

Item 4: Regional Defence and Security Implications of the Global Economic Crisis

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1. The most significant development in recent months is the global financial crisis. The speed at which the US sub-prime debacle expanded into a full-blown global credit and economic crisis caught many countries completely off guard. The interconnectivity of our economies has meant that no country has been immune to the economic slump.
2. From the security perspective, there are three main implications arising from the financial crisis. First, it will accelerate global geopolitical shifts. Second, during a recession, social stresses may lead to increased instability. Third, the threat of terrorism overlays the first two concerns.
3. Since the end of the Cold War, the US has been the pre-eminent economic and military power. Other countries such as China and India are emerging both economically and militarily. However, the current economic crisis has accelerated this process. While the G7 used to shape the global financial and economic framework, it no longer has the means to resolve the economic crisis by itself. Wider concerted action is required, as illustrated by the hasty convening of a G20 meeting last November.
4. This shift in global economic weight, and the rise of other powers, will lead to a faster transition to a multi-polar world where no single power can steer global developments. The US will remain the world's most powerful nation. Its leadership will be necessary to address key economic and security issues, but it cannot work alone. This shift will also impact the security of our region, where the interests of the major powers – energy sources, sea lines of communication and trading markets – intersect.

5. It is therefore heartening that Secretary of State Hillary Clinton has broken with tradition and made her first visit overseas to Asia – including a stopover in Indonesia in February this year. Her visit signalled President Obama's administration's commitment to broader partnerships in our region. The US' interest to consider acceding to the Treaty of Amity and Cooperation (TAC) is also encouraging as it further signals that the principles for regional cooperation espoused by ASEAN are being adopted by more countries.

6. A deepening economic crisis will also compound existing security challenges such as terrorism, piracy, competition for resources, natural disasters and pandemics.

7. Indeed, the security challenges that we face today have the potential to undermine our security – and our region's security. The re-emergence of piracy is one such challenge. In 2008, over 100 ships were attacked by pirates in the Gulf of Aden and the coast off Somalia, with an estimated US\$120 million paid in ransom for the safe release of some of the ships. This surge in piracy attacks has seriously undermined the safety and freedom of navigation for international shipping transiting through the area.

8. As a maritime nation, Singapore shares the concerns of the international community regarding piracy, and we are committed to supporting international efforts to keep the sea lanes safe and secure. It is not possible for any country to protect its own shipping, on its own, in all the key sea lanes of the world. All countries therefore have to depend on international cooperation to secure the sea lanes for everyone's use. Littoral states, user states, and the international community all have a role to play. In this regard, Singapore has joined the international efforts by deploying a Singapore Armed Forces Task Group comprising a Landing Ship Tank, RSS Persistence, with two Super Puma helicopters embarked to the Gulf of Aden to undertake counter-piracy operations for a period of three months. The SAF Task Group departed for the Gulf of Aden in April and will operate under the ambit of Combined Task Force 151.

9. Closer to home, while the piracy situation in the Strait of Malacca has been brought under control because of the efforts of Indonesia, Malaysia, Singapore and Thailand through the Malacca Strait Patrols, there have been speculations that the current financial crisis may cause piracy in the Strait of

Malacca to rise. It is therefore important that all four countries continue to remain vigilant and to maintain our efforts in the Malacca Strait.

10. Apart from terrorism and piracy attacks, we now have to confront the problems caused by natural disasters and climate change. Freak weather phenomena have led to extreme conditions in many parts of the world, sometimes even within the same country. This was the case in Australia, where raging bushfires earlier this year have killed more than two hundred people in the south-eastern state of Victoria, while northern Australia was ravaged by floodwaters due to torrential downpours. Most recently, the world was also confronted by the Influenza A(H1N1) virus.

11. Given these varied security challenges, and the compounding effects of the global economic crisis, governments around the world will face even greater difficulties in finding the resources and bandwidth to respond effectively.

12. With the economic uncertainty and security challenges as the backdrop, it is very important that we build an open, stable and inclusive regional security architecture, which will help sustain peace and stability, for the longer term.

13. The current economic crisis provides opportunities for regional foras like ASEAN and the ARF to play a bigger role on the global stage by assisting to reduce tensions and entrench a spirit of constructive cooperation between established players, rising powers and new partners alike.

14. We all agree that security issues such as maritime security, proliferation of weapons of mass destruction, or combating international terrorism, cannot be solved by countries singly. We should tap on each other's expertise, perspectives and resources to bear on such transnational security challenges. The ARF is thus a useful platform for cooperation and discussions on common security issues. Through our interactions, we promote confidence and transparency, and evolve new modalities for cooperation and norms of behaviour amongst countries in our region. This will contribute towards building a region that is more resilient and more capable in addressing the range of security challenges.

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