Organization for Security and Cooperation in Europe (OSCE) and the Organization of American States (OAS), in order to promote cooperative, problem-solving approaches based on the exchange of best practices and expertise. In addition, while the ARF is notably the primary official multilateral political and security forum in the region, we should be mindful of the roles played by other regional fora where many ARF members also participate, such as APEC and the East Asia Summit, and seek opportunities for synergy where appropriate.

Transparency Measures

The international community has made important advances in promoting transparency in the area of conventional



arms through two voluntary global instruments: the UN Register of Conventional Arms (UNCAR) and the instrument of Standardized Reporting on Military Matters, including transparency on military expenditures. The UN Register has set an example for regional initiatives, such as the landmark Inter-American Convention on Transparency in Conventional Weapons Acquisitions, which entered into force in 2002 and which requires all OAS states to provide annual reports to the OAS Depository on imports and exports of conventional weapons covered by the UN Register, and to notify the Depository of acquisitions of certain conventional weapons within a specified time frame.

While recognizing that the ARF is not in a position to adopt such a legally-binding instrument as the OAS Transparency Convention, it could support global transparency efforts through technical exchanges aimed at facilitating adherence and implementation of international transparency instruments (the UN Register on Conventional Arms and the instrument of Standardized Reporting on Military Matters). The ARF could also consider the development of a voluntary regional transparency instrument.

One important contribution to enhanced transparency is the sharing of information about national security and defence programs and policies. The Canadian Forces continue to serve Canadians at home by conducting search and rescue and disaster relief operations, and by supporting other government departments such as Fisheries and Oceans Canada and Environment Canada. The CF also contributes to the Government's overall strategy to protect Canadians

against the threat of terrorism. The Canadian Forces will increase their efforts to ensure the sovereignty and security of our territory, airspace and maritime approaches, including in the Arctic, and improve the gathering, analyzing, integrating and use of information gained from a combination of maritime, land, air and space surveillance systems. Partnering with the U.S., Canada participates in the North American Aerospace Defence Command (NORAD), which monitors and tracks man-made objects in space and detects, validates and warns of attack against North America by aircraft, missiles or space vehicles and provides surveillance and control of Canadian and US airspace. The role of NORAD has expanded to include providing warning of maritime threats. Internationally, the Canadian Forces (CF) remain capable of participating in a wide range of operations. These include complex peace support and stabilization missions, maritime interdiction operations, traditional peacekeeping and observer operations, humanitarian assistance missions, and evacuation operations to assist Canadians in countries threatened by imminent conflict and turmoil. The Government of Canada has also put into place a Canada First Defence Strategy (CFDS) which sets out a vision for future operations as well as the funding required to support it.

Canada First Defence Strategy (CFDS)

The CFDS provides a long-term roadmap to rebuild the CF into a more integrated, adaptive, and capable force that is able to respond effectively to the challenges of the security environment, at home and abroad. As part of the Strategy, the Government has established a clear level



of ambition for the Forces that calls for a military that is able to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by contributing meaningfully to global security.

To carry out these missions, the CF will need to be a flexible, multi-role and combat-capable military. To this end, the Government has committed to provide the CF with predictable long term funding. Building on Budget 2006, which increased defence baseline funding by \$5.3 billion over 5 years, the Government announced in Budget 2008 an increase to the automatic annual escalator in defence spending to 2 percent from the current 1.5 percent, beginning in 2011-12. This will provide National Defence with an additional \$12 billion over the next 20 years, bringing its budget to nearly \$31 billion in 2027-28.

This funding framework will allow the Government to continue to enhance the capacity of the Forces through balanced investments across the four pillars that form the foundation of military capabilities – personnel, equipment, readiness and infrastructure. National Defence will increase the number of military personnel to 70,000 Regular Forces and 30,000 Reserve Forces, giving the military a total strength of 100,000. Since 2006, the Government has made significant commitments to acquire urgently needed equipment, including 4 C-17 Globemaster strategic aircraft that are already in service. The Government has also announced plans to acquire 17 C-130J Hercules tactical transport aircraft, 16 CH-47F Chinook helicopters, 3 Joint Support Ships, 2,300 trucks, modern Leopard II tanks, and 6-8 Arctic/Offshore

Patrol Ships. Through the CFDS, the Government has also committed to renewing the Forces' core equipment platforms, including 15 ships to replace existing destroyers and frigates, 10-12 maritime patrol aircraft, 17 fixed-wing search and rescue aircraft, 65 next-generation fighter aircraft, and a fleet of land combat systems.

Investments to enhance the readiness of the CF will improve and increase training, and ensure that more equipment is available for both training and operations, allowing the Forces to deploy more quickly and effectively. National Defence will also improve and modernize its infrastructure. Overall, Defence aims to replace 25 percent of existing infrastructure over 10 years, and 50 percent over the next 20 years.

The CFDS is supported by a comprehensive multi-year Investment Plan that will help National Defence manage the complexity involved in balancing resources across the four capability pillars.

Conclusion

The new security context has challenged all of our nations to reconsider how best to address the complex and multidimensional threats which face us all, while ensuring appropriate roles and responsibilities for different security actors, and appropriate international cooperation on security challenges of shared concern.

There are many areas where the ARF could play a valuable role in fostering increased cooperation to enhance regional and international security. Canada is pleased to work with interested



ARF members to advance practical cooperation, to promote the exchange of best practices and to provide technical assistance where we can. To help us in charting our course and using our intellectual and financial resources most effectively, Canada supports efforts to consider where we want to focus our efforts, with what priority, and within which time frame. ASEAN leadership will be key to helping the membership as a whole to advance towards this goal but all members must remain central to this process. There continues to be a very positive spirit of constructive dialogue around these issues and we look forward to working with the ARF membership to further support efforts to enhance regional security in the Asia-Pacific.

INSTRUMENT FOR STANDARDIZED INTERNATIONAL REPORTING OF MILITARY EXPENDITURES
 (ACTUAL OUTLAYS, CURRENT PRICES) (UN REPORT)
 COUNTRY: CANADA
 NATIONAL CURRENCY AND UNIT OF MEASURES: Canadian Dollar (millions)
 FISCAL YEAR: 2007-2008

FORCE GROUPS-->	STRATEGIC FORCES	LAND FORCES	NAVAL FORCES	AIR FORCES	OTHER COMBAT FORCES	CENTRAL SUPPORT AND ADMINISTRATION COMMAND		PARA MILITARY FORCES	MILITARY ASSISTANCE			UNDISTRIBUTED	TOTAL MILITARY EXPENDITURES	CIVIL DEFENCE
						SUPPORT	COMMAND		HOME TERRITORY	ABROAD	UN PEACEKEEPING			
RESOURCE COSTS	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. OPERATING COSTS	..	3,468.2	1,509.1	2,145.1	..	6,703.8	283.8	..	-	16.0	12.5	-	14,138.6	..
1.1. PERSONNEL	..	2,598.5	1,195.1	1,372.3	..	2,701.0	175.8	..	-	5.3	9.4	-	8,057.3	..
1.1.1 CONSCRIPTS
1.1.2 OTHER MILITARY PERSONNEL INCLUDING RESERVES	..	2,286.5	914.9	1,238.7	..	1,752.2	160.3	..	-	0.4	9.4	-	6,362.4	..
1.1.3 CIVILIAN PERSONNEL	..	312.0	280.2	133.6	..	948.8	15.5	..	-	4.9	-	-	1,695.0	..
1.2 OPERATIONS AND MAINTENANCE	..	869.7	314.1	772.8	..	4,002.7	108.1	..	-	10.7	3.1	-	6,081.3	..
1.2.1 MATERIALS FOR CURRENT USE	..	248.5	89.7	219.7	..	1,093.8	30.9	..	-	-	0.9	-	1,683.5	..
1.2.2 MAINTENANCE AND REPAIR	..	156.3	56.4	138.1	..	687.9	19.4	..	-	-	0.6	-	1,058.8	..
1.2.3. PURCHASED SERVICES	..	385.8	139.3	341.0	..	1,698.0	47.9	..	-	-	1.4	-	2,613.4	..
1.2.4 RENT COST	..	56.3	20.3	49.8	..	247.8	7.0	..	-	-	0.2	-	381.3	..
1.2.5 OTHER	..	22.8	8.3	24.3	..	275.3	2.8	..	-	10.7	0.1	-	344.3	..
2. PROCUREMENT AND CONSTRUCTION	..	1,013.2	366.3	1,754.5	..	330.2	56.0	..	-	-	-	-	3,520.2	..
2.1 PROCUREMENT	..	881.0	270.8	1,671.6	..	251.5	34.1	..	-	-	-	-	3,109.1	..
2.1.1 AIRCRAFT AND ENGINES	..	-	-	1,405.6	..	-	-	..	-	-	-	-	1,405.7	..
2.1.2 MISSILES, CONVENTIONAL INCLUDING WARHEADS	..	-	2.2	5.3	..	-	-	..	-	-	-	-	7.5	..
2.1.3 NUCLEAR WARHEADS AND BOMBS	..	-	-	-	..	-	-	..	-	-	-	-	-	..
2.1.4 SHIPS AND BOATS	..	-	113.3	-	..	-	-	..	-	-	-	-	113.3	..
2.1.5 ARMoured VEHICLES	..	207.7	-	-	..	-	-	..	-	-	-	-	207.7	..
2.1.6 ARTILLERY	..	11.9	-	-	..	-	-	..	-	-	-	-	11.9	..
2.1.7 OTHER ORDNANCE AND GROUND FORCE WEAPONS	..	149.8	-	0.3	..	0.1	0.1	..	-	-	-	-	150.3	..
2.1.8 AMMUNITION	..	258.3	59.7	36.6	..	0.8	0.5	..	-	-	-	-	356.0	..



FORCE GROUPS-->	STRATEGIC FORCES	LAND FORCES	NAVAL FORCES	AIR FORCES	OTHER COMBAT FORCES	CENTRAL SUPPORT AND ADMINISTRATION COMMAND			PARA MILITARY FORCES	MILITARY ASSISTANCE			UNDISTRIBUTED	TOTAL MILITARY EXPENDITURES	CIVIL DEFENCE
						SUPPORT	COMMAND	COMMAND		HOME TERRITORY	ABROAD	UN PEACEKEEPING			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
RESOURCE COSTS															
2.1.9 ELECTRONICS AND COMMUNICATIONS	..	126.9	69.8	164.9	..	190.4	10.9	..	-	-	-	-	562.9	..	
2.1.10 NON-ARMoured VEHICLES	..	41.6	5.1	18.0	..	4.6	9.8	..	-	-	-	-	79.2	..	
2.1.11 OTHER	..	84.7	20.6	40.8	..	55.6	12.7	..	-	-	-	-	214.4	..	
2.2 CONSTRUCTION	..	132.1	95.5	82.9	..	78.7	21.9	..	-	-	-	-	411.1	..	
2.2.1 AIR BASES, AIRFIELDS	..	2.2	36.1	27.0	..	-	1.0	..	-	-	-	-	66.3	..	
2.2.2 MISSILE SITES	..	-	-	-	..	-	-	..	-	-	-	-	-	..	
2.2.3 NAVAL BASES AND FACILITIES	..	-	22.4	4.6	..	-	-	..	-	-	-	-	27.0	..	
2.2.4 ELECTRONICS, ETC...	..	2.0	-	8.4	..	11.2	-	..	-	-	-	-	21.6	..	
2.2.5 PERSONNEL FACILITIES	..	24.6	0.5	4.4	..	30.5	6.7	..	-	-	-	-	66.7	..	
2.2.6 MEDICAL FACILITIES	..	1.4	-	0.7	..	0.5	0.4	..	-	-	-	-	3.0	..	
2.2.7 TRAINING FACILITIES	..	33.1	-	5.2	..	2.6	0.5	..	-	-	-	-	41.4	..	
2.2.8 WAREHOUSES, DEPOTS, ETC	..	12.1	14.1	3.9	..	0.7	1.2	..	-	-	-	-	32.0	..	
2.2.9 COMMAND AND ADM. FACILITIES	..	10.2	16.8	10.8	..	4.3	3.7	..	-	-	-	-	45.9	..	
2.2.10 FORTIFICATIONS	..	0.3	-	-	..	0.1	4.9	..	-	-	-	-	5.4	..	
2.2.11 SHELTERS	..	-	-	-	..	-	-	..	-	-	-	-	-	..	
2.2.12 LAND	..	-	-	-	..	-	1.6	..	-	-	-	-	1.6	..	
2.2.13 OTHER	..	46.2	5.6	17.8	..	28.7	2.0	..	-	-	-	-	100.3	..	
3. RESEARCH AND DEVELOPMENT	..	-	-	-	..	309.6	-	..	-	-	-	-	309.6	..	
3.1 BASIC AND APPLIED RESEARCH	..	-	-	-	..	-	-	..	-	-	-	-	-	..	
3.2 DEVELOPMENT, TESTING AND EVALUATION	..	-	-	-	..	309.6	-	..	-	-	-	-	309.6	..	
4. TOTAL (1+2+3)	..	4,481.4	1,875.4	3,899.7	..	7,343.6	339.8	..	-	16.0	12.5	-	17,968.4	..	

NOTES:
1. Pay and associated personnel costs have been allocated to each force group. In reports submitted before 2006 centrally paid personnel costs were consolidated under central support.
2. Research and Development comprises all costs incurred by the responsible organization including those for operating research facilities. In reports submitted before 2006 only contracted R&D related costs were disclosed.

SYMBOLS:
- : nil
.. : not applicable



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

CHINA

I. China's View on the Security Situation in the Asia-Pacific

The Asia-Pacific region has on the whole maintained peace over the past year or more, but uncertainties and destabilizing factors have been growing.

Relations among major countries remained stable with strengthened dialogue and cooperation. Countries stayed committed to solving disputes and hot-spot issues peacefully through dialogue. Despite the impact of the financial crisis, the Asia-Pacific remained one of the most dynamic regions in the world with the greatest potential for development. Regional economic and security cooperation maintained sound momentum of development: The *Charter of the Association of Southeast Asian Nations* came into force and new steps were taken toward ASEAN integration; Further progress was made in regional cooperation processes such as China-ASEAN, ASEAN Plus Three (China, Japan and the ROK), the East Asia Summit and the China-Japan-ROK cooperation; New progress was made in SAARC integration; ARF firmly committed itself to strengthening political mutual trust, and played a remarkable role in advancing non-traditional security cooperation; Members of the Shanghai Cooperation Organization took the implementation of the *Treaty on Long-Term Good-Neighborliness, Friendship and*

Cooperation Between Member States of the Shanghai Cooperation Organization as their central task and achieved fruitful results in practical cooperation in the security, economic and cultural fields.

The international financial crisis has had a major impact on the Asia-Pacific economy as countries in the region experienced economic slowdown, drop in trade volume and growing pressure on employment. Some countries suffered social instability and political turbulence. Some regional hot-spot issues have kept occurring. Complex factors were on the rise in the situation in Northeast Asia, and the South Asian security situation was grave. Traditional and non-traditional security factors such as terrorism, religious extremist forces, territorial disputes, poverty, climate change, communicable diseases and natural disasters still beleaguered the region. Countries in the region have yet to increase their political mutual trust, deepen multilateral security cooperation in the region and enhance their capacity of addressing regional security threats in a coordinated way.

II. China's Efforts to Promote Security in the Asia-Pacific

As an Asia-Pacific country, China is committed to upholding peace and stability in the region. It unswervingly follows the path of peaceful development,



the opening-up strategy of mutual benefit and win-win progress and the Scientific Outlook on Development. It has adopted a balanced approach in handling both traditional and non-traditional security issues and made unremitting efforts to promote the building of a harmonious Asia-Pacific of durable peace and common prosperity.

China's Relations with Major Countries

China stands for developing friendly cooperation with other countries on the basis of the Five Principles of Peaceful Coexistence, and actively follows the policy of building friendship and partnership with its neighbors. It strengthened good-neighborliness, friendship and pragmatic cooperation with its neighboring countries and deepened strategic dialogue and mutually beneficial cooperation with major forces in the Asia-Pacific.

Working with the United States for building a positive, cooperative and comprehensive relationship in the 21st century. Since the new US administration took office, China-US relations have enjoyed a smooth transition and a good start through the efforts made by both sides. The two countries maintained close high-level contacts. President Hu Jintao held the first meeting with President Barack Obama during the G20 Financial Summit in London. During the meeting, the two presidents had an in-depth exchange of views on China-US relations, efforts to deal with the global economic and financial crisis and international and regional issues of shared interest. China and the United States are now each other's second largest trading partner. According to Chinese statistics, bilateral

trade reached US\$333.74 billion in 2008, up by 10.5%. The two countries made new progress in bilateral cooperation in various fields including economy and trade, counter-terrorism, law enforcement, science, education, culture and health. They also carried out effective consultation, coordination and cooperation on major international and regional issues.

Working with Russia to maintain the dynamic momentum in China-Russia strategic partnership of coordination.

China and Russia maintained close high-level exchanges and continued to enhance mutual political trust. Since early last year, President Hu Jintao and President Dmitry Medvedev have met on seven occasions and had in-depth exchange of views on bilateral relations and international and regional issues of shared interest. Bilateral economic cooperation and trade progressed smoothly with the two-way trade volume reaching US\$56.83 billion in 2008, up by 18%. New progress was made in bilateral cooperation in investment, science, technology and other fields. Breakthrough was made in energy cooperation. People-to-people and cultural exchanges grew more dynamic. Cooperation at the local level flourished. Mutual understanding and friendship between the two peoples were further deepened.

Working with Japan to advance the China-Japan strategic relationship of mutual benefit.

China-Japan relations on the whole showed a sound momentum thanks to concerted efforts of the two sides. First, the two countries maintained frequent exchange of high-level visits. President Hu Jintao paid a successful visit to Japan in May 2008 and in October,

Prime Minister Taro Aso came to China to attend the ASEM Summit and the activities commemorating the 30th anniversary of the *Treaty of Peace and Friendship Between the People's Republic of China and Japan*. Second, bilateral economic cooperation and trade grew rapidly. The two-way trade volume exceeded US\$260 billion in 2008, setting a new record. China is now Japan's largest trading partner and Japan China's third largest trading partner. Third, China-Japan exchanges in defense went on smoothly. The two countries held defense consultations and exchanged visits between their naval vessels. Fourth, youth exchanges between the two countries remained active. The year 2008 was designated as the "China-Japan Youth Friendly Exchange Year". The two sides held a series of exchanges and activities which promoted friendship between the two peoples. Fifth, China and Japan strengthened coordination and cooperation on international and regional issues such as coping with the international financial crisis, tackling climate change, settling regional hot-spot issues and advancing regional cooperation.

Working with India to push for comprehensive development of the China-India strategic and cooperative partnership. China and India enjoyed regular exchange of high-level visits. The two visits paid by Prime Minister Singh to China and exchange of visits by the Chinese and Indian foreign ministers in 2008 significantly promoted the growth of bilateral relations. Results-oriented cooperation between the two countries continued to deepen as evidenced by the establishment of the China-India financial dialogue mechanism at the vice-

ministerial level. China-India trade reached US\$51.8 billion in 2008, up by 34%. China is now India's largest trading partner. New progress was made in defense cooperation, and cooperation mechanisms have been set up in areas such as defense and counter-terrorism. The momentum for negotiations was sustained in solving the boundary issue between the two countries. China and India also stepped up coordination and cooperation on multilateral fora such as the East Asia Summit, China-India-Russia trilateral cooperation, BRIC, G8 outreach sessions and the WTO.

-- Regional Cooperation

China is an active initiator and promoter of regional cooperation. It believes that such cooperation mechanisms as 10+1, 10+3, China-Japan-ROK and the East Asia Summit should bring out their strength, move forward in unison and jointly nurture a peaceful and stable regional environment of equality, mutual trust and win-win cooperation so as to expand common interests and achieve common development.

Strengthening good-neighborly friendship and practical cooperation with ASEAN countries. ASEAN is a leading force in East Asia cooperation, and to strengthen China-ASEAN ties underpins China's involvement in East Asia cooperation. Placing great importance on developing the strategic partnership for peace and prosperity with ASEAN, China is committed to lifting its cooperation with ASEAN to a higher level in a wide range of areas including political security, business, social affairs and culture, and actively supports ASEAN integration and community-building. Since 2008, further



progress has been made in China-ASEAN cooperation. The negotiations of *China-ASEAN Investment Agreement* were concluded, and the China-ASEAN FTA will be completed by 2010. China hosted the 5th China-ASEAN Expo and the 5th China-ASEAN Investment and Business Summit, the inaugural China-ASEAN Education Cooperation Week and the inaugural China-ASEAN Information Ministers' Meeting. In 2009, China announced that it would create a US\$10 billion China-ASEAN Investment Cooperation Fund to help ASEAN weather the financial crisis. China will provide US\$15 billion in credit to ASEAN countries in the coming three to five years, and RMB270 million in special aid to Cambodia, Laos and Myanmar.

Actively participating in and advancing the cooperation at all levels and in all fields under the 10+3 framework. China believes that 10+3 countries should conduct cooperation in political security, economic, financial, social and cultural affairs under the guidance of the *Second Joint Statement on East Asia Cooperation*. It is important for 10+3 countries to focus on 10+3 cooperation as the main channel and move step-by-step toward the goal of an East Asia community. Over the past year, China has taken an active part in the Ching Mai Initiative Multilateralization scheme and contributed to its substantive progress. The 10+3 finance ministers met in May 2009 and agreed on the main components of the regional reserve pooling arrangement. China stocked 300,000 tons of rice under the East Asia Emergency Rice Reserve project, making contribution to East Asia food security. In addition, China hosted the Roundtable Conference on East Asia Food Security Cooperation Strategy, the inaugural Forum on Non-traditional Security Issues

by Armed Forces of 10+3 Countries and the 2nd 10+3 Forum on Nuclear Energy Safety. China calls for enhanced 10+3 cooperation on trade and investment facilitation and making good use of the 10+3 Cooperation Fund.

Steadily advancing East Asia Summit cooperation. China holds that the East Asia Summit should continue to serve as a leaders-led strategic forum and give overall guidance for cooperation among East Asian countries. It is essential to carry out full consultations and discussions on the enlargement of the Summit, institution-building and other issues in the spirit of mutual respect, incremental progress and accommodating the comfort level of each party. China continued to take part and provide input in energy, finance, education, avian influenza and disaster mitigation, the five major areas of East Asia Summit cooperation. China hosted the EAS Seminar on Climate Change Adaptation Capacity Building in 2008.

Vigorously promoting cooperation among China, Japan and the ROK. China, Japan and the ROK are all committed to increasing their mutual understanding and common ground, scaling up tripartite practical cooperation and improving the cooperation mechanisms. Last December, Chinese Premier Wen Jiabao attended the first separate Leaders' Meeting of China, Japan and the ROK out of the 10+3 context in Fukuoka, Japan, and elaborated on China's position over the tripartite cooperation in a systematic fashion. The meeting issued the *Joint Statement for Tripartite Partnership*, the *Joint Statement on the International Finance and Economy*, the *Trilateral Joint Announcement on Disaster Management*

Cooperation and the Action Plan for Promoting Trilateral Cooperation among the People's Republic of China, Japan and the Republic of Korea, establishing a forward-looking tripartite partnership for comprehensive cooperation and bringing China-Japan-ROK cooperation to a new stage of development.

Staying committed to the security dialogue and cooperation of ARF. China applauds ARF's important role in building stronger political trust and strengthening non-traditional security cooperation. It has taken an active part in ARF's confidence-building measures, and initiated and undertaken a range of ARF cooperation projects. Since 2008, China has co-hosted the 3rd ARF Experts and Eminent Persons Meeting with Vietnam and the ARF Seminar on Laws and Regulations on the Participation in International Disaster Relief by Armed Forces with Singapore. It has taken an active part in ARF's First Voluntary Demonstration of Response on Disaster Relief. At the 15th ARF Foreign Ministers' Meeting held in July 2008, China released the *Position Paper of the People's Republic of China on ARF Security Dialogue and Cooperation*, making a systematic exposition of its views on ARF's experience over the previous 15 years and the future direction of the Forum.

-- Hot-spot issues

On the Korean nuclear issue, the consistent position of the Chinese Government is to achieve denuclearization of the Korean peninsula, oppose nuclear proliferation and maintain peace and stability of Northeast Asia. To attain these goals, China has actively encouraged peace talks and worked with

all the other parties to take the Six-Party Talks forward. After the DPRK conducted its second nuclear test and as the situation on the Korean peninsula became more complex, China worked actively with all parties concerned, calling on all parties to stay calm and exercise restraint, and remain committed to settling the Korean nuclear issue peacefully through dialogue and consultation. China's unremitting efforts contributed to easing tension and maintaining peace and stability in the region.

-- Non-traditional security cooperation

The increasingly prominent non-traditional security factors in the Asia-Pacific region are posing immediate threats to regional peace and stability. China believes that to address non-traditional security issues, often contingencies that go beyond national borders and acquire global implications, requires a shift from the old security model which is exclusive and targeted at a certain party to a new solution that transcends national boundaries, races and ideologies.

Disaster Relief

The Asia-Pacific region has suffered from the world's most frequent and damaging disasters. In the first half of 2008, Cyclone Nargis in Myanmar and the massive earthquake in Wenchuan, China left over 225,000 people dead. Natural disasters have posed a major challenge to human security and economic sustainability of the Asia-Pacific region.

As globalization continues to deepen, natural disaster prevention and response require stronger capacity-building and



international cooperation. International and regional disaster relief cooperation should focus on building early-warning system and information sharing. In addition, programs such as disaster rescue training and joint disaster relief exercises should be launched to help developing countries gain experience on disaster management and raise emergency response capacity.

China is grateful to the international community for providing assistance to China after the Wenchuan earthquake, and has itself taken an active part in the major disaster relief operations in its neighboring countries. After the cyclone in Myanmar in 2008, the Chinese Government promptly provided Myanmar with emergency assistance materials worth US\$1 million and an additional donation of RMB30 million. In June 2008, China hosted the second 10+3 Workshop on Disaster Relief by Armed Forces and organized two training programs for SCO members on disaster emergency management. China hosted the Workshop on Capacity Building for Major Disasters in Asian Countries in December 2008 and the ARF Seminar on Laws and Regulations on the Participation in International Disaster Relief by Armed Forces in April 2009. In May, China took an active part in the first ARF Voluntary Demonstration of Response on Disaster Relief and the SCO joint disaster relief exercise.

Counter Terrorism

Terrorism is a scourge facing the whole international community. It threatens the common security of mankind. China is also a victim of terrorism. China's fight against the "East Turkistan" terrorist forces makes an important part of the

international endeavor to fight terrorism. China opposes terrorism in all its manifestations and believes that the international community should carry out international cooperation against terrorism, actively promote dialogue among civilizations and help developing countries enhance capacity building in counter terrorism. The fight against terrorism should be carried out in accordance with the *UN Charter* and other universally recognized international law and norms governing international relations and in a holistic approach involving political, economic, social, diplomatic and legal measures. The United Nations and its Security Council should play a leading and coordinating role in the international fight against terrorism.

China has taken an active part in international anti-terror cooperation and has strengthened exchanges and cooperation on counter terrorism with all parties concerned in the principle of two-way cooperation on an equal footing and mutual benefit. As far as the Asia Pacific region is concerned, China has taken an active part in the anti-terror cooperation under the framework of the ARF and the SCO and increased its bilateral cooperation in this area with countries concerned. In August 2008, China and Thailand held the China-Thailand Special Forces Combined Training coded "Strike 2008" in Chiang Mai, Thailand. In December, China and India conducted the China-India Army Joint Anti-Terrorism Training coded "Hand in Hand 2008" in Belgaum, India.

Maritime Security

The current maritime security situation in

the Asia Pacific region is on the whole stable. However, complex factors still exist: relations among countries concerned are still plagued by disputes on maritime sovereign rights and interests; piracy, armed robbery, maritime smuggling and drug trafficking and illegal immigration are still major factors undermining the security of maritime transport, international trade, and ships and port facilities.

The issue of maritime security involves complex factors related to historical background and immediate interests. It concerns issues in a wide range of areas. To better safeguard maritime security in the region, we should follow universally recognized international law and modern maritime law, including the principles of the *UN Convention on the Law of the Sea*, carry out equal-footed consultation, dialogue and cooperation, and give priority to enhancing capacity building of countries concerned so as to leave them in a better position to guard against and address the above mentioned risks and threats.

China supports international cooperation in maritime security, including the cooperation in fighting pirates. Pursuant to the relevant resolutions of the UN Security Council and in light of the practice of countries concerned, China sent naval escort fleet to Somalia and the Gulf of Aden in December 2008 to ensure the safety of Chinese vessels and personnel and that of the World Food Program's vessels carrying humanitarian materials passing the waters of Somalia and the Gulf of Aden. In the course of carrying out the mission, the Chinese naval vessels had effective cooperation with the naval ships of other countries in

information sharing and humanitarian rescue and relief and successfully saved several foreign vessels from the hands of pirates, thus making positive contribution to safeguarding the security of major maritime shipping lanes.

Non-Proliferation

At present, proliferation of weapons of mass destruction (WMD) and their means of delivery has increasingly become an important factor affecting international and regional security. In the Asia Pacific region, on the one hand, countries have attached more importance to non-proliferation as their consensus continued to deepen and their cooperation continued to strengthen. On the other hand, some regional non-proliferation hot-spot issues have remained unresolved. Economic globalization and the progress in information technology have further lowered the threshold for the spread of sensitive items and related technologies. Instability in some countries and regions has created complex factors for the non-proliferation endeavor. The risks of non-state actors, terrorists in particular, illegally trafficking in and acquiring WMD and related materials are increasing.

China is firmly opposed to the proliferation of WMD in all forms. It holds the view that the proliferation of WMD constitutes a threat to the common pursuit of all countries for peace, cooperation and development, and it runs counter to the vision of the Chinese Government for a harmonious world. The ultimate purpose of the non-proliferation endeavor is to maintain international and regional peace, security and stability. To eradicate the problem of proliferation,



efforts must be made to both address the symptoms and tackle the root cause of the problem, foster a favorable international and regional security environment and properly resolve proliferation related issues through political and diplomatic means. In addition, the relationship between non-proliferation and peaceful use of science and technology must be properly handled.

China plays an active part in the international non-proliferation process, faithfully fulfills its relevant international obligations and calls for strengthening the effectiveness, authority and universality of the existing international non-proliferation regime. China is an active player in the international diplomatic efforts to settle hot-spot regional proliferation issues. It has had regular consultations on arms control and non-proliferation with the United States, Russia, Japan, the Republic of Korea and the European Union and continued its effective exchanges on export control with ARF members such as the EU and the US. These interactions have yielded good results. China took an active part in the 6th Regional Meeting of National Authorities of States Parties in Asia of the *Chemical Weapons Convention* and the Regional Seminar on Biosafety and Biosecurity. China also jointly proposed, together with the US and Singapore, the ARF Inter-sessional Meeting on Non-proliferation and Disarmament. The first such meeting will be held in Beijing in July 2009.

III. China's Views on the Experience and Future Direction of the ARF

After 15 years of development, ARF has become more mature. It has put in place a

series of cooperation principles and models that conform to the characteristics of the region, and identified a path of security dialogue and cooperation that adapts to the changing times and the realities of the Asia Pacific region. Its experience should be summarized:

--Enhance mutual trust. Given the inadequate political mutual trust among its members, ARF has always taken confidence building its primary task. Over the past 15 years, through statement on security policies, exchange of views on regional security issues of shared interest and the introduction of more than 90 confidence building measures, ARF members have increased mutual understanding, and enhanced political mutual trust, thus laying a solid foundation for security cooperation among members.

--Respect each other. ARF consists of a large number of members with different national conditions. It is therefore imperative that in conducting security cooperation, ARF abandon the old security logic based on alliance and power and rise above differences in ideologies, social systems and development levels. ARF has gradually established a security concept based on respect for sovereignty, non-interference in internal affairs and dialogue on an equal footing, thus enabling it to initiate and expand cooperation in the security field.

--Engage in dialogue and cooperation. Past experience shows that military means do not deliver enduring peace. Dialogue and cooperation constitute the effective way to narrow differences. ARF has committed itself to the purpose of dialogue and cooperation. It has

conducted dialogue on an equal footing, based on consensus and the principle of seeking common ground while reserving differences. It has vigorously explored and expanded converging interests among all participants. And it has better accommodated the comfort level of all participants and carried out practical cooperation, thus playing a constructive role in safeguarding peace in the Asia-Pacific region.

--Make incremental progress. ARF respects the diversity of the Asia-Pacific region. It values and follows the "ASEAN way". It gives full consideration to the level of comfort of all parties. It adheres to the principle of building consensus through consultation, making incremental progress, and tackling easier issues first. It takes an open, flexible and non-coercive approach. All this has ensured the steady, orderly and healthy growth of the Forum.

The security situation in the Asia-Pacific is undergoing constant changes and development, with new types of security cooperation mechanisms and platforms emerging. In this context, ARF should intensify its efforts in the following areas to become the most effective security cooperation forum in the Asia-Pacific and play a bigger role in upholding peace and stability in the region.

--Continue to follow well-established principles such as mutual respect, building consensus through consultation, making incremental progress and taking into account the comfort level of all parties concerned. These principles are in keeping with the diversity of the Asia-Pacific and provide the source of strength of the Forum.

--Further enhance and deepen confidence building measures. Lack of political mutual trust is still a major obstacle to security cooperation in the Asia-Pacific. ARF members should increase confidence building measures to strengthen mutual trust, expand consensus and lay a solid foundation for carrying out practical cooperation.

--Preventive diplomacy conducted under the ARF framework should focus on dialogue and cooperation to prevent and address non-traditional security threats. The Asia-Pacific regional security cooperation is conducted for the purpose of tackling transnational issues and non-traditional security challenges, in particular in disaster relief, combating transnational crimes, counter terrorism, non-proliferation and maritime security. ARF's preventive diplomacy is connected with the preventive diplomacy conducted within the UN framework. But the two differ in terms of concept and practice. The model of other regions should not be copied blindly.

--Adhere to the leading role of ASEAN, and at the same time respect and mobilize the initiatives of ARF members to engage in dialogue and cooperation. China supports ASEAN's leading role, as well as efforts to improve and increase the efficiency and effectiveness of ARF, and is open to the proper suggestions put forward by all parties concerned. China hopes the Forum will commit more resources to addressing non-traditional security issues and transnational issues to ensure that the Forum can play an even better role.



IV. China's National Defense Policy and Defense Budget

China is committed to a new security concept of equality, mutual trust, mutual benefit and cooperation. It pursues a defensive policy for national defense, stands for peaceful settlement of international disputes and hot-spot issues and opposes expansion of military alliance and military aggression and expansion.

China stands for the complete prohibition and thorough destruction of nuclear weapons. It is committed not to be the first to use nuclear weapons at any time or under any circumstances. And it has undertaken unconditionally not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones.

China has exercised control over the size of its defense expenditure, and made appropriate allocation of its defense budget to ensure coordinated development of national defense and the economy. China's defense budget for 2008 was RMB 417.769 billion, or about US\$ 57.229 billion, 17.6% more than the previous year. But the share it takes in the national fiscal expenditure has dropped slightly. The increased spending has been primarily used for the following purposes: first, raising the living standards of servicemen; second, raising boarding subsidies of servicemen and increase input for petroleum and fuel purchases to compensate for price rises; third, increasing funds for education and training and administrative purposes to meet the needs of military training; fourth, moderately increase funds for equipment to raise the defense

capabilities of the army in an information era.

In recent years, the Chinese Government has moderately increased national defense expenditure on the back of steady and relatively fast economic growth and rapid growth in fiscal revenue. The increase, compensatory in nature, is designed to shore up the originally weak defense infrastructure. The increase of defense expenditure for the past few years is far lower than that of fiscal revenue. From 2003 to 2007, China's defense spending increased by 15.8% annually, significantly lower than the 22.1% increase of fiscal revenue. Besides, China's national defense, in proportion to its GDP and fiscal budget, is low compared with other countries, some major countries in particular. In 2007, for example, China's defense budget accounted for only 1.4% of its GDP and 7.2% of its fiscal budget, far lower than that of the United States, France, Russia and India. Moreover, China is committed to a national defense policy that is defensive in nature. Its limited military capability is solely for the purpose of safeguarding national independence, sovereignty and territorial integrity, and does not constitute a threat to any country.

The Chinese Government has set up a national defense expenditure report and disclosure system. Since 1978, the Chinese Government has submitted annual fiscal budget reports to the National People's Congress and released the annual amounts of its national defense budget. In 2007, China formally joined the UN Instrument for Reporting Military Expenditure and report annually to the

UN of its military expenditure for the latest fiscal year.

China has been issuing the white paper entitled “China’s National Defense” annually since 1995. The latest version, issued in January 2009, is available at:

http://www.gov.cn/english/official/2009-01/20content_1210227.htm

In May 2008, the Ministry of Defense officially set up a spokesperson’s mechanism.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

1. Regional Security Situation

The development of situation in the Asia-Pacific region over the last year indicates that peace and development constitutes the main stream.

In Southeast Asia the ASEAN countries set the target of establishing the ASEAN community in the form of ASEAN Security Community, ASEAN Economy Community and ASEAN Cultural Community by the year 2015 while the ASEAN Charter entered into force in November 2008.

The actions that the ASEAN has taken highlights the strategic position of itself in international fora more than ever before.

Newly-Emerging industrial countries are coming to surface while the unilateralism of the superpower resorting to strength is falling into total bankruptcy. It is recognized as one of the positive elements in attaining multipolarism of international relations and peace and common prosperity of mankind.

Recently the Democratic People's Republic of Korea, DPRK carried out a legitimate satellite launch and has taken strong self-defensive measures in face of blackmails and challenges. Such moves of the DPRK are a manifestation of its will to safeguard peace and security on the Korean peninsula and the region as a whole for the sake of overall peace and

development.

The DPRK's possession of the powerful nuclear deterrence provides the most reliable guarantee to deter a war on the Korean peninsula, and therefore it is in the best interest of security of all countries in the region, who want to make smooth and unhindered progress towards peace and development in safer and more stable environment.

The superpower which made armed invasion into Afghanistan and Iraq and is continuing to drop bombs of "freedom" and "democracy" of the American style upon the heads of people, is enjoying unlimited application of strong arm policy and arbitrariness without being subjected to condemnation and sanction of the United Nations Security Council, UNSC. It is the reality of today's international society where the jungle law principles still go unabated.

The reality speaks by itself the very justness and correctness of the self-defensive measures undertaken by the DPRK in response to the US and its followers.

2. Peace and Security on the Korean Peninsula

Peace and security on the Korean peninsula is taking the most important place in the maintenance of the world



peace and security.

The key reason is related to the unique security environment on the Korean peninsula and the threats of nuclear war by the superpower's intervention in the region.

1) Unique security environment on the Korean peninsula

— Korea is a country divided by the superpower for over half a century.

The division of Korea was imposed by the cold war policy of the US. It is a well-known fact that the US declared the cold war policy while it entered into anti-Soviet Union and anti-communist confrontation under the pretext of "protection of free world from the threat of communism" right after the World War II.

Korea was splitted into two parts as pure victim of the cold war strategy of the US which sought to contain the communist Soviet Union. Since then, a tragedy of history has been started for the divided Korean people.

Until today although over 60 years elapsed, the US is deadly bent on disturbing reunification of Korea by keeping immense military bases with massive arms buildup in south Korea thereby threatening the DPRK's sovereignty and peace and security in the region.

— The Korean peninsula is the only place in Asia in which the US nuclear weapons have been deployed.

It was in 1957 that the US began to deploy nuclear weapons for the first time in

south Korea. The nuclear weapons of the US constitute the fundamental factor that brought the nuclear threat to the Korean peninsula and generated the proliferation of the nuclear weapons of today, which is advertised as "threats" by the US.

The US nuclear weapons deployed in south Korea amount to over 1 000 warheads. If it is added together with threats from the nuclear weapons deployed around the Korean peninsula, the US nuclear weapons are undeniably none other than the most destabilization factor in the region.

— The DPRK and the US are legally in a state of war over half a century on the Korean peninsula.

The 1950-1953 Korean war imposed by the US provocation against the Korean people has ended with the conclusion of the armistice agreement but it meant to be the temporary suspension of war and in other words a state of neither peace nor war.

In 1974 and 1994 the DPRK made proposals to the US side on concluding peace agreement and establishing a new peace mechanism. However, all the proposals were turned down by the US and a state of war still persists.

2) Nuclear war threats posed by the superpower on the Korean peninsula

— The starting point of the nuclear war threats posed by the superpower on the Korean peninsula goes back to some more years than 1957, when the first US nuclear weapons were deployed in south Korea.



On the threshold of the Korean war and at the height of war, the US had stubbornly tried to shock the Korean people and occupy the whole of Korea by way of resorting to the nuclear threats and blackmail against Korea.

The then US President Truman ordered instruction to map out the plan of using atomic bomb in the Korean war stating in April 1949 and May 1950 that it would not hesitate to use atomic bomb if deemed it necessary for the maintenance of the US security.

On November 29, 1950, Truman convened the special meeting of the State Security Council and the meeting of the State Department and issued the statement that it would use the atomic bomb against north Korea.

The October 1995 issue of "Military Research" of the Japanese Magazine introduced a story about the US planning of use of the nuclear weapons during the period from September 1950 to August 1951 under the headline of "the US army seriously examined input of the nuclear nukes. 120 shots of the nuclear weapons prepared for the Korean war".

In the page 232, 1998 edition of "The US modern history of foreign policy" published in south Korea, it is illuminated that 30~40 nuclear warheads were already shipped and stored in south Korea in 1951 according to confirmation of late years. For a time, a target of attack was also set.

Eisenhower who became the US President after Truman actively examined the possibility of using the nuclear weapons, too.

Eisenhower who traveled to south Korea from December 2 to 5, 1952 as soon as he was elected to the President, suggested to use the atomic bomb in the Korean war when he returned to Washington.

In page 579, Volume 2, "Foreign Relations" 1952-1954 of the US, the statement of Eisenhower is introduced that he considered there was no reason not to use atomic bombs, too, like using pistol or other weapons.

— Coming into the 1980s the US nuclear war threat has begun to take the official nature in the State policy.

As mentioned above, it is not a secret that the US has been offering "Nuclear Umbrella" to south Korea over half a century.

In early 1980s, the United States reaffirmed the provision of the "Nuclear Umbrella" to south Korea in the annual meetings of "Annual Security Consultation" and Military Committee with south Korea and in 2006, specified it as one of "extended deterrence" like the one provided to NATO Allies.

— In 2002, the United States branded the DPRK as one of the "Axis of Evils" and listed it in targets of the nuclear preemptive strike and converted nuclear doctrine into practical use of unclear weapons.

In 2002, the United States made public the list of targets of nuclear preemptive strike, namely the "Axis of Evils", the DPRK, Iran and Iraq together with Syria, Libya, China and Russia.



It was in 2003 that the United States started to go into actions by attacking with armed forces one of the “Axis of Evils”, Iraq. It was not only aimed at Iraq but also the prelude of the use of military forces against the DPRK and Iran.

At the same time, it was the open proclamation that those countries not in the line of US policy could never go beyond the American punishment of bombs.

Immediately after the end of the Iraq war, the U. S moved its mobile striking forces to the Korean peninsula headed by the nuclear powered carrier “Kalvinson” once used to attack Iraq openly saying that the next target is the DPRK.

Furthermore, the US drafted the “Combat Power Build-Up Program” to intensify massive arms build up in south Korea at the cost of US\$ 11 billions and did not waste time in amending the cost to US\$ 13 billions within the period not longer than one year since the first announcement.

In recent years, the U.S, following the above mentioned plan, brought into south Korea the most sophisticated weapons of mass destruction including “F-17” Stealth Fighter Bomber, “Patriot PAC-3” anti-missile system and Bunker Buster, the missile capable of penetrating the underground facilities of the DPRK for the purpose of its nuclear preemptive strike.

3) The Prevailing Situation on the Korean Peninsula

Coming into this year, 2009, the Korean peninsula has been thrown into touch-and-go tension allowing nobody to predict

when the war will break out.

- The new US Administration has driven the situation on Korean peninsula to the extreme tension by conducting large scale nuclear war exercises with south Korea.

The US and the south Korea conducted the joint military exercises code named “Key Resolve” and “Foal Eagle”, nature and size of which was more than enough to tell the exercise was aimed at the DPRK.

The exercise “Key Resolve”, the duplication of the former one, the “RSOI” started from 1994 by replacing joint military exercise “Team Spirit” which was notorious through out the world for its nature of nuclear test war exercise and was stopped since 1993.

The “Key Resolve” joint military exercise is the aggressive war exercise with an aim of rapid input of the US forces into the Korean front in addition to the over half century long presence of the US troops and nuclear weapons in south Korea.

On the other hand, the “Foal Eagle” military exercises, the typical nuclear strike exercise have been conducted since 1960 and from the year 1986, it has been annually undertaken by the name of the “Foal Eagle”.

Since 2002, the US has simultaneously conducted the “Key Resolve” and “Foal Eagle” exercises and the exercise held in March, 2009, has doubled in its period and involved most sophisticated nuclear war armaments capable of nuclear preemptive strike i.e the nuclear powered super aircraft carrier “George



Washington" and a nuclear powered carrier "Sternness" and nuclear powered sub marines.

The "Key Resolve" and "Foal Eagle" joint military exercises demonstrated the certainty of the nuclear preemptive strike against the DPRK with full scale combat readiness to turn into a real war at any time against the DPRK.

The US brought to the United Nations Security Council the legitimate launch of satellite by the DPRK to recklessly trample down the sovereignty of the DPRK and drove the situation on the Korean peninsula to the worst ever critical moment.

The launch of satellite of the DPRK for peaceful purpose in April 2009 was purely the exercise of its sovereign inalienable right as the state party to the Outer Space Treaty.

The Outer Space Treaty, the "Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies" stipulates that "Outer space, including the Moon and other celestial bodies, shall be free for exploration and use by all States without discrimination of any kind, on a basis of equality and in accordance with international law, and there shall be free access to all areas of celestial bodies.

What is drawing a special attention is that the hostile forces made a great fuss that the launch of satellite by the DPRK would improve its long range missile capacity.

It is preposterous for the US and its followers to comment the satellite launch

of somebody else. The US was the first country to launch satellites and use rocket technologies to develop and modernize its long range nuclear warhead tipped missiles capable of killing the entire humanity for more than ten times and bring the whole world into nuclear arms race.

The action taken by the UNSC concerning the peaceful launch of satellite by the DPRK is none other than the arbitrary selectivity and double standard and resolution on the "sanction" fabricated by the P-5 represents the total violation of the international law adopted by the UNGA and the dangerous prelude for destroying democracy in the international society.

It is a grave developments well indicating that the UNSC is merely a political tool of strong arm policy and arbitrariness of the super power which is standing over the international laws.

It is the US who destroyed the 6 Party Talks and compelled the DPRK to the possession of the nuclear deterrence.

In March, 2009, the US undertook large scale nuclear war exercises in the Korean peninsula and distorted the peaceful satellite launch by the DPRK as "long range missile launch" and brought it to the UNSC, which has been the grave infringement of security and sovereignty of the DPRK.

In this process the US denied the spirit of "respect for sovereignty and equality", which is the core foundation of the Six Party Talks and it is clear that their intention is to unilaterally disarm the DPRK.



It was the due to the nuclear threats and hostile policy of the US that the DPRK made decisive decision not to attend the Six Party Talks for good and switch on the nuclear facilities that were disabled under the agreement of the Talks.

In particular, the second nuclear test in last May by the DPRK has been in response to the action of the US who brought to the UNSC the legitimate lunch of satellite by the DPRK and gravely infringed upon the dignity and sovereignty of the DPRK. Therefore the nuclear test was out of its lofty mission to defend the country's dignity and sovereignty.

It is certain that whosoever is in face of nuclear blackmail of the super power it will have no other option but to take the sole choice as a sovereign State to possess the defensive nuclear deterrence.

As long as the nuclear threats and hostile policy of the US against the DPRK would continue, the DPRK will never ever give up its nuclear weapons.

3. The Impact of the US nuclear policy on international nuclear arms race and non proliferation regime

Today as the NPT review conference in 2010 is coming closer, the US is trying to curry favor with the international society, advertising on the establishment of denuclearized world. However it is merely an empty talk and hypocrisy.

As the reality on the Korean peninsula clearly shows, there is still no change in the US doctrine of preemptive nuclear strike.

The US is steadfast in its development and deployment of missile defence system which set the DPRK as the first target with a view to contain neighboring countries, China and Russia in order to have supremacy in the Asia Pacific region.

In particular, in the military budget of more than US\$ 530 billion for the year 2010, the US made a large allocation to the development of missile defence system. Given the prevailing reality everybody can clearly understand the danger of nuclear policy being pursued by the US.

Under the fully deployed MD system the US nuclear weapons on launch pad can operate for real preemptive strike.

— The US nuclear policy on the Korean peninsula is the main cause of the nuclear arms race in the Asia Pacific region.

Military operations of the US in the Korean peninsula are not limited to go against the DPRK only.

It is well known that while listing the DPRK, China and Russia as targets of their preemptive nuclear strike in East Asia, the US is highly improving the modernization of its nuclear weapons and capability of nuclear strike while deploying MD system in Japan and South Korea.

On the other hand, it is another undeniable reality that while modernizing nuclear weapons, the neighboring countries around the Korean peninsula are competitively developing and deploying the inter-continental ballistic missiles to be able to neutralize the US missile defence system.



- The US is the ringleader who contributed to proliferation of nuclear weapons.

The US nuclear policy focusing on preemptive nuclear strike made the DPRK the possessor of nuclear deterrence power.

It is a already known fact that the US threat of nuclear weapon use during the Korean War stimulated a country around the Korean peninsula to develop its nuclear weapons.

The US nuclear policy in the Korean peninsula is in contrast to its policy on Israel.

Particularly, the US attitude regarding the Israeli possession of nuclear weapons provokes worldwide alarm and shock.

Although the international society recognizes unanimously that Israel has already possessed around 200 or 400 nuclear weapons, only the US has never condemned it but it is keeping silent.

4. Conclusion

The US nuclear weapon threats and hostile policy against the DPRK stimulated it to possess nuclear weapons and as far as nuclear weapon states continue to threaten with their nuclear weapons and modernize their nukes, ignoring demand of the international society, there will be no effective non-proliferation regime in the world.

Recently, Director-General of IAEA predicted that nuclear club would be extended from 9 states to 20 in the near future and it is a fair observation.

In the case of the DPRK, possession of nuclear deterrence is to defend its national sovereignty and right to existence and right to development under the US nuclear weapon threats and hostile policy.

As the DPRK clarified its position on several occasions, the DPRK as a responsible nuclear weapon state will faithfully implement its commitment to non-proliferation.

The DPRK loves and values peace more than anybody else.

The DPRK will further strengthen friendship and cooperation with the regional countries in conformity with its foreign policy of independence, peace and friendship and make every effort to safeguard peace and security in the region including the Korean peninsula.

ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

EUROPEAN UNION

I. Regional and global security challenges

Five years on, since the adoption of the European Security Strategy¹ (ESS) the EU remains an anchor of stability. Enlargement has spread democracy and prosperity across the European continent. The EU's neighbourhood policy has created a strong framework for relations with partners to the South and East.

In December 2008, the EU completed a review on implementation of the ESS and concluded that the Strategy remained valid. The review also noted that those global challenges and key threats identified in 2003 remain relevant. However it recognised some significant additional factors which have become more pressing since.

Although globalisation has brought newfound opportunities and wealth, it made threats more complex and interconnected. The arteries of our society - such as information systems and energy supply - are more vulnerable. Global warming and environmental degradation, fuelled by economic growth, is altering the face of our planet. Moreover, globalisation is accelerating shifts in power and exposing differences

in values. Recent financial turmoil has shaken developed and developing economies alike.

Drawing on a unique range of instruments, the EU contributes to a more secure world. It has worked to build human security, by reducing poverty and inequality, promoting good governance and human rights, assisting development, and addressing the root causes of conflict and insecurity. The EU remains the biggest donor to countries in need.

Over the last decade, European Security and Defence Policy (ESDP) has grown in experience and capability, with over 20 missions deployed in response to crisis, ranging from post-tsunami peace building in Aceh to fighting piracy of the coast of Somalia.

The EU's policies are strongly anchored in the conviction that preventing threats from becoming sources of conflict early on must be at the heart of our approach. Lasting solutions to conflict must bind together all regional players with a common stake in peace. Sovereign governments must take responsibility for the consequences of their actions. It is important that all abide by the funda-

¹ The ESS, adopted by the European Council on 12 December 2003, sets out a coherent vision of how the EU should respond to the new security environment, share the responsibility for global security and build a better world.



mental principles of the UN Charter - where respect for the sovereignty, independence and territorial integrity of states and the peaceful settlement of disputes are not negotiable. The UN stands at the apex of the international system and the EU actions in the field of security have been linked to the UN objectives.

II. South East Asia regional architecture

The EU is committed to helping develop multilateral frameworks to promote dialogue and co-operation on issues of regional and global concern. The EU therefore welcomes the growing importance of the ARF as a prime venue for multilateral consultations and greatly values the opportunity to address key political and security issues with its Asia-Pacific partners therein.

The EU has stepped up its involvement with the ARF as an important forum strengthening the stability, security and confidence building in the region while addressing the international, regional and non-traditional security issues. The EU has been particularly supportive of more concrete, action-based, ARF cooperation and of a good balance in addressing both the traditional and non-traditional security challenges in the region.

The ESS called for Europe to contribute to a more effective multilateral order around the world. The EU has strengthened its partnerships in pursuit of that objective, including strengthened political dialogue and engagement with ASEAN. Our experience gives the EU a particular role in fostering regional integration. The EU welcomed the entry into force of the ASEAN Charter as an important step

towards the creation of a rule of law based organisation and of a strengthened community. At the same time it reinforced ASEAN's central role as a driving force in the ARF.

In May 2009 the EU and ASEAN held a successful Ministerial meeting in Phnom Penh, Cambodia, where both sides committed themselves to further enhance their partnership. In particular, more attention was given to the need to address non-traditional security issues. Following the EU's expression of interest for the EU/EC to accede to the Treaty of Amity and Cooperation (TAC), as formulated in 2006, the EU welcomed ASEAN's consent to this and expressed its intention to accede after completion of the necessary legal requirements.

III. Promotion of peace, security and stability

The ESS acknowledged that the EU has vital security interests beyond its immediate neighbourhood. In this respect, Afghanistan and the overall stability in South Asia are of particular concern.

In Afghanistan, the EU has a long-term commitment to bring stability. Over 2008, the EU stepped up its diplomatic engagement on Afghanistan. EU Member States are major contributors to the NATO mission, and the EU is engaged on governance and development at all levels including the EU Police Mission. The decision to double the size of EUPOL Afghanistan will translate into concrete reform and support the political commitment to the stabilisation of Afghani governance. These efforts will not succeed without full Afghan ownership,



and support from neighbouring countries: in particular Pakistan, but also India, Central Asia and Iran and other stakeholders in the region. Indeed, improved prospects for good relations between India and Pakistan in recent years have been a positive element in the strategic balance sheet.

The EU is also concerned about the situation in Burma/Myanmar. With the 2010 elections approaching, the EU has strongly appealed to the authorities to engage with the opposition and with the ethnic minorities in the run-up to this potentially important event. In this context the EU appeals to set the political detainees free, including Daw Aung San Suu Kyi. The EU underlines its continuing strong support to the Good Offices Mission of the Secretary General of the United Nations, Mr Ban Ki-moon, and recalls EU Special Envoy, Mr Piero Fassino's role in continuing to coordinate the EU policy on Burma/Myanmar.

In recent years the ARF has been also more engaged in dealing with non-traditional security challenges. Capacities developed in following four ARF areas are of crucial importance of dealing with these challenges. The EU welcomes that the ARF recognises the importance of addressing the implications also of new areas such as climate change, energy and cyber security.

A. Counter-Terrorism and Transnational Crime

The ESS describes how terrorism and organised crime have evolved with new menace, including within our own societies. Terrorism remains a major global security threat and an important

challenge for the EU, directly touching upon the lives and security of European citizens; in particular as home-grown groups are playing an increasing role within Europe.

In line with the ESS and EU Counter-Terrorism Strategy, the EU's work in this area, including that conducted by the EU Counter-Terrorism Coordinator, continued to be guided by the principle that effective counter-terrorism measures and the protection of human rights, fundamental freedoms and the rule of law are complementary and mutually reinforcing goals. Terrorism is a global challenge requiring global solutions, and so the EU has continued to support the UN as the only universal forum for counter-terrorism cooperation, calling for implementation of all relevant UN Security Council (UNSC) Resolutions and the all UN Conventions and Protocols on counter-terrorism. Bilateral engagement with third countries are also a part of the EU strategy to fight terrorism as well as support to the regional centres such as JCLEC.

States on the edge of failure impact on security through crime, illegal migration and, most recently, piracy. The EU calls for active engagement with regard to counter radicalisation and recruitment, by addressing extremist ideology and tackling discrimination. Inter-cultural dialogue, through such fora as the Alliance of Civilisations, has an important role.

B. Disaster Relief

The EU provides rapid and effective support to the victims of disasters beyond its borders. The EU mandate prescribes a focus on saving lives, providing relief and



thus assisting the most vulnerable groups, as the EU did in Burma/Myanmar following cyclone Nargis.

The EU believes that prevention and risk reduction are at least as important as relief a posteriori. The significant component of EU contribution to the global Disaster Risk Reduction (DRR) efforts remains the Disaster Preparedness European Commission's Humanitarian Aid department (DIPECHO) programme which covers seven disaster-prone regions including South Asia, South East Asia and the South West Indian Ocean. Even post-disaster emergency responses often have a risk reduction element. Examples of such activities include training and equipping of community-based fire brigades in forest fire risk zones in Indonesia.

However, DRR is a long-term development effort and EU is therefore encouraging other stakeholders to systematically integrate disaster risk reduction in their strategies. In February 2009 the EU adopted the Strategy supporting DRR in developing countries. This Strategy commits the EU to integrate DRR considerations more effectively into EU development and humanitarian policies. An implementation plan is currently under preparation to turn this strategy into action.

The EU strongly supports all international efforts, including those coordinated by the United Nations, to increase disaster risk reduction worldwide. The ARF is a unique forum to concretely cooperate on disaster relief in Asia. The EU supports the efforts to set up an efficient mechanism to map and then reduce the risks, to raise preparedness of the people and to

enhance the immediate response to disasters within the ARF.

C. Maritime Security

As in the absence of Somali state authority a piracy has spread along the coast of Somalia, the EU undertook an ambitious and innovative task in launching its first naval ESDP operation. EU NAVFOR Somalia (operation Atalanta) is bringing concrete support to the deterrence and repression of acts of piracy off the Somali coast. The EU is actively engaged with the regional stakeholders in this regard, in particular as regards arrangements for transfer of the captured suspects for prosecution. The case of Somalia is a vivid example of the cross-border repercussions of state failure and, while initiatives like EU NAVFOR can make a specific contribution to countering some of its effects, they cannot take the place of comprehensive, regionally-owned stabilisation efforts.

D. Non-proliferation of weapons of mass destruction

The EU plays an active role in supporting an effective multilateral system, preventing the proliferation risk and cooperating with third countries, as outlined in the EU Strategy against Proliferation of Weapons of Mass Destruction. In December 2008, a new policy document was adopted entitled "New lines for action by the EU in combating the proliferation of weapons of mass destruction and their delivery systems" that complements the earlier WMD Strategy and aims at improving the performance of the 27 EU Member States.

In its external relations, the EU continues



to mainstream non-proliferation in its contractual relations with third countries. The EU also continues to provide assistance to countries in the Asian region, most notably in support of UNSCR 1540. The EU actively participated in the first ARF Inter-Sessional Meeting on non-proliferation and disarmament, held in Beijing, on 1-3 July 2009.

The Iranian nuclear programme continues to remain a serious concern to the EU. The EU will remain at the forefront of international efforts to work towards a negotiated solution to the nuclear issue that will require engagement also on the Iranian side. The EU's objective is to build a long-term relationship with Iran based on confidence and co-operation. This depends on the progress on all issues of concern, first and foremost the nuclear issue, but also terrorism, Iran's approach to the Middle East peace process (MEPP), regional issues and human rights.

Regarding the Korean peninsula, the EU reiterates its strong support for the Six Party Talks process and encourages inter-Korean reconciliation as well as regional stability and denuclearisation of the peninsula in a peaceful, complete and verifiable manner. The EU condemned firmly the most recent nuclear test and the launches using ballistic missile technology carried out by DPRK as violations of UNSC resolutions and decisions. The EU welcomed the unanimous adoption of the resolution 1874 dated 12 June 2009 and calls on the DPRK to refrain from any violations of relevant UNSC resolutions, to implement them and to engage in dialogue and cooperation, including resumption of the Six-Party Talks.

The EU continues to promote the universality of the UN Convention on Certain Conventional Weapons (CCW) and its annexed Protocols and to address the issue of Small Arms and Light Weapons (SALW) in multilateral fora and in its political dialogue and in bilateral agreements with third countries. The EU also continues to support the negotiation of a legally-binding Arms Trade Treaty (ATT) to regulate the exports and trade of conventional weapons. On CCW and ATT, the EU has been organising regional seminars in Asia.

The EU and ASEAN are both committed to strengthen the multilateral Treaty-based system, to implement and to universalize existing disarmament and non-proliferation treaties, conventions and instruments. The EU believes that non-proliferation and disarmament is an important area where EU-ASEAN cooperation should be stepped up in order to implement the 2007 Nuremberg Declaration on an EU-ASEAN Enhanced Partnership, the Plan of Action and the Phnom Penh Agenda.

E. Climate change

In March 2008, a report from the High Representative for Common Foreign and Security Policy and the European Commission outlined how climate change can act as a threat multiplier, by exacerbating existing tensions in fragile or failing states, with more extreme weather events, reduced rainfall and crop yields, and sea level rises. This represents a new threat for the twenty-first century, with humanitarian, political and security consequences. The EU uses all its levers to achieve an ambitious outcome at Copenhagen in December 2009. Within



the framework of conflict prevention the EU put more emphasis on improving analysis and early warning capabilities.

The EU welcomes recognition by the ARF that we need to address the security implications of climate change early on, including through a seminar held in March 2009 in Phnom Penh co-organised by the EU and Cambodia. Discussion on the potential security-related implications of climate change events within the context of the ARF is highly relevant and should continue.

F. Energy and cyber security

The ESS brought to the fore demands of collective responsibility and solidarity in both the internal and external dimensions of energy policy. The EU is convinced that cooperation on a regional basis remains vital to address persistent energy challenges. To this end, energy security aspects were further consolidated in the EU's bilateral relations with partners and through regional strategies.

Cyber attacks, used on a large scale as a political or economic weapon, have also become a more serious concern as governments and societies become more and more dependant on a functioning cyberspace. The EU is exploring possibilities for a more comprehensive approach in parallel with awareness raising and enhancing international cooperation in this area.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

INDONESIA

I. Indonesia's overview on the regional security situation

Indonesia recognizes that the utmost challenge in the region security in the present time is on the effort to develop disaster relief cooperation. Disaster may threaten the stability and security in the region as its impacts influence many aspects of life. Natural disasters, which involve earthquake, cyclone, flood and storm, threaten not only in the Asia-Pacific but also every part of the world. Marked by Tsunami 2004 and followed by natural disasters in Myanmar with Cyclone Nargis on early May 2008 and earthquake in Sichuan Province in China the day afterwards encourage greatly for Indonesia to further enhance the disaster relief cooperation within the ASEAN Regional Forum.

To respond such devastation, immediate assistance to help and save lives as well as bring relief to the suffering is urgent from regional cooperation within the ARF. Regional operational agencies must work closely together in the regional emergency response. The Inter-sessional Meeting on Disaster Relief (ISM-DR) in ARF is a positive step to provide ARF countries a valuable platform to promote a common understanding and approach to manage multiple and complex issue through cooperative activities.

As one of the efforts to develop disaster relief cooperation in ARF, Indonesia takes the initiative for some projects such as ARF Desktop Exercise on Disaster Relief that was held in Jakarta on 1-2 May 2008 co-chaired with Australia. In addition to the mentioned effort, Indonesia and Australia have developed a set of Standard Operating Procedures (SOPs) which are designed to provide guidance to strategic and operational planners from ARF members in the coordination and provision of Humanitarian Aid and Disaster Relief (HADR). Indonesia believes that to respond the challenge in disaster relief in the future is to develop the existing cooperation with a more comprehensive and concrete activities in the framework of ARF.

As the follow up to the Desktop Exercise, Indonesia was actively participating in the ARF Voluntary Disaster of Response (ARF VDR) in the Philippines, 4-8 May 2009. Indonesia sent 50 personels and field hospital equipments as the contribution to the exercise.

In regards for the development of the regional security situation, Indonesia acknowledges that security cooperation shows its significant progress in the last decades. Numbers of activities in various areas such as maritime security, counter-terrorism and transnational crimes have been initiated to further develop security



cooperation within the region. In this regards, Indonesia is on the view that ASEAN Regional Forum (ARF) is prominently take its primary role to sustain the stability in the region. ARF has also succeeded in increasing the level of confidence among its participants which means the existence of such forum is highly important and needed. Nevertheless, as a dialogue forum of political and security, ARF still needs to continuously increase its awareness to the major security threats in the region and concrete cooperation in the existing non-traditional security issues, such as terrorism, transnational crimes, like illicit trafficking of drugs, goods, people, maritime security and challenge in the tension of the Korean Peninsula.

Indonesia supports the process of resolving the crisis in the Korean Peninsula through the peaceful dialogues in the Six-Party Talks. Indonesia is of the view that dialogue is the best way to settle the nuclear issue in the Korean Peninsula. In that regard, Indonesia looks forward and steadfastly supports the resumption of the Six-Party Talks. Indonesia views that the successful implementation of the agreement will construct a new architectural process concerning peace and stability in the region, especially in the Korean Peninsula.

In addition to another regional security challenge, Indonesia also pays its concern to several common problems like drugs, avian influenza, swine flu, the issue of disarmament and non-proliferation as well as illegal logging. During the last decade, drugs problems have been one of the biggest threats to the society. As far as the concern, abuse of drug is still the main cause of death after weapon of mass

destruction. It is therefore, the countries in Asia-Pacific have to work hand-in-hand to support the realization of the ASEAN Free Drug Area in 2015 and to welcome the ARF Statement on Prevention of Diversion of Precursors into illicit drug.. Furthermore, the issue of disarmament and non-proliferation of WMD must be well considered and it shall be discussed together and settled through existing mechanism on multilateral framework. In addition to that, Indonesia is also on the view that the ARF is one of important venue in fostering cooperation to deal with illegal human trafficking as it is a serious threat in the region.

II. Indonesia's Approach and Contribution to Regional Security Cooperation

1. Maritime Security

Indonesia considers that ARF has actively addressed maritime security issues at various meetings including in the ARF Ministers', Senior Officials' and ISG Meetings, during which ARF Participants acknowledged the importance of addressing maritime security issues to support the creation of peace and stability in the region.

During the ARF Roundtable Discussion on Stocktaking Maritime Security Issues co-chaired by Indonesia and China which was held in Bali in 24-25 August 2007, it was fervently agreed that the ARF has moved forward in the area of maritime security. ARF recognizes that in the last fifteen years, the ARF have discussed many issues of maritime security, among others, defining sea piracy and armed robbery against ship at sea, cooperative methods to prevent transnational crimes, terrorism, capacity building, training and information sharing; and since the



adoption of the ARF Statement on Cooperation against Anti-Piracy and Other Threats to Maritime Security in 2003, Indonesia is on the view that ARF has placed its significant emphasis on maritime security. The Bali roundtable discussion has called for concrete implementations of recommendations and commitments made in this respect.

To follow up the development of the discussion on maritime security within the ARF framework, Indonesia proposed the establishment of ARF ISM on Maritime Security and for that reason, Indonesia became one of the co-chairs of the 1st ISM on MS held in Surabaya, 5-6 March 2009 together with Japan and New Zealand.

In responding to the maritime threats, Indonesia reiterates the need to extend common perceptions to the issue of common concern on maritime security. This issue is indeed important because the dialog on maritime security has to be focus and specific in order to provide security and stability in the region.

Maritime security issue must be focused on the importance of applying the UN Charter and recognized international principles, international and regional conventions, and institutional frameworks for technical cooperation including the framework under the UNCLOS 1982. In this cooperation, Indonesia emphasizes on mutual cooperation, confidence and trust but not necessarily in the form of joint activities; the use of soft power rather than hard military power and the need to move from CBMs to PD. Indonesia underscores the needs to respect ASEAN spirits and principles, namely, respect of state sovereignty, enhanced interactions, equality, non-intervention and the need

to promote dialogue and networking as well as to adhere the ARF principles. It is also important to facilitate information sharing among ARF participants, stocktaking and building up maritime security cooperative database, explore the suggestion of regional cooperative efforts for maritime security in the context of stocktaking and training, joint coordinated efforts on bilateral or multilateral technical arrangements.

Furthermore, Indonesia believes that the best respond toward maritime threats are by enhancing private-sector cooperation particularly in shipping and insurance industries in the context of promoting maritime security issues, and the need to consider further the technical implementation of related international maritime conventions related to maritime security.

2. Disaster Relief

Indonesia is on the view that disaster relief cooperation considered as one of the main agenda to be discussed and followed up through concrete action in the ARF.. The disasters occurred in the ARF region showed that the region is now facing the most challenging circumstances as its impacts to thousands of individuals, families, and business and disrupting normal daily activities. At other times, recovery can take weeks, months and even years. For emergency response for disaster relief in ASEAN, Indonesia considers that ASEAN Agreement on Disaster Management and Emergency Response (AADMER) is effective mechanisms to achieve substantial reduction of disaster losses in joint response to disaster emergencies through regional and international cooperation.



In response to those disasters Indonesia supports the follow up action of ASEAN Humanitarian Task Force by the deployment of ASEAN Emergency Rapid Assessment Team (ASEAN-ERAT) in the affected areas and also welcomes the role of AHA Center in the response of disaster occurred in the ARF region. A closer collaboration between the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) and the ARF must also be strengthened.

In this relevant subject, Indonesia acknowledges that ARF has taken steps toward closer cooperation in the disaster relief. Since 2005 ARF restarted the Inter-Sessional Meeting specifically deals with Disaster Relief (ISM-DR). The ARF ISM DR has been convened eight times including the latest ISM on DR held in Banda Aceh on December 5-6, 2008. These meetings have produced various recommendations leading to the enhancement of the ARF cooperation in the region on disaster relief.

From those Meetings, a series of efforts by the ARF Participants have been noted. Those efforts are aimed to push forward a practical, effective, and orderly ARF disaster relief cooperation modality. In this regards, an informal Shepherd Mechanism, which is stewarded voluntarily by Australia, People's Republic of China, European Union, Indonesia, Malaysia and the United States has been established to utilize the ISM DR.

One of the milestones of the work of the ARF ISM DR is the adoption of the ARF Statement on Disaster Management and Emergency Response (DMER). This was followed by the adoption of the ARF

General Guidelines on Disaster Relief Cooperation. Building on this important work, draft ARF Humanitarian Assistance and Disaster Relief Standard Operating Procedures (HADR SOP) and Standby Arrangements are being developed to further enhance disaster relief cooperation among ARF members.

3. Terrorism

On the area of counter-terrorism, Indonesia has actively participated in international and regional in addressing threats of terrorism among others through APEC, ASEAN, and ARF. Within the UN framework, Indonesia is a party to number of the 13 UN instruments related to counter terrorism. This signifies Indonesia's commitment to prevent, suppress and combat terrorism

Indonesia is on the view that terrorism is still a serious threat to regional security, while contemplated on the root causes of terrorism and discussed capacity building efforts as well as inter-faith dialogue. The particular terrorism threat appears in the recent times is the use of internet for terrorism or cyber terrorism. The proliferation of instantaneous communications in recent times especially in the form of the internet provides a seamless flow of information across national borders. It can be a powerful tool for terrorists seeking to divide people and spread messages of hate, violence and extremism. The writings of terrorists are frequently posted on extremist websites. They have used the internet as a virtual safe media from which to base, plan, coordinate, and carry out their attacks. Terrorists in the region use the internet for their recruitment, indoctrination and operational roles. Therefore the threat of



terrorism in internet becomes more serious and obvious in the region.

To further enhance the regional cooperation on the fight against terrorism especially on the terrorist use of internet, Indonesia supports the idea to establish ARF Virtual Meeting of Experts (VME) on Cyber Security and Cyber Terrorism proposed by the Republic of Korea. Indonesia deems it is so timely to have such mechanism in order to minimize threats and other similar crimes by using internet. Indonesia is also of the view that this VME should be supported by all ARF participating countries. In addition to respond the challenge in terrorism, in October 23-24 2008, Indonesia co-chaired with Australia the Conference on Terrorist Use of Internet. successfully increased understanding on terrorist use of the internet, examined the role of the internet plays in supporting terrorist organizations, identified regional trends in the terrorist use of the internet in Asia-Pacific.

Meanwhile, Indonesia also supports the result and follow up action of the workshop, training, and working group meeting on facilitating the Entry into Force and implementation of the ASEAN Convention on Counter Terrorism (ACCT). In addition to that, Indonesia welcome the on-going discussion of the ASEAN Comprehensive Plan of Action on Counter-Terrorism (ACPOA on CT).

4. Non-Proliferation and disarmament of mass destruction weapons (WMD)

In regards to this issue, Indonesia supports the regional and international community efforts in raising the issue of WMD in both areas which is non-proliferation and disarmament.

International community is responsible to prevent proliferation on WMD because the threats are not only come from states but also from terrorists who have access to it.

The issue of weapons of mass destruction (WMD) inevitably must be discussed in two main discussions that cannot be separated each other which consist of non-proliferation and disarmament. These two issues are important for the concern in the regional cooperation within the ARF.

Indonesia reiterates the importance of multilateralism as the core principle in non-proliferation and disarmament negotiation. The goals of disarmament and non-proliferation shall be achieved by lawful actions based on international law under the UN framework. Indonesia sees the issue of disarmament and non-proliferation of WMD shall be discussed together and settled through existing mechanism on multilateral framework, as regulated by international instrument such as Non-Proliferation Treaty, IAEA Safeguards Agreements, Chemical Weapons Convention and Biological Weapons Convention.

5. Illegal logging

Indonesia also puts its concern on the issue of illegal logging. Indonesia suffers most from this particular trans-national crime as its impact influences mostly to ecology, economy, and social structure. As illegal logging has caused deforestation in a rapid rate which approximately, to date, Indonesia has lost 59 million hectares of its total forest area or estimated could go beyond repair, Indonesia is on the effort to improve legal and law enforcement to fight against illegal logging.



The fact of illegal logging occurred in the recent time poses obvious threats to the economic sustainability of Indonesian people. It damages the natural water resources system for which it is important in most of aspects of people's life. It greatly reduces the Indonesia's wealth and also denies the application of sustainable development principles. It is therefore, active coordination between agency and institution as well as enhancement the capacity for its institution is important for this effort. It is in that regard that Indonesia is actively pursuing collaboration and cooperation with other states and international community in combating this threat. Indonesia is also of the view that the ARF is one of important venues in fostering cooperation to deal with illegal logging.

To respond the challenge in illegal logging, Indonesia commits to support and to follow up the UN resolution on "International Cooperation in Preventing and Combating Illicit International Trafficking in Forest Products, including timber, wildlife and other forest biological resources". In this regards, Indonesia ensures to provide follow up action both in internal coordination as well as in regional cooperation within ARF.

6. Avian and Swine Flu

Since the spreading of avian influenza in 2005, Indonesian government has made responding efforts and anticipation for the influenza outbreak. The government has focused its strategy in the fight against avian flu on the emphasis of public awareness, disease surveillance and animal control measures. This strategy has brought the consequences emphasizing on risk communication, information

dissemination and public awareness. Community awareness is the key to determining the effectiveness of avian flu control. This strategy also calls for controlling the disease at its source in animals through vaccination, culling and compensation for bird owners, and bio security measures.

The government has prepared various supporting facilities, including health center, referral hospital and laboratory, as well as establishes networks of influenza surveillance, communication among related parties and trainings for health personnel and volunteers. Indonesia's efforts in facing avian flue can also be implemented to anticipate other diseases, including swine flu. Indonesia has managed to provide enough effective oseltamivir anti virus for avian influenza and swine flu caused by influenza A subtype H1N1.

With regard to the recent outbreak of swine flu, Indonesia is working on efforts to increase awareness within the health sector, particularly at ports, in response to the spread of human cases of swine flu that has struck parts of Mexico and North America since March. Indonesia's move was in response to a statement issued by the World Health Organization stating that swine flu constituted a public health emergency of international concern. While waiting for the WHO's guidance on specific measures in response to swine flu, including travel warnings or bans, Indonesia has moved on its own to take necessary measures. Among the measures the government has taken is the allocation of thermoscanners across major Indonesian harbors to identify possible infection among travelers.



III. Indonesia's Domestic Development

During the year of 2008-2009, Indonesia continues its efforts to fight against corruption as well as to work together for the global effort on climate change. Both issues are crucial for the national stability. Commitment as well as political will to work together on these issues is of paramount important for its accomplishment.

Indonesia pays much concern on environmental issue especially on climate change for which it is the main cause of global warming. Indonesia is on the view that global warming is widespread problem in the international world. To show its concern to save the live of humankind from the impact of climate change, and following the succesful event of Indonesia hosting United Nations Framework Convention on Climate Change (UNFCCC) which was held in Bali on December 2007, Indonesia just hosted World Ocean Conference (WOC) and Coral Triangle Initiative (CTI) Summit in Manado, on May 2009. The CTI Summit agreed to enhance cooperation on coral reef conservation, sustainable fisheries, and food security. Meanwhile, the WOC resulted Manado Declaration as the meeting's outcome which then will be brought to the COP-15 of the UNFCC in Coopehangen in 2009. In addition to the domestic development, Indonesia commits to fight against corruption through the legal and law enforcement and to arrest the high-level corruptor in Indonesia. Indonesia believes that all forces should unite against corruption. In this occasion, Indonesia highlighted areas where United Nations office on Drugs and Crime (UNODC), World Bank and others, can provide technical assistance, for

example asset recovery which is one of the key measures of the anti-corruption convention. Political will, however, at the highest level and good intentions at the operational level, is highly required for the efforts to recover assets.

Indonesia puts its highest priority to the review mechanism and asset recovery. In this context, Indonesia has become one of among 17 countries that were voluntarily become pilot project for the implementation of the convention. For the asset recovery, Indonesia together with World Bank and United Nations will conduct high level discussion on the process of asset recovery in the context of Stolen Asset Recovery Initiative (StAR).

IV. Conclusion

The increasingly importance of the non-traditional issues like Disaster Relief, Counter-Terrorism and Trans-National CrimesCTTC), Maritime Security, and Non-Proliferation and Disarmament in which ARF has been dealing with, has made the presence of our Forum become more relevant, strategic and important. The ongoing process of moving from Confidence Building Measures (CBMs) to Preventive Diplomacy (PD) strengthen the ARF role in the region. Indonesia appreciates the development on this continuing transition and acknowledges the importance of discussion on CBMs and PD

Asia-Pacific is relatively stable region; however, it is still posed with challenges that are becoming more complex and interrelated. The source of such challenges is not exclusively to the internal region situation. Global environment is also playing a significant role in shaping regional strategic context.



In addition to the energy, food security, and climate change issues which remain the region's common concern, economic and financial crises could trigger the instability of the Asia-Pacific region. The region therefore requires greater cooperation between the nations concerned in dealing with such challenges, and ARF could play a certain role in facing these threats.

ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

JAPAN

Chapter 1 Japan's Assessment and Efforts regarding the Regional and Global Security Environment

1. Overview

Currently, the international community faces numerous challenges such as world wide occurrence of terrorism, the so-called "once in a century" economic and financial crisis, issues regarding food, climate change, piracy, as well as natural disasters which are all difficult issues for individual countries or regions to tackle on its own. Amid such an era of mounting global issues, Japan has been making efforts to enhance international collaboration including the hosting of the G8 Toyako Hokkaido Summit Meeting as the G8 Chair, the 4th Tokyo International Conference on African Development (TICAD) and the Pakistan Donors Conference.

The Asia-Pacific region is the most dynamically changing region in the world; with China and India recently undergoing rapid development, with the Association of South Eastern Nations (ASEAN) continuing to build economic as well as political confidence, with Russia with its restored national power now aiming for further development though collaboration with Asian countries, as well as with the Oceania region such as Australia expanding its international role including

its security role.

On the other hand, there are issues, such as issues regarding the Korean Peninsula as well as the Taiwan Straits that still remain in the Asia-Pacific region, which is casting a shadow over the great potential of the region and creating factors of instability. In particular, North Korea has gone ahead with a missile launch in April and a nuclear test in May in violation of relevant UN Security Council Resolutions, and this has been clearly aggravating the security environment.

In order to increase transparency and lower the risks that lead to instability under such a complex and diverse security environment, Japan believes it important that, a) continued U.S. commitment is ensured for the prosperity and development of Asia, b) constructive and future-oriented relations be built among Asian countries, and c) a multilayered, open and common-interest-based regional cooperation is promoted through utilizing frameworks such as the ARF and East Asia Summit (EAS).

2. Regional Situations

(1) The DPRK

Japan takes part in the Six-Party Talks and Japan-DPRK consultations based on the policy to normalize Japan-DPRK relations through the comprehensive resolution of the



outstanding issues of concern including the abduction, the nuclear and the missile issues, and the settlement of the unfortunate past between the two in accordance with the Japan-DPRK Pyongyang Declaration.

In April 2009, the DPRK pressed forward with a missile launch despite the prior demands for self-restraint by countries concerned including Japan. Japan deems this act as a matter of grave provocation in terms of security given the fact that neighboring countries including Japan are continuously facing nuclear and missile threats. Also, the GOJ recognizes the act as a violation of United Nations Security Council Resolution (UNSCR) 1695 and 1718 and the Japan-DPRK Pyongyang Declaration, and considers it inconsistent with the Joint Statement of the Six Party Talks. Further, the act contradicts the efforts for peace and stability of Northeast Asia, including those taken through the Six Party Talks. The launch is unacceptable for Japan.

Furthermore, the DPRK carried out a nuclear test on 25 May 2009. Combined with the fact that DPRK is strengthening its ballistic missile capability which could become a means of delivery of weapons of mass destruction, this is a severe threat to the safety of Japan, significantly undermining the peace and security of Northeast Asia and the international community, and therefore, is entirely unacceptable. Such an act clearly violates UNSCR 1718 of 14 October 2006, and is a

severe challenge to the NPT regime. Moreover, it is also in violation of the Japan-DPRK Pyongyang Declaration as well as the Joint Statement of the Six-Party Talks.

Japan demands that the DPRK take extremely seriously the relevant United Nations Security Council Resolutions (UNSCRs) and the statement by the President of the Security Council which demonstrate international consensus, refrain from activities that damage peace and stability of the region and abide by the relevant UNSCRs. Japan will continue to work closely with the countries concerned, including the U.S and the ROK, and China, which is the Chair of the Six-Party Talks.

The countries concerned understand the importance of full implementation of the Joint Statement of the Six-Party Talks, and that advancing Japan-DPRK relations is necessary for, that end. With such an understanding, the countries concerned are pressing the DPRK to take concrete action towards the resolution of the abduction issue. The DPRK has, however, yet to take any concrete action. Japan will continue to seriously take part in Japan-DPRK consultations and work tenaciously for the resolution of outstanding issues including the abduction issue.

(2) China

In 2008, which marked the 30th anniversary of the conclusion of Treaty of Peace and Friendship between Japan and the Peoples Republic of China, there were five

Summit exchanges in the year, including President Hu Jintao's visit to Japan in May, which was the first visit by Chinese President in ten years, as well as Prime Minister Aso's visit to China in October. The two countries have been maintaining frequent high-level dialogues including Foreign Minister Nakasone's visit to China in February, Defense Minister Hamada's visit to China and visit by Li Changchun, member of the Standing Committee of the Political Bureau of the Central Committee, in March. This was followed by an official visit to China by Prime Minister Aso in April in which he attended separate summit meetings with President Hu Jintao and Premier Wen Jiabao respectively. Particularly, in the Prime Minister's official visit in April, both leaders confirmed to promote cooperation in extensive fields including economy and business, the environment as well as people-to-people exchange. Japan will continue to enhance high-level communication towards comprehensive promotion of a "Mutually Beneficial Relationship Based on Common Strategic Interests" between Japan and China.

On the other hand, when we look at China's defense policy, against the backdrop of its rapid economic development, we notice an over two-digit increase of defense budget year-on-year for the past 21 consecutive years. China is advancing modernization of its military, mainly its nuclear, missile capability as well as naval and air power, while transparency continues to be lacking. Particularly, with regard to China's defense policy, although there are

some efforts on the side of China such as publishing defense white papers every other year, details on defense spending, number of troops per unit, number of equipment and plans of procurement and weapons trade remain unclear. This is a source of concern to the region and the international community. Japan hopes that China will continue its economic development in a well-balanced manner, in harmony with the international community, while increasing transparency, and will carry out its role as a responsible major power.

(3) Far East / Russia

Russia continues to enjoy a generally stable political administration since the inauguration of President Medvedev and Prime Minister Putin in May last year and seems to have no essential change in the direction of its foreign policy. With regard to Russia's policy towards Asia, Russia is recently carrying out Far Eastern and East Siberian development, in pursuit of strengthening relations with the Asia-Pacific region and has become more active in the region, not only in the economic field but also in the security field.

In recent years, Russia has been engaged in military modernization including constructions of new-model submarines as well as the development of new-generation ballistic missiles. It has been increasing its military activities in Asia-Pacific resuming its surveillance flights by strategic bombers in 2007, which was followed by an airspace



intrusion over the Izu Islands of Japan in February 2008. This was however, the first such case that occurred in 33 years off the east coast of Japan. In September, President Medvedev paid a visit to the Russian Pacific Fleet (Vladivostok).

While Japan has been paying close attention to such trends in Russia, its security policy in this region remains to be unclear. Japan hopes for Russia to perform a responsible role in this region and to establish Japan-Russia relations in which Russia can further advance along with Japan, contributing to the stability and prosperity of the Asia-Pacific region. At the same time, Japan seeks Russia's military transparency, and would like to achieve the final solution of the issue of the Northern Territories, which has been the issue of greatest concern between Japan and Russia.

(4) Afghanistan and Pakistan

Stability of the region including Afghanistan, Pakistan and neighbouring countries is indispensable for the peace and security of the entire international community. Japan considers it important to look at this region from a broad perspective in providing support, perceiving the region in its entirety including Central Asia and Iran.

Japan has been providing both counter-terrorism and security-related assistance as well as humanitarian and rehabilitation assistance to Afghanistan in order to prevent the country from returning to

a hotbed of terrorism. Up until now, Japan has pledged a total of 2 billion dollars of assistance for the rehabilitation of Afghanistan, and has implemented so far, a total of 1.78 billion dollars in humanitarian and rehabilitation assistance since September 2001. In March 2009, Japan provided assistance of around 300 million dollars to Afghanistan, faced with a crucial stage for stability and rehabilitation, in order to build an environment to carry out a successful presidential election this year. Japan will continue to actively contribute to the reconstruction of Afghanistan as a responsible member of the international community.

With regard to Pakistan, Japan hosted the Friends of Democratic Pakistan Ministerial Meeting and the Pakistan Donor's Conference in Tokyo in April 2009. At the Donor's Conference, Japan pledged up to 1 billion dollars of assistance in the coming 2 years to support the Pakistani Government's counter-terrorism and economic reform efforts. A total of more than 5 billion US dollars was pledged in the conference itself. It is important to ensure that these pledges are implemented in the coming years. Furthermore, it is vitally important to provide assistance to internally displaced people in order to prevent instability in the Pakistani community. Japan has provided a total of approximately 19 million dollars of assistance to internally displaced people (IDP) including around 10 million dollars of emergency grant assistance pledged in June. Moreover, in February this year, by utilizing its FY2008 supplementary budget, Japan

has provided 14.5 million dollars for the stability of the border region of Afghanistan and Pakistan through the World Food Program (WFP), the United Nations Children's Fund (UNICEF) and the United Nations High Commissioner for Refugees (UNHCR), which adds to a total of 33.5 million dollars. Japan is currently considering possibilities for further assistance.

(5) Situation on Piracy

Piracy incidents off the coast of Somalia and in the Gulf of Aden have been increasing rapidly, particularly, since the summer of 2008. There were 111 incidents reported last year which make approximately 40% of the total incidents around the world. This marked approximately a 2.5-fold increase from the figure of 2007. As of 31 May, there has been 130 piracy attacks reported (This already marks an approximately 20% increase from the number of cases reported last year. 29 vessels have been "sea jacked". 14 vessels have been detained, around 210 people have been taken hostage.). Last year, there was also an incident in which a Japanese citizen had been taken hostage, as well as 3 cases involving attacks on Japan-related vessels. One other such case has been reported since the start of this year. Under the current situation, vessels may be attacked by pirates any time. This is a source of deep concern.

Piracy off the coast of Somalia and in the Gulf of Aden is both a global issue and a pressing issue from the perspective of protection of lives and property. In March this year, in order

to take part in counter-piracy efforts off the coast of Somalia and in the Gulf of Aden, Japan has dispatched 2 Maritime Self-Defense Force destroyers based on existing law. The destroyers are currently engaged in escorting Japan-related vessels. Furthermore, Japan dispatched 2 P-3C maritime patrol aircraft at the end of May. Currently, the Draft Anti-Piracy Measures Law is under deliberation in the Diet in order to appropriately and effectively deal with piracy acts regardless of the flag-state of relevant vessels.

Moreover, in order to eradicate piracy, it is important to make efforts from a mid-to-long term perspective, including the improvement of maritime law enforcement capacity of coastal states as well as enhancement of regional cooperation, and stabilization of the volatile situation in Somalia.

Chapter 2 Japan's Perception of ARF's Role in Regional Security

Since the first ministerial meeting in 1994, the ARF has developed into a security forum reaching out to the entire Asia-Pacific region, contributing to a moderate but steady improvement of the regional security environment through confidence building and enhancement of exchanges among defense officials. However, under the current situation, the ARF has not yet become an institution which can effectively respond to security issues in the region, in which unstable and unpredictable factors still remain, and is mounted by complex challenges such as natural disasters, economic and financial crisis, terrorism and piracy. In order for



the ARF to continue to be a viable institution for regional security, Japan believes that it is important for the ARF to develop into an institution which can carry out concrete action.

When we look at the security environment in the Asia-Pacific, we can point out that the situation is still unstable with severe tensions caused by confrontations between states and issues regarding fragmented states. The ARF, as the only multilateral security framework in the Asia-Pacific, and aiming to improve the security environment in the region, has been contributing to that end through dialogue and in sharing a vision of peaceful settlement of conflicts among members. Furthermore, the ARF has provided a unique platform for frank exchanges of views bringing together major players which play an important role in regional security including the U.S., Russia, China, Japan and India, with ASEAN acting as a form of catalyst.

However, members have different views on how the ARF could play a role in areas of traditional security, due to the relevance it may have on state sovereignty issues. As such, not much more than confidence building has been achieved thus far in the ARF. On the other hand, with the emergence of globalization, countries are confronting trans-national security issues or the so-called "threats to civil society," such as international terrorism, the proliferation of weapons of mass destruction and their means of delivery, natural disasters and piracy. Countries' interests tend to be more common on these non-traditional security issues, and gradual progress is underway including adoption of work plans and undertaking of joint exercises.

Japan believes that it is important for the ARF to make steady progress on the road of development from the first stage of promoting Confidence Building Measures to the second stage of promoting Preventive Diplomacy and eventually aim to arrive at the third stage of making Approaches to Conflicts. In order to do so, it is important for the ARF to aim for an institution that can make meaningful contributions in both traditional and non-traditional security areas.

In the future, we believe that the ARF will greatly contribute to the improvement of the regional security environment if it would be able to take on a role similar to other international organizations including through dispatch of fact finding missions, election monitoring teams or troop monitoring in conflict areas in face of conflict or disaster in the region.

On the other hand, it is realistic to assume that the ARF would require quite a long time in order for it to develop into an institution which can carry out concrete action in the field of conflict prevention. Therefore, we believe that the important and realistic approach is to make steady progress in non-traditional security cooperation such as in counter-terrorism, disaster relief, non-proliferation and disarmament, maritime security and PKO, while at the same time setting the goal of becoming an institution such as the one mentioned above, and making efforts towards its realization.

Chapter 3 Japan's Contribution for Peace, Security and Stability in the ARF Region

1. Japan's Regional Security Policy and Efforts to Ensure Peace and Stability

(1) Japan's Basic Security Policy

As apparent in the DPRK's launch of ballistic missiles and nuclear test, there remain unstable and uncertain factors in the Asia-Pacific region even after the end of the Cold War. These include regional conflicts as well as proliferation of weapons of mass destruction and missiles. Under such a security environment, Japan has been promoting a security policy founded on the following three pillars: a) securing Japan's appropriate defense capability, b) firmly maintaining the Japan-US security arrangements, and c) making diplomatic efforts to ensure the stability of the international environment surrounding Japan.

(2) Japan-U.S. Security Arrangements

The Japan-U.S. Security Arrangements have been contributing to the peace and prosperity of Japan and the region, functioning effectively as a basic foundation for the stability and development of the Asia-Pacific region. At the Japan-U.S. Security Consultative Committee ("2+2") meeting in May 2007, both sides recognized that in order to ensure the continued effectiveness of the Japan-U.S. Alliance under the current security environment, it is important for "Alliance Transformation" to take place, including the steady implementation of the "Japan-U.S.

Roadmap for Realignment Implementation." In the Japan-U.S. Summit Meeting between Prime Minister Aso and President Obama in February 2009, both sides confirmed the steady implementation of the realignment of U.S. Forces in Japan based on the Roadmap. President Obama also announced his commitment on defense of Japan including through nuclear deterrence.

In the area of BMD cooperation, since the development of the BMD system was decided in December 2003, Japan has been making efforts in the steady development of the BMD system in cooperation with the U.S. in various fields including policy, management, research and development. With regard to efforts in Japan, Japan has been steadily deploying PAC-3 missile units in Japan since 2007, succeeded in the SM-3 launching test by its Aegis Destroyer Kongo, the first Destroyer with anti-ballistic capabilities, in December 2007, and succeeded in the PAC-3 launching test in September 2008. Furthermore, USS Kitty Hawk - a conventionally-powered aircraft carrier deployed in Yokota Base, was replaced by USS George Washington - a nuclear-powered aircraft carrier, which entered the port of Yokosuka in September 2008.

In addition to the Japan-U.S. security and defense cooperation mentioned above, it is important to reduce the burden on the local residents caused by the activities of U.S. Forces in Japan and to gain understanding and support from the residents on the stationing of U.S. Forces in order to



ensure a smooth and effective operation of the Japan-U.S. alliance system. From this perspective, continued efforts will be made to reduce the burden on the local community by the steady implementation of the Roadmap including the relocation of the U.S. Marine Corps in Okinawa to Guam and the relocation and return of the Futenma Air Station as well as improvement of the implementation of the Japan-U.S. Status of Forces Agreement.

2. Japan's Activities for the Promotion of Regional Peace and Stability

(1) Bilateral and Multilateral Dialogue and Cooperation

In order to ensure peace and stability in the Asia-Pacific region, a region characteristic of its diversity, building of mutual confidence through inter-state dialogue, exchange and cooperation is indispensable, in addition to cooperation among relevant countries in responding to particular issues.

With regard to bilateral frameworks in the region, Japan has security dialogues and defense exchanges with Australia, Canada, China, India, Indonesia, Malaysia, New Zealand, the Republic of Korea, Pakistan, the Philippines, Russia, Singapore, Thailand, and Viet Nam, working to deepen mutual confidence and promote cooperation in the field of security.

On the other hand, with regard to our approach on security issues in multilateral fora, Japan has been

participating in various frameworks including the ARF, ASEAN+3, EAS, ASEAN/PMC, ASEM etc. The Ministry of Defense of Japan has been actively engaged in multilateral dialogues and cooperation including by hosting the Asia-Pacific Defense Officials' Forum (Tokyo Defense Forum) since 1996, as well as the Defense Officials' Meeting on Common Security Issues in the Asia-Pacific in March 2009 and the first round of the Tokyo Seminar on Common Security Issues.

(2) Counter-Terrorism

Southeast Asia and East Asia did not see outbreaks of large scale terrorism incidents last year. However, as seen in the suicide bombing in Marriott Hotel in Islamabad, Pakistan in September 2008, and a series of terrorist attacks in Mumbai, India in November 2008, the threat of terrorism remains high. It is important that the international community including Japan continues to maintain solidarity and to make continued efforts in a wide range of fields. For this purpose, Japan has been promoting counter-terrorism measures based on a policy based on the following three pillars: a) strengthening domestic counter-terrorism measures, b) promoting a wide range of international cooperation, and c) assisting counter-terrorism capacity-building in developing countries.

In particular, in order to actively and proactively contribute to the international effort for preventing and eradicating international terrorism, Japan Maritime Self-

Defense Force vessels are in the Indian Ocean undertaking replenishment support activities, based on the Replenishment Support Special Measures Law. Furthermore, amid increasing international attention on the border region of Afghanistan and Pakistan, Japan perceiving the region in its entirety, has been actively engaged in humanitarian and reconstruction assistance for Afghanistan. Japan has also hosted the Friends of Domestic Pakistan Ministerial Meeting in Tokyo and the Pakistan Donors Conference with a view to assisting the Pakistani Government in tackling the difficult issues including economic reforms and counter-terrorism. Moreover, Japan has been advocating the enhancement of international counter-terrorism cooperation in various arenas including regional frameworks such as the ASEAN, APEC, and ASEM as well as through multilateral and bilateral cooperation with countries of the Asia-Pacific.

With regard to assistance for developing countries on counter-terrorism capacity building, Japan has provided technical assistance and equipments in areas of immigration control, airport security, port security and law enforcement. Also, the counter-terrorism security grant aid cooperation scheme (7 billion yen in FY 2006, 7.2 billion yen in FY2007, 6 billion yen in FY2008, and 6 billion yen in FY 2009), newly established in 2006, has enabled, for example, the provision of;

- 867 million yen for a large-scale X ray inspection machinery and the construction of other relevant

facilities to Tan Cang Cat Lai Port of HoChi Minh City Port, Vietnam in October 2008,

- 278 million yen to the Malaysian coast guard for a night monitoring system and a small high-speed vessel in March 2009, and
- 714 million yen to the Malaysian customs authorities for the installation of a small high-speed vessel as well as a ultra-violet monitoring system needed for preventing smuggling in March 2009.

(3) Arms Control, Disarmament and Non-Proliferation

While the international nuclear disarmament and non-proliferation regime is faced with various challenges including the North Korean nuclear and missile issues and the Iranian nuclear issue, we are seeing an increased momentum in the international community towards nuclear disarmament. Under these circumstances, Japan considers it extremely important to maintain and strengthen the international disarmament and non-proliferation regime which is based on the NPT, and has been engaged in various diplomatic efforts in order to achieve a peaceful and safe world free of nuclear weapons. The nuclear disarmament resolution that Japan submitted to the UN General Assembly last year was adopted with the support of 173 countries, the largest number of countries ever voting in support. Moreover, the "International Commission on Nuclear Non-proliferation and



Disarmament” which was launched as a joint initiative between Japan and Australia, based on the agreement by Leaders of both countries at their meeting in July 2008, is working to put together a report including concrete recommendations before the 2010 NPT Review Conference. In April 2009, Foreign Minister Nakasone proposed “the 11 benchmarks for global nuclear disarmament” in order to globalize and sustain the momentum towards nuclear disarmament.

Against the backdrop of the North Korea launch of a ballistic missile in April 2009, the overall capability to produce and provide weapons of mass destruction, their means of delivery, or material that could be used for the development of such weapons have increased in Asia. The importance of the region as a transit trading area of such goods has been increasing. At the same time, there have been a number of reports relating to illicit procurement activities of WMD related materials in this region. Therefore, development and the enhancement of the non-proliferation regime in this region continues to be an urgent challenge. Under these circumstances, it is increasingly important that Asian countries cooperate within the region to enhance the global disarmament and non-proliferation regime.

Japan is strengthening its outreach activities based on the following three pillars: a) promotion of the conclusion of relevant treaties on weapons of mass destruction as well as strengthening domestic implementation,

b) arranging and strengthening export control mechanisms, and c) the Proliferation Security Initiative (PSI). To this end, Japan has been hosting a range of meetings every year including the Asian Senior-level Talks on Non-Proliferation (ASTOP). Furthermore, in September 2008, Japan has made a significant contribution to the PSI maritime exercise “Maru” hosted by New Zealand, including the dispatch of two P-3Cs of the Maritime Self-Defense Force. As shown above, Japan is actively engaged in the enhancement of regional efforts in the area of non-proliferation.

(4) Maritime Security

Japan is a sea faring country as well as a trading country which depends heavily on maritime transport for imports of its energy and food resources as well as much of its trade. Securing safe navigation of vessels and maritime security such as counter-terrorism and anti-piracy are not only an issue which is directly connected to Japan’s existence and prosperity but are also extremely important in order to achieve economic growth of the region.

In recent years, while the number of piracy and armed robbery incidents in the Straits of Malacca and Singapore is on the decrease, acts of piracy off the coast of Somalia is on a rapid increase. Ensuring the safety of sea lanes of communication connecting Europe, the Middle East and East Asia, is of extreme importance to Japan’s interest. Japan is seriously concerned about the large number of

and rapid increase in acts of piracy.

A) the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP)

In Asia, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) was formulated under the initiative of Japan, and came into force in September 2006 (Japan joined the agreement in April 2005). Based on the agreement, an Information Sharing Center (ISC) was established in Singapore. The ReCAAP-ISC has been undertaking active work in building a piracy information-sharing system and a transnational cooperation network in Asia, and has received high reputation worldwide. Currently, in Africa, a region troubled with the upsurge of piracy incidents, the building of a regional cooperation framework modeled after ReCAAP is being pursued.

B) Safety of Navigation in the Malacca and Singapore Straits

With regard to safety of navigation, an agreement was reached to establish a “cooperative mechanism” as a new framework of international cooperation among coastal states, state users and individual users at the third “International Conference on Malacca and Singapore Straits” organized by the International Maritime Organization in Singapore in 2007. Japan indicated its intention to provide assistance to some of the projects proposed by coastal states including through contribution to

funds from the private sector. Japan will continue its cooperation with coastal states by actively participating in the cooperative mechanism and related projects.

Furthermore, in the ARF, Japan co-hosted the Inter-Sessional Meeting on Maritime Security with Indonesia and New Zealand in March 2009, in which it proposed to formulate the so-called “Best Practices” document, collecting experiences and lessons-learned from each country. The proposal received the support of participating countries.

(5) Disaster Prevention and Disaster Relief

Disaster prevention is an indispensable pillar for sustainable development, and is an extremely important area that contributes to the enhancement of human security. Moreover, in recent years, it has become increasingly important to deal with the issue from the perspective of responding to the issue of climate change. Asia, in particular, accounts for around 90 per cent of the population who are affected by disasters worldwide (number of disaster outbreaks, cost of damage and death toll in Asia account for 40-60 per cent of the global figure). In 2008, there have been many outbreaks of large scale disasters including the cyclone disaster in Myanmar and the great earthquake in the Sichuan Province, China. Japan recognizes that disaster prevention is an urgent issue in the ARF region.

Japan has announced an initiative for disaster reduction, outlining Japan’s basic policy regarding our



international cooperation based on ODA. Japan has been working to formulate a synergy of efforts, utilizing its ODA, promoting partnership in Asia as well as implementing cooperation through UN organizations. Through such measures, Japan is implementing comprehensive and consistent cooperation with a view to promoting the “Hyogo Action Framework” in East Asian countries, by responding to respective stages of disaster prevention, emergency response in the aftermath of disasters, and post-disaster rehabilitation and development.

In promoting partnership in Asia, Japan has been utilizing the Japan-ASEAN Integration Fund (JAIF) and has been providing assistance to disaster prevention projects carried out by the Asian Disaster Reduction Center and to the material stockpiling for mutual emergency relief in case of disaster outbreaks in the ASEAN region. Moreover, in order to share experience and knowledge in formulating a universal disaster prevention mechanism, Japan will host the first meeting at the heads of government agency-level on disaster management among Japan, China and the ROK.

In the ARF, the first Voluntary Demonstration of Response on Disaster Relief (VDR) had been carried out in the Philippines, in which a total of over 100 participants from Japan including officials from the Ministry of Defense, Self Defense Forces, JICA and the Ministry of Foreign Affairs attended. The Ministry of Defense

and the Self Defense Forces have participated in the area of medical, epidemic prevention and water purification, as well as by sending a maritime Search and Rescue aircraft (US-2) and two C-130s. We believe that through this VDR, the momentum towards concrete cooperation has greatly increased, thereby contributing to the mutual understanding and confidence building among participant countries.

Chapter 4 Japan’s Defense Policy and Relevant Information

1. Japan’s Defense Policy and Doctrine

(1) The Constitution and the Right of Self-Defense

Since the end of World War II, Japan has worked hard to build a peace-minded nation far from the miseries of war. The Japanese people desire lasting peace, and the principle of pacifism is enshrined in the Constitution, of which Article 9 renounces war, the possession of war potential, and the right of belligerence by the state. Nonetheless, since Japan is an independent nation, these provisions do not deny Japan’s inherent right of self-defense as a sovereign state.

Since the right of self-defense is not denied, the Government interprets this to mean that the Constitution allows Japan to possess the minimum level of armed force needed to exercise that right. Therefore, the Government, as part of its exclusively defense-oriented policy under the Constitution, maintains the Self-

Defense Forces (SDF) as an armed organization, and continues to keep it equipped and ready for operations.

(2) National Defense Policy

Under the Constitution, Japan has adhered to its National Defense Policy, which was adopted by the National Defense Council and approved by the Cabinet in 1957.

The National Defense Policy defines policies to establish the foundation of security through international harmonization and peace activities, as well as ensuring the stability of society, and then to establish efficient defense capabilities and to maintain the Japan-U.S. Security Arrangements.

(3) Other Basic Policies

Under the National Defense Policy, Japan has built a modest defense capability under the Constitution purely for defense purposes without becoming a military power that could threaten other countries, while adhering to the principle of civilian control of the military, observing the Three Non-Nuclear Principles, and firmly maintaining the Japan-U.S. Security Arrangements.

a. Exclusively Defense-Oriented Policy

The exclusively defense-oriented policy means that Japan will not employ defensive force unless and until an armed attack is mounted on Japan by another country, and even in such a case, only the minimum

force necessary to defend itself may be used. Furthermore, only the minimum defense forces necessary for self-defense should be retained and used. This exclusively defense-oriented policy is a passive defense strategy that is consistent with the spirit of the Constitution.

b. Not Becoming a Military Power

Japan will not become a military power that could threaten the security of other countries.

c. The Three Non-Nuclear Principles

The Three Non-Nuclear Principles are that Japan: will not possess nuclear weapons, will not produce nuclear weapons, and will not allow nuclear weapons into Japan. Japan adheres to the Three Non-Nuclear Principles as a fixed national policy.

d. Ensuring Civilian Control

Civilian control of the military means politics have precedence over the military in a democratic state, and hence democratic political control over the military.

Learning lessons from World War II, Japan has adopted the following systems of uncompromising civilian control that are entirely different from those under the former Constitution. Civilian control ensures that the SDF is operated in accordance with the will of the people.

The Japanese people are represented in the Diet, which makes legislative and budgetary decisions on matters such as the authorized number of SDF Regular Personnel and principal institutions of the SDF. It also approves the issue of Defense Operation Orders.



As part of its general administrative functions, the Cabinet holds complete authority related to defense. The Constitution requires the Prime Minister and other Ministers of State in the Cabinet to be civilians. The Prime Minister, acting on behalf of the Cabinet, is the supreme commander of the SDF. The Minister of Defense, who is exclusively in charge of national defense, exercises general control over SDF activities. The Security Council of Japan within the Cabinet discusses important defense matters.

At the Ministry of Defense, the Minister of Defense is in charge of administrative work related to national defense and controls the Ground, Maritime and Air SDF.

(4) The National Defense Program Guidelines

a. Two Objectives and Three Approaches

The National Defense Program Guidelines set forth the basic principles of Japan's security policy and the basic guidelines for Japan's defense capability in the future, including its significance and role as well as the specific organization of the SDF and the target levels of major defense equipment to be built-up based on these principles and guidelines.

The current guidelines were formulated in 2004 as "The National Defense Program Guidelines for FY 2005 and Beyond" (NDPG 2004) in order to respond adequately to the international security environment following the 9/11 terrorist attacks on the United States.

The National Defense Program Guidelines define the following two objectives for

security:

- i) Prevention of threats from reaching Japan and, in the event that they do, repelling them and minimizing any damage, and
- ii) Improvement of the international security environment to reduce the potential that threats will reach Japan in the first place.

In order to achieve the two objectives listed above, three approaches—Japan's own efforts, cooperation with alliance partners, and cooperation with the international community—are to be combined in an integrated manner.

b. Vision for Future Defense Capabilities

In recognition of the new security environment, the National Defense Program Guidelines define the role of defense capabilities as:

- i) Effective response to new threats and diverse contingencies
- ii) Preparation for a response to a full-scale invasion
- iii) Proactive efforts, on Japan's own initiative, to improve the international security environment

The guidelines state that Japan will efficiently maintain the SDF posture deemed necessary to carry out missions effectively in each area.

Furthermore, following are fundamental elements of Japan's defense capabilities that are included in the National Defense Program Guidelines, which are necessary to fulfill the defense missions described earlier.

- i) Enhancement of Joint Operation Capabilities
- ii) Strengthening Intelligence Capabilities
- iii) Incorporating the Progress of Science

and Technology in Japan's Defense Capabilities

iv) Effective Utilization of Human Resources

(See < http://www.mod.go.jp/e/publ/w_paper>)

2. Defense-Related Expenditures

(1) Defense-Related Expenditures and its Trends

Defense-related expenditures include spending for maintaining and managing the SDF, improving living conditions in the neighborhoods of defense facilities, and supporting U.S. forces stationed in Japan.

The defense-related budget on an expenditure basis for FY 2008 decreased by 38.9 billion yen or 0.8% from the preceding fiscal year for the sixth consecutive year (The budget shown in above excludes costs related to the Special Action Committee on Okinawa (SACO) and the U.S. forces realignment-related expenses (portion meant to reduce burden on local communities)).

Including 18 billion yen in SACO-related expenses and 19.1 billion yen in expenses related to realignment of U.S. forces (portion meant to reduce burden on local communities), Japan's total defense-related expenditures for FY 2008 amount to 4,779.6 billion yen, representing a decrease of 0.5% or 21.7 billion yen from the preceding fiscal year.

(2) Breakdown of Defense-Related Expenditures

Defense-related expenditures are broadly classified into "personnel and food provisions expenses," which cover such items as pay and meals for SDF personnel, and "material expenses," which finance the repair and maintenance of equipment, purchase of fuel, the education and training of SDF personnel, and the procurement of equipment and others. Material expenses are further classified into "obligatory outlay expenses," which are paid under contracts concluded in previous fiscal years, and "general material expenses," which are paid under current-year contracts.

Personnel and food provisions expenses and obligatory outlay expenses, both of which are mandatory expenses, account for 80% or more of the total defense-related budget. A breakdown of general material expenses shows that ongoing or mandatory costs account for a significant portion of the total, including the repair of equipment, education and training of SDF personnel, cost-sharing for the stationing of USFJ, and expenses related to measures to alleviate the burden on local communities hosting U.S. bases in Japan.

(3) Submitting the information on Defense-Related Expenditures under United Nations Instrument for Reporting Military Expenditures

Japan has submitted to the United Nations Secretariat the information



on defense-related expenditures of the latest fiscal year based on UNGA 62/13 in order to contribute to promoting transparency of military expenditures.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

MALAYSIA

A. Malaysia's perceptions of and approaches towards the regional and global security environment

1. The overall regional security outlook for the Asia Pacific region in 2009 continues to remain positive. Nevertheless, there remains several challenges to peace and stability in the region. The challenges are basically of two types: the first type relates to the traditional security threats such as the situation in the Korean Peninsula, cross straits relations, weapons of mass destruction and non-proliferation issues, overlapping or unresolved territorial and jurisdictional claims.
2. The other type is basically non-traditional security threats such as piracy, illegal migration, smuggling of small arms and light weapons, trafficking of illegal drugs, money laundering and other criminal activities. In addition, the current global economic and financial crisis have also impacted many economies in the region. The 1997 financial crisis is a grim reminder of how economic issues in the absence of collective regional responses could undermine peace and stability in the region.
3. In Southeast Asia, external military threats have not been a major concern since the end of World War
- II. Bilateral disputes are being resolved through bilateral mechanisms and third party arbitrations. Bilateral disputes have never been a feature in ASEAN meetings. They do not in any way act as impediments to ASEAN cooperation.
4. There are two major factors that strongly influence Malaysia's security outlook in geopolitical terms. The first is the existence of one of the busiest waterways in the world in its territory that is the Straits of Malacca. Malaysia shoulders the primary responsibility together with Indonesia and Singapore to ensure the maintenance of safe and secured passages for international shipping along the Straits of Malacca, which is crucial for the economy of the entire region.
5. The second important geopolitical factor that shapes Malaysia's security relates to the South China Sea. It is an area that has become the subject of overlapping territorial claims among China, Brunei Darussalam, Malaysia, the Philippines and Viet Nam. Malaysia is committed towards maintaining peace and stability in the area, which it deems vital for the stability and economic prosperity of the entire region.



6. In dealing with sensitive political and sovereignty issues, Malaysia has always been guided by three major principles - Malaysia will not interfere in the internal affairs of its neighbouring countries, it will not support any struggle by groups that would affect the territorial sovereignty and integrity of any country, nor support any separatist group; and it will not provide political asylum to any members or leaders of such separatist groups.
 7. The Northeast Asian region remains an area of concern particularly with regard to the recent developments over the DPRK nuclear issue. Malaysia strongly believes that continued existence of nuclear weapons presents a grave threat to humanity, particularly by increasing the risk of proliferation. Malaysia, therefore, reiterates the importance of achieving the universal goal of complete and general disarmament especially weapons of mass destruction and its delivery system.
 8. Malaysia also stands by its conviction that the Six-Party Talks is the best platform to resolve all outstanding issue amicably. Malaysia would like to see peace and stability as well as a denuclearised Korean Peninsula as it would not only benefit the Korean Peninsula but the Asian region as a whole.
- B. Malaysia's views on the role of the ARF in regional security**
9. The overall peace and stability of the Asia Pacific region, to a certain extent, can be attributed to the role of the ARF particularly the commitment shown by ASEAN and its Dialogue Partners towards their desire to maintain and enhance the stability of the region.
 10. Since its creation 15 years ago, the ARF has gradually developed into a useful forum for consultations with the goal of preventing future conflicts in the region. This is reflected by the increased number of participants and also the continuing interest from other countries to participate in the ARF.
 11. The ARF has also expanded its scope of activities whereby it has taken on board a multitude of non-traditional security issues ranging from disaster relief to energy security and climate change, to name a few. This is a testimony of ARF's desire and commitment to respond to the fast-changing global security concerns.
 12. Malaysia is pleased that the ARF has taken significant steps to enhance its effectiveness with the adoption of the Paper on the Review of the ARF at the 15th ARF. This year, at the 16th ARF in Thailand, the ARF will adopt another important document i.e the ARF Vision Statement which will chart ARF future direction towards 2020. Indeed, these initiatives are important to ensure that the ARF remain relevant as the primary security forum in the Asia-Pacific region.
- C. Malaysia's contributions to peace, security and stability in the area covered by the ARF geographical footprint**



Counter-terrorism

13. Malaysia has actively participated in the ASEAN Ministers Meeting on Transnational Crime (AMMTC) and the Senior Officials Meeting on Transnational Crime (SOMTC). These meetings serve as important platforms where exchanges of ideas and information on best practices in combating terrorism-related crimes among the ASEAN officials.
14. Malaysia signed the Treaty on Mutual Legal Assistance in Criminal Matters among like-minded ASEAN Member States (Malaysia, Singapore, Viet Nam, Brunei, Lao, Indonesia, Philippines and Myanmar) as the basis for mutual assistance in criminal matters under the ASEAN Convention on Counter-Terrorism.
15. Malaysia also has provided capacity building programmes through the Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT). Focused trainings and courses on counter-terrorism are also organised in collaboration with partners such as United States, United Kingdom, European Union and Russia.

Transnational crime

(i) Trafficking in Persons

16. Malaysia and the Asia Regional Trafficking in Persons (ARTIP) Project jointly organised the Pilot Course for the ASEAN Awareness Training for Judges and Prosecutors on Criminal Justice Responses to Trafficking in Persons in Putrajaya on 7 – 9 April

2008 with the objective of raising awareness of the crime of trafficking among non-specialist prosecutors and judges and strengthen their capacity to recognize and understand the basic legal concepts, trial issues and practical concerns often implicated in cases of trafficking in persons.

17. Malaysia also has conducted a workshop under the Bali Process, which aimed at bringing participants together to share views on threat assessments and risk analysis of people smuggling. The workshop was held in Kuala Lumpur on 3 – 5 June 2008. In addition, in-house trainings were also conducted by the relevant Malaysian agencies in order to inculcate among officer, the awareness and expertise related to trafficking cases. Malaysia will continue to give emphasis on raising awareness and capacity-building to ensure more effective responses to the problem.

(ii) Illicit Drugs Trafficking

18. Malaysia regularly and actively participates in the regular annual session of the Commission of Narcotic Drugs (CND) in Vienna. The CND enables member countries to discuss the current situation regarding the issue and initiate new and effective measures in combating drug trafficking.
19. In addition, Malaysia participates actively in the Asia-Pacific Meeting of Heads of National Drug Law Enforcement Agencies (HONLEA) which is organised by UN Office on



Drugs and Crime (UNODC).

20. Under the ASEAN framework, Malaysia also participated in the Meeting of ASEAN Senior Officials on Drug Matters (ASOD), which was officially established in 1984. The four priority areas in ASOD are preventive drug education, treatment and rehabilitation, enforcement and research. As a further demonstration of its commitment, Malaysia has established the ASEAN Training Centre for Treatment and Rehabilitation in Kuala Lumpur to facilitate the training and research on treatment and rehabilitation at the operational level of ASEAN.

21. Since 1989, the Government of Malaysia has signed five (5) bilateral agreements relating to cooperation in drugs control namely:

- i. A Memorandum of Understanding with the United States (signed on 20 April 1989). Under the framework of this MoU, the US government has provided training for Malaysian officers especially in the field of law enforcement, prevention, treatment and rehabilitation;
- ii. Agreement with the United Kingdom on mutual assistance in relation to drug trafficking (signed on 17 October 1989);
- iii. Memorandum of Understanding with the Republic of Venezuela (signed on 3 August 1990) on cooperation in the prevention and control of illicit drug use and suppressing the production and trafficking of drugs and psychotropic substances, including

precursor chemicals;

- iv. Agreement with the Hong Kong SAR (signed on 23 April 2003) concerning the investigation and prosecution of drug trafficking and the confiscation of the proceeds and instrumentalities of drug trafficking; and
- v. Memorandum of Understanding with the Russian Federation (signed on 9 July 1999) on cooperation against the illicit trafficking of narcotic drugs.

Disaster relief

22. Malaysia hosted the 3rd Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR) which was held in Kuala Lumpur from 2 to 4 December 2008. The 3rd AMCDRR was organized with the support of Conference Partners and the United Nations of International Strategy for Disaster Reduction (UN/ISDR). Consistent with theme of the 3rd AMCDRR i.e. "Multi-Stakeholder Partnership for Disaster Risk Reduction from National to Local", the Conference focused on public-private partnership in disaster risk reduction.

23. During the Conference, the Government of Malaysia announced the establishment of the UN Humanitarian Response Depot (UNHRD) at the Subang Military Airbase. The initiative was being undertaken in collaboration with the World Food Programme (WFP). The Government of Malaysia has also contributed USD\$1 million to run the centre which would be operational in 2009.



Maritime Security

24. Malaysia is fully aware of its responsibilities to ensure that its maritime zones, which include the Straits of Malacca, are safe and secure for navigation. Malaysia constantly undertakes enforcement, direct protection and surveillance of its maritime zones. Regular patrols by enforcement agencies are conducted throughout Malaysia's maritime areas.
25. Malaysia established the Maritime Enforcement Agency of Malaysia (MMEA) under its Malaysia's Maritime Enforcement Agency Act 2004. MMEA began its operation on 30 November 2005 and is empowered to enforce Malaysia's maritime acts and laws such as the Continental Shelf Act (1966) the Exclusive Economic Zone Act 1984, Fisheries Act 1985, Environmental Quality Act 1974, and the Merchant Shipping Ordinance 1952 (amended 2005).
26. In addition to its physical presence, Malaysia has also introduced electronic monitoring capabilities to enable better surveillance of maritime activities in the Straits of Malacca. Two systems are currently in place namely the Sea Surveillance System (SWASLA) manned by the MMEA and the Automatic Identification System (AIS) operated by the Marine Department.
27. To date, three (3) incidents of armed robbery were reported in the Malaysian waters of the Straits of Malacca in 2009. In 2008, only two (2)

incidents were recorded. In 2007 and 2006, four (4) incidents were reported in each year. Comparatively, there were eight (8) reported cases in 2005 and thirteen (13) in 2004. In the area off the coast of Sabah, four (4) incidents of armed robbery were reported in 2009 (January – April) compared to four (4) in 2008, six (6) in 2007, eight (8) in 2006 and sixteen (16) in 2005.

28. Malaysia, together with Indonesia and Singapore are aware of their collective responsibilities in ensuring the safety and security of the Straits of Malacca and Singapore for international navigation. Amongst the measures/initiatives that have been taken towards enhancing the safety and security of the Straits are Malaysia – Indonesia – Singapore (MALSINDO) Malacca Straits Coordinated Patrols, launched in 2004, and the Eyes in the Sky (EiS) which was launched in September 2005.

Non-proliferation and Disarmament

29. Malaysia reiterates the need for States Parties to the Non-Proliferation Treaty (NPT), which is the backbone of the international disarmament and non-proliferation regime, to undertake further efforts to strengthen the NPT. Malaysia reaffirms its full support for the 3 pillars enshrined in the NPT, namely nuclear disarmament; nuclear non-proliferation; and peaceful uses of nuclear technology.



30. In this regard, Malaysia is encouraged by the positive outcome of the recently concluded 3rd Preparatory Committee for the 2010 Review Conference of the Treaty on Non-Proliferation of Nuclear Weapons, which was held in New York on 4 – 15 May 2009. Malaysia looks forward to working with all NPT states parties during the 2010 Review Conference, with a view to achieving a mutually agreeable and beneficial outcome.
31. Malaysia is also encouraged by the outcome of the 2008 Meeting of States Parties to the Biological Weapons Convention (BWC) which was held in Geneva in December 2008. Malaysia is of the view that the understandings achieved could pave the way for further cooperation among states parties throughout the 2007-2010 Inter-sessional Process of the BWC, with a view to achieving the disarmament and non-proliferation objectives of the Convention as well as on the peaceful use and transfer of technologies related to the Convention
32. Malaysia has ratified the Comprehensive Nuclear Test-Ban Treaty (CTBT) on 17 January 2008, and looks forward to the early entry into force of the Treaty. It is important for the other states listed in Annex 2 of the Treaty to ratify the Treaty as soon as possible.
33. The Conference on Disarmament (CD) in Geneva saw progress in its work with the adoption of its Programme of Work for 2009 on 29 May 2009 - ending over 11 years of impasse. Malaysia welcomes the positive development at the CD and is hopeful that substantive work on the four Working Groups established on 29 May 2009, including the Working Group to negotiate a treaty banning the production of fissile materials for nuclear weapons and other nuclear explosives devices would commence as soon as possible.
34. Malaysia is hopeful that all States with a nuclear programme to subscribe fully to the IAEA safeguards mechanism. The IAEA remains the sole authority entrusted to carry out safeguards verification on nuclear material and activities in order to prevent the proliferation of nuclear weapons. It is important that the Agency remain impartial and professional in its conduct. Malaysia will continue to work closely with the IAEA to further develop its nuclear technology purely for peaceful purposes, including as a possible source of energy in the long run, through the IAEA's Technical Cooperation Programme and technology-transfer activities.

D. Defense Policies and Information

Malaysia's National Defence Policy

35. Malaysia's national defence policy is to protect its national interests that are pivotal for the preservation of its sovereignty, territorial integrity and independence. The defence policy, which complements other domestic policies, is an extension of foreign policy which underscores that diplomacy is the first line of defence and the use of force as the last resort.



36. Malaysia's defence policy, among others, emphasizes on three major foundations of national defence, namely national interests, underlying principles of defence and defence strategy.

National Interests

37. Malaysia's national interests can be broadly divided into three: (i) strategic interests, (ii) regional, and (iii) global concerns. Strategic interests are core areas comprising land territories of Peninsula Malaysia, Sabah and Sarawak; territorial waters and airspace; off-shore economic interests comprising EEZ and continental shelf; strategic waterways and airspace that include sea and air lanes connecting Peninsula Malaysia with Sabah and Sarawak, the Straits of Malacca and its approaches and the Straits of Singapore and its approaches.
38. Malaysia's regional interest is to ensure the existence of a peaceful and stable environment that is conducive to the well-being of the nation. By virtue of its geographical location in the centre of Southeast Asia, Malaysia shares common land and maritime borders with almost all the countries in the region. Consequently, developments in other parts of the region invariably have spillover effects on Malaysia's security.
39. The policy recognizes that in the era of globalization, developments in other parts of the world would have ramifications on Malaysia's well-being.

Underlying principles

40. In order to achieve the objectives of the national defence policy, there is a need for a comprehensive strategy. The comprehensive strategy outlined in the defence policy encompasses the following underlying principles:

(i) Self-Reliance

41. Self reliance ideally requires possessing indigenous capabilities in defending the nation from external threats. However, recognising that there are various limitations in developing such capabilities, the national defence policy requires the Malaysian Armed Forces (MAF) to have the capability to act independently in matters concerning internal security as well as protecting the nation's territorial integrity against external threats of low and medium level devoid of external assistance.

(ii) Total Defence

42. The philosophy behind the total defence is that the defence of the nation does not lie solely on the shoulders of armed forces. It is the responsibility of each and every citizen. Total defence therefore calls for the total and integrated efforts of the public, the governmental and non-governmental agencies to assist in the defence of the nation. There are five facets to this concept, namely security readiness, economic resilience, social cohesiveness, psychological resilience and civil preparedness.



(iii) *Commitment towards the Five Power Defence Arrangements (FPDA)*

43. FPDA, established in 1971, is the only multilateral defence arrangement of which Malaysia is a member. The other members are Singapore, Australia, New Zealand and the UK. The FPDA provides an option to consider in the event of an external attack against Malaysia. It has provided significant avenues for the MAF to enhance its capabilities in conventional war-fighting. Despite changes in the strategic landscape of the region compared to the early 1970s, the FPDA remains relevant. Its recent focus on enhancing the capability of members' defence forces in handling non-conventional security threats, especially maritime security and humanitarian and disaster relief, is a testimony to the FPDA's adaptability to remain relevant to the current security challenges. Malaysia in concert with the other members will continue to nurture and strengthen the FPDA.

(iv) *Supporting UN efforts towards global peace*

44. Malaysia has carved a niche for itself in the international peacekeeping. It will continue to participate in UN peacekeeping endeavours whenever invited by the world body. Malaysia is a party to the UN Standby Arrangements on peacekeeping. However, to ensure that its participation is meaningful, the defence policy has set certain criteria. Among others, it includes a clear and achievable mandate, simultaneous peacekeeping efforts by the UN and

the parties to the conflict, and ascertainable time frame.

45. Malaysia is also a party to the various disarmament regimes such as the Anti-Personnel Landmines, CTBT, NPT and CWC. Defence policy supports new international disarmament initiatives.

(v) *Defence Diplomacy*

46. Recognizing the significance of defence diplomacy as an instrument of preventing conflicts or potential sources of tension, it is to be carried out through:

(i) bilateral defence relations which will provide avenues for establishing defence networking and enhancing confidence-building as well as transparency.

(ii) multilateral fora within the regional security architecture such as ASEAN and the ASEAN Regional Forum (ARF). The formalization of the ASEAN Defence Ministers' Meeting (ADMM) process within the formal framework of ASEAN and the increasing involvement of defence and military officials in the various activities and meetings under the auspices of ARF provide immense opportunities for conducting defence diplomacy.

(vi) *Defence Strategy*

47. The twin pillars of Malaysia's defence strategy, advocated in the national defence policy, are deterrence and forward defence.



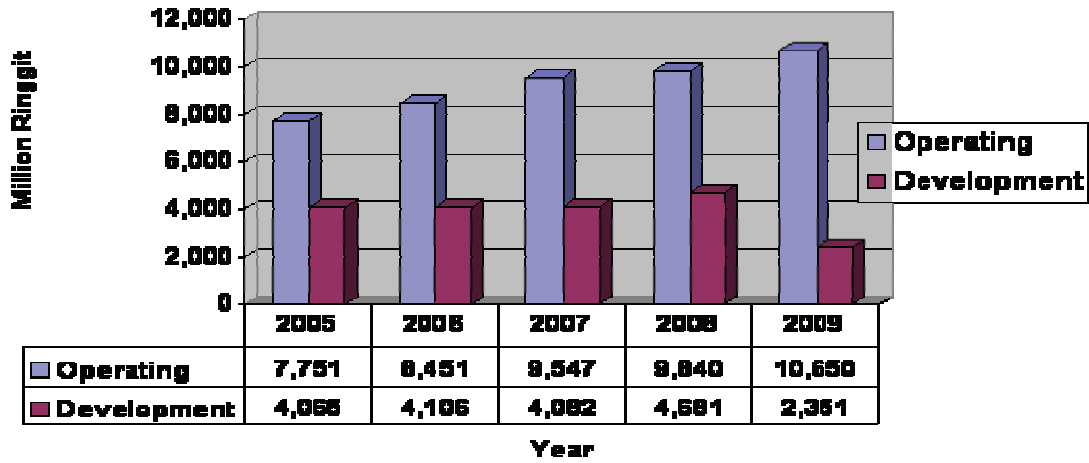
48. Deterrence is aimed at discouraging potential adversary from using force against Malaysia. The potential adversary would normally calculate the anticipated costs and benefits of such an action based on the likely reactions of Malaysia and would refrain from taking military action if losses would far outweigh the prospective gains. Deterrence therefore requires demonstration of capabilities from time to time. These capabilities include assets, quality manpower, state of preparedness and willingness to use forces when the need arises.
49. The forward defence concept, on the other hand, calls for the development of modest capabilities to engage an enemy outside the Malaysian territory. Therefore, the forward defence encapsulated in Malaysia's defence strategy differs from the conventional definition which requires force projection far beyond the national borders.
50. The concept of deterrence and the total defence as outlined in the defence policy together reflect the defensive defence posture.
51. Malaysia's annual defence budget is based on the percentage of its annual government expenditure and not on GDP/GNP adopted by some countries. The percentage of defence budget varies from year to year. Defence has to compete with other sectors as the government regards socio-economic well-being of the nation as a priority that is vital in ensuring peace and stability.
52. The total defence allocation for 2009 is RM13.2 billion which constitutes 6.6% of the total national annual budget. This is RM1.5 billion or 10.47% less than 2008 defence allocation. In terms of development expenditure for defence, the allocation for 2009 is RM2.3 billion as compared to RM4.6 billion in 2008. The operating expenditure in 2009 increased slightly from RM9.8 billion in 2008 to RM10.6 billion in 2009.
53. Based on the allocation for defence for the last five (5) years (as shown in the graph below), there is a general trend of increasing allocation for operating expenditure. A similar trend also appears for development expenditure except for 2008-2009.

Malaysia's Defence Budget

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Exact Expenditure (2005-2007) and Budget (2008-2009)





ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

NEW ZEALAND

1 Participant's perceptions of and approaches towards the regional and global security environment

The Asia Pacific region is crucial to New Zealand's security and future wellbeing. New Zealand values its membership of regional organisations, such as the ARF, which promote the common goal of a secure, stable and peaceful neighbourhood. Sustained commitment to our bilateral and regional relationships underlines the importance we place on partnerships within the region and the wider global security environment.

2 Participant's views on the role of the ARF in regional security.

For New Zealand the ARF is the principal security forum within the Asia Pacific region. We attach considerable importance to working with our ARF partners to achieve our security objectives. New Zealand recognises ASEAN's central role in ARF as an anchor of stability and peace in the region. ASEAN's adoption earlier in the year of a Blueprint to establish a Political-Security community (APSC) embraces universal values of good governance and determination to create a more secure, stable and peaceful future for the region. New Zealand is committed to realising enhanced synergies between the ARF and APSC.

3 New Zealand's Contributions to Peace, Security and Stability in the area covered by the ARF geographical footprint

3.1 Policies and Approaches

As a founding member of the UN, respect for the rule of international law is fundamental to New Zealand's approach to promoting security, stability and peace. Despite the distance of New Zealand's borders from direct conflict, there are fragile states within our region. The threats of terrorism, arms proliferation, transnational crime, economic and environmental degradation show no respect for international borders. Recognising this, New Zealand is highly committed to multilateral, transboundary solutions to security threats and promotion of effective international rules.

New Zealand also takes a multi-layered approach that includes strong bilateral relationships and regional partnerships. Key to these are:

- our bilateral alliance with Australia to promote mutual security;
- the Five Power Defence Arrangements (New Zealand, Australia, Malaysia, Singapore and the United Kingdom);
- close bilateral ties with Asian partners



and our Pacific Island neighbours, including those for which we have constitutional responsibilities; and,

- Pacific and Asia-Pacific regional mechanisms such as the ARF.

3.2 Activities

Counter-Terrorism

New Zealand is firmly committed to the international campaign against terrorism. In our view if we are to counter the threat of terrorism effectively, we need to take a comprehensive, multi-layered and long-term approach. New Zealand continues to undertake a range of activities in the Asia-Pacific to improve counter-terrorism capability in the region and at the same time address underlying factors that contribute to radicalisation and terrorist recruitment.

The ASEAN-New Zealand Joint Declaration for Co-operation to Combat International Terrorism 2005 and its associated Work Plan form an important framework for New Zealand's counter-terrorism efforts in the region. We have a dedicated Asia Security Fund to support activities under the five key pillars of our Work Plan with ASEAN: border control; legislation; law enforcement; policy; and prevention/counter-radicalisation. In the Pacific Islands we have a Pacific Security Fund that supports activities such as provision of x-ray equipment for baggage screening at Pacific airports and training for airport security staff; capacity building for immigration, customs and police personnel involved in border security; drafting of counter-terrorism legislation; and research on the prevalence of small arms in the Pacific.

New Zealand undertakes both regional and bilateral counter-terrorism initiatives in Southeast Asia and has partnered with all three regional counter-terrorism training centres, i.e. the South East Asian Regional Centre for Counter-Terrorism (SEARCCT) in Malaysia, the Jakarta Centre for Law Enforcement Cooperation (JCLEC) in Indonesia, and the International Law Enforcement Academy (ILEA) in Thailand. We have funded and organised a number of regional capacity building workshops for ASEAN countries on key issues such as the implementation of the ASEAN Counter-Terrorism Convention, anti-money laundering/counter-terrorist financing standards, and maritime and aviation security. These efforts are complemented by significant bilateral work to build individual national capability, especially within law enforcement agencies.

Activities at the other end of the counter-terrorism spectrum that prevent recruitment into terrorism by countering key drivers of violent extremism and promoting voices of moderation are also important to maintaining regional security. New Zealand's counter-radicalisation work focuses on three areas identified by regional inter-cultural and inter-faith fora – youth, media and education. A key New Zealand effort in this area has been our co-sponsorship – with the Philippines, Indonesia and Australia – of the Asia-Pacific Regional Interfaith Dialogue. This process has led to increased understanding and trust amongst different faith leaders from across the region as well as fostering a range of inter-faith activities at the grassroots level.

The ARF Inter-Sessional Meetings on Counter-Terrorism and Transnational



Crime (CTTC) are a useful opportunity to discuss key security issues with regional partners. We particularly welcome the progress made on implementing the new ARF Work Plan on Counter-Terrorism and Transnational Crime.

Counter-Proliferation

New Zealand is an active supporter of initiatives aimed at countering the proliferation of weapons of mass destruction (WMD) to both state and non-state actors, in particular the Proliferation Security Initiative (PSI) and the Global Initiative to Combat Nuclear Terrorism (GICNT).

The PSI has developed into an effective international network of over 90 countries that acts as a bulwark against proliferation activity around the globe. New Zealand's participation in PSI, including meetings of the Operational Experts Group and exercises, has significantly enhanced our capabilities to prevent proliferation activity both nationally and in collaboration with partners. We hosted a major PSI exercise – Exercise Maru – in Auckland in September 2008, a key element of which was outreach to our Asia-Pacific partners. New Zealand would welcome further expansion of the Initiative in the Asia-Pacific to help keep our region safe from the threat of WMD proliferation.

New Zealand joined the GICNT in 2007, and is strongly committed alongside our over 70 GICNT partners to preventing the threat of nuclear or radiological material falling into the hands of terrorists. Terrorist groups have already used radiological material in attacks, and some have indicated an intent to acquire and

use WMD. With radiological material relatively easy to access, there is a risk of countries suffering 'dirty bomb' attacks that would cause widespread panic and disruption.

New Zealand is contributing to the GICNT in the Asia-Pacific by supporting radioactive source security projects in Southeast Asia; increasing our funding for the work of the International Atomic Energy Agency to improve nuclear security in Southeast Asia; and helping our Pacific Island neighbours address the risk of nuclear/radiological terrorism.

Disarmament

Recent actions by the DPRK represent a significant step backwards for nuclear disarmament and non-proliferation. New Zealand regards the DPRK's nuclear weapons and ballistic missiles programme as a serious threat to regional and international security. New Zealand joined the international community in condemning the DPRK's long-range rocket launch in April and underground nuclear test in May. New Zealand is fully implementing measures adopted by the UN Security Council Resolutions to address such provocative acts.

New Zealand is also concerned by the DPRK's announced withdrawal from the Six-Party Talks process; its expelling of IAEA inspectors, their containment and surveillance equipment; and its declared intention to reactivate its nuclear facilities to reprocess used nuclear fuel rods. New Zealand urges the DPRK to re-engage in dialogue under the Six-Party Talks framework and align itself closer to international norms and expectations.



Peace Support

New Zealand contributes to eleven peace support operations in thirteen countries. The three largest of these are integrated civil-military operations – in Afghanistan, Timor-Leste and Solomon Islands. We have a long-standing commitment of military observers to the United Nations Command Military Armistice Commission (UNCMAC) in Korea. Two of our smaller missions in the Pacific – in Tonga and Bougainville – have transitioned from stabilisation to strengthening national police capacity through training as the security situations have improved.

New Zealand plays an active role in Timor-Leste. New Zealand troops are deployed with Australian counterparts in the International Stabilisation Force (ISF). New Zealand Police and military personnel are taking part in the UN Mission in Timor-Leste (UNMIT). Over the past year Timor-Leste has shown signs of increasing stability, although the conditions are not yet ripe for UNMIT withdrawal. Timor-Leste will continue to require support from development partners in the years to come as it develops its economy, and strengthens and consolidates its institutions and democracy.

New Zealand contributes to the Regional Assistance Mission to Solomon Islands (RAMSI) with military, police, inland revenue and justice support. A Foreign Affairs civilian is the RAMSI Deputy Special Coordinator. The Solomon Islands Government and RAMSI have consulted on a new Partnership Framework Agreement, or strategic work-plan to guide RAMSI's ongoing work.

There have been no major security incidents in Solomon Islands for over three years. RAMSI still plays a key part in maintaining stability, but this is gradually transitioning to a supporting role. Solomon Islands remains a fragile state and New Zealand maintains a substantial bilateral development assistance programme.

Afghanistan remains in conflict. New Zealand seeks a stable, secure Afghanistan, which can meet the essential needs of its people, and which no longer plays host to international terrorists. In Bamyán Province New Zealand lends support to Afghan security and reconstruction through its Provincial Reconstruction Team, to police training, and to Afghan institutions and a range of development projects in partnership with non-government and UN organisations. This is done in consultation with the Afghan government and local authorities and in line with the Afghanistan National Development Strategy.

Under the ARF, New Zealand co-hosted with Singapore the second Peacekeeping Experts meeting in Singapore, in March 2008.

Confidence Building and Preventive Diplomacy

At ARF's outset it was envisaged that the forum would move from a confidence building phase to one of preventive diplomacy as part of its evolution. While many confidence building measures have been undertaken, the ARF has yet to reach its potential with "preventive diplomacy". New Zealand is advancing an initiative involving ARF Expert and Eminent Persons (EEP) to examine key



elements of a highly acclaimed study on “Best Practices and Lessons Learned in Preventive Diplomacy” by the Pacific Forum CSIS and Rajaratnam SIS. We propose drawing on the wisdom of the EEPs to chart a possible way forward on preventive diplomacy.

Maritime Security

In 2008, Ministers identified maritime security as one of the ARF's four key areas. New Zealand is co-hosting with Indonesia and Japan a series of inter-sessional meetings (ISM) on maritime security. The first ISM meeting on maritime security was hosted by Indonesia in Surabaya from 5-6 March 2009. The ISM built on previous discussions on maritime security, including existing bilateral and plurilateral cooperation; on common perceptions on threats and challenges in maritime security; and will develop common steps to address issues of common concern in maritime security. New Zealand will host the next ISM in the first half of 2010 and Japan, the third ISM in 2011.

Disaster Relief

The catastrophic tsunami at the end of 2004 that devastated many parts of the ARF region demonstrated the need for practical and effective cooperation in disaster relief. New Zealand participated in the ARF's first live exercise to prepare for regional disaster, the Voluntary Demonstration of Response on Disaster Relief, which was held in the Philippines 4-8 May. New Zealand contributed a RNZAF B757 aircraft to demonstrate our strategic airlift and regional cooperation by transporting engineering, medical and air personnel from Australia and Papua New

Guinea. New Zealand welcomed the preparatory exercise in disaster relief cooperation, which brought together military and civilian personnel, under a common humanitarian assistance goal.

4. New Zealand Defence Policies and Information

4.1 Defence Policies and Doctrine

The New Zealand Government announced the terms of reference for a wide ranging defence review on 21 April 2009. A range of foreign and security policy, management and resourcing challenges will be addressed in the defence review and the subsequent Defence White Paper. The White Paper will set out a framework for the defence of New Zealand through addressing New Zealand's vital strategic interests including the security of its sovereign territory and exclusive economic zone, its special relationship with Australia, the need to build security in the South Pacific, its relationships in the wider Asia-Pacific region and its contribution to the global community. The Ministry of Defence aims to complete the defence review by January 2010, and the Defence White Paper by March 2010.

4.2 and 4.3: Information on Defence Budgets and Military Expenditure

New Zealand's total military expenditure in the year June 2007 to June 2008 was NZ\$1.844 billion, of which operating costs total NZ\$1.223 billion, procurement and construction NZ\$613.4 million, and research and development NZ\$7.6 million.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

REPUBLIC OF KOREA

1. ROK's perception of the regional and global security environments

1.1. Overview

Since the end of the Cold War, the international community has been enjoying a relative calm in the security climate. Nevertheless, the regional and global security environments have grown increasingly complex and diverse. The most notable features of today would be the emergence and development of non-traditional and transnational challenges including terrorism, proliferation of WMD, and natural disasters. Traditional threats, meanwhile, have also continued to exist.

Since the publication of the Annual Security Outlook 2008, there have been a number of notable developments in international politics: the launch of the Obama administration in the United States; North Korea's nuclear test and long-range rocket launch; continued instability in Iraq; terrorist activities in Afghanistan, Pakistan, India and Yemen; global economic and financial crisis; and A (H1N1) influenza currently raging worldwide. In regard to multilateral cooperation, efforts in dealing with global issues such as climate change and the financial crisis have intensified, as shown in the ongoing post-2012 climate change negotiations and the Group of 20 meetings.

1.2. Regional security environment

The Republic of Korea (ROK) attaches great importance to security and prosperity in the Asia Pacific, and is currently undertaking the *New Asia Initiative* to strengthen the cooperative relations with the countries in the Asia Pacific region. Cooperation in the Asia Pacific is assuming ever greater significance, not only because of the region's increasing role in the global economy but also its need to achieve cooperation in responding to transnational challenges such as the financial crisis and climate change.

There are a number of frameworks that intend to meet the increasing demand for multilateral cooperation in the region, including the ASEAN+3 mechanism, EAS, ARF, ACD, APEC, ASEM, CICA, SAARC, PIF/PFD and the Six-Party Talks. The ROK envisages a mutually supporting regional architecture where these frameworks can be harmoniously utilized to lay the foundations for an East Asian community based on more stable security and prosperous economy.

While cooperation and interdependence among the Asia Pacific countries are deepening in various sectors, potentials for instability still remain. Most noticeably, North Korea's nuclear test on May 25, 2009, following its long-range rocket launch on April 5, 2009, not only



poses a serious threat to the regional peace and stability, but also represents a grave challenge to the international non-proliferation efforts. Based upon the common understanding that North Korea's second nuclear test is a clear violation of its obligations stipulated in the Six-Party Talks agreements and relevant Security Council resolutions and decisions, members of the international community are working together against the provocations from North Korea through a new UNSC resolution and close cooperation among concerned countries. There is an urgent need for the countries in the Asia Pacific region to actively participate in such efforts to resolve the North Korean nuclear issue in a unified and resolute manner.

2. ROK's view on the role of the ARF in regional security

Remaining the sole inter-governmental forum for multilateral security in the Asia Pacific, the ARF continues to play an essential role in maintaining peace and stability in the region's security architecture. The ROK recognizes the ARF's great progress in promoting confidence-building measures over the non-traditional and transnational security issues such as disaster relief and counter-terrorism, while not leaving out room for cooperation in traditional security.

The ARF has facilitated dialogues even between antagonistic countries by providing them with opportunities to exchange their opinions on security issues. Such free discussions have enabled the countries to enhance familiarity and reduce potential tension, eventually leading to a higher level of

trust and confidence among neighboring states.

The ROK will continue to actively participate in the ARF's efforts to foster confidence-building measures and further elevate onto the phase of preventive diplomacy and conflict resolution, as stated in the ARF Concept Paper.

3. ROK's contributions to peace, security and stability in the area covered by the ARF geographical footprint

3.1. ROK's regional security policies and approaches in promoting peace, security and stability

3.1.1. North Korean Nuclear Issue

Seeking substantial progress in the North Korean nuclear issue, the ROK participated in the Six-Party Heads of Delegation Meetings in July and December 2008 and the Six-Party Ministerial Meeting in July 2008, where efforts were made to complete the second phase of denuclearization. However, North Korea's long-range rocket launch and announcement to reject the Six-Party Talks in April 2009 and its nuclear test in May 2009 blatantly undermined all the past denuclearization efforts and constituted a direct challenge to the international community. The ROK and the international community share the understanding that there should be consequences for Pyongyang's wrongdoings. The ROK actively participated in the process of the adoption of UN Security Council Resolution 1874 on June 12th, 2009, which delivers a clear message to North Korea by stipulating tougher sanctions as well as stronger imple-



mentation mechanism compared to previous resolutions. In consultation and cooperation with concerned countries, the ROK will make efforts to fully implement UNSC Resolution 1874. In the Joint Press Statement of the ASEAN-ROK Commemorative Summit on June 2nd, 2009 on the Nuclear Test conducted by the DPRK, reiterating the condemnation by the 9th ASEM Foreign Ministers' Meeting and the 17th ASEAN-EU Ministerial Meeting of North Korea's nuclear test and missile launches, the ROK and the Member States of the ASEAN stressed that the denuclearization of North Korea in a peaceful manner is essential in maintaining peace and stability of the Asia Pacific region, and expressed their full support for an early resumption of the Six-Party Talks.

At the same time, however, the ROK intends to keep the door for dialogues open and continue to make diplomatic efforts to bring Pyongyang back to the negotiating table, believing that the Six-Party Talks is the most viable framework for the peaceful denuclearization of North Korea. The ROK will also continue to actively pursue the improvement of inter-Korean relations and enhancement of multilateral security cooperation in Northeast Asia.

3.1.2. New Asia Initiative

The ROK's *New Asia Initiative* was first announced by President Lee Myung-bak during his official visits to Australia, New Zealand and Indonesia in March 2009. Adding to the ROK's existing cooperative partnerships with the four countries in Northeast Asia, namely the United States, China, Russia and Japan, the initiative aims to strengthen the ROK's cooperative

relations with the Asia Pacific countries. In particular, the ROK seeks to strengthen development cooperation in the region by expanding its official development aids to the Asian developing countries, on the basis of its own experience of successful economic and social development. It also aims to promote trade and investment, and provide the region and the ROK with the opportunity to achieve a more prosperous co-existence. Under this initiative, the ROK intends to work closely with the Asia Pacific countries to jointly address the global financial crisis, natural disasters, climate change, terrorism and transnational crimes, etc.

3.1.3. Non-proliferation of WMD

The proliferation of WMD and their means of delivery pose growing threats to international peace and security, which require the concerted efforts of the international community. In this regard, the ROK is participating in the global efforts to strengthen the international non-proliferation regimes.

The ROK is already member to all the major multilateral export control regimes and further expanding its level of participation. As a member of the G-8 Global Partnership (GP) since 2004, the ROK government has contributed more than US\$6 million to GP programs, including the dismantlement of Russia's nuclear submarines and installation of radiation detection facilities along the Ukrainian border. In addition, the ROK government hosted a Global Initiative to Combat Nuclear Terrorism (GICNT) workshop on nuclear detection in Seoul in April 2009. Most recently, the ROK has officially participated in the Proliferation Security Initiative (PSI) since May 2009,



which signifies its commitment to take a more active part in the global efforts to prevent the proliferation of WMD.

Significant events were held in 2008 regarding the ROK's activities on non-proliferation. The ROK government, together with the Australian government, introduced the resolution on *Preventing and Combating Illicit Brokering Activities* circumventing the international arms control and non-proliferation framework at the 63rd UN General Assembly. Co-sponsored by 61 Member States and adopted by consensus, the resolution enabled the global discussion on illicit brokering to gain impetus. The approval of the Broader Conclusion on the ROK by the IAEA in June 2008 also marked an important milestone in officially acknowledging the ROK's nuclear transparency.

Furthermore, the ROK government has continued to cooperate closely with the UN. Since 2002, it has annually hosted the ROK-UN Joint Conference on Disarmament and Non-proliferation. The ROK also hosted a UN workshop on International Tracing Instrument (ITI) regarding small arms and light weapons in Seoul in May 2008, which contributed to the capacity-building for ITI implementation in the developing countries in Asia. Based on the activities and achievements of 2008, the ROK will further expand its activities to strengthen the international non-proliferation regimes.

3.1.4. Counter-terrorism and transnational crimes

It is the firm position of the ROK government that terrorist attacks cannot

be condoned and terrorism must be eradicated, regardless of its forms and justifications. Acting on this principle, the ROK is continuing to strengthen its domestic counter-terrorism capacity, as well as to actively participate in the international and regional efforts to prevent and suppress terrorism.

The ROK government has undertaken various counter-terrorism efforts in cooperating with regional organizations in the Asia Pacific, such as the ARF and APEC. The ROK chaired the APEC Counter-Terrorism Task Force for the 2007/2008 term, and hosted the APEC Seminar on Protection of Cyberspace from Terrorist Use and Attacks in June 2008. It has also co-chaired the 7th ARF Inter-sessional Meeting on Counter-Terrorism and Transnational Crime in May 2009, and co-led the launching of the ARF Virtual Meeting of Experts on Cyber Security and Cyber Terrorism with Philippines in May 2009.

The ROK recognizes that addressing the conditions conducive to the spread of terrorism that may possibly be exploited by terrorists, such as poverty and instability, can serve to complement the efforts by the international community to counter terrorism. In this regard, the ROK government is contributing to the international efforts for reconstruction and peace-building in Afghanistan and Pakistan. In addition, it is carrying out a variety of capacity-building activities in the Asia Pacific in fields such as law enforcement and government administration.

3.1.5. Disaster relief

With 30 percent of the natural disasters and three-quarters of the deaths in the



world occurring in Asia, it is clear that the region is vulnerable to natural disasters. The ROK is actively contributing to the regional and international efforts to provide disaster relief by carrying out its overseas disaster relief operations, assisting the response measures of the Asian developing countries, and participating in the emergency relief operations of the United Nations. In 2008, the ROK provided US\$10.6 million to 31 disaster areas in 29 countries, including Sichuan Province of China destroyed by the earthquake and the regions in Myanmar hit by Cyclone Nargis. The ROK is also assisting the developing countries to form their own disaster response capabilities by establishing early warning systems and providing training programs on disaster prevention. The ROK will continue to contribute to the United Nations' Central Emergency Response Fund, with plans to contribute US\$3 million this year.

3.1.6. Maritime security

Being the sixth largest maritime power and one of the main users of the Straits of Malacca and Singapore, the ROK has key interests in ensuring the safety of the Sea Lines of Communication (SLOC), placing great importance to the maritime security of the Asia Pacific. It is participating in a variety of cooperative mechanisms to strengthen the security of the Straits of Malacca and Singapore, one of the world's main oil transit chokepoints. The ROK will continue endeavoring to contribute to regional cooperation for the stable management and development of the straits.

3.1.7. Climate change

Effective regional partnerships are essential in tackling climate change, which has undoubtedly become a global issue requiring the concerted efforts of all countries. Economic dynamism in the region has been accompanied by the surge in energy consumption and greenhouse gas emissions that is detrimental to the health and well-being of people in the Asia Pacific countries. In order for the Asia Pacific countries to further pursue economic growth, transition to low carbon economies is necessary.

Having declared "*Low Carbon Green Growth*" as the new national vision for future development, the ROK envisages a new development paradigm that aims to reduce greenhouse gas emissions while sustaining economic growth. This innovative paradigm shift intends to transform the imminent crisis of climate change into a steady development of economic growth and quality of life through higher energy efficiency, less energy consumption, broader use of renewable energy, and increased investment in R&D. Carrying this vision, the ROK plans to utilize US\$200 million from 2008 to 2012 under its *East Asia Climate Partnership*, which will facilitate pilot projects, policy dialogues, technology fairs and carbon fairs that will support the developing countries in the region to achieve the paradigm shift to *Low Carbon Green Growth*.



3.2. ARF activities undertaken by the ROK to promote regional peace, security and stability

Along with Singapore, the ROK co-chaired the ARF Inter-sessional Support Group (ISG) Meetings on Confidence Building Measures and Preventive Diplomacy and Defense Officials' Dialogue (DOD) in the inter-sessional year 2008/2009, hosting the 2nd ARF ISG Meeting in Seoul on April 19-21, 2009. Following the exchange of opinions on various security issues, the participants to the meeting actively discussed the future direction of the ARF, including the draft of the ARF Vision Statement and Work Plans on disaster relief, improvement in the ARF working methods, and standardization of the format for the ARF Annual Security Outlook. On the other hand, the DOD, which took place concurrently with the ISG, selected as the major topic the military's efforts to counter transnational threats. The participants to this meeting made constructive discussions among participants on information sharing and means of cooperation. The DOD in Seoul also addressed the issue of cyber security threats for the first time and illustrated the possibility for the defense officials of the ARF participants to discuss a variety of threats in the future.

The ROK also co-chaired the 7th Inter-sessional Meeting on Counter Terrorism and Transnational Crimes (CTTC), held in Ha Noi on May 4-6, 2009, with Vietnam and Bangladesh. Participants of the meeting stressed the necessity of enhancing cooperation in the implementation of the CTTC Work Plan and eradication of regional terrorism and transnational crimes. Additionally, the ROK launched the Virtual Meeting of

Experts on Cyber Security and Cyber Terrorism in May 2009.

The ROK also participated in the ARF Voluntary Demonstration of Response (VDR) on Disaster Relief, held in the Philippines on May 4-8, 2009. It sent its third largest operation team to the VDR exercise, and participated in the Medical Civic Action Program (MEDCAP) and Engineering Civic Action Program (ENCAP). The ROK military wholly facilitated the government's participation in the VDR by providing the entire ROK delegation with a C-130 aircraft for the transportation of the delegates and the exhibition equipment. The ROK also deployed a military medical team that perfectly executed its training mission and thus greatly contributed to the success of the first ever ARF disaster relief exercise. The ROK believes that the VDR provided the participants with a great opportunity to improve their capacities in humanitarian assistance to relief efforts on regional disasters.

4. ROK's defense policies and information

4.1. ROK's defense policies and doctrine

4.1.1. National defense objectives

The ROK's Ministry of National Defense (MND) has set out its defense objectives: *defending the nation from external military threats and invasions; upholding the principle of peaceful unification; and contributing to regional stability and world peace.* The specific details of these objectives are as follows:



First, *defending the nation from external military threats and invasions* signifies protecting the country not only from North Korea's existing military threats but also from all its potential threats. North Korea's conventional military capabilities, development and enhancement of WMD, and forward military deployment pose particularly direct and serious threats to the ROK's national security.

Second, *upholding the principle of peaceful unification* means that the ROK will contribute to the peaceful unification of the two Koreas by deterring war, easing military tension, and bringing permanent peace to the Korean Peninsula.

Third, *contributing to regional stability and world peace* demonstrates the ROK's determination to contribute to stability and peace in Northeast Asia by promoting cordial and cooperative military relations with its neighboring countries, in accordance with the nation's stature and security capabilities. The ROK also seeks to proactively participate in the international community's efforts to maintain world peace, including the UN peacekeeping efforts.

4.1.2. Tenets of the national defense policy

In order to realize the objectives of national security and defense, the MND has set the development of an *Elite and Advanced Military* as its vision. Presented below are the key tenets of the national defense policy, which are geared towards achieving the national defense objectives and vision.

A. Establishment of Defense Posture for Comprehensive Security

The ROK Armed Forces should achieve a comprehensive security posture by being prepared to take action no matter when, where, or what situations occur, and establish an all-directional defense posture against North Korea's military threats and all other dangers. In other words, the military should establish an all-directional defense position to deter North Korea's military provocation and win every battle if they occur.

B. Creative Advancement in the ROK-US Military Alliance

Having fought together in the Korean War, the ROK and the United States recognize each other as future comrades in arms. The two countries should creatively advance a future-oriented alliance based on their shared values, trust, and legitimacy of the Alliance. The ROK-US Alliance should be extended to cover political, economic, social and cultural areas as well as military and security cooperation based on shared values and trust. It must also be developed to contribute to regional and global peace and prosperity.

C. Enhancement in Advanced Defense Capabilities

The MND should reshape the ROK's armed forces in preparation for post-unification as well as the current hostile relationship between the two Koreas and improve the nation's international capabilities in order to realize a *Global Korea*. Its *Defense Reform Basic Plan* should be according to the changes in the security situation and required budgets. The MND should also develop cooperative



military relationships with neighboring countries, expand military diplomacy to a global level, and enhance international peacekeeping operations.

D. Military Support for a New Peace Structure on the Korean Peninsula

The MND should take timely military measures according to the inter-Korean exchanges and cooperation by developing and initiating creative agendas and strategies to alleviate military tensions and build trust. The ROK government is working hard to take the South-North relationship to the next level through exchanges and cooperation for mutual benefit and common prosperity. Therefore, while providing military assurance for inter-Korean exchanges and cooperation, the MND should constantly maintain a firm military readiness.

E. Professional Armed Forces Playing their Roles Faithfully

The MND should build professional armed forces that can respond to both present and future threats by eliminating ostentatious and unnecessary bureaucratic elements and creating a strong and powerful military spirit. The manpower structure and personnel management system should be reformed to secure and manage high-standard human resources required for technology-intensive armed forces that can respond actively to future threats. Troops should be trained and educated by using a scientific system so that they can become elite soldiers suitable for performance in future warfare.

F. Pragmatic and Advanced Defense Management System

The MND should enhance the centralized support capability of the noncombatant management area so that uniformed service members can fully concentrate on their combat missions. The MND should attain higher efficiencies in national defense architecture and management, and maximize the functions of the defense industry and budget in the nation's economy. In the meantime, the national defense resource management system should be developed to maximize the efficiency of logistics and management and to be suitable for future warfare.

G. Improvement of the Quality of Life

The MND should gradually improve the barrack environments to an advanced level by integrating and relocating military bases and building accordant infrastructures that provide better training and welfare befitting the professional soldiers. The Ministry should develop the military service environments and welfare systems in order to improve and satisfy the soldiers' qualities of life. The military medical service system should be upgraded to improve the health of soldiers and consequently produce stronger combat capabilities. At the same time, the MND should help the job-seeking efforts of veterans and manage the military's pension system.

H. Armed Forces serving the People

The MND should enable the armed forces to focus on their original missions and

strengthen their overall capabilities to garner the nation’s trust, guarantee the people’s convenience, and realize the government’s policies. In this way, they will be able to firmly establish an image of the “citizen in uniform.” In the case of disasters and catastrophes, in particular, the MND should provide active support for disaster-stricken civilians to secure their lives and eliminate discomfort. The military service system should be developed to utilize the nation’s human resources efficiently and promote equality in fulfilling military service duties.

4.2. Information on ROK’s defense budgets



**United Nations
Standardized Instrument for Reporting Military Expenditure**

Simplified Form

Country: Republic of Korea
 Currency: Billions of Won
 Fiscal Year: 2008
 Date of Submission: 13 April 2009

	Land Forces	Naval Forces	Air Forces	Other Forces*	Total
Personnel	6,305	1,565	1,586	2,226	11,682
Operations	2,770	1,028	1,448	2,040	7,286
Procurement	2,508	1,943	2,200	1,030	7,681
Total	11,583	4,536	5,234	5,296	26,649

*** Forces under direct control of the Ministry of National Defense**



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

SINGAPORE

Perceptions of the Regional and Global Security Environment

1. The regional security outlook for the Asia-Pacific region remains generally positive despite some uncertainties. There are signs of greater regional integration and economic cooperation. Relations among the major powers, such as the US, China, Japan and India, are currently stable. There are therefore good prospects for long term political stability and economic growth in the Asia-Pacific region. However, there are also several challenges which will need to be managed carefully to ensure that the positive conditions are not undermined. 2009 has been marked by a major global recession - the worst since the Great Depression in the 1930s. The H1N1 pandemic also casts a pall on the regional outlook. Major security challenges such as terrorism, threats to maritime security, and tensions in the Korean Peninsula continue to pose uncertainties.
2. Stable relations among the major powers will have positive implications for the security landscape. The new US Administration has reinvigorated US policy on Asia. Secretary of State Hillary Clinton's decision to make Asia (China, Japan, ROK and Indonesia) the destination of her first overseas visit in February 2009 sent a strong signal of the US' interest to actively engage Asia. Secretary Clinton's successful visit to Asia was followed by

PRC Foreign Minister Yang Jiechi's visit to the US shortly after in March 2009. The US and China have begun to work closely on key issues such as the global financial crisis and climate change. The US-Japan Security Alliance continues to underpin the strong relationship between the two countries. China and India have deepened their economic links and China has been India's largest trading partner since 2007. The inaugural Trilateral Summit among China, Japan and ROK in December 2008 in Dazaifu attested to the potential for greater cooperation in Northeast Asia.

3. However, the Korean Peninsula remains a flashpoint in the region. The stalled Six Party Talks and the recent rise in tensions following the long range rocket and nuclear tests by DPRK are a cause for concern, as they have grave consequences for the region and international non-proliferation efforts. A conflict in the Korean Peninsula could cause major disruption to the peace, stability and growth of the region. If the international non-proliferation regime is undermined, the security of all countries, including DPRK will be threatened. Hence, all parties should exercise restraint, refrain from further provocative actions, and respect one another's sovereignty, and return to the Six-Party Talks.

4. The situation in the South China Sea



(SCS) is stable, although there have been incidents involving naval vessels of the US and China. There have been positive attempts to manage the situation arising from competing territorial claims with the adoption of the Declaration on the Conduct (DOC) of Parties in the South China Sea at the 8th ASEAN Summit in 2002. While there are some differences in the interpretation of the DOC Implementation Guidelines between China and ASEAN, efforts are underway to resolve the differences.

5. The current global economic crisis is the most serious faced by countries around the world, including all those in the Asia-Pacific region, since the Great Depression. The contraction of the world economy - estimated at 1.3% in 2009 by the International Monetary Fund (IMF) - could have consequences for political and social stability in various countries if not handled well. Fortunately, some early signs of recovery have appeared as countries continue to show commitment to tackle fundamental issues and implement measures to stimulate their economies. The H1N1 pandemic which broke out in April 2009 could aggravate the negative economic conditions if it is prolonged or the virus turns out to be more virulent, notwithstanding the better strategies and coordination mechanisms which have been put in place globally to contain and mitigate the outbreak.

ARF's Role in Regional Security

6. The over-arching objective of the ARF has been to promote peace and stability in the Asia Pacific region, so that countries can focus on economic growth and development. In the current global economic crisis, it becomes even more

important to push ahead with ARF cooperation to provide a solid basis for economic recovery. The ARF comprises major powers, developed countries and developing countries, with a geographical footprint that span the entire Asia-Pacific region. It provides a good regional platform for the discussion of issues of common concern which cannot be tackled effectively on a bilateral basis, and for substantive cooperation to enhance regional security and stability.

7. ASEAN has been playing a central role in driving the ARF agenda. The ASEAN Charter, which was signed at the 13th ASEAN Summit, came into force on 15 December 2008. The Charter is an enabling document that provides a legal framework for ASEAN's integration efforts, and will give impetus to ASEAN's community-building efforts and make it a more effective organisation. With the signing of the Cha-am Hua Hin Declaration on the Roadmap for an ASEAN Community (2009-2015), there is now a plan in place for ASEAN integration and the formation of an ASEAN Community by 2015. An integrated and more effective ASEAN will be able to play an enhanced role in moving the ARF forward so that it remains the premier forum for promoting peace and stability in the Asia-Pacific region.

8. Since its formation in 1994, the ARF has moved beyond discussions to more substantive cooperation, as confidence-building measures have led to higher comfort levels among its members. The ARF continues to focus on both traditional and non-traditional security concerns. In addition to traditional security concerns such as peacekeeping and non-proliferation, the ARF has recognised that



some of the most pressing challenges to regional security today are transnational and non-traditional in nature, as the negative socio-economic impact on affected countries often lead to knock-on effects on internal stability and national security. The ARF has thus worked to address concerns in such areas as disaster relief, maritime security, terrorism, pandemic diseases, climate change, food security and environmental pollution. Such efforts as the ARF Work Plan on Disaster Relief which sets out a road-map for disaster relief cooperation and the inaugural Voluntary Demonstration of Response (VDR) Exercise in May 2009 in the Philippines, which simulated disaster relief operations by ARF members in the case of a super-typhoon, illustrate the value of ARF cooperation. The VDR Exercise was noteworthy for being the first ARF exercise involving real assets. To further cooperation on Humanitarian Assistance and Disaster Relief (HADR) among ARF members, Singapore also co-chaired an ARF Seminar in Beijing on Laws and Regulations on Participation by Armed Forces in International Disaster Relief from 22 to 24 April 2009. We have also co-sponsored Australia's initiative for an ARF Disaster Relief Geospatial Imaging Database which seeks to expedite the delivery of aid to disaster stricken areas. Noting the growing importance of Maritime Security, the ARF held the inaugural Inter-sessional Meeting on Maritime Security in March 2009. Work is also underway to implement the Counter Terrorism and Transnational Crime (CTTC) Work Plan focused on the CTTC threats of illicit drugs, bioterrorism, and cyber-security.

9. Going forward, it is anticipated that the ARF will continue to focus on these areas

of practical cooperation and tackle challenges facing the Asia-Pacific region, including new ones as they emerge. Apart from such cooperation, the ARF has also begun a process to review and improve its institutional processes. The 15th ARF has endorsed the ARF Review Paper, which provided a basis for improving ARF mechanisms and institutions such as developing an ARF Vision Statement and Improving ARF Working Methods.

10. The ARF concept paper of 1994 noted the gradual evolution of the ARF from CBMs (Phase I) to Preventive Diplomacy (Phase II) and eventually to Conflict Resolution (Phase III). Given broad agreement that the time is now ripe to move from Phase I to Phase II, the ARF has begun to consider a Preventive Diplomacy Work Plan.

Singapore's Contributions towards Peace and Security

11. As a small country, Singapore's peace and prosperity is inextricably linked to the region's peace and stability. Therefore, one of the key thrusts of Singapore's defence strategy is to work with friendly countries to promote dialogue, confidence building and cooperation both on a bilateral and multilateral basis, in order to maintain a peaceful and stable regional environment.

12. Singapore believes that regional security and stability is best served by having an open and inclusive security architecture that comprises strong multilateral arrangements and bilateral relationships. As such, Singapore has been an active supporter and participant



of multilateral arrangements such as ASEAN, ARF, the ASEAN Defence Ministers' Meeting (ADMM), the Shangri-La Dialogue (SLD) and the Five Power Defence Arrangements (FPDA).

13. With the establishment of the ADMM, ASEAN has taken a significant step towards greater defence and security cooperation. Although defence is the last ministerial sectoral body to be established within ASEAN, the establishment of the ADMM reflected the maturity of ASEAN. The ADMM meetings held thus far have allowed ASEAN to enhance defence cooperation at three levels. At the first level, practical cooperation amongst the ASEAN militaries have been strengthened, as seen from the rolling two-year work plan that the ASEAN Chiefs of Defence Forces Informal Meeting (ACDFIM) has put in place. Such activities would build deeper understanding at the operational level, and enhance the ability of ASEAN to address security challenges facing our region.

14. At the second level, the ADMM has agreed on how to engage the non-ASEAN countries. Since the inaugural ADMM in Kuala Lumpur in May 2006, the Defence Ministers have recognised the need to engage our non-ASEAN friends and partners in order to address the non-traditional and transborder issues that we collectively face. In this regard, the 2nd ADMM in Singapore in November 2007 adopted the "ADMM-Plus Concept Paper" which outlines the principles and broad modalities of the ADMM's external engagement, while the 3rd ADMM which met in Pattaya in February 2009 adopted the "ADMM-Plus: Principles for Membership" paper that was co-authored by Thailand and Singapore.

15. At the third level, the ADMM plays an important role in our regional security architecture, and in particular the ASEAN Political Security Community (APSC). As a sectoral, the ADMM will be able to contribute in a constructive way to the APSC. By enhancing regional peace and stability, the APSC will facilitate the progress of the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC).

16. Filling an important niche in the multilateral arrangement is the Shangri-La Dialogue. The 8th SLD was held in Singapore from 29 to 31 May 2009. Organised by the London-based International Institute for Strategic Studies (IISS), this year's Dialogue was attended by 22 ministerial-level guests, along with parliamentarians, military leaders and security experts from more than 27 countries. Australia's Prime Minister Kevin Rudd delivered the keynote address at the SLD this year.

17. The SLD is the only forum in the Asia-Pacific region for discussions on regional security issues and defence cooperation. At the 8th SLD, the Ministers had an open and wide-ranging discussion on non-traditional, transnational security challenges such as piracy, terrorism, as well as the evolving regional security architecture. The Ministers agreed that it was imperative to build a robust regional framework that could address this array of security challenges. To that end, three attributes are key, namely: (a) the security architecture needs to be open and inclusive. Countries, big and small, as well as international and regional organisations have a role to play. We should not let the traditional notions of geography limit our framework of cooperation; (b)



the security architecture needs to be flexible. We need an overlapping web of bilateral and multilateral frameworks, as well as formal and informal structures, to allow opportunities for cooperation and dialogues to deal with the wide-ranging security challenges; and (c) ASEAN can be the fulcrum as we build the regional security architecture. ASEAN is well placed to play this role because of its strategic location, its history of forging cooperation out of conflict as well as its ability to be an interlocutor and neutral facilitator for powers with interests intersecting in the Asia Pacific.

18. The fight against terrorism - underscored by various declarations by the Leaders of their resolve - has provided further impetus to regional co-operation. In line with the ASEAN Plan of Action to Combat Transnational Crime (Terrorism Component), Singapore has hosted four counter-terrorism training workshops on aviation security, bomb/explosives detection, post-blast investigation and intelligence analysis. At the 12th ASEAN Summit, the Leaders signed the ASEAN Convention on Counter-Terrorism (ACCT), the first region-wide and legally-binding anti-terrorism pact. When it is ratified, the ACCT will provide an effective framework for the region to combat terrorism. At a broader level, ASEAN is also working closely with others on counter-terrorism, such as the US, EU, India, Australia, Russia, Japan, ROK, New Zealand, Pakistan, and Canada.

19. Significant strides have also been made over the last two years in developing regional cooperation in maritime security. Specifically, a consensus has emerged around the

following three principles: (a) the primary responsibility for the security of regional waterways lies with the littoral states; (b) the international community, including the user states and bodies like the IMO, have an important role to play; and (c) new cooperative measures should be developed in line with international law and with full respect for national sovereignty. Because of this consensus, we were able to move quickly from dialogue to cooperative action on the ground. In July 2004, the navies of Indonesia, Malaysia and Singapore launched the Malacca Strait Sea Patrols. This was followed in September 2005 by the "Eyes in the Sky" maritime air patrols. The Standard Operating Procedures governing the Malacca Strait Sea Patrols and the "Eyes in the Sky" maritime air patrols were signed on 21 April 2006 in Batam by the Chiefs of Defence Force of the three countries. This sealed the cooperative arrangements and demonstrated the political will of the littoral states in enhancing the security of the Malacca Strait. The success of the Malacca Strait Patrol is reflected in the Lloyd's Joint War Committee's decision to remove the Malacca Strait from its Hull, War, Strikes, Terrorism and Related Perils Listed Areas on 7 August 2006. Being an open arrangement, the Malacca Strait Patrols provides for participation by user states, subject to approval from the littoral states. This grouping has now expanded to include Thailand which joined the MSP in September 2008.

20. We have also bolstered maritime security by enhancing maritime domain awareness within the region. We have set up an Information Fusion Centre (IFC) at the Changi Command and Control Centre (C2 Centre). The inauguration of the IFC



took place on 27 April 2009, and it is envisioned that the IFC and the International Liaison Officers (ILO) attached to the IFC would enhance the collective understanding of the maritime domain for collaboration towards strengthening maritime security in the region and beyond. The IFC was put through its paces when the Maritime Information-Sharing Exercise (MARISX) was held there from 11 to 15 May 2009. Over 30 ILOs from 15 countries and agencies participated in MARISX.

21. Maritime security has also been bolstered by the enhancement of maritime domain awareness within the region. The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia (ReCAAP), is the first ever government-to-government agreement to enhance maritime security in regional waters. Central to cooperation under ReCAAP is the Information Sharing Centre (or ISC), located in Singapore. The ISC serves as the platform to share information on piracy and armed robbery, and helps enhance information exchange and operational cooperation in responding to security incidents at sea. The 3rd Annual Meeting of the ReCAAP ISC Governing Council (GC) was held in Singapore on 25-27 February 2009. ReCAAP is now also viewed as a possible model for dealing with piracy in other regions, such as the Gulf of Aden. Singapore, Malaysia and Indonesia also launched a Co-operative Mechanism on Safety of Navigation and Environmental Protection in the Straits of Malacca and Singapore in September 2007 for user states and other stakeholders to work with the littoral states on enhancing navigational safety and environmental protection in this key

waterway. The second Co-operation Forum, a platform for dialogue among the littoral states, user states and other stakeholders, will be held in Singapore on 14-15 October 2009.

22. The sanctity of the UN Convention on the Law of the Sea (UNCLOS) must be safeguarded, and Singapore will continue to work with other "friends" of UNCLOS to protect its integrity. The carefully negotiated package that balances the interests of multiple stakeholders and provides, inter alia, for passage and overflight through maritime zones like straits used for international navigation, archipelagic sea lanes and Exclusive Economic Zones, must not be compromised by coastal states taking unilateral measures which do not conform to UNCLOS as such developments could have serious implications for the strategic interests of nations, and the shipping, economic and energy interests of the global community.

23. Freedom of navigation aside, Singapore also has a key interest in the security of international Sea Lines of Communications and therefore shares the international community's concerns on the surge of piracy attacks in the Gulf of Aden and the coast off Somalia. Singapore has therefore deployed an SAF Task Group, comprising a Landing Ship Tank RSS Persistence, with two Super Puma helicopters embarked to support international counter-piracy efforts in the GoA under the ambit of the multinational Combined Task Force 151. The TG, comprising 240 personnel, sailed for the three-month deployment in April 2009.

24. As a responsible member of the international community, Singapore is also committed to contributing to



international security operations. On the multinational stabilisation and reconstruction efforts in Afghanistan, Singapore has since 2001, contributed SAF deployments, assistance-in-kind, and training courses for Afghan personnel. In 2008, Singapore continued our SAF deployments with the New Zealand Defence Force's Provincial Reconstruction Team in Bamiyan, by deploying a construction engineering team there for two rotations, totalling six months. In addition, since November 2008, the SAF has deployed a 20-man medical team to Oruzgan Province, for two rotations totalling six months, to provide primary healthcare and ward capabilities in support of the Australian and Dutch forces deployed there. Besides Afghanistan, Singapore has also been contributing to multinational reconstruction efforts in Iraq since 2003. The SAF has made five deployments of Landing Ship Tanks, five deployments of KC-135 tanker aircraft and one deployment of C-130 transport aircraft in support of coalition operations in Iraq. As significant progress has been made in Iraq after these five years, and with the Iraqi security forces now prepared to take over the responsibility of providing security for the Iraqi people, coalition forces are now in a position to begin their phased withdrawals. Singapore's commitments to stabilisation operations in Iraq have therefore also come to an end.

Defence Policies and Information

25. The aim of Singapore's defence policy is to ensure that Singapore enjoys peace and stability, and that Singapore's sovereignty and territorial integrity are protected. Diplomacy and deterrence form the twin pillars of Singapore's

defence policy. Singapore develops and maintains good relations with other countries through diplomacy. These diplomatic efforts are wide-ranging and span many fields, not just in defence. At the same time, we seek to deter threats from emerging by contributing to regional resilience and through our concept of Total Defence. Singapore's concept of Total Defence aims to achieve a seamless and integrated all-round national capability to safeguard our national interests. Consisting of five elements – Psychological Defence, Social Defence, Economic Defence, Civil Defence and Military Defence – it unites and commits all sectors of the Singapore society to the defence of Singapore.

26. Our defence policy based on diplomacy and deterrence has served us well. Singapore continues to pursue cooperative, mutually beneficial relationships with friendly countries and seek to play a constructive role in regional and world affairs in order to enhance regional peace and security. Singapore maintains good bilateral defence relationships with ASEAN, Australia, China, France, Germany, India, Japan, the Republic of Korea, Netherlands, New Zealand, Sweden, United Kingdom and United States.

27. While pursuing defence diplomacy, the SAF also maintains its conventional capabilities so that it can possess a full spectrum of capabilities to deter aggression, as well as to respond flexibly from peacetime operations to full-scale combat operations. To this end, the SAF has embarked on transforming itself into a 3rd Generation SAF. As part of the transformation, the SAF has acquired new platforms and has placed much emphasis on developing an integrated and



networked armed force.

28. An independent and secure Singapore is made possible by a capable SAF which is the direct product of our steady and prudent investments in defence over the years. While the government is prepared to spend up to 6% of the country's Gross Domestic Product (GDP) on defence, in practice, Singapore has found it adequate to spend about 4.5% to 5% of GDP on defence over the past five years. The Singapore government's policy is to invest steadily on defence. We do not sharply increase spending during an economic upturn just because more money can be made available, and similarly, we do not sharply cut spending when the economy slows. Instead of a feast and famine approach, Singapore believes that the best way to provide for our defence is to continue to make steady investments. With a steady pattern of spending, we can develop the SAF more cost-effectively, and maintain a high level of operational readiness at all times.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

THAILAND

A. Perception of the Global and Regional Environment

Global Outlook

1. The continuing global economic and financial crisis continues to be the main challenge in the global environment this past year. This is perceived as potentially having some implications, direct or indirect, on the security and stability of countries and on human security. World Bank projections of growth in developing economies limited to only 2.9 percent this year, estimates of GDP growth rates in Southeast Asia of only 0.7 percent in 2009 and predictions by the Asian Development Bank that the crisis could lead to more than 62 million people in poverty in Asia, have potential ramifications on people's welfare. If left unaddressed, this may generate social tensions which may have cross-border implications, such as movements of people in search of employment or of scarce resources including water. This can lead to cross-border tensions and affect inter-State relations.

2. The continuing fluctuations in oil prices have compounded the problem. So has the advent of new diseases of potential pandemic proportions such as Influenza A, H1N1 which is affecting not only public health but also tourism. Climate change can also have potential implications of security especially when they affect crop yields and water

availability, thus increasing competition for scarce resources.

3. Although there have been no large scale armed conflicts which can present itself as traditional threats to global security, there continues to be conflicts in certain regions which involve terrorism and extremism dimensions. This is linked to the issue of international terrorism and transnational crimes which continue to affect the security of many countries throughout the globe.

4. One key development which has both global and regional implications is the growing challenge to the global nuclear non-proliferation regime under the Nuclear Non-Proliferation Treaty (NPT) caused by perceived threats of proliferation in some countries, including recent conducting of underground nuclear tests and missile launches. The threat to the global nuclear non-proliferation regime ironically comes at a time when there is greater political will by parties concerned for global cooperation on nuclear disarmament and non-proliferation, particularly recent statements of commitment to a world free of nuclear weapons by the United States and the Russian Federation.

5. Nevertheless, although these global challenges continue to threaten international peace and security, there is also growing international resolve and



meeting of minds to address these challenges in a cooperative manner.

6. First, there is growing use of multilateral fora and institutions to address these global challenges, from the G-20 on the global economic and financial crisis to the United Nations Security Council on non-proliferation issues to the various pre-Copenhagen Summits on climate change. There is also greater recognition for reform of international institutions to give developing countries a greater say in decision-making as well as greater recognition of the role of regional organizations as partners in dealing with global problems.

7. Second, the relationship between the major powers that impact on the Asia-Pacific region continues to be marked by growing cooperation and partnership, particularly on key global issues of common concern. Although the degree of cooperation in the various bilateral relationships between the major powers varies, there is fundamental agreement on the need to maintain stability and to enhance cooperation on issues of mutual interest.

8. In sum, although the scope and intensity of global challenges is increasing, there is fortunately a corresponding increase in multilateral cooperation and partnership amongst the major powers that will help keep these challenges contained and contribute to continued international peace and security. Other countries in the Asia-Pacific region should benefit from these circumstances.

Regional Outlook

9. The Asia-Pacific region has been fortunate in not having had to face the

brunt of the impact of these global challenges. Compared to other regions, the Asia-Pacific region has suffered relatively less from both the global economic and financial crisis and from the recent threat posed by Influenza A, H1N1. Terrorism and extremism have been kept under control with links between local groups and international terrorist groups minimized.

10. Although buffeted from the worst consequences of global challenges, the Asia-Pacific region continues to face both traditional and non-traditional challenges to peace and security.

11. Beyond the issue of the erosion in the global nuclear non-proliferation regime under the NPT, the increasing tensions in the Korean Peninsula is of concern because of possible spillover effects for the rest of the Asia-Pacific region. Also of concern is the continuing border disputes and overlapping claims, both land and maritime, between countries in the Asia-Pacific region. Thus far, these disputes have been contained through existing bilateral or other frameworks for dialogue.

12. Non-traditional security challenges continue to confront the region. Human trafficking and illicit drugs continue to pose threats to the Asia-Pacific region. There are estimates of some 600,000 to 800,000 victims of human trafficking in the world this past year, more than 50 percent of whom are children and 70 percent are females. In Southeast Asia, amphetamine type stimulants (ATS) continue to pose the most significant threats with production and use still increasing. The region also suffers from natural disasters, with the Asia-Pacific



being one of the regions most prone to natural disasters. Cyclone Nargis alone accounted for more than 130,000 people dead or missing.

13. New power shifts are playing a part in changing the geo-strategic landscape in the region. Key countries in the Asia-Pacific region are emerging as new centers of growth while key global economies are actively re-engaging with the region and are helping to contribute to the evolving regional architecture. The interplay between these powers have been constructive and have reinforced regional peace and stability.

14. Another factor in the changing geo-strategic landscape is the enhancement of ASEAN's regional resilience with the progress in regional integration and community building. ASEAN's regional resilience has been enhanced with the entry into force of the ASEAN Charter which will make ASEAN more rules-based, effective and people-oriented. These would be complemented by the establishment of an ASEAN human rights body, the development of dispute settlement mechanisms, the effective functioning of new ASEAN bodies and implementation of key ASEAN plans such as the Roadmap to an ASEAN Community and the Blueprints for the three Communities.

15. These developments go in hand-in-hand with enhanced partnerships between ASEAN and its Dialogue Partners, including through ASEAN Plus Three, the East Asia Summit and the ASEAN Regional Forum, to establish networks of cooperation to help address common challenges to peace and security in the region. From the Chiang Mai Initiative

Multilateralization (CMIM) to enhanced cooperation on Influenza A, H1N1 to accession to the Treaty of Amity and Cooperation in Southeast Asia by Dialogue Partners and external parties, these partnerships will play a role in helping promote regional peace and security.

16. Other regional and sub-regional arrangements promoting cooperation also help contribute to regional peace and security and to the evolving regional landscape. These include, *inter alia*, the ACMECS (Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy), the Greater Mekong Sub-region (GMS) cooperation, the Shanghai Cooperation Organization (SCO) and the Conference on Interaction and Confidence Building Measures in Asia (CICA), which help promote networks of cooperation on a broad front of issues and build trust and confidence amongst members. In this connection, it is unfortunate that the Six Party Talks, the primary mechanism to address issues related to the Korean Peninsula, have not been convened recently.

17. The regional picture, thus, is one of cautious optimism. Although key traditional and many non-traditional threats have been contained through both bilateral and regional mechanisms and there appears to be enhanced trust and confidence in the region, the scope of these threats can expand at any time and any single event, be it an uncontrolled boundary dispute or deterioration of the situation in the Korean Peninsula, can trigger tensions if not spillover effects in the region. There is thus greater need to build on the constructive inter-play of relations between major powers in the region and the networks of cooperation



developed by sub-regional and regional arrangements to help contain these threats and prevent them from exacerbating. Furthermore, there needs to be continued efforts to encourage the shaping and sharing of norms and values and to develop further codes of conduct for the region, including through adherence to the Treaty of Amity and Cooperation in Southeast Asia (TAC) and the Declaration on the Conduct of Parties in the South China Sea (DoC).

B. Thailand's Contributions to Peace, Security and Stability in the Region and the Role of the ARF

Contributions to Peace, Security and Stability in the Region

18. Thailand has undertaken many activities at national, regional and global levels in order to contribute to peace, security and stability in the Asia-Pacific region. Indeed, the ASEAN Charter identifies one of the purposes of ASEAN is "to respond effectively, in accordance with the principle of comprehensive security, to all forms of threats, transnational crimes and transboundary challenges". With regard to the region, Thailand's approach has been to strengthen the regional code of conduct that promotes peaceful settlement of disputes and to reinforce ASEAN-led and other regional arrangements and processes that promote enhanced cooperation on issues of shared interests and common concern and address various common challenges to regional peace, security and stability. These regional efforts are perceived as supplementing national and bilateral efforts to promote peace, security and stability and complementing multilateral efforts under the United Nations or other bodies.

19. To promote universal respect for a code of conduct for relations in Southeast Asia based on peaceful settlement of disputes, Thailand, as ASEAN Chair, has been negotiating with countries outside the region including remaining Dialogue Partners to get them to accede to the Treaty of Amity and Cooperation in Southeast Asia. Under our Chairmanship, ASEAN and the European Union/European Communities have recently signed Declarations of Intent and Consent respectively for the EU/EC to accede to the TAC, subject to the appropriate amendment of the TAC. ASEAN is also preparing guidelines on accession to the TAC to facilitate consideration of countries outside the region wishing to accede to the TAC in the future.

20. Thailand attaches great importance to addressing the challenge of transnational threats. The Royal Thai Government's Policy Statement to the National Assembly in December 2008 calls for to "*strengthen the capacity to handle transnational threats by giving importance to the development of systems and mechanisms to prevent and deal with all forms of terrorism and transnational crimes, developing laws and effectively enforcing related laws as well as developing network of international cooperation and promoting compliance with international commitments under the framework of the United Nations*". To help address non-traditional threats to security, Thailand has undertaken initiatives in partnership with other countries.

21. In the areas of counter-terrorism, Thailand's current policy to counter international terrorism emphasizes prevention, efficiency in intelligence, improvement of legal frameworks,



awareness raising, reduction of conditions conducive to terrorism and development of effective regional counter-terrorism mechanisms. An update on actions undertaken by Thailand to help fight international terrorism was submitted to the United Nations in May 2009 under the agenda item “Measures to Eliminate International Terrorism.” Thailand was one of the first ASEAN Member States to ratify the ASEAN Convention on Counter-Terrorism since 2008 and works with ASEAN Member States to get full ratification of the Convention and to finalize the Comprehensive Plan of Action on Counter-Terrorism.

22. To help combat extremism, Thailand’s national security policy gives special emphasis on promoting understanding and harmony, including tolerance and respect for diversity, among peoples of different religious and cultural backgrounds through cross-cultural programmes and education especially among children and youth.

23. To help combat human trafficking and people smuggling, Thailand has been playing an active role in the Bali Process since its inception in 2002. As a member of the Steering Group, Thailand endeavours to work closely with fellow members including the IOM and the UNHCR to ensure that the Bali Process remains a vital mechanism for addressing emerging regional challenges with regard to irregular migration. Resolving the problem of illegal immigrants on the basis of keeping a balance between protecting basic individual rights and maintaining national security is a priority.

24. In the wake of the 3rd ASEAN Defence Ministers’ Meeting (ADMM) in February

2009, Pattaya, Thailand, the Thai armed forces together with other ASEAN defence establishments have recognised the useful and proactive roles that they could play in addressing both national and regional non-traditional security challenges as part of an integrated approach and through collective efforts so that their undertakings are results-oriented. The convening of the aforementioned event also gave Thailand the opportunity to work with fellow ASEAN Member States to enhance cooperation on humanitarian assistance and disaster relief (HADR) by exploring and identifying possible ways and means for the use of ASEAN military assets and capacities to conduct HADR operations. This complements the decision of the 14th ASEAN Summit, in February 2009 in Hua Hin, Thailand that assigned the ASEAN Secretary-General as ASEAN’s humanitarian assistance coordinator for large scale disasters.

25. Engagement of various sectors of society including civil society organizations was key to building an effective front to counter non-traditional security threats. In this connection, an ADMM workshop was organized in Bangkok, Thailand in June 2009 to begin a dialogue with CSOs in the region on how they can cooperate with defense establishments to address non-traditional security threats.

26. The ASEAN Charter states that one of the purposes of ASEAN is “to preserve Southeast Asia as a Nuclear Weapon Free Zone and free from all other weapons of mass destruction”. As the Depository State of the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) Treaty and current Chair of the SEANWFZ Commission, Thailand attaches importance to the promotion of nuclear



disarmament, nuclear non-proliferation and peaceful use of nuclear energy in the region, in accordance with international obligations under the SEANWFZ Treaty, the Nuclear Non-Proliferation Treaty (NPT) and other relevant treaties and conventions. As a State Party to the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC), Thailand also attaches importance to enhancing international cooperation on the chemical and biological pillars in addressing the WMD threat. On the issue of non-proliferation, Thailand continues to extend its cooperation to implement UN Security Council resolution 1540 and other relevant resolutions. In this connection, measures undertaken by Thailand to implement UNSC resolution 1540 have been reported to the 1540 Committee of the UNSC which appear as **UN document S/AC.44/2004/(02)71** with updated information on Thai legislation in www.un.org/sc/1540/legisdocuments.shtml

27. Thailand continues to promote regional maritime security. This is reflected in our active participation in both the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) and in the Malacca Straits Coordinated Patrols and the Eyes in the Sky programme.

28. To fight against pandemics, Thailand hosted the ASEAN Plus Three Health Ministers' Meeting in May 2009 to lay down a regional framework to combat influenza A, H1N1 which includes the development of joint investigation and response teams.

Role of the ARF

29. Thailand sees the ARF as having a

central role to play in promoting peace, security and stability in the region. During its Chairmanship of the ARF, Thailand worked with ARF participants to lay a foundation for the ARF to become more proactive, effective and responsive to the growing multi-dimensional challenges to the region. To attain this goal, Thailand believes that the ARF needs to continue to engage in shaping and sharing of norms and develop habits of cooperation amongst the ARF participants. This includes continuation of confidence-building activities to help enhance trust and confidence and development of preventive diplomacy in priority areas such as non-traditional security challenges and the promotion of concrete cooperation activities. A Vision Statement would be adopted to provide a framework for further progress in the ARF's evolution.

30. Another role that the ARF can play is the promotion of transparency on defense policies and information as well as enhanced contacts between the defense personnel of ARF Participants. In this connection, during Thailand's ARF Chairmanship, the groundwork was laid for a more comprehensive and standardized ARF Annual Security Outlook that will lend itself to comparison of data in the future.

31. One of the priorities areas of cooperation to which Thailand attaches importance is the promotion of humanitarian assistance and disaster relief in the ARF. Ultimately, we see the ARF as developing effective standard operating procedures and mechanisms that can coordinate HADR efforts in the region in an effective and timely manner. Such procedures and mechanisms would



complement and reinforce those developed by ASEAN and the role played by the Secretary-General of ASEAN as ASEAN's humanitarian assistance coordinator for large scale disasters and pandemics.

32. The ARF is envisaged as one of the pivotal entities in the evolving regional architecture. However, it will need to work in tandem with the developing ASEAN Political-Security Community Council and in cooperation with other regional arrangements that play a role in regional peace and security such as the Shanghai Cooperation Organization and the Organization for Security and Cooperation in Europe (OSCE). These networks of institutional cooperation will help the region respond to different threats and challenges, help enhance trust and confidence in the region and promote regional peace and security.

C. Thailand's Defense Policies

33. Thailand pursues a national defense strategy that places emphasis on preventive measures and cooperation, including with friendly countries. In this connection, the National Defense Strategy of Thailand comprises six key elements. First, maintain solidarity and support for national interests amongst all Thais. Second, enhance defense capacity by integrating all forces and resources to develop effective monitoring and early warning capacities. Third, develop science and technology to enhance national capacities to confront threats and protect national interests from the negative effects of information technology. Fourth, create trust and understanding with neighboring countries. Fifth, cooperate with major powers and countries in the Asia-Pacific for stability in the region.

Sixth, develop cooperation networks of intelligence to counter terrorism and other kinds of transnational crime.

34. As part of Thailand's efforts at transparency with regard to defense policies, Thailand has reported in 2008 information of military matters including military expenditures for fiscal year 2007, as appears in **UN document A/63/97**. In 2008, out of the 4,629.64 million USD total military expenditure, Thailand spent 3.52 million USD on Defense Health Services and Developments, 29.94 million USD on National Security Operations, 31.05 million USD on Foreign Policy and International Affairs Operations, 0.66 million USD on Restructuring Assistance Operations for Agriculture, Manufacturing, Tourism, Services and Trade Sectors, 1.32 million USD on Public Sector Assistance Operations, 4,333.58 million USD on Military Capabilities and Efficiency Building, 221.98 million USD and 7.59 million USD on Counter Crime and Narcotics Operations respectively.

35. Thailand seeks to promote security cooperation with all countries at bilateral and multilateral levels on the basis of mutual respect and mutual benefits in order to create amity, maintain neutrality, consolidate strength and prevent conflict. Promoting further trust and confidence as well as enhancing capabilities for joint operations including responses to disasters and providing humanitarian assistance were some of the main goals of this year's Cobra Gold multinational defense exercise in Thailand, which included the participation of Indonesia, Japan, Singapore, Thailand and the United States. To ensure transparency, there were numerous observers from countries in the Asia-Pacific region.



37. The role of the Thai armed forces has been adjusted to focus on other tasks other than preparation to defend the country in cases of armed conflict. The adjusted roles include missions in support of government policies such as assistance in implementation of Royal initiated projects, elimination of drug trafficking, preservation of the environment and natural resources and other civic action programmes, all of which contribute towards enhancing human security in the region.

38. One area where the Thai armed forces hope to develop enhanced capabilities, building on its past experience, is in the area of peace-keeping. This is commensurate with Thailand's policy to "*promote Thailand's role in international peace-keeping under the framework of the United Nations*", as emphasized in the Royal Thai Government's Policy Statement to the National Assembly in December 2008, our experience in UN peacekeeping and observer missions worldwide and other missions including the Aceh Monitoring Mission and our membership in the UN Peace-building Commission.

39. With the establishment of a national peacekeeping centre, Thailand hopes that the centre will help contribute to the development of regional capacities for peace-building and, in this connection, see the development of enhanced links and networks amongst peacekeeping centers in the region in areas such as joint planning, training and sharing of experiences. In view of the ASEAN Political-Security Community Council identifying regional cooperation in peacekeeping as a priority area and the importance of this issue as identified in

the ADMM Three Year Work Programme, this networking would be the first step to establish regional arrangements for maintaining peace and stability as called for in the APSC Blueprint.

Conclusion

40. With the ARF considering adoption of a Vision Statement which will make it more responsive and effective, and with the establishment of an ASEAN Political-Security Community, Thailand will work with the ASEAN Community and ARF Participants to ensure effective synergy between the two entities in order to promote human security in the region and reinforce regional peace, stability and prosperity. To attain this strategic goal, Thailand will rely on cooperative endeavours at regional and multilateral levels, with countries inside and outside the region as well as with relevant international and regional organizations.

41. Thailand will also continue to contribute to the emerging regional security architecture, one based on cooperation and joint action, to face common threats and challenges and emergency situations that arise in the region, and respect for diversity. In developing this evolving regional architecture, regional processes that are ASEAN-centered, including the ARF, would be the key driving force. Such regional processes, however, should also be based on mutually beneficial partnerships with countries and organizations outside Southeast Asia. What is important is that the evolving regional architecture is inclusive, responsive, builds on shared interests, is not directed against any country or group of countries and respects the diversity of the Asia-Pacific region.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

The United States

1. U.S. perceptions of and approaches towards the regional and global security environment.

While many positive trends from earlier years continue, the political and security trajectory of the Asia-Pacific has suffered some negative setbacks. These setbacks primarily result from recent DPRK provocations and the continuation of many transnational threats. Countries are working together to foster coordinated, multilateral responses in transnational areas like maritime security and counterterrorism. Cooperative security efforts have built confidence, enhanced mutual understanding, and forged close regional relationships and alliances. The United States is strengthening both our bilateral and multilateral relationships to foster these shared responses. We all stand to benefit from coordinated, multilateral solutions to the region's long and short term challenges. Key regional players will be critical in shaping a strong regional and global strategy to combat emerging security threats. Continued cooperation on all of the security issues facing the region will be one of the most potent means for addressing today's security concerns.

Security Challenges

The DPRK's April 5 launch of a long range missile and the May 25 nuclear test were violations of United Nations Security Council resolutions and are a threat to

international and regional peace and security. The U.N. Security Council took swift and decisive action in their unanimous adoption of UNSCR 1874. This resolution requires North Korea to abandon all existing nuclear weapons and existing nuclear programs, suspend activities related to its ballistic missile program, and return at an early date to NPT and IAEA safeguards. In addition, new measures under this resolution include:

- 1) A total ban on North Korea's arms exports and an expansion of the ban on arms imports;
- 2) A call to member states to prevent the provision of financial services that could be related to DPRK's nuclear, missile and WMD-related activities; and
- 3) where a member state has reasonable grounds to believe that a cargo contains items proscribed under UNSCR 1718 and 1874, a call to inspect all DPRK cargo in that member state's territory as well as vessels on the high seas with the consent of the flag State.

The United States remains committed to the goal of the Six-Party Talks: the verifiable denuclearization of the Korean Peninsula in a peaceful manner. North Korea should return immediately to the Six-Party Talks without precondition and honor its previous commitments to denuclearize the Korean Peninsula. We call upon the international community to fully and transparently implement their



obligations pursuant to UNSCR 1874, including the prevention of transfer of proliferation-related materials to and from the DPRK. This coordinated effort is essential to meeting the challenge of North Korean proliferation and its pursuit of nuclear weapons.

The proliferation of weapons of mass destruction (WMD), their means of delivery, and related items threatens the security of every member of the international community. As President Obama stated in Prague earlier this year, the United States remains committed to seeking the peace and security of a world without nuclear weapons. We are committed to working toward this goal and are pursuing the entry into force of the Comprehensive Test Ban Treaty. As we work toward a nuclear weapons-free world, it is imperative that the international community – to include ARF participants – work together to prevent the acquisition, possession, and use of WMD, including by terrorists. One way that all states can address this security threat is by working toward full implementation of UN Security Council Resolution 1540. We are also interested in continuing negotiations with Russia on a START follow-on treaty. This agreement will not only reduce the levels of arms lower than those in the Moscow Treaty, but also enhance regional security.

The concept of “security” increasingly encompasses far more than just military considerations. An economic crisis can become a security crisis. A lack of good governance can undermine order and stability. Under pressure from criminals or disease, weak states can become falter states. Working together, we have made substantial progress in suppressing

terrorism in Asia and reducing the conditions under which terrorism thrives. Other challenges—including the rogue regime in Burma, the economic crisis, the threat of pandemic flu, drug and human trafficking, and climate change—continue to threaten the security and prosperity in the ARF region, and will require international responses. The best solutions to these global issues require multiple nations acting with uncommon unity.

2. U.S. views on the role of ARF in regional security

ARF serves as a useful venue for broad, multilateral cooperation on a number of security issues, particularly in non-traditional and transnational security areas. U.S. bilateral security relationships with allies and partners constitute a major focus of U.S. engagement within the region on security and defense matters. These relationships underpin stability in the region. Other multilateral arrangements – with or without the United States – such as counter-piracy cooperation in the Straits of Malacca or the Six-Party Talks are also useful to resolve specific security problems. Within the regional security architecture, ARF provides added value especially through cooperation and dialogue on security problems requiring responses from a wide range of actors. Such dialogue builds trust and confidence and helps avoid misunderstandings that could impact negatively on the region’s stability and security. An agenda focused primarily on transnational and non-traditional security areas (nonproliferation, counter terrorism, transnational crime, disaster relief, maritime security, etc.) befits an institution like ARF with its large, diverse,



and inclusive membership. ARF should seek to build regional capacity and develop interoperability to counter these transnational threats.

3.1 U.S. regional security policies and approaches in promoting peace, security and stability in the area covered by the ARF geographical footprint.

The core of U.S. security posture in the region continues to be our presence in the region and our network of bilateral alliances and security partnerships. These alliances are buttressed by active involvement in trans-Pacific multilateral institutions like ARF and by a robust security assistance and engagement program across the region. The U.S. approach to promoting our collective goals for peace, security, and stability is rooted in three principles:

1. **Maintaining core alliances and partnerships.** U.S. alliances with Japan, Korea, Australia, Thailand and the Philippines have formed the bedrock for stability in the Asian region and have provided the political space for stable economic development of the region. Our partnerships with countries like Singapore, New Zealand and Pakistan remain close and constructive. We continue to strengthen our alliances and work with our partners to promote regional security through cooperation on a wide range of issues including building capacity in militaries through exercises and other activities throughout the region, supporting counterterrorism operations in Afghanistan, and collaborating on

humanitarian assistance and disaster relief missions.

2. **Promoting multilateral cooperation.** Contemporary transnational security problems illustrate that many of these challenges encompass more than just military considerations and cannot be overcome by single nations acting alone. The United States is an active participant in regional forums, ranging from broad groups like ARF and APEC to smaller groups, such as the Australia-Japan-U.S. trilateral dialogues, that work on specific threats and build policy and operational solutions to address them. The United States also provides assistance to help other countries work together by building capacity and funding initiatives to help countries secure maritime borders. New and re-emerging centers of power such as China, India, and Indonesia combined with the emergence of “non-traditional threats” give impetus to the exploration of a new security architecture for the region and an enhanced relevance of multilateral approaches. The United States remains committed to help build the capacity of governments to successfully meet many of these challenges.
3. **Developing new relationships.** As our security challenges in Asia have evolved, so have our relationships. Earlier this year, the Obama Administration announced that we are seeking to build a new comprehensive partnership with



Indonesia on economic, social, political, and security matters. We are working to increase cooperation with India, Malaysia, Vietnam, and others across mainland and maritime Southeast Asia. This includes our emerging dialogue with Cambodia, as well as increased security cooperation with Laos.

Additionally, we are working with China on a wide range of challenges. These include economic matters to security issues such as regional areas of tension, counter-terrorism, nonproliferation, energy security, piracy, and disaster relief. The United States and China must find opportunities to cooperate wherever possible. We want a positive and cooperative relationship with China, one where we deepen and strengthen our ties to serve our shared interests and to candidly address differences where they persist. The positive June 23-24 Defense Consultative Talks in Beijing as well as the ongoing U.S. – China Joint Liaison Group for Law Enforcement Cooperation are both useful steps in this direction. Our interaction with China will be long-term and multi-dimensional and will involve peacetime engagement between defense establishments. An essential part of this relationship is transparency about strategic goals, political intentions, and military development to avoid potentially dangerous miscommunication and miscalculation. In the South China Sea, we hope that China and

ASEAN will work together to maintain freedom of navigation and commerce and to forge a multilateral solution to conflicting claims in line with the 2002 Declaration on the Conduct of Parties in the South China Sea.

3.2 Activities undertaken by the United States to promote regional peace, security and stability

The United States sponsors or participates in a broad range of activities to promote regional peace, security, and stability. These include:

Maintaining Alliances and Partnerships: U.S. alliances have formed the bedrock for stability in the Asian region and have provided the political space for stable, economic development of the region. We continue to strengthen these alliances. These joint steps with our allies include:

- **Japan:** Our relationship with Japan continues to grow, and the bilateral roadmap for realignment will further strengthen our alliance, modernize our force posture, improve our interoperability, and enhance our engagement in Asia. Over the past decade the alliance has been strengthened through revised Defense Guidelines, which expand Japan's noncombatant role in a regional contingency, the renewal of our agreement on Host Nation Support for U.S. forces stationed in Japan, and an ongoing process called the Defense Policy Review Initiative (DPRI).
- **Republic of Korea (ROK):** On the Korean Peninsula, we are advancing toward the transition of wartime



operational control, demonstrating the strength of the Alliance and the capabilities of the ROK military to take the lead in the combined defense of the ROK. The United States continues to maintain its firm commitment to the U.S.-ROK Alliance and to the security on the peninsula. Bilateral mechanisms such as the Security Consultative Meeting and the Strategic Consultations for Allied Partnership provide venues to continue strengthening our alliance framework. The United States has pledged to maintain U.S. troop strength in Korea at the 28,500 level and the United States and Korea have agreed to transfer wartime operational control to Korea on April 17, 2012. Presidents Obama and Lee recently issued a Joint Vision for our bilateral relations, deepening our bilateral economic, political, and security relationship

- **Australia:** The U.S.-Australia alliance remains a strong and relevant ally in the strategic, security, military and foreign policy fields. Our countries continue to work together to achieve our common goals for the security and prosperity of the ARF region. The U.S.-Australia alliance under the ANZUS (Australia-New Zealand-United States) Treaty remains in full force. Bilateral, joint foreign and defense ministerial meetings are supplemented by consultations between the U.S. Combatant Commander for the Pacific and the Australian Chief of Defense Force. In fulfillment of ANZUS obligations, Australia and the United States conduct a variety of joint activities. These include military exercises ranging from naval and landing

exercises at the task-group level to battalion-level special forces training to numerous smaller-scale exercises, assigning officers to each other's armed services, and standardizing, where possible, equipment and operational doctrine.

- **Philippines:** In the Philippines, we have assisted the Armed Forces of the Philippines in their military reform and modernization program as well as their operations against terrorists in the South, and now look forward to finding new avenues for strategic cooperation. Annual bilateral military exercises help develop Philippine military capacity to engage in disaster relief, bring civilian aid to underdeveloped areas - most notably in the south - and combat terrorist groups, such as the Abu Sayyaf Group (ASG) and Jemaah Islamiyah (JI). The exercises include combined military training as well as civil-military affairs and humanitarian projects. The U.S. International Military Education and Training (IMET) program is our largest in the Asia-Pacific region and the third-largest in the world.
- **Thailand:** By hosting Cobra Gold, the region's largest multi-lateral exercise, Thailand has proven to be the engine behind the development of multi-lateral capacity to address regional security challenges. Thai assistance has been critical to regional security operations in the humanitarian field, responding to the 2004 Tsunami and the 2008 Cyclone Nargis.

Building Partner Capacity: The United States continues to help build our partners security capabilities and interoperability through dialogues and exercises. We continue to expand our



cooperation with partners such as India, Singapore, and New Zealand, and are working to develop emerging defense relationships with Malaysia, Vietnam, Cambodia, Laos,

- The United States has bilateral security dialogues with nearly every country in the region, and is an active participant in multilateral forums such as the ARF and the Shangri-La Dialogue. Such forums promote transparency on strategic goals, political intentions, and military development. Mutual understanding of our different perspectives as well as common interests can ease tensions and point the way towards new areas for cooperation.
- The U.S. sponsors or participates in dozens of bilateral and multilateral exercises with Asian partners every year, including the ASEAN Voluntary Disaster Relief (ARF VDR) exercise, Cobra Gold, Balikatan exercise with the Philippines, and the peacekeeping-focused Garuda Shield in Indonesia. These exercises help build military capacity, enhance interoperability both with the United States and others in the region, and build confidence and trust in our defense relationships.

We partner across the Asia-Pacific with a range of countries. Some of the most deep-seated partnerships include:

- **Singapore:** In 1990, the United States and Singapore signed a Memorandum of Understanding (MOU) which allows U.S. access to Singapore facilities at Paya Lebar Airbase and the Sembawang wharves and eventually established a U.S. Navy logistics unit.

U.S. fighter aircraft deploy periodically to Singapore for exercises, and a number of U.S. military vessels visit Singapore.

- **New Zealand:** The New Zealand Government has reaffirmed the importance it attaches to continued close political, economic, and social ties with the United States, including in certain security matters. As an active contributor to multilateral peacekeeping and humanitarian assistance operations and exercises, the United States has recently been able to participate with New Zealand in a variety of multilateral exercises despite restrictive bilateral defense cooperation emanating from disagreements over nuclear affairs.
- **Pakistan:** U.S. military assistance provides spare parts and equipment to enhance Pakistan's capacity to police its northwestern border with Afghanistan and address its counter insurgency and counter terrorism concerns. Increasing Pakistan's ability to combat insurgents results in increased stability across the region.

Security and Defense Assistance Programs and Capacity-Building:

The United States partners with regional security and defense agencies to build their capacity to combat emerging threats and augment their defense capabilities in areas like counter terrorism, peacekeeping, humanitarian assistance, maritime security, and transnational crime.

- **Foreign Military Financing (FMF):** FMF programs for countries in the East Asia and Pacific region builds their capabilities and capacity for combating transnational crime and



terrorism, promotes military reform and builds support for U.S. objectives in the region. In the Philippines, FMF will help build counterterrorism capabilities and continue a multi-year reform of the Armed Forces of the Philippines. Thailand will use FMF to support its counterterrorism units, thereby increasing its ability to combat terrorism and operate more effectively with U.S. forces. Mongolia will continue to use FMF to support its defense reform efforts by training and equipping a peacekeeping battalion. Critical FMF for Indonesia will address shortfalls in maritime and border security including in the strategic Straits of Malacca, help maintain and upgrade transportation capabilities for humanitarian assistance/disaster relief, and contribute to military reform.

- **Military Education, and Training:** International Military Education and Training (IMET) and additional Department of Defense authorities provide security resources for the U.S. government to provide partners in the Asia-Pacific region with training and educational opportunities that contribute to overall regional stability, strengthen military-to military ties and expose civilian and military participants to our doctrine, military capabilities and democratic way of life. These programs seek to encourage effective, positive defense relationships, support the development of more professional militaries, contribute to improved civil military relations, enhance regional stability and promote human rights. The Philippines, Thailand, Indonesia, Malaysia, and Mongolia are the five

largest recipients in the East Asian-Pacific region.

- **Global Peacekeeping Operations Initiative (GPOI):** The Global Peace Operations Initiative (GPOI) seeks to address major gaps in international peace operations through increasing and maintaining capability, capacity, and effectiveness of peace operations. GPOI seeks to train and equip peacekeepers, build regional and institutional capacity, create a “clearinghouse” to exchange capacity-building information among major assistance providers, develop transportation and logistics support arrangements, provide equipment to support deployments, increase police capacities for participating in international peace operations, and create self-sufficient partners in peacekeeping. The GPOI program also provides assistance to regional peace operations training centers including those in Malaysia, Bangladesh, Thailand, and Indonesia. Annual multinational exercises conducted under the GPOI banner, such as recent ones in Mongolia and Indonesia, enhance regional interoperability with UN mechanisms. The U.S. Pacific Command, acting on behalf of the Department of State, leads these capacity-building efforts in the Asia-Pacific region.

Transnational Security-related programs:

- **Anti-Terrorism Assistance Program (ATA):** The ATA program provides partner countries with the training, equipment, and technology needed to increase their capabilities to find and arrest terrorists. Through subjects including but not limited to airport

security, cyber terrorism, border control, and crisis response teams, this program builds the kind of cooperation and interactivity between law enforcement officers that has a lasting impact

- Facilitate the detection and interdiction of WMD by tracking, controlling, and securing dangerous materials, including fissile material, radiological material, pathogens, and chemical agents or precursors; and
 - Limit the spread of advanced conventional weapons.
 - **Narcotics and Law Enforcement Programs:** U.S. government programs, led by the Department of State, strengthen host nation capabilities through institution building so that partner countries can bolster their own effectiveness in fighting international drug trafficking and crime. These bilateral programs are implemented in countries throughout Asia and reflect a long-term commitment to attack these problems globally.
 - **Preventing the Production, Trafficking, and Abuse of Illicit Drugs:** Programs focus on building interdiction capabilities, eradication, sustainable alternative development, and demand reduction. Further, they include strengthening the ability of law enforcement and judicial authorities in both source and transit countries to investigate and prosecute major drug trafficking organizations and their leaders, and to seize and block their assets.
 - **Combating Criminal Elements:** Other programs focus on the full spectrum of law enforcement, rule of law, and justice sector institutional development. These include specialized training for prosecutors and judges to manage terrorism and transnational crime cases, and draft effective laws in these areas, as well as
- **Export Controls:** The Export Control and Related Border Security Assistance (or "EXBS") program is the U.S. Government's premier initiative to help other countries improve their export control systems. The EXBS program takes a regional and multilateral approach, promoting harmonization of national export control systems with international standards and facilitating information-sharing agreements among nations. The program also utilizes a number of regional fora to bring national policymakers and technical experts together to share information and best practices.
 - **Nonproliferation and Disarmament:** The Nonproliferation and Disarmament Fund, established in 1994, provides a means for the U.S. government to respond rapidly to nonproliferation and disarmament opportunities, circumstances, or conditions that are unanticipated or unusually difficult but of high priority. Its mission includes efforts to:
 - Halt the proliferation of nuclear, biological, and chemical weapons and their delivery systems, radiological materials, and related sensitive and/or dangerous materials;
 - Destroy or neutralize existing weapons of mass destruction (WMD), their delivery systems, and related sensitive materials and infrastructure;



training and technical assistance for law enforcement agencies to combat alien smuggling and enhance border security. Additional measures also help protect the U.S. and global economies against cybercrime and intellectual property piracy.

4.1 U.S. defense policies and doctrine

Globally we face a range of diverse, unconventional threats that transcend national borders. Some are ancient such as piracy, ethnic strife, and poverty. Others are of more recent vintage, including global crime, weapons proliferation, wildlife smuggling, environmental degradation, drug and human trafficking, cyber security, climate change, economic turmoil, and the emergence of deadly and contagious diseases. These are all long-term challenges. Success in dealing with them will require the orchestration of national and international power over years or decades to come. The use of force plays a role, however military efforts to capture or kill terrorists are likely to be subordinate to measures to promote local participation. Such participation in government and economic programs will spur development and improve efforts to understand and address the grievances that often lay at the heart of the insurgencies. U.S. dominance in conventional warfare has given prospective adversaries, particularly non-state actors and their state sponsors, strong motivation to adopt asymmetric methods to counter our advantages. For this reason, we must display a mastery of irregular warfare comparable to that which we possess in conventional combat.

Deterrence is a key part of preventing

conflict and enhancing security. It requires influencing the political and military choices of an adversary. It can dissuade an adversary from taking an action by making its leaders understand that either the cost of the action is too great, is of no use, or unnecessary. Over the next twenty years, physical pressures – population, resource, energy, climatic and environmental – could combine with rapid social, cultural, technological and geopolitical change to create greater uncertainty. Whenever possible, the Department will position itself both to respond to and reduce uncertainty. The security of the United States is tightly bound up with the security of the broader international system. As a result, our strategy seeks to build the capacity of fragile or vulnerable partners to withstand internal threats and external aggression while improving the capacity of the international system itself to withstand the challenge posed by rogue states and would-be hegemons.

Since the end of the Cold War, Asia's security environment has undergone remarkable change. These changes are spurred in part by globalization and the technological revolution of the last two decades and inspired by the dynamism of the peoples of Asia. In recent years, the nations of Asia have, for the most part, achieved unprecedented wealth and stature. They have forged more mature political, economic, and military institutions. When it comes to freedom, or standards of living, or security, the peoples of Asia are expecting more from themselves and from their governments. Civil societies and democratic reforms have taken root, and, with them, we have seen a profound effect on domestic politics and national-security policies. In



the central and western Pacific we are increasing our military presence with new air, naval, and marine assets based in Guam and throughout the region. We are prepared as always to respond to a number of contingencies, natural or man-made.

Our commitment to the region is just as strong today as it has ever been – if not stronger - since our own prosperity is increasingly linked with that of the Asia-Pacific region.

The current, complete statement of U.S. defense policy is the 2008 National Defense Strategy, which was published in June 2008 and can be found at: <http://www.defenselink.mil/news/2008%20national%20defense%20strategy.pdf>

A new Quadrennial Defense Review (QDR) is scheduled to be published in 2010, and will include the greatest detail on U.S. national defense policy. A 2010 QDR fact sheet (published April 2009) gives a preview of issues covered in the newest QDR and can be found at: <http://www.defenselink.mil/news/d20090429qdr.pdf>

4.2 Information on U.S. defense budgets and on selected military expenditures

The 2010 budget request is intended to help steer the Department of Defense toward an acquisition and procurement strategy that is sustainable over the long term and matches real requirements to needed and feasible capabilities. The Department's strategy and budget strike an improved balance in three dimensions:

1. Between prevailing in current conflicts and preparing for a complex future;

2. Between institutionalizing proven wartime adaptations and preserving the nation's existing conventional and strategic advantages;
3. Between accelerating acquisition and management reform while retaining proven best practices.

Fiscal Year 2009 Base Budget: \$513 Billion

The base request funds noncontingency operation costs associated with the United States Army, Navy, Marine Corps, and Air Force. It supports the activities of the ten Combatant Commands, the majority of funding for the U.S. Intelligence Community, and the Department's 33 agencies, field activities, and specialized offices. The following information is taken from the Department of Defense Fiscal Year 2010 Budget Request Summary Justification (http://www.defenselink.mil/comptroller/defbudget/fy2010/fy2010_SJ.pdf). For each element, it includes both the FY09 enacted amounts and the FY10 requests the Department of Defense submitted to Congress.

**Table 5.6 Department of Defense Discretionary Budget Authority Funding Summary**

\$ in Millions	FY 2009		
	Enacted	Supplemental Request ¹	Total
Base Budget ¹	513,343.1	—	513,343.1
American Recovery & Reinvestment Act	7,435.0	—	7,435.0
Overseas Contingency Operations ¹	65,921.2	75,829.3	141,750.5
Total	586,699.3	75,829.3	662,528.6

Numbers may not add due to rounding

¹ The FY 2009 OCO Supplemental Request included a proposal for \$3.4 billion to be cancelled from the Base budget (\$2.9B in fuel savings; \$0.6B in Procurement reductions) to offset the cost of Additional Requests in the FY 2009 OCO Supplemental Request (Base: \$613.3B - \$3.4B = \$609.9B; OCO: \$76.0B + \$3.4B = \$79.2B). Numbers throughout this volume (including this table) do not reflect the proposed cancellation / reappropriation.

Table 5.1 Base Discretionary Budget Authority by Appropriation Title

\$ in Millions	FY 2009 Enacted ¹
Base Budget	
Military Personnel	124,866.5
Operation and Maintenance	179,096.1
Procurement	101,682.8
RDT&E	79,492.8
Military Construction	21,891.3
Family Housing	3,157.8
Revolving Funds	3,155.8
Total	513,343.1

¹ FY 2009 excludes \$7.4B ARRA funding (see Table 5.1)

Table 5.2 Base Discretionary Budget Authority by Military Department

\$ in Millions	FY 2009 Enacted ¹
Base Budget	
Army	139,206.7
Navy	147,424.8
Air Force	141,199.0
Defense-Wide	85,512.5
Total	513,343.1

¹ FY 2009 excludes \$7.4B ARRA funding (see Table 5.1)

Numbers may not add due to rounding

Table 5.4a Base Discretionary Budget Categories to Appropriation Titles Conversion

\$ in Millions	FY 2009 Enacted
Base Budget	
Military Pay & Healthcare	150,685.3
Military Personnel (less Healthcare)	107,463.2
Healthcare	43,222.1
<i>Defense Health Program (O&M: Defense-Wide)</i>	<i>25,818.8</i>
<i>Military Personnel (MilPer: Army, Navy, and Air Force)</i>	<i>7,052.7</i>
<i>Healthcare Accrual (MilPer: Army, Navy, Air Force)</i>	<i>10,350.6</i>
Operations, Readiness & Support	156,433.0
Operation & Maintenance (less DHP)	153,277.2
Revolving Funds	3,155.8
Modernization	181,175.7
Procurement	101,682.8
RDT&E	79,492.8
Family Housing & Facilities	25,049.1
Family Housing	3,157.8
Military Construction	21,891.3
Total	513,343.1

Numbers may not add due to Rounding

Fiscal Year 2009 Overseas Contingency Operations (OCO): \$141 Billion

The OCO request funds an increase in the U.S. troops in Afghanistan while responsibly withdrawing troops from Iraq. It also funds the training of Afghan and Pakistani forces.

Table 5.9 Overseas Contingency Operations Funding by Military Operation¹

\$ in Millions	FY 2009		
	Enacted	Supplemental Request ²	Total
OCO Budget			
Operation Iraqi Freedom (OIF)	46,179.6	40,369.4	86,549.0
Operation Enduring Freedom (OEF)	15,833.0	31,034.6	46,867.6
Additional Requests ²	986.2	4,660.6	5,646.8
Non-DoD Classified	2,922.4	3,145.6 ³	6,068.0
Total	65,921.2	79,210.2	145,131.4
Cancellation of Base Funding ² (Fuel Savings)	—	-2,910.0	-2,910.0
Cancellation of Base Funding ² (Procurement)	—	-470.9	-470.9
Total	65,921.2	75,829.3	141,750.5

Numbers may not add due to rounding

¹ Congress does not appropriate Supplemental funds by military operation. This estimate is subject to change depending on the needs of commanders in the field.

² Additional Requests amounts include \$3.4 billion of funds to be cancelled from the Base budget to offset the cost of Additional Requests in the FY 2009 Supplemental Request (\$2.2B for Accelerate/Grow the Force; \$0.4B for Family Support; \$0.3B for MCR Acceleration; \$0.5 for Military Personnel). ³ Reflects the requested reappropriation of \$101.6 million from the O&M, Defense-Wide appropriation to the Military Construction, Defense-wide appropriation associated with a general provision to properly fund a National Security Agency project. ⁴ Includes \$6.6 million for a National Security Agency classified Military Construction project.

Tables source: DoD Fiscal Year 2010 Budget Request Summary Justification.

<http://www.defenselink.mil/comptroller/Budget2010.html>

For more detailed budget information please visit

<http://www.defenselink.mil/comptroller>.



ASEAN REGIONAL FORUM ANNUAL SECURITY OUTLOOK 2009

VIET NAM

Part I: Vietnam's Assessment of Regional Security Situation

1. General Assessment

Asia Pacific Security plays an important role in the stability of the world. The region not only makes up 60% GDP, 50% trade values and 70% economic growth of the world, but also embraces axes of relations between major powers such as the US, China, Russia and Japan that shape tendency of international relations. The process of ever more intensive globalization has resulted in more interdependence between countries. The trend of "multipolarisation" is being formed. Relations between power countries continue to be in the intertwinement of "both cooperation and rivalry", and "both competition and compromise", primarily in avoidance of confrontation. Peace, cooperation and development remain a main trend. Nevertheless, the world is also facing unforeseen dangers as local armed conflicts, arms races, terrorism, natural disasters, epidemics, climate changes and environmental disasters, global economic crisis... These are such transnational security threats which intertwined between traditional and non-traditional and no single country could afford to tackle.

In this complicated security context, multilateral cooperation in dealing with

common threats is of all countries' concerns. It is necessary to solve these transnational security threats through multilateral mechanisms such as the UN Security Council, ARF or ASEAN, on the basis of respect for international principles and laws as well as the UN Charter.

Vietnam is a country bordering on many regional countries in land and on sea. Therefore, Vietnam has been facing ever more increasing and complicated transnational and border-crossing security threats. Vietnam always advocates close cooperation with neighbours in dealing with issues related to international, regional and national security via the existing multilateral mechanisms as ARF and ASEAN, in the spirit of friendship, parity, mutual benefit, and respect for international laws.

2. Traditional Security Issues

Disputes over sovereignty in the East Sea (so called South China Sea) remain a very complicated issue and become one of the most regional complex flashpoint. Temporary solution committed by China and ASEAN countries to maintain peace and security in the East Sea is the Declaration on the Conduct of Parties in the South China Sea (DOC-SCS). However, such the commitment is not strong enough to restrain claimants from the



need for exploitation of natural resources and the control over the international sealanes. Vietnam consistently upholds peaceful and non-violent measures in order to turn the East Sea from a zone of tension to a zone of sustainable peace. Vietnam hopes all the related parties will reach to a legal-binding principle like Codes of Conduct (COC-SCS). For the resolution of all differences on the basic of mutual respect, equality and friendly neighbours, while the COC has not been retified all the claimants must conduct in accordance with the UN 1982 Convention on the Law of the Sea.

The current tension situation on Korean Peninsula draws top attentions from world community and continues to be a potential flashpoint due to the second nuclear test and several missile launchings by the North Korea. Over the past years, we all witnessed efforts by the related parties to reach an agreement on a roadmap for the denuclearization of the Korean Peninsula in six-parties Talks. However, Inter-Korean relations currently become more tension when the North Korea conducted underground nuclear test hence to the deadlock of six-parties Talks. This is a backward to the peace process, eliminating the hope for regional denuclearization, pushing related parties to the brink of war.

In order to set up a long-lasting and sustainable peaceful region, Vietnam supports efforts for peace, stability and denuclearization of the Korean Peninsula. Vietnam strongly advocates a diplomatic solution for the nuclear issue through multilateral diplomatic dialogue and shares the common view that the six-parties Talks on the DPRK nuclear problem is an important and suitable mechanism

for the parties concerned to settle disagreements through dialogues and peaceful negotiations. We would like to call upon the parties concerned to exercise the utmost restraint to avoid further complicating the situation.

Cross-strait situation has been significantly improved after Tawain has shaped its new government and the consistent implementation of peaceful measures for national unification on the principle of “one country, two regimes” by China. Cross-straits peace and security hold a crucial role to the world stability. Vietnam strongly upholds its view on “one China” policy and advocates the cross-straits people to people exchanges in every field and sees these developments as the foundations for sustainable peace of North East Asian region.

3. Nontraditional security issues

Maritime security is an essential and important element to national security of each coastal country and international maritime activities. Asia-Pacific in general and Southeast Asian Sea in particular still remained many complicated issues because of the intertwinement of quite a lot of unresolved overlapping marine borders among countries and on-sea criminal activities like piracy, smuggling and illegal fishing. Such interest collisions like natural resourses exploitations, free navigation, fishing, maritime scientific research, and protection of marine environment... frequently happen on the sea between states. Vietnam believes that to dealing with transnational security threats on the sea, coastal countries should promote cooperation on the fields such as the protection of marine environment, participation on marine scientific research, bilateral and



multilateral joint patrol to prevent crimes on the sea, coordination on settling violations on fishing... in conformity with the principles of the UN 1982 Convention on the Law of the Sea and in the spirit of friendship neighbours. To effectively respond to maritime security threats, bilateral and multilateral efforts have been made for joint maritime patrol; typical example is the joint patrol to combat piracy in Malacca Straits between Indonesia-Singapore-Malaysia.

Trans-national crimes are one of non-traditional security issues which increase along with the tendency of globalization process. The openness and ever-increasing exchanges among nations also create loopholes for crimes like drug trafficking, weapon smuggling, illegal trade in women and children. Internet universalization and the rapid development of information technology have brought about opportunities (fertile land) for cyber-crimes such as money laundering, financial-economic fraudulence and the abuse of internet for the purpose of opposing legal state to cause uncertainty of social security. Vietnam is not an exception of these risks and Vietnam government has been establishing close cooperation with relevant countries to deter all transnational crimes through bilateral and multilateral treaty or agreements at regional and international level, making considerable contributions to the building of secure and prosperous regional community.

Terrorism is a grave security threat. Its seriousness is different from nation to nation. Regional terrorist group such as JI, Abu Sayyaf... still exist and become potential risks for our region, especially its possible

linkage with other international terrorist groups. Thanks to great efforts from many countries including regional cooperation, the fight against terrorism in our region has gained remarkable achievements. In order to abolish terrorism, states should have comprehensive resolutions including the improvement of social welfare for ethnic people in remote areas, the narrowing the gap between rural areas and cities, the increasing investment for education. All states should be aware of possibilities of terrorist actions, especially when the possibility of chemical and bio-terrorism still exists. Vietnam determines its commitments to fight against terrorism in any forms and is willing to coordinate with other countries bilaterally, regionally and internationally to counter terrorism in the form of recruitment, transport, financial mobilization and the abuse of territory of one country to fight against other countries and the propaganda of extreme ideology...

After pandemics like SARS and Avian Flu H5N1, Asia-Pacific region is now facing the risk of influenza type A/H1N1 which is now spread rapidly. Thank to the experience drawn during the period of dealing with SARS and Avian Flu H5N1, many countries have currently adopted a lot of prompt and drastic methods to prevent the spread of this pandemic. The model of regional and international cooperation on preventing influenza type A/H1N1 should be brought in to full play, particularly in the fields of information sharing, transparency and emergency responses.

Energy is so critical to life and to the development of human being. While other sciences are dramatically developed, science on essential energy has made no changes over decades.



People keep their habits of using ever-decreasing fossil energy, causing environment pollution and global warming while there is no robust advancement in producing a safer and cleaner energy. Heavy dependence on natural fossil resources becomes the root cause of some wars, disputes on territory and the rights of resources exploitation and the ambitions on control of transportation of energy on the sea as well as on the land. Vietnam is not just a big exporter but also a primary importer of energy. Fluctuation in energy price not only created big revenue, but also brought about substantial economic loss and made changes on national economic structure hence to the decline in production, economic growth and difficulties in social life. Vietnam and other regional countries promoted cooperation to obtain energy security, including reserve, exchanges in research for replaceable energy. However, these efforts seemed to be late and could not bring best results in the immediate future.

Climate changes resulted in natural disasters are threatening to the whole world and the low-level coastal countries would be burdened the most damages. South East Asia would be heavily affected because over a half of its population are living in the areas that are lower than sea water level. Vietnam would be suffered from the climate changes, nearly 10 percent of its people and 12 percent of its land – equivalent to the accommodation of 22 million people will be affected. Clearly aware of these impacts, Vietnam government was one of the first countries that signed the 1997 Kyoto Treaty and the framework of the UN 1992 Convention on climate changes and 2000 Millennium Declaration that focus on environment

protection.

Part 2. Assessment on regional security cooperation

ASEAN Charter officially comes into effect on Dec, 15th 2008, marking a historical turning point when the Association becomes an inter-government organization, opening up for the process of building ASEAN Community by 2015 with the security and political pole to respond more effectively with current challenges for the regional peace and prosperity. From the time, ASEAN will operate within a firm legal framework and have legal status on relations with other countries and regional and international organizations.

ASEAN Charter sets up principles and objectives of making ASEAN become an area free from nuclear weapon and weapons of mass destructions. This is an important and fundamental basis to make contributions to maintain regional security of a greater Asia-Pacific region. The Treaty of Amity and Cooperation does not limit the participation of ASEAN members and it is now on the process of opening up for all ASEAN's Dialogue Partners, including countries in the UN Security Council.

Regional security and defence cooperation has been pushing up to a new height by the establishment of regional mechanism such as ASEAN Defence Minister Meeting (ADMM), ASEAN Chief of Defence Forces Informal Meeting (ACDFIM), ASEAN Chief of Army Multilateral Meeting (ACAMM), ASEAN Chief of Police Meeting... to direct comprehensive security cooperation, including intelligence, navy, airforce and



defence study organization. Advocating that regional security is of intertwinement and inter-independence, so the participation of Dialogue Partners is essential for ASEAN security and defence. Under the “outward looking” guideline of the Association, ASEAN Defence Ministers have outlined principles for a broader regional security and defence forum in the future.

ASEAN Regional Forum (ARF) is beginning the shift from confidence-building to a more important stage of Preventive Diplomacy. ARF, in the past few years, has gained remarkable results in promoting negotiations for confidence-building among its members. ASEAN is now considering measures for promoting cooperation to prevent regional disputes and conflicts through peaceful means, both politically and diplomatically. At present, the Association is making preparation for Declaration of ARF Vision which considers ARF as central unity for developing regional security mechanism with ASEAN as dynamic role. The declaration will set up orientations for future role of ARF in settling issues such as counter-terrorism, transnational crimes, disaster relief, non-proliferation, maritime security and peace keeping.

Part 3. Policy and the role of Vietnam on regional security cooperation

1. Vietnam is a friend and reliable partner of all countries in the international community. Vietnam implements consistently the foreign policy line of independence, self-reliance, peace, cooperation and development; the foreign policy of openness and diversification and multilateralization of international relations. Vietnam is willing

for bilateral and multilateral cooperation in every field, viewing multilateral security and defence cooperation in ASEAN and ARF as an important mechanism to maintain regional and international peace and security. Regarding to transnational security issues, non-traditional security threats are growing and become more complex. So that multilateral security cooperation should be put on top priority and suitable to common situation and each country's capability.

2. As security is a sensitive issue related to all socio-economic aspects, security cooperation should uphold principles of respect for independence, sovereignty, territorial integrity and identity of nations; abstention from the use of its territory against other countries; non-interference in the internal affairs of other countries. The cooperation should proceed from easy to difficult levels, from the popular to the particular, respect for consensus, parity and mutual benefit and rely on mutual confidence. Regional cooperation could not stand outside international norms and laws as well as the UN charter. Vietnam considers confidence building measures and preventive diplomacy as a foundation for solutions to disputes and conflicts.

3. Vietnam proactively and actively promotes the initiatives of comprehensive security, according to which Vietnam would deal with domestic and regional security issues through sustainable development of economy associated with hunger eradication and poverty reduction, environmental protection, and the narrowing of the gap between the rich and the poor and the distance between regions.



4. Vietnam proactively participates in various cooperative areas to protect environment, surmount consequences of natural disaster, conduct search and rescue operations and provide humanitarian assistance.

5. Vietnam advocates the fight against terrorism in any forms and is determined to deal with transnational crimes to a finish. Vietnam's law enforcement agencies among which armed forces, are ready to participate in bilateral and multilateral cooperation on every field such as exchange and sharing of information pertaining to terrorists and criminals; signing and implementation of the extradition treaty; strengthened pursuit and suppression of terrorists and criminals; the strengthening of coordinated patrols along land and sea boundaries with neighbours.

6. For the East Sea, Vietnam advocates settling disputes through peaceful negotiations in the spirit of parity, mutual understanding and respect and respect for international laws and the 1982 UN Convention on the Law of Sea and Declaration on the Conduct of parties in the South China Sea (DOC). Vietnam calls on concerned parties to exercise their restraints in activities that could worsen the situation, do not use or threaten to use of force, and seek for appropriate solutions to the disputes for the sake of common peace, stability and development of the region.

7. Vietnam will take over the chair of ASEAN in 2010. In the term of ASEAN chair, Vietnam will focus on cooperative areas to complete successfully the objective of building ASEAN community by 2015. In defence and security, Vietnam

will promote regional cooperation in dealing with emerging security issues both traditional and non-traditional. Defence – security cooperative mechanisms will be implemented intensively and effectively at all levels and in all areas.

8. Vietnam supports the shift of ARF process to the Preventive Diplomacy stage for preventing disputes and conflicts from escalating to armed conflicts. However, Vietnam holds the view that confidence building measures remains a key element throughout the ARF process. Vietnam is actively making preparation for taking over the chair of ARF in 2010 with its initiatives contributing to strengthening regional security. Vietnam will chair ARF defence-security dialogues with its primary focus on substance and efficiency of cooperation.

9. As a member of the UN Security Council, Vietnam has been displaying its responsibility to international community through its policy of independence and self-reliance in dealing with security issues and conflicts in the world. Vietnam supports the UN's peacekeeping operations and considers these operations as a foundation and standard for oversea military operations of a country. Vietnam is now on the process of drawing experience, building capabilities, and finalising related domestic legal procedures for its future participation in the UN peacekeeping operations.

