



# ASEAN Regional Forum ANNUAL SECURITY OUTLOOK 2010

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#### **FOREWORD**

For more than a decade, the ARF has maintained the useful practice of publishing its Annual Security Outlook and the audience has become accustomed to this important document. The ARF Annual Security Outlook contains information contributed on a voluntary basis from the ARF participating countries, aimed at further promoting the mutual understanding and confidence among nations in the region. The ARF has also greatly benefited from publication of the Annual Security Outlook.

The ARF starts to develop a Plan of Action to implement the ARF Vision Statement adopted last year, on the occasion of the 15th anniversary of the Forum. The region has been witnessing also many changes, including those related to an evolving regional structure, which would in turn involve strategic and policy implications. Therefore, mutual understanding, confidence-building and transparency continue to be crucial in promoting cooperation, peace and stability in the region. In this regard, I believe that this year's ARF Annual Security Outlook will be a meaningful instrument toward this end.

As the Chair of the 17th ARF, I wish to thank all the ARF participating countries who have extended their support to the publication of the 2010 ASO.

I have therefore the pleasure to present herewith the 11th volume of the ARF Annual Security Outlook to the 17th ASEAN Regional Forum.

PHAM GIA KHIEM

Deputy Prime Minister and Minister of Foreign Affairs of Vietnam and Chairman of the 17th ARF

Mrsun/

Hanoi, Vietnam, 23 July 2010

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# AUSTRALIA

#### 1. Overview of Regional Security Environment

The Asia-Pacific is becoming the world's centre of gravity with the economic, political, military and strategic influence of this region continuing to increase. As the momentum toward the Asia-Pacific century builds, we cannot take peace, harmony and concord for granted. The dynamism and increasing interdependence of countries that create opportunities also present challenges, such as competition for scarce resources. This region still has unresolved border disputes and potential security flashpoints and events internationally impact directly on our security. The role of the ARF in building confidence, increasing transparency and moving toward a role in preventive diplomacy is now more important than ever.

Australia's first National Security Statement 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 highlighted the importance of "creative middle power diplomacy" to the effective pursuit of Australia's national security objectives. It also underlined that Australia's security was inextricably linked to the security of our region, so regional engagement was crucial. At the global level, Australia is committed to promoting a stable rules-based international order, particularly through the United Nations. This commitment is highlighted by Australia's bid for a non-permanent seat on the UN Security Council in 2013-14.

Another theme in the Statement is the centrality of Australia's alliance with the United States to Australia's national security, and the key role comprehensive US engagement in the region continues to play in underwriting regional peace, stability and prosperity.

Recovery from the global economic crisis remains fragile and uneven, but has been assisted by strong international cooperation, notably through the G20 which has assumed a significant leadership role. The Asian region, including Australia, has generally fared better than many other parts of the world. Continuing strong Chinese growth as well as India's emerging economic dynamism are helping boost the region's economies. While economic uncertainties persist and can have political and strategic repercussions, the region's continuing economic growth should contribute positively to its strategic outlook.

#### Korean Peninsula

The DPRK's nuclear weapons and missile development programs continue to pose a serious threat to regional security and a major challenge to global non-proliferation objectives. Australia believes it important that all members of the international community continue to reinforce that message through the full implementation and enforcement of the sanctions mandated by the UN Security Council in Resolutions 1874 and 1718

ARF members, in particular, need to be vigilant over possible transhipment of goods through their jurisdictions that violate UN sanctions, and should send a strong and united message that the region expects the DPRK to: comply with its obligations under all relevant UN Security Council resolutions; abide by the commitments it has made to denuclearise, including through the six-party talks September 2005 joint statement; and return to full compliance with the Nuclear Non-proliferation Treaty.

The international investigation into the sinking of the ROK ship Cheonan, to which Australian defence experts contributed, found conclusively that the Cheonan was sunk by a DPRK torpedo. Australia condemns the DPRK for this violent act, which demonstrates a complete disregard for human life and contempt for peace. The international community cannot stand by and let this unprovoked act go unnoticed. Australia calls on ARF members to support a resolute response from the international community that makes clear to the DPRK that its violent provocations will not be tolerated.

#### Myanmar

Australia remains deeply concerned about the situation in Myanmar. The electoral laws released in March fall short of international standards. We call on the Myanmar authorities to allow freedom of speech, assembly and association for elections. Myanmar must respect the human rights of its citizens, and release immediately and unconditionally all political prisoners, including Aung San Suu Kyi. We remain concerned about tensions between the Myanmar armed forces and armed ethnic groups. We urge the Myanmar authorities to seek non-military resolutions to these ethnic conflicts as a key aspect of national reconciliation.

#### South China Sea

Australia encourages ASEAN and China to develop a code of conduct in the South China Sea. We support a negotiated, peaceful settlement to territorial disputes that considers the interests of all parties and ensures regional stability. Australia has no position on any individual country's

claims in the South China Sea, and we do not want to see disputes exacerbated.

#### Iran

Australia remains deeply concerned about Iran's nuclear program. Iran's recent actions in proceeding to enrich uranium to nearly 20 per cent and announcing that it would build more enrichment plants reinforce these concerns. The IAEA's report of 31 May 2010 made it clear that Iran has not provided the necessary cooperation to enable the IAEA to confirm that Iran's nuclear program is for exclusively peaceful purposes. Australia welcomed the adoption of UNSC Resolution 1929 imposing new sanctions against Iran, which reflect the international community's ongoing deep concern. Australia has also announced additional autonomous sanctions to reinforce the measures taken in Resolution 1929. Australia continues to stand ready to support further tough measures to persuade Iran to comply with its international obligations.

#### Afghanistan and Pakistan

Afghanistan and Pakistan continue to face significant challenges that require the ongoing support of the international community, including ARF members. Australia remains committed to international efforts to bring security and stability to Afghanistan and encourages other members of the international community to assist in ensuring that Afghanistan does not again become a safe haven for terrorists.

On 23 June 2010, the Australian Government announced that Australia would provide civilian leadership for the new multinational command structure for Uruzgan province to replace the Netherlands' lead from 1 August 2010. Australia announced on 24 April 2010 further enhancements to our civilian engagement, from 30 personnel to around 50.

Australia is committed to support Pakistan as a friend and partner to promote prosperity, stability and reconstruction of areas affected by conflict including through development assistance, defence training, law enforcement capacity building and our active participation in the Friends of Democratic Pakistan group.

#### Pacific

Australia remains gravely concerned by the situation in Fiji, which continues to deteriorate under the unelected military-led interim government. In concert with the Pacific Islands

Forum, the Commonwealth and other members of the international community, Australia continues to call for the prompt return to democracy and the rule of law in Fiji and stands ready and willing to assist in that process.

#### Regional Architecture

Australia remains strongly of the view that the region must continue to discuss how to improve regional architecture to deal effectively with the breadth and depth of political, economic, security and other challenges. A significant and very positive step was taken by ASEAN leaders at their summit in Hanoi on 8-9 April when they collectively encouraged the United States and Russia to deepen their engagement in evolving regional architecture, including through possible involvement with the East Asia Summit (EAS). Australia is of the view that, while countries of the region will need to settle how reformed regional architecture might be constituted, the ASEAN summit outcome offers a critical step forward to the architecture our region needs with the ARF continuing to play a significant role on security issues

#### 2. National Security and Defence Policy

#### 2.a. Overview of national security and defence policy

#### **National Security**

Flowing from the December 2008 National Security Statement Australia has undertaken a large body of work to implement the Government's new and expanded national security agenda. In the course of 2009-10, Australia issued the Counter-Terrorism White Paper and the Cyber Security Strategy and developed the Strategic Border Management Work also proceded on new domestic crisis management arrangements encompassing an "all hazards" approach to crisis management. A new national security strategic policy framework, encompassing a priority setting mechanism, a coordinated approach to the national security budget and evaluation of the performance of the national security community is being developed. The Government has also established a National Security College, as a part of the Australian National University, to promote and develop strategic leadership for Australia's national security community.

#### Defence

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/

#### 2.b. Data contribution to ARF Arms Register

Australia's 2008-09 military expenditure return, as provided to the UN under the UNGA resolution 35/142 B, is attached for the purpose of this contribution.

#### 3. National Contributions to Regional Security

#### 3.i. Counter-Terrorism

Terrorism is a persistent security threat that requires an enduring, committed response. The threat continues to be from people who advocate violent extremist views, such as

supporters of al Qa'eda. In our region, proponents of terrorism have been significantly disrupted by law enforcement and other counter-terrorism efforts. Australia applauds the recent counter-terrorism successes by Indonesian law enforcement authorities in disrupting a terrorist network in Sumatra and Java

South Asia remains central to international counter-terrorism efforts. Australia is committed to assisting Afghanistan and Pakistan address the significant challenges posed by terrorism. Stability and security in the Pakistan-Afghanistan border region are critical to resolving the common challenges faced by both countries. Elsewhere, concerns remain that Yemen and Somalia have become a source of training, planning and operations for al-Qa'eda-linked terrorists.

Australia is committed to building practical partnerships with our neighbours, sharing expertise, and helping build capacity of police and security agencies to prevent and respond to terrorist attacks. Bilaterally, Australia has signed Memoranda of Understanding (MOUs) on counter-terrorism with various ARF member countries. The MOUs provide a framework for counter-terrorism cooperation covering a broad range of areas including, countering the financing of the terrorism, police and law enforcement cooperation, border controls and identity fraud, information and intelligence sharing, the development of effective counter-terrorism legal and administrative regimes, transport security and countering the threat of chemical, biological, radiological and nuclear terrorism. Cooperation on counter-terrorism is also given high priority in regional institutional arrangements such as the 2009-2010 ARF Work Plan for Counter Terrorism and Transnational Crime. Australia supports the priority that has been attached to addressing bio-security issues in the work plan. Australia, the United States and the Philippines are working together to hold a regional workshop on biosecurity in September 2010.

On 23 February 2010, the Australian Government released its white paper on Counter-Terrorism. The Australian Government's strategy to protect Australia from terrorism recognises that countering terrorism requires a long term commitment, and complementary international and domestic efforts. These efforts must be intelligence-led and highly coordinated across agency, governmental and international boundaries. A risk-informed and layered approach to counter-terrorism is essential because no single measure will be fully effective. Australia must have in place mechanisms to respond seamlessly to and recover from acts of terrorism should they occur and our response should always seek to be lawful, proportionate and accountable. The Government

is ensuring that Australia has a robust and effective law enforcement and intelligence capacity to respond to terrorist threats underpinned by a legal regime that provides powers to effectively disrupt and prosecute people who seek to conduct terrorist attacks.

#### 3.ii. Non-Proliferation, Counter-Proliferation, Arms Control and Disarmament

Australia is very supportive of the ARF's stronger focus on non-proliferation and disarmament, including the newly established Inter-Sessional Meeting (ISM). Australia participated in the first two ISMs on non-proliferation and disarmament hosted by China (2009) and Singapore (2010) respectively.

Australia welcomed the successful 2010 Review Conference on the Treaty on the Non-Proliferation of Nuclear Weapons (NPT RevCon). Prior to the conference Australia and Japan tabled a package of measures on nuclear disarmament, many of elements of which were reflected in the final outcome document. The December 2009 report of the independent International Commission on Nuclear Non-proliferation and Disarmament, jointly established by Australia and Japan, received universal praise as a thoughtful and practical contribution.

Australia will be looking to take forward the NPT RevCon outcomes, and contribute to maintaining international momentum on nuclear non-proliferation and disarmament. In this regard, Australia will be actively promoting ratification of the Comprehensive Nuclear-Test-Ban (CTBT) Treaty, and building support for negotiation of a Fissile Material Cut-off Treaty (FMCT) in the Conference on Disarmament.

Australia continues to welcome opportunities to work collaboratively with ASEAN states to prevent WMD proliferation and to help meet commitments under United Nations Security Resolution (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 an active member of the other multilateral export control regimes, 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 maintains a high priority on preventing the illicit proliferation of Small Arms and Light weapons (SALW) and is

an active supporter of the UN Programme of Action (PoA) on SALW. Australia contributed \$100,000 through the United Nations Development Program (UNDP) for government and civil society representatives from the Pacific and Southeast Asia to participate in the Fourth Biennial Meeting of States on the PoA held in New York in June 2010.

Australia welcomes the formal commencement of negotiations in New York on an Arms Trade Treaty (ATT) in July 2010. A robust and effective ATT will help to eradicate illicitly or irresponsibly traded arms that threaten and undermine peace and security in so many regions of the world.

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. It is anticipated that a resolution on this subject will be put to the General Assembly for consideration again in 2010.

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. Australia will host a PSI Regional Operational Experts Group (ROEG) meeting and exercise, in Cairns in September 2010.

#### 3.iii. Transnational Crime

#### **Organised Crime**

Australia's December 2008 National Security Statement noted that transnational and organised crime such as drug trafficking was a significant challenge to Australia's national security and could undermine political and social institutions, inflict economic and personal harm or contribute to other forms of violence.

#### People-Smuggling

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) and has allocated significant additional resources to strengthen international and regional engagement to combat people smuggling. On 11 June 2010, Bali Process ad hoc group senior officials agreed on the importance of taking action to criminalise people smuggling, enforce all relevant laws and develop and implement appropriate penalties for people smuggling and

people trafficking. Ad hoc group participants identified the specific roles source, transit and destination countries could play in stemming the irregular movement of Afghans, Sri Lankans and Rohingyas though pipelines in the region. The ad hoc group further recognised that consistent approaches played a critical role in ensuring the effectiveness of individual country efforts in the fight against people smuggling and people trafficking.

#### **Illicit Drugs**

Australia remains committed to regional cooperation in addressing illicit drug issues in the region including through the endorsement, at the 15<sup>th</sup> ARF in 2008, of the Australian drafted ARF Statement on Promoting Collaboration on the Prevention of Diversion of Precursors into Illicit Drug Manufacture.

The Australian Customs and Border Protection Service has been working with relevant border and law enforcement agencies in Malaysia and Indonesia to provide dual purpose (explosive and drugs) trace detection technology and operational training to enhance detection capacity at key air and sea ports in the region. While the primary focus of this assistance is aimed at increasing counter-terrorism capability, it also contributes to enhancing the drug detection capacity of relevant agencies.

Domestically, the Australian Government is continuing to develop measures to strengthen the national picture on illicit drugs. The Australian Crime Commission has launched its Illicit Drug Data Report for 2008-09, providing the most comprehensive picture available of Australia's drug environment. The report indicates that the threat posed by amphetamine-type stimulants (ATS) remains high, with the number of seizures and arrests associated with these drugs currently the highest on record. The report also notes that the number of clandestine laboratories detected in 2008-09 was at a record level of 449.

The Australian Federal Police (AFP) is developing an Enhanced National Intelligence Picture on Illicit Drugs (ENIPID), which will expand on the illicit drug profiling activities undertaken by the AFP. ENIPID will extend existing profiling activities to domestic seizures of heroin, methyl amphetamine and methylenedioxymethylamphetamine (MDMA or "ecstasy"), and will help to establish trends and links between criminal groups operating across Australia as well as with shipments intercepted at the Australian border.

#### Cyber Security

Cyber security is a national security priority for Australia. In November 2009, the Australian Government launched its inaugural cyber security strategy which describes how the Australian Government is harnessing the full range of resources to help protect government, business and individual Australians and their computer systems.

The strategy sets out the strategic priorities that the Government is pursuing to achieve its objectives, ranging from ensuring Australia has an effective legal framework and skilled workforce to work with the business community and international partners on cyber security issues.

In line with the strategy, the Australian Government has created a new national computer emergency response team, CERT Australia, and also established the Cyber Security Operations Centre. These arrangements enable a more effective response to serious cyber security events affecting Australian systems. The strategy can be accessed at: http://www.ag.gov.au/cybersecurity

Australia welcomes opportunities to work collaboratively with ARF member states to address cyber security issues. We were pleased to present at the ARF Cyber Crime Capacity-Building Conference in Brunei on 27-28 April 2010 and continue to support the ARF Statement on Cooperation in Fighting Cyber Attack and Terrorist Misuse of Cyber Space, endorsed by ARF Ministers in July 2006.

#### 3.iv. Humanitarian Assistance and Disaster Relief

Since August 2009, Australia has spent more than \$154 million responding to 30 humanitarian crises in Asia, the Pacific, Africa, Latin America and the Caribbean.

In October 2009, Australia responded to Indonesia's request for support to address earthquake impacts in Padang. The response was characterised by close cooperation between the Australian Agency for International Development (AusAID) and the ADF with both agencies providing operational teams and transport options. During that operation, Australia also provided strategic lift support to ARF partner the Republic of Korea for the transportation of Korea's urban search and rescue team.

Further examples of Australian civilian and military cooperation were seen during Australia's response to tsunami impacts in Tonga and Samoa in late September 2009, and to Cyclone Tomas in Fiji in March 2010. AusAID led these responses with the ADF providing transport for relief teams and emergency stores.

In May 2010, Australia conducted a table top exercise with the United States and Japan to improve coordination in response to a natural disaster in the region, in this case, East Timor. The three-day exercise was a success and allowed for greater understanding of systems and more efficient communication to best use the respective partners' military and civilian assets in future disaster responses.

Australia is actively working with the co-hosts (Indonesia and Japan) of the ARF DiREx 2011, with plans to contribute to the exercise by bringing together civilian urban search and rescue elements from Australia, Japan and Korea to conduct training with Indonesia and engage with the respective military and coordination elements of the exercise. We are also planning to participate through the ADF and look forward to testing our two recent ARF disaster relief initiatives, the ARF Strategic Guidance for Humanitarian Assistance and Disaster Relief and the Disaster Relief Mapping Service (DRMS).

#### 3.v. Maritime Security

The Defence White Paper 2009 and the 2008 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.

Australia is deeply committed to comprehensive maritime security engagement in the Asia Pacific region. Our maritime interests are extensive and enduring: we are a major trading nation and enjoy close economic and other ties to Asia-Pacific countries. Protection of shipping lanes throughout Asia and the security of maritime approaches to Australia are essential to the region's, and Australia's fundamental interests - Australia's maritime zone is extensive - around 27.2 million square kilometres; and we manage an extremely large search and rescue region, in which we have responsibility for the safety of people in distress, equivalent to about one ninth of the earth's surface.

As a maritime state, Australia works closely with regional partners to enhance maritime security. Regional efforts have been effective in reducing incidents of piracy and armed robbery at sea in South-East Asia. The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) has supported this work. Australia was pleased to attend the March 2010 ReCAAP Governing Council meeting as an external participant and is considering possible accession.

Australia has participated actively in both ARF intersessional meetings on maritime security which Australia considers to be a key forum in which to take forward regional maritime security issues. At the second ISM on 29-30 March 2010 in Auckland, New Zealand, we supported the development of an ARF workplan on maritime security and increased practical activities.

Australia's engagement on maritime security in the region is reflected in our program of naval exercises with regional partners; and our work with regional partners on maritime security capacity building projects, including with the Philippines, Vietnam, Malaysia and Indonesia.

Incidents of piracy have escalated in other parts of the world, notably off the coast of Somalia. On 29 May 2009, Australia announced deployment of a naval frigate and AP-3C maritime patrol aircraft (MPA) to counter-piracy operations in the Horn of Africa, reflecting Australia's support for UNSC Resolutions 1846 and 1851. Australia also participates in the Contact Group on Piracy off the Coast of Somalia, and the Shared Awareness and Deconfliction (SHADE) Group that coordinates military responses to counter-piracy in the Gulf of Aden at the working level. Our frigate and MPA are also flexibly cross-tasked to maritime security and counter-terrorism missions in the Middle East.

The welcome resolution of a number of maritime border disputes in the region in recent years shows that nations can resolve such sensitive 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). We encourage all parties to develop a code of conduct.

Australia has in place a framework of international cooperative agreements to promote information sharing and a cohesive regional approach to border and maritime security.

#### 4. Role of the ARF

### 4.a. National Contributions to Enhancing the ARF and Regional Security

In recent years, the ARF has taken some significant steps to strengthen its capabilities in regional security management. We have seen the ARF add dedicated inter-sessional meetings on maritime security and non-proliferation and disarmament to the existing core areas of counter-terrorism and transnational crime and disaster relief. The four core areas of the ARF and their work plans provide a solid basis for helping to address key security issues confronting the region. Australia has been active in the development of all ARF core areas including work plans either endorsed or in the process of drafting. Australia has volunteered for the non-ASEAN lead country role in the disaster risk and vulnerability identification, reduction and prevention core area of the disaster relief work plan and is keen to jointly work with Russia in the cyber-security core area of the work plan for counter-terrorism and transnational crime.

Australia strongly supports the goals of the ARF Vision Statement, endorsed in July 2009, in promoting a focus on practical activities.

As a significant contribution to the 2010-11 ARF cycle, Australia proposes to co-chair the ARF Inter-Sessional Support Group (ISG) and Defence Officials' Dialogue process with Indonesia.

#### 4.b. Future of the ARF

We view the current direction of the ARF as positive. The consolidation of four core work areas and the endorsement of the ARF Vision Statement, which will be enhanced by the Hanoi Plan of Action, have provided clear direction for the forum. The means in which ARF workshops and activities can be endorsed has also been streamlined to enable the ARF to be more responsive to emerging regional issues. The ARF's inaugural disaster relief field exercise in May 2009 was a historical moment for the forum and, with a second exercise scheduled in March 2011, we are pleased that momentum for practical ARF activities continues to grow.

Related to the ARF's positive gains and ambitions is its resourcing. If the ARF is to carry out its future ambitions, as articulated in the Hanoi Plan of Action, then it needs to be appropriately resourced. Australia is supportive of further discussion within the ARF membership on enhancing the resources of the ARF unit within the ASEAN secretariat in line with the ambitious agenda we have set ourselves.

A key issue confronting the future of the ARF will be the forum's ability to make the transition from confidence building measures to address preventive diplomacy. If the ARF is to make this important transition and maintain its place as the premier regional security forum, it cannot ignore traditional security issues. Australia notes the insightful input provided by the ARF Expert and Eminent Persons' (EEP) Group in

December 2009 which cited traditional security issues as the most likely cause of conflict in the region. As the ARF develops its work plan for preventive diplomacy, we call on ARF members to heed the advice of the EEP and support a balanced work plan that considers both traditional and non-traditional issues. We are confident that, with 16 years of confidence building measures behind us, the ARF now has the maturity required to help countries address some of the more sensitive security issues facing the region.

| INSTRUMENT FOR STANDARDIZED INTERNATIONAL REPORTING OF MILITARY EXPENDITURES                   | NG OF MILITARY      | EXPENDITURES |              |            |                        |   |              |                        |                   |                     |                    |               |                                |       |
|--|---------------------|--------------|--------------|------------|------------------------|---|--------------|------------------------|-------------------|---------------------|--------------------|---------------|--------------------------------|-------|
| (Actual outlays, current prices)   |                     |              |              |            |                        |   |              |                        |                   |                     |                    |               |                                |       |
| COUNTRY: AUSTRALIA   |                     |              |              |            |                        |   |              |                        |                   |                     |                    |               |                                |       |
| NATIONAL CURRENCY AND UNIT OF MEASURES: AUD \$'000   |                     |              |              |            |                        |   |              |                        |                   | FISCAL YEAR: 2009   |                    |               |                                |       |
| (The unit of measure should not exceed one ten thousandth of the total military expenditures.) | ry expenditures.)   |              |              |            |                        |   |              |                        |                   |                     |                    |               |                                |       |
|  |                     |              |              |            |                        |   |              |                        |                   |                     |                    |               |                                |       |
| FORCE GROUPS>  | STRATEGIC<br>FORCES | LAND FORCES  | NAVAL FORCES | AIR FORCES | OTHER COMBAT<br>FORCES | CENTRAL SUPPORT AND<br>ADMINISTRATION COMMAND |              | PARAMILITARY<br>FORCES | MII               | MILITARY ASSISTANCE | JE.                | UNDISTRIBUTED | TOTAL MILITARY<br>EXPENDITURES | CIVIL |
|  |                     |              |              |            |                        | SUPPORT                                       | COMMAND      |                        | HOME<br>TERRITORY | ABROAD              | UN<br>PEACEKEEPING |               |                                |       |
| RESOURCE COSTS   | -                   | 2            | 8            | 4          | v                      | 9   | 7            | ∞                      | 6                 | 10                  | =                  | 12            | 13                             | 14    |
| I. OPERATING COSTS   |                     | 3,556,676    | 1,892,464    | 2,083,475  | :                      | 7,407,167                                     | 2,180,764    |                        | :                 |                     | :                  | :             | 17,120,545                     |       |
| I.I. PERSONNEL   | :                   | 2,883,624    | 1,363,971    | 1,414,380  | :                      | 2,353,655                                     | 918,762      | :                      | :                 |                     | :                  | :             | 8,934,393                      | :     |
| 1.1.1 CONSCRIPTS   | :                   | :            | ÷            | :          | :                      | :   | :            | :                      | :                 | :                   | :                  | :             | :                              | :     |
| 1.1.2 OTHER MILITARY PERSONNEL INCLUDING RESERVES  | :                   | 2,808,147    | 1,293,774    | 1,342,538  | :                      | 1,151,276                                     | 535,678      | :                      |                   |                     | :                  | :             | 7,131,413                      |       |
| 1.1.3 CIVILIAN PERSONNEL   | :                   | 75,477       | 70,197       | 71,842     |                        | 1,202,380                                     | 383,084      | :                      |                   | -                   | :                  |               | 1,802,980                      |       |
| 1.2 OPERATIONS AND MAINTENANCE   | :                   | 673,052      | 528,493      | 669,095    |                        | 5,053,511                                     | 1,262,001    | :                      | :                 | _                   | :                  | ÷             | 8,186,152                      | .:    |
| 1.2.1 MATERIALS FOR CURRENT USE  | :                   | 363,186      | 305,950      | 364,439    |                        | 164,236                                       | 35,421       | :                      |                   | -                   | :                  |               | 1,233,233                      |       |
| 1.2.2 MAINTENANCE AND REPAIR   | :                   | 6,340        | 23,708       |            | :                      | 2,512,326                                     | 229,551      | :                      | :                 | •                   | :                  | :             | 2,810,754                      |       |
| 1.2.3. PURCHASED SERVICES  | ÷                   | 246,254      | 160,713      | 208,440    | :                      | 1,777,492                                     | 806,567      | :                      | :                 |                     | :                  | :             | 3,199,466                      | :     |
| 1.2.4 RENT COST  | :                   | 22,366       | 29,710       | 39,229     |                        | 280,703                                       | 88,468       | :                      | :                 | •                   | :                  | ÷             | 460,477                        | ::    |
| 1.2.5 OTHER  | :                   | 34,906       |              | 18,158     | :                      | 318,754                                       | 101,993      | :                      | :                 |                     | :                  | :             | 482,222                        | :     |
| 2. PROCUREMENT AND CONSTRUCTION  | :                   | 1,166,488    | 1,531,010    |            | :                      | 1,210,878                                     | ,            | :                      | :                 |                     | :                  | :             | 5,850,817                      | :     |
| 2.1 PROCUREMENT  | :                   | 1,166,488    | 1,531,010    |            | :                      | 366,569                                       |              | :                      | :                 |                     | :                  | :             | 5,006,508                      | :     |
| 2.1.1 AIRCRAFT AND ENGINES   | :                   | 500,790      |              | 1,5        | :                      |   |              | :                      | :                 |                     | :                  | :             | 2,289,049                      | :     |
| 2.1.2 MISSILES, INCLUDING CONVENTIONAL WARHEADS  | :                   |              | 117,657      | 71,784     | :                      |   |              | :                      | :                 |                     | :                  | :             | 189,441                        | :     |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS   | :                   | :            | :            | :          | :                      | :   |              | :                      | :                 | :                   | :                  | :             | :                              | :     |
| 2.1.4 SHIPS AND BOATS  | :                   |              | 1,353,280    |            | :                      |   |              | :                      | :                 |                     | :                  | :             | 1,353,280                      | :     |
| 2.1.5 ARMOURED VEHICLES  | :                   | 179,592      |              |            | :                      |   |              | :                      | :                 |                     | :                  | :             | 179,592                        | :     |
| 2.1.6 ARTILLERY  | :                   |              |              |            | :                      |   |              | :                      | :                 |                     | :                  | :             |                                | :     |
| 2.1.7 OTHER ORDNANCE AND GROUND FORCE WEAPONS  | :                   |              |              |            | :                      |   |              | :                      | :                 |                     | :                  | :             |                                | :     |
| 2.1.8 AMMUNITION   | :                   | 178,585      | 29,156       | 09         | :                      | 27  |              | :                      | :                 |                     | :                  | :             | 268,548                        | :     |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS   | :                   | 4,016        |              | 337        | :                      | 177,464                                       |              | :                      | :                 |                     | :                  | :             | 181,817                        | :     |
| 2.1.10 NON-ARMOURED VEHICLES   | :                   | 91,304       |              |            | :                      |   |              | :                      | :                 |                     | =                  | :             | 91,304                         | :     |
| Z.I.I OIHEK  | :                   | 212,201      | 21,/31       | 30,467     | :                      | 1/0,681                                       | 1            | :                      | :                 |                     | :                  | :             | 453,476                        | :     |
| 2.2 CONSIROCITION  | :                   |              |              |            | :                      | 844,309                                       |              | :                      | :                 |                     | :                  | :             | 844,309                        | :     |
| 2.2.1 AIR BASES, AIRFIELDS   | :                   |              |              |            | :                      | 441,257                                       |              | :                      | :                 |                     | :                  | :             | 441,257                        | :     |
| 2.2.2 MISSILE SHES   | :                   |              |              |            | :                      | 25.356  |              | :                      | :                 |                     | :                  | :             | 75 356                         | :     |
| 2 2 4 FI ECTRONICS FTC   | :                   |              |              |            | :                      |   | ľ            | :                      | :                 |                     | :                  | :             |                                | :     |
| 2.2.5 PERSONNEL FACILITIES   | :                   |              |              |            | :                      |   | <del> </del> | :                      | :                 |                     | :                  | :             |                                | :     |
| 2.2.6 MEDICAL FACILITIES   | :                   |              |              |            | : :                    | ,   | † ·          | : :                    | : :               |                     | : :                | : :           | '                              |       |
| 2.2.7 TRAINING FACILITIES  |                     |              |              |            | :                      | 49,966  | ,            | :                      | :                 |                     | :                  | :             | 49,966                         | :     |
| 2.2.8 WAREHOUSES, DEPOTS, ETC  | :                   |              |              |            | :                      | 30,126  |              | :                      | :                 |                     | :                  | :             | 30,126                         | :     |
| 2.2.9 COMMAND AND ADM. FACILITIES  | :                   |              |              |            | :                      | 281,046                                       |              | :                      | :                 |                     | :                  | :             | 281,046                        | :     |
| 2.2.10 FORTIFICATIONS  |                     |              |              |            | ÷                      |   |              |                        | :                 |                     | :                  | :             |                                | :     |
| 2.2.11 SHELTERS  | :                   |              |              |            | :                      |   |              | :                      | :                 |                     | :                  | :             |                                | :     |
| 2.2.12 LAND  | :                   |              |              | •          | :                      |   | -            | :                      | :                 | ,                   | :                  | :             |                                | :     |
| 2.2.13 OTHER   | :                   | -            |              |            |                        | 16,558  | -            | :                      |                   | -                   | :                  |               | 16,558                         |       |
| 3. RESEARCH AND DEVELOPMENT  | :                   | 878          | 545          | 3,674      | :                      | 619,191                                       | 57,149       | :                      | :                 |                     | :                  | :             | 223,862                        | :     |
| 3.1 BASIC AND APPLIED RESEARCH   | ÷                   |              |              |            | :                      |   |              | :                      | :                 |                     | :                  | :             |                                | :     |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION  | :                   | 875          |              |            | :                      | 161,619                                       | 57,149       | :                      | :                 |                     | :                  | :             | 223,862                        | :     |
| 4 TOTAL (1+2+3)  |                     | 4,724,039    | 3,424,018    | 4,029,591  | :                      | 8,779,664                                     | 2,237,912    | :                      | :                 |                     | :                  |               | 23,195,224                     | :     |

In a globalized world, peoples and places are increasingly connected in previously unimaginable ways and national economies transcend state-borders. While sovereign states remain the fundamental building blocks of international society, today's global landscape features a broad range of participants, both government and non-government, who actively engage across an array of global issues. Commerce, the environment, migration, development, health and security – all these are global issues that cannot be adequately addressed at the national level by governments alone. As President of the G-8 and G-20 in 2010, Canada is committed to working with the international community to address these global issues.

Global challenges are brought home when complex and emerging threats, sometimes from unconventional sources, challenge perceptions of stability and security upon which national prosperity and development depend. Canada's global engagement has included efforts to address natural disasters, terrorism and transnational crime, maritime security, weapons of mass destruction (WMD), and threats to civilians in fragile states and during conflict, including those who have been forced to flee their homes. Effective and accountable institutions are needed to prevent and manage conflict, manage security in post-disaster situations, and prevent and respond to threats posed by terrorism, WMD proliferation and transnational organized crime.

Canada works within the ASEAN Regional Forum (ARF) to address security challenges in Asia-Pacific. Canada's commitment to political-security cooperation was underscored by the Joint Declaration on the ASEAN-Canada Enhanced Partnership, which was adopted at the 42<sup>nd</sup> ASEAN Post Ministerial Conference in July 2009. The ARF 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 the national, regional and global levels.

#### Overview of the Regional Security Environment

While the region is largely peaceful, Asia-Pacific is not alone in facing a host of security vulnerabilities, stemming from WMD proliferation and organized crime, terrorism or in times of conflict and natural disaster. When a number of security vulnerabilities coalesce within countries and in the absence of adequate efforts to prevent and respond to emerging threats, states may become increasingly fragile.

Canada supports efforts to realise the ASEAN Political-Security Community (APSC) in order to help promote

peace, stability, security, democracy, human rights and fundamental freedoms, rule of law, good governance, development and prosperity in the region as inscribed by the ASEAN Charter. The ASEAN Regional Forum has an important role to play in strengthening regional cooperation to support the implementation of the APSC, in areas such as counter-terrorism and transnational crime, maritime security, non-proliferation and disarmament, and natural disaster risk reduction and response. Under the Plan of Action to Implement the Joint Declaration on ASEAN-Canada Enhanced Partnership, Canada will strengthen cooperation with ASEAN in the context of the ARF and cooperate on the implementation of the ARF Vision Statement and its Hanoi Plan of Action especially in the area of Preventive Diplomacy (PD). Canada will develop joint activities, as appropriate, to promote peace and security and a habit of constructive dialogue and practical cooperation in the region and to support ASEAN's role as the driving force in the ARF process.

Maritime security challenges including piracy continue to threaten the security and livelihood of the region and its neighbours. There have been promising efforts to develop practical cooperation and build regional capacity in this area. Canada participated in the ARF Seminar on Measures to Enhance Maritime Security, held in Brussels 19-20 November 2009 and the Second Inter-Sessional Meeting on Maritime Security held in Auckland in March 2010. Since 2008, three Canadian warships (HMCS VILLE DE QUÉBEC. HMCS WINNIPEG and HMCS FREDERICTON) have been deployed to the Gulf of Aden to participate in NATO counterpiracy operations and to escort ships contracted by the World Food Programme. Canada has made a contribution of over \$740,000 CAN to the United Nations Office on Drugs and Crime's counter-piracy program, to help support piracy prosecutions in East Africa. Canada participates in the Contact Group on Piracy off the Coast of Somalia and the International Contact Group on Somalia.

At the G-8 Summit in Muskoka, Canada, 25-26 June 2010, leaders condemned the attack and demanded that North Korea refrain from committing any attacks or threatening hostilities against South Korea. Leaders noted that it will gain neither status nor international support by such behaviour. On March 26, 2010, the Cheonan sank in waters near the boundary between South and North Korean waters, claiming the lives of 46 sailors. At the request of the South Korean government, three Canadian naval experts joined a multinational team investigating the sinking. The multinational team was tasked to provide expert advice on the investigation and the conclusions reached by South Korea, and the team found that evidence pointed conclusively to a North Korean

torpedo having been responsible for sinking the naval vessel Cheonan. Canada remains committed to a coordinated international approach toward the current situation on the Korean Peninsula, and to a peaceful, stable and prosperous Korean peninsula.

The need to ensure that Weapons of Mass Destruction are not proliferated by states or acquired by terrorists and other non-state actors is an international responsibility as set forth in UN Security Council Resolution 1540 (2004), and reaffirmed in UN Security Resolution 1673 (2006) and UN Security Council Resolution 1810 (2008). As part of its 2010 G-8 Presidency, Canada is providing leadership to advance implementation of UNSCR 1540. Canada will lead a G-8 demarche to those states which have still not filed a report with the 1540 Committee on their steps to put in place the Resolution. Canada also strongly supports efforts to ensure the effective coordination of requests for offers of assistance in implementing the provisions of the UNSCR 1540 (2004).

In the Asia-Pacific, there is a continued rise in the number of indigenous development programs and new exporters, significant advancements in some national missile programs, as well as ongoing tension over the Democratic People's Republic of Korea's (DPRK) nuclear weapons programs. Nuclear proliferation by the DPRK is a continuing concern for Canada and the international community. It affects international peace and security, and directly impacts Canada's strategic and commercial interests in the region. Canada's ultimate aim is the denuclearization of the Korean Peninsula, and its adherence to the Nuclear Non-proliferation Treaty (NPT) and its Comprehensive Nuclear Safeguards Agreement with the IAEA. Following the DPRK's secondever nuclear test in May 2009, the UN Security Council imposed Resolution 1874 against North Korea on June 12, 2009. Canada has implemented the binding sanctions imposed by Resolution 1874 into Canadian domestic law. Canada has actively supported the Six Party Talks in the past; however, Canada believes that the Cheonan issue must first be resolved to the satisfaction of Six Party Talk members before negotiations can resume.

Natural disasters pose indiscriminate threats to all states and their citizens, and can have a multiplier-effect on other security vulnerabilities. In 2009, Canada provided timely, effective, coordinated, and needs-based assistance in response to a number of natural disasters in the Asia-Pacific region. These included for typhoon Morakot in Taiwan (August 2009), typhoons Ketsana, Parma and Mirinae that swept across the Northern Philippines and Central Vietnam (September-November 2009), and following the

earthquake and tsunami in Samoa (September 2009) and the earthquakes off the west coast of Sumatra, Indonesia (September 30 and October 1, 2009).

Canada supports the principles of, and appropriate actions taken in adherence to, the ARF Statement on Disaster Management and Emergency Response and the ASEAN Agreement on Disaster Management and Emergency Assistance. Canada has attended the ASEAN Regional Forum Intersessional Meeting on Disaster Relief, held in Banda Aceh, Indonesia in December 2008, and again in Honolulu, Hawaii in September 2009, participating in discussions with ARF countries on ways to enhance cooperation in disaster preparedness and response. Canada was also an observer in the first ARF Voluntary Demonstration of Response exercise in the Philippines in May 2009, based on the scenario of a typhoon. The exercise involved a broad range of players from ARF countries and provided an opportunity to identify gaps and lessons learned for enhancing cooperation in natural disaster response in the region. Further, in April 2009, the ARF Seminar on Laws and Regulations on the Participation in International Disaster Relief by Armed Forces held in Beijing, China, provided an opportunity to share Canada's experiences and best practices in the use of military assets under civilian leadership in response to natural disasters abroad.

Bilateral cooperation in support of wider Asia Pacific disaster relief efforts may also be a useful first step in enhancing regional capacity to meet challenges posed by natural disasters. Canada and Japan signed in May 2009 a Memorandum of Cooperation on Standard Operating Procedures allowing rapid approval of Canadian military aircraft engaged in humanitarian relief operations.

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, the Canadian foreign ministry (DFAIT) created a Stabilization and Reconstruction Task Force (START) and a Global Peace and Security Fund (GPSF). These initiatives were 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 deliver coherent, effective conflict prevention, crisis response and stabilization initiatives in fragile environments, such as Afghanistan,

Sudan, Haiti and the Middle East. Canada is committed to constructive dialogue with ARF partners on the question of humanitarian access, in order to foster greater understanding of the collective interest in ensuring safe and unhindered humanitarian access to civilians in need. Full, safe and unhindered access – so critical to providing life saving relief and support to vulnerable populations - remains an elusive goal.

In addition to global security challenges with regional implications, the international community has called for national dialogue in Burma/Myanmar and has voiced concerns about the recently adopted restrictive electoral laws. At the G-8 Muskoka Summit, leaders urged the Government of Myanmar to take the steps necessary to allow for free and fair elections. Full and inclusive democratic participation is essential to this. G-8 leaders urge the Government to release without delay all political prisoners, including Aung San Suu Kyi, and engage the democratic opposition and representatives of ethnic groups in a substantive dialogue on the way forward to national reconciliation.

Afghanistan and Pakistan remain countries with security challenges that implicate the region. Since 2007, Canada has been facilitating the 'Dubai Process', a series of workshops bringing together Afghan and Pakistani officials to build mutual understanding and cooperation on border management. Building on this work, at the Gatineau Foreign Ministers' Meeting earlier this year, the G-8 launched the Afghanistan-Pakistan Border Region Prosperity Initiative – an initiative agreed to by the G-8, Afghan and Pakistani governments and the World Bank and the Asian Development Bank to foster positive economic conditions in the region as well as regional cooperation and dialogue, which are essential to addressing factors of instability.

Canada is in Afghanistan with the objective of seeing the country become a more stable and self-sufficient state. Our engagement is a reflection of our broader interest in promoting regional security and stability. At the G-8 Muskoka Summit, leaders discussed the upcoming Kabul Conference and the need for the Afghan Government to show progress in addressing governance challenges and assuming responsibility for its security in the future.

Canada will continue its military presence in Kandahar until July 2011 and complete the withdrawal of its forces by December 2011. Canada's commitment to Afghanistan remains long-term, and our development and diplomatic contributions will continue beyond the end of our military mission. Canada remains committed to the Afghan people,

and continues to regularly call on the Afghan government to take serious action to fight corruption, protect human rights, and deliver security, strong national institutions, basic services, and economic development for the people of Afghanistan.

#### National Security and Defence Policy

#### 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 (2002), which requires all OAS states to provide annual reports to the Organization of American States (OAS) Depositary 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. Short of an instrument such as the OAS Transparency Convention, the ARF should continue to work towards the development of a voluntary regional transparency instrument. It could also support global transparency efforts through technical exchanges to facilitate adherence and implementation of international transparency instruments including the UNCAR and the instrument of Standardized Reporting on Military Matters.

# Overview of Canada's National Security and Defence Policy

One important contribution to enhanced transparency is the sharing of information about national security and defence programs and policies.

The Government of Canada has put into place a Canada First Defence Strategy (CFDS) which establishes a vision of a fully integrated, flexible, multi-role and combat-capable military, which plays an active role in a whole of government approach to meet security requirements, both domestically and internationally. The Canadian Forces (CF) serves Canadians at home by supporting other government departments and civilian agencies in areas such as search and rescue and disaster relief operations. Under the CFDS, Canada continues to be a strong and reliable partner in the defence of North America, notably through the North American Aerospace Defence Command (NORAD). Internationally, the CF remains

capable of participating in a wide range of operations, including 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.

Of particular relevance to the ARF, Canada has implemented a "Whole-of-Government" approach – which emphasizes the integration of military and civilian components – in order to address the challenges in Afghanistan in an integrated way. Currently, there are approximately 2,830 Canadian soldiers deployed as part of the UN-mandated, NATO-led International Security Assistance Force (ISAF) and approximately 120 Canadian civilians working in Afghanistan. Canada's engagement in Afghanistan from 2008- to 2011 is defined through six key priorities and three signature projects. These priorities work to guide all whole-of-government efforts, and they focus on reconstruction, development, and the training of Afghan security forces.

Canada remains a strong supporter of and actively engaged in international peacekeeping and peace operations, participating in both UN-led and UN-mandated missions. The Canadian Government takes a whole-of-government approach to fragile states. This ensures coherent planning, bringing together diplomacy, military operations and civilian assistance to deliver security, humanitarian, governance and development assistance. Thus, Canada's strong support for international peace and security includes the deployment of over 3000 troops, civilian police, diplomats, development officers, correctional personnel, and border services agents serving in a variety of UN-mandated missions, including 8 of the 16 current UN-led peacekeeping missions. In particular, Canada contributes to Afghanistan (ISAF), Sudan (UNAMID and UNMIS), Haiti (MINUSTAH) and the Democratic Republic of Congo (MONUSCO).

In a UN peace operation, Canada's niche is to provide specialized skills, planning, communications and equipment to sustain a multi-dimensional operation. Canada offers high value-added inputs, such as capacity building, logistics and training to other nations, which serve as "force multipliers" for the UN and help to ensure that peacekeeping forces are trained to the highest UN standards. These efforts are in keeping with G-8 commitments made by leaders via the "Muskoka Declaration" at their most recent meeting in Canada. Leaders agreed to strengthen civilian security systems by working to increase deployable and fully equipped civilian capacities to reinforce state institutions and advance the rule of law in post-conflict and post-

crises situations, including Formed Police Units that are fully trained and prepared for deployment according to UN standards. Additionally, through its Global Peace Operations Program (GPOP), Canada provides support to the UN to implement peacekeeping reforms and the development of UN peacekeeping policy, training and doctrine.

Canada supports training programs for ARF members that enhance opportunities for regional collaboration and participation in complex peace support operations involving both civilian and military actors. Canada has been pleased to provide training support to some of our ARF partners through our Military Training and Cooperation Program (MTCP). These sorts of exchanges of experiences and best practices, as well as the creation of peace support training programs among ARF countries, can make an important contribution to building regional capacity and coordination for peace support operations. Canada was represented at ARF peacekeeping conferences in 2007, 2008 and at the March 2010 ARF Peacekeeping Experts Meeting in Bangkok.

# 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 coordinated response.

Terrorism

No country is immune from the threat of terrorism. Since the attacks of September 11, 2001, extensive international collaboration has weakened the ability of terrorists to train recruits and execute attacks. Canada is acting decisively to protect Canadians and is playing its part in the global fight against terrorism.

However, terrorists continue to seek new ways to pursue their goals, and recent years have seen an upsurge in incidences of kidnapping perpetrated by terrorists, including for financial gain, and links of some terrorist groups to illicit drug trafficking, piracy and organized crime. Multifaceted and coordinated efforts are needed to counter violent extremism and radicalization, to curb the spread of terrorist ideology and to address local conditions that give rise to violent extremism. Principles of inclusion, tolerance, democracy and respect for human rights are the first line of defence in countering terrorism, coupled with a commitment to justice and accountability to bring terrorists to justice. 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.

At the G-8 Muskoka Summit, leaders reiterated their absolute condemnation of terrorism in all of its forms and manifestations, and their commitment to work together to eradicate this threat in a strong statement on countering terrorism. Canada strongly supports the United Nations Global Counter-Terrorism Strategy, and welcomes the biennial review which is scheduled to take place in September 2010. Canada looks forward to a fruitful discussion on the implementation and strengthening of international cooperation on counter-terrorism, and supports the work of the UN Counter-Terrorism Implementation Task Force in this regard. 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 is committed to implementing the ASEAN-Canada Joint Declaration for Cooperation to Combat International Terrorism and to deepen cooperation under the ARF Work Plan on Counter-Terrorism and Transnational Crime. Since 2005, Canada's Counter-Terrorism Capacity Building (CTCB) Program has provided counter-terrorism related training, resources and expertise to partners, including a number of ARF members. Canada is currently running an International First Responder Training Program (IFRTP) for four countries (Thailand, Indonesia, Malaysia and Philippines) in the region, with the goal of expanding chemical, biological, radiological and nuclear (CBRN) counter-terrorism capacity.

Transnational Organized Crime

A cross-cutting and global issue, organized crime transcending national borders pose unique challenges for global governance. Newer forms of transnational criminal activities such as cyber-crime pose unique and indiscriminate challenges to national economies, human rights and security, while civil wars in already fragile states have been exacerbated by narcotics trade, the illicit import of weapons and the illegal export of natural resources such as diamonds, timber and other highly valued resources.

Global conventions provide a useful framework to facilitate regional cooperation. 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 conventions. Canada remains concerned about the illicit exploitation of and trade in natural resources, which play a major role in fuelling conflict. One positive development to address war economies is the recent OECD initiative to enhance the due diligence of companies sourcing minerals from conflict areas. The Kimberley Process Certification Scheme on rough diamonds came into effect in 2003 and requires that participant countries only trade in diamonds certified as being of nonconflict origin. Currently, 75 diamond producing and trading countries participate in the Scheme, including 17 ARF member states. The credibility of the Kimberley Process has been seriously undermined by Zimbabwe's non-compliance with the minimum requirements of the Scheme. Canada is a strong advocate for the strengthening of the Kimberley Process to ensure compliance by all participant countries.

Regional approaches to combating cyber-crime and enhancing cyber-security have been supported by Canada's Counter-Terrorism Capacity Building (CTCB) Program, which is working with OAS-CICTE to develop cyber-security training for incident response teams in Latin America and the Caribbean. National Computer Security Incident Response Teams (CSIRTs) act as a 24/7 "watch and warning alert system" that respond to crises, incidents and threats to computer security. CSIRTs also reduce the vulnerability to attack, mitigate damage, and ensure the integrity of the cyber networks in each country.

Canada is committed to working with ARF partners 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.

An area for ARF engagement is to facilitate the sharing of best practices related to drug policies, including supply and demand reduction, halting and preventing the trafficking of precursor chemicals used to produce illicit narcotic drugs. It will also be important to assess and identify drug trafficking trends and practical steps to prevent, respond to, and mitigate adverse affects from drug trafficking in the future. As part of Canada's continuing commitment to stabilization and reconstruction in Afghanistan, Canada will contribute an additional \$25 million to the UN Office on Drugs and Crime for counter-narcotics efforts in Afghanistan from 2009 to 2011, bringing Canada's total Counter-Narcotics programming in Afghanistan to \$55 million from 2007 to 2011

ARF members can also pay 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. Canada continues to play an active role in global organizations like the UN Office on Drugs and Crime (UNODC) and the International Organization for Migration. The federal government also supports anti-trafficking prevention and awareness programs worldwide through the Canadian International Development Agency (CIDA), including in the Greater Mekong Sub-region (\$9.25 million from 2004-2010), in which the Southeast Asia Regional Cooperation in Human Development project assists in implementing international standards, especially the UN Trafficking Protocol. Canadian International Development Agency (CIDA) also supports a labour rights project in East Asia (\$4 million from 2009-2012) to reduce trafficking in women and children migrant workers in China.

#### **Maritime Security**

Global and regional challenges posed by transnational crime issues such as narcotics trafficking, piracy and maritime terrorism are increasingly requiring a large variety of experts to work together on developing solutions to these problems. Counter-piracy and counter-drugs patrols have involved national coast guards and military actors and expertise in joint efforts to combat security vulnerabilities in the maritime domain. Working mechanisms and the sharing of best practices, including through the international community's efforts to combat piracy in the Gulf of Aden and cooperation among littoral states in the Malacca Straits, have made important contributions to enhancing regional maritime security.

In addition to emerging threats such as piracy, collaborative maritime security efforts would make a significant contribution to WMD non-proliferation, such as to the Proliferation Security Initiative (PSI). ARF partners could consider how best to implement their obligations under UN Security Council Resolution 1874 (2009) which bans all DPRK arms exports, including conventional arms, and authorizes national authorities to interdict and inspect DPRK ships suspected of carrying weapons cargo. ARF members which have not yet done so could also consider publicly endorsing the PSI Statement of Interdiction Principles.

Canada considers the PSI to be an important practical and voluntary mechanism that helps states to enhance their ability to deter and, where necessary, interdict illicit trafficking

in WMD, their delivery systems, and related materials, as well as to fulfil their legal non-proliferation commitments under UN Security Council Resolution 1540. Canada contributed an RCMP boarding team to the maritime interdiction component of a PSI exercise program - Exercise Deep Sabre II hosted by Singapore in October 2009. Canada's experience and expertise in maritime security under NATO may also make a useful contribution to informing the development of regional collaboration on maritime security under ARF auspices. ARF cooperation on maritime security issues will support connectivity among ASEAN countries by ensuring the efficient and secure movement of goods and people through strategic corridors.

#### Non Proliferation, Arms Control and Disarmament

Canada believes that the conclusion of negotiations between the United States and the Russian Federation to reduce further their nuclear arsenals was an important step towards a world without nuclear weapons. The Nuclear Security Summit in Washington in April 2010 was an important opportunity to promote the security of nuclear materials, in order to prevent their falling into the hands of terrorists or other unauthorized persons or entities. Both events helped to create a positive momentum at the Review Conference on the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), held in May 2010.

The 2010 Final Document released at the end of the 2010 NPT Review Conference is the first agreed outcome at an NPT Review Conference since 2000. Canada fully supports the Final Document's conclusions and recommendations for follow-on actions across the three pillars of the NPT: nuclear disarmament, non-proliferation and the peaceful uses of nuclear energy. Canada supports the commitment of nuclear weapons states to accelerate progress on nuclear disarmament and the reiteration of the importance of compliance with non-proliferation obligations and cooperation with the IAEA. Through Canada's 2010 G-8 chairmanship, we have been able to rally broad support to strengthen this vital treaty and bring us closer to our common goal of a world free of nuclear weapons. Canada fully endorses the Conference's call for North Korea to return to the NPT and abandon its nuclear weapons program. G-8 leaders also strongly urged the DPRK to abandon all nuclear weapons and existing nuclear and ballistic missile programs, as well as proliferation activities, in a complete, verifiable and irreversible manner in accordance with UNSC resolutions 1718 and 1874.

On the issue of non-proliferation, Canada played a significant

role at the RevCon by including several actions that ensure the efficient implementation and effectiveness of the IAEA verification system. On the peaceful uses of nuclear energy, Canada supports the finding of common ground on the increasing need for, and value of, nuclear power and other applications of nuclear energy and the need for all states to sign up to the relevant conventions on nuclear safety, security and liability. Reaching agreement on the Middle East, particularly the implementation of the 1995 Resolution on the Middle East was instrumental to the success of the Review Conference. Canada supports the following practical steps, as decided by the RevCon: i) the convening of a Conference in 2012; ii) the appointment of a Facilitator with a mandate to undertake consultations in preparation for the 2012 Conference; and iii) the designation of a host Government for the 2012 Conference. While Canada continues to believe that a number of essential precursors have to be in place prior to convening such a conference, Canada is prepared to play an important role in the lead-up to, and during, the 2012 Conference on the Middle East.

As part of its G-8 Presidency, Canada played an important role ahead of and throughout the NPT Review Conference. In March, Minister Cannon hosted his counterparts, as well as the Review Conference President, Libran Cabactulan, at the G-8 Foreign Ministers' Meeting. The ministers released a statement entitled G-8 Foreign Ministers' Statement on Nuclear Non-Proliferation, Disarmament and Peaceful Uses of Nuclear Energy: A Contribution to the 2010 NPT Review Conference, which helped to set the framework for discussions and build bridges among NPT states parties, G-8 and non-G-8 members toward a clear renewed commitment to the Treaty. Foreign Minister Cannon's participation during the high-level segment of the RevCon also signalled Canada's strong political commitment to the NPT and the success of the Conference.

Canada is an active State Party to all other major international treaties in the NACD area, including 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 is a signatory to the 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 (HCOC). 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 welcomed the May 2009 agreement on a Programme of Work in the Conference on Disarmament (CD) in Geneva which broke 12 years of deadlock, but was disappointed by the inability of the CD to implement the agreement due to the objections of one state. Canada's top priority in the CD remains 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 believes the conditions are ripe to undertake substantive work in the CD on the prevention of an arms race in outer space (PAROS). In particular, Canada has proposed that states pledge to adhere to three transparency and confidence-building measures for conduct in outer space: banning the placement of weapons in outer space; banning the use of weapons on satellites; and, banning the use of satellites themselves as weapons. Canada believes that the adoption of these rules would help make outer space more secure in the short-term, and could also form the basis for the eventual negotiation of a legally-binding treaty. We look forward to the UN Secretary-General's high-level meeting that will be convened in September 2010 in New York that aims to support the work of the CD.

Launched at the 2002 G-8 Summit in Kananaskis, the G8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction is a ten-year, 23 partner, US\$20 billion initiative aimed at reducing global WMD and terrorism related threats, including with respect to chemical, nuclear, radiological and biological weapons; missiles; and related materials, equipment, technology and related knowledge. Canada's participation in the Global Partnership, including its C\$1 billion financial pledge, is managed by DFAIT's Global Partnership Program (GPP). Through the GPP, Canada has expended approximately more than CAD \$640 million dollars to the Partnership to date and is on pace to fulfill its financial commitment by 2012. While focused initially in Russia and other countries of the former Soviet Union, G-8 Leaders agreed during the 2008 Summit in Tokyo that Global Partnership programming would be expanded to address threats and secure vulnerable WMD and related materials worldwide. GPP activities benefit all ARF members by reducing the likelihood that weapons and materials of mass destruction will be used in terrorist attacks. With four G-8 member countries which are also ARF members and ASEAN dialogue partners (Canada, Japan, Russia and the United States), and three ARF countries (Australia, New Zealand and the Republic of Korea) participating in the Global Partnership, ARF has a role to play in supporting all members of the Global Partnership to continue their engagement and fulfill their pledges. Canada welcomes new donors willing to join this important international threat-reduction undertaking. At the G-8 Muskoka Summit, leaders recognized the success of the Global Partnership and the importance of continuing our joint efforts as partners to address these threats in the years ahead with a focus on renewed priorities.

With respect to conventional arms control, Canada has been an active participant in efforts to establish two legal instruments that address cluster munitions. With the receipt of the 30th ratification by Moldova on February 16, 2010, the Convention on Cluster Munitions will enter into force on August 1, 2010. The historic first Meeting of States Parties will be held in Lao People's Democratic Republic in November 2010. Canada continues to participate in the negotiation of a complementary Protocol addressing cluster munitions in the Convention on Certain Conventional Weapons (CCW). 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 to support ongoing negotiations to develop a new Protocol to address cluster munitions within the Convention on Certain Conventional Weapons (CCW).

Canada also 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 an active participant in the Open-Ended Working Group (OEWG) which received a negotiating mandate for an Arms Trade Treaty (ATT) in October 2009.

Canada is committed to working with ARF partners to enhance NACD cooperation through regional initiatives. This includes the development of practical measures and best practices to support national implementation to universalize key international NACD treaties, norms, and instruments in the region such as the CTBT, the IAEA safeguards system, the Convention on the Prohibition on the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction (also known as the Ottawa Convention), and other arrangements such as the HCOC and the UN Programme of Action to Combat the Illicit Trade in Small Arms and Light Weapons in All Its Aspects. ARF partners can build on the concrete results of the 2005 ARF Export Licensing Experts Meeting co-hosted by Canada and Singapore, through

supporting the effective implementation of national export licensing measures. Recognizing the security vulnerabilities we share from the proliferation of WMD, including to non-state actors, ARF members can build on the 2007 meeting co-hosted by Canada, Singapore and the United States on UNSC 1540 implementation. Canada believes that the ARF can play a useful role to support regional NACD cooperation and we welcomed as a positive step, the establishment of the Inter-Sessional Meeting on NPD in 2009.

#### Natural Disaster Risk Reduction and Response

The plight of the people of Haiti concerns us all and the world's response has been uplifting and encouraging. Within hours of the devastating earthquake, governments around the world mobilized and coordinated a massive relief effort. Canada co-chaired the International Donors' Conference at the United Nations in New York on March 31, 2010, together with other leading donors to Haiti, pledging an additional \$400 million for humanitarian and reconstruction programs, which more than doubled its annual support to Haiti.

Canada attaches the highest importance to timely, effective, predictable, needs-based and appropriate multilateral action in support of crisis-affected populations, as well as long-term disaster risk reduction initiatives in coordination with humanitarian partners. Canada is also committed to reducing the vulnerability of hazard-prone countries and communities to natural disasters, including through promoting the implementation of the 2005 Hyogo Framework for Action: Building the Resilience of Nations and Communities to Disasters.

To this end, Canada supports strong commitments to disaster risk reduction (DRR) made in the context of the UN system such as through the UNDP and the UN International Strategy for Disaster Reduction (ISDR). Canada also provides technical experts to the UN Disaster Assessment and Coordination (UNDAC) system and has funded training of experts from developing countries for this system. Canada supports regional and international organizations that can contribute to DRR, in order to encourage national, regional and international efforts to mainstream disaster risk reduction into development programs, raise public awareness of risk, build the disaster preparedness and response capacity of various levels of government, and promote the sharing and development of technical expertise, lessons learned and best practices.

In addition to international partnerships and national strategies for DRR, the Government of Canada has developed robust

strategies to respond to natural disasters abroad and to meet the needs of affected populations. Consistent with the principles of Good Humanitarian Donorship, Canada endeavours to tailor its official response based on needs assessments, which take into account the coping capacities of and the official requests for assistance by the affected government, as well as the needs of survivors. Canada also coordinates our official response with the international community to ensure both that there are no duplications or gaps in the global response effort, and that the global response is proportionate vis-à-vis crises elsewhere in the world.

Canada partners with various UN organizations, the Red Cross Movement as well as established NGOs to address immediate humanitarian needs following natural disasters such as the distribution of non-food items, provision of shelter, infant feeding and water and sanitation facilities. The Government of Canada has developed a number of tools to respond to natural disasters abroad, including: cash contributions in response to appeals issued by trusted international partners, deployments of pre-identified Canadian technical experts and relief stocks. As necessary and if available and appropriate, Canadian Forces assets can be deployed, such as strategic airlift and personnel.

Within hours of a natural disaster of a significant scale, Canada convenes a meeting of the Interdepartmental Task Force on Natural Disasters Abroad. Canada held a number of those meetings in response to the two major earthquakes striking Sumatra in September and October 2009, following successive storms in Southeast Asia in early autumn last year, and following the earthquakes in Chile and Haiti this year. Canadian officials conducted a field mission to earthquake-affected areas of Sumatra in January 2010, in order to assess Canadian programming in response to the earthquakes in Indonesia.

Canada is committed to working with international and ARF partners to reduce risks and challenges to regional stability and prosperity posed by natural disasters, notably through the ARF Inter-Sessional Meeting on Disaster Relief. We continue to promote the importance of coordinating with the international humanitarian system through the UN Office for the Coordination of Humanitarian Affairs (OCHA) and caution against the duplication of existing mechanisms for responding to natural disasters.

#### Role of the ARF

Canada is committed to supporting ongoing efforts to

develop an ARF work plan on Preventive Diplomacy. Despite recognition over the past decade of the need for greater involvement by regional agencies in conflict prevention and management, often in co-operation with the United Nations, developing the appropriate principles, frameworks and cooperative dialogues to meet the specific needs and challenges of the region, and its members, are an ongoing challenge. For this reason, the art of conflict prevention and management remains, as a general rule, rudimentary and imprecise.

Preventive diplomacy is intended to prevent disputes and conflicts from arising between states that could pose a threat to regional peace and stability. 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 around the globe remind us of the toll that violence takes on civilians. Timely investments in preventive diplomacy will also lessen the requirements for costly peace support operations.

Canada supports the ARF's efforts to move towards building concrete capacity for cooperative conflict prevention within the region. Confidence and capacity-building are most effective when these assume cooperative, problem-solving approaches that include the provision of technical assistance to member states. The ARF could also 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).

Evolving regional integration efforts within Asia-Pacific have resulted in the emergence of additional fora for dialogue and cooperation reinforcing the importance for the ARF to remain focussed on areas where it contributes clear value-added for regional security. Canada welcome the adoption of the ARF Vision Statement in 2009 and looks forward on contributing to its implementation, notably through the upcoming Hanoi Plan of Action. These initiatives will support the ARF's central role in areas where it makes the greatest contribution and reinforce its continued relevance at the forefront of political-security cooperation in the Asia-Pacific region.

With today's complex and multidimensional threats, many countries are finding that they lack effective and accountable institutions to address their security vulnerabilities in times of conflict, to manage security in post-disaster situations, or to prevent and respond to terrorism, proliferation and transnational organized crime. In considering how best to meet these new realities, ARF members will need to define the appropriate roles and responsibilities of different security actors, and identify areas where cooperation will yield the greatest gains for shared security, internationally and for the region.

There are many areas where the ARF could play a valuable role in fostering increased cooperation to address shared security vulnerabilities, and thereby 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. While ASEAN leadership will be key in assisting the membership as a whole to advance towards this goal, 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 advance political-security cooperation in the Asia-Pacific and to seize the opportunity to address, head-on, threats that know no borders.

|  | JOF MILLIARY E | AF ENDITORES |         |            |              |                     |       |              |      |                     |                     |               |                |               |
|--|----------------|--------------|---------|------------|--------------|---------------------|-------|--------------|------|---------------------|---------------------|---------------|----------------|---------------|
| (ACTUAL OUTLAYS, CURRENT PRICES) (UN REPORT)                       | ,              |              |         |            |              |                     |       |              |      |                     |                     |               |                |               |
| COUNTRY: CANADA  |                |              |         |            |              |                     |       |              |      |                     |                     |               |                |               |
| NATIONAL CURRENCY AND UNIT OF MEASURES: Canadian Dollar (millions) | lions)         |              |         |            |              |                     |       |              |      |                     |                     |               |                |               |
| FISCAL YEAR: 2008-2009   |                |              |         |            |              |                     |       |              |      |                     |                     |               |                |               |
| FORCE GROUPS>  | STRAITEGIC     | LAND FORCES  | NAVAL   | AIR FORCES | OTHER COMBAT | CENTRAL SUPPORT AND |       | PARAMILITARY | - IM | MILITARY ASSISTANCE | 3                   | UNDISTRIBUTED | TOTAL MILITARY | CIVIL DEFENCE |
|  | FORCES         |              | FORCES  |            | FORCES       | SUPPORT COMMAND     | 1     |              | HOME | ABROAD              | UN PEACE<br>KEEPING |               | EATENDIUMES    |               |
| RESOURCE COSTS   | -              | 2            | 3       | 4          | s            | 9                   | 7     | 8            | 6    | 10                  | 11                  | 12            | 13             | 14            |
|  |                |              |         |            |              |                     |       |              |      |                     |                     |               |                |               |
| 1. OPERATING COSTS   |                | 5,104.5      | 2,018.9 |            | 1            | 5,118.3             | 381.3 | :            | :    | 20.7                |                     |               | 15,746.2       | •             |
| 1.1. PERSONNEL   |                | 2,855.1      | 1,224.9 | 1,406.6    | 1            | 2,851.6             | 224.6 | :            | :    | 4.9                 | 11.7                |               | 8,579.3        | :             |
| 1.1.1 CONSCRIPTS   |                | =            | :       | -          | :            | :                   | :     | :            |      |                     | :                   |               | :              | :             |
| 1.1.2 OTHER MILITARY PERSONNEL INCLUDING RESERVES                  |                | 2,503.7      | 915.8   | 1,266.1    |              | 1,759.5             | 206.1 | ;            | :    | 0.3                 | 11.7                | İ             | 6,663.1        | :             |
| 1.1.3 CIVILIAN PERSONNEL   |                | 351.3        | 309.0   | 140.5      | :            | 1,092.1             | 18.5  | :            | :    | 4.7                 | -                   | •             | 1,916.2        | :             |
| 1.2 OPERATIONS AND MAINTENANCE                                     |                | 5,249.4      | I'76L   | 1,673.3    | •            | 2,266.6             | 156.7 | :            | :    | 15.8                | 11.0                | •             | 7,166.9        | :             |
| 1.2.1 MATERIALS FOR CURRENT USE                                    |                | 668.3        | 235.9   | 497.2      |              | 673.5               | 46.6  | :            | :    |                     | 3.3                 | '             | 2,124.7        | :             |
| 1.2.2 MAINTENANCE AND REPAIR                                       | ·              | 377.0        | 133.1   | 280.4      |              | 379.9               | 26.3  | :            |      |                     | 1.8                 |               | 1,198.4        | :             |
| 1.2.3. PURCHASED SERVICES  |                | 990.5        | 349.7   | 736.8      | ·            | 998.1               | 0.69  | •            |      |                     | 8.4                 | '             | 3,148.9        | :             |
| 1.2.4 RENT COST  | ·              | 147.7        | 52.1    | 109.8      |              | 148.8               | 10.3  | :            |      |                     | 0.7                 |               | 469.4          | :             |
| 1.2.5 OTHER  |                | 62.9         | 23.3    | 0.64       | :            | 66.4                | 4.6   | •            |      | 15.8                | 0.3                 |               | 225.4          | :             |
| 2. PROCUREMENT AND CONSTRUCTION                                    | ·              | 9.066        | 272.8   | 1,928.9    | •            | 307.3               | 91.1  | :            | •    |                     | '                   | '             | 3,590.8        | :             |
| 2.1 PROCUREMENT  |                | 844.7        | 242.7   | 1,739.1    |              | 248.5               | 55.2  | :            |      | -                   | •                   |               | 3,130.2        | :             |
| 2.1.1 AIRCRAFT AND ENGINES   |                | 9.0          | 0.0     | 1,415.6    | ٠            | -                   | -     | :            | :    | -                   | -                   |               | 1,416.2        | :             |
| 2.1.2 MISSILES, INCLUDING CONVENTIONAL WARHEADS                    |                | -            | 1.7     | 0.5        | ·            | -                   | -     | •            |      |                     | -                   |               | 2.2            |               |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS                                   |                | •            | •       |            | :            | -                   | •     | :            | :    | -                   | -                   |               | •              | :             |
| 2.1.4 SHIPS AND BOATS  |                |              | 104.6   |            | ·            |                     | ,     | :            | :    |                     | İ                   | İ             | 104.6          | •             |
| 2.1.5 ARMOURED VEHICLES  |                | 306.6        | •       |            | :            | -                   | •     | :            | :    | -                   | -                   |               | 306.6          | :             |
| 2.1.6 ARTILLERY  |                | 21.7         | -       |            | :            | ·                   | ,     |              | :    |                     | -                   | Ì             | 21.7           | :             |
| 2.1.7 OTHER ORDNANCE AND GROUND FORCE WEAPONS                      |                | 64.5         | •       | 1.4        | :            | 0.7                 | 0.3   |              | :    | -                   | -                   |               | 6.99           | :             |
| 2.1.8 AMMUNITION   |                | 257.9        | 46.1    | 43.3       |              | 0.1                 | -     | -            | :    | -                   | -                   | •             | 347.3          |               |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS                               |                | 82.1         | 55.7    | 237.1      |              | 186.0               | 18.7  | -            | :    | -                   | -                   |               | 579.6          |               |
| 2.1.10 NON-ARMOURED VEHICLES                                       |                | 28.0         | 10.9    |            |              | 10.6                | 7.1   | ;            | :    | -                   | İ                   |               | 56.6           | :             |
| 2.1.11 OTHER   |                | 83.4         | 23.6    |            | ٠            | 51.2                | 29.2  |              | :    | -                   | -                   |               | 228.6          |               |
| 2.2 CONSTRUCTION   | _              | 145.9        | 30.2    | į          |              | 58.7                | 35.9  | -            | :    | -                   | -                   | •             | 460.5          |               |
| 2.2.1 AIR BASES, AIRFIELDS   |                | 0.0          | -       | 92.6       | •            | -                   | 1.0   |              |      | -                   | -                   | •             | 93.7           | :             |
| 2.2.2 MISSILE SITES  |                | -            | -       |            | :            | -                   | -     |              | :    | -                   | -                   | -             | -              | :             |
| 2.2.3 NAVAL BASES AND FACILITIES                                   |                |              | 25.2    | 0.2        | ٠            | ·                   | ,     | ·            | :    |                     | _                   |               | 25.4           | ٠             |
| 2.2.4 ELECTRONICS, ETC   |                | •            | •       | 6.6        | :            | 5.1                 | 0.0   | :            | :    | -                   | -                   |               | 15.0           | :             |
| 2.2.5 PERSONNEL FACILITIES   |                | 14.4         |         | 3.2        |              | 3.8                 | 7.1   | ;            | :    |                     | •                   | Ì             | 28.5           | :             |
| 2.2.6 MEDICAL FACILITIES   |                | 9.0          | '       |            | :            | 3.9                 | 0.4   | :            | :    |                     | İ                   |               | 13.3           | :             |
| 2.2.7 TRAINING FACILITIES  |                | 45.0         | 0.0     | 2.0        | :            | 1.0                 | •     | ·            | :    |                     | •                   |               | 48.5           | :             |
| 2.2.8 WAREHOUSES, DEPOTS, ETC                                      | _              | 21.5         | -       | 21.8       | •            | 11.8                | 1.3   | •            | :    | -                   | -                   |               | 56.3           | :             |
| 2.2.9 COMMAND AND ADM. FACILITIES                                  |                | 34.4         | 2.2     | 34.8       | :            | 17.0                | 2.3   | ;            | :    | -                   | ·                   | İ             | 90.7           | :             |
| 2.2.10 FORTIFICATIONS  |                | -            |         |            | :            | 0.0                 | 5.7   | ·            | :    |                     | ,                   |               | 5.7            | :             |
| 2.2.11 SHELTERS  |                | 21.5         | -       |            |              | 6.0                 | -     |              | :    | -                   | -                   | -             | 22.4           |               |
| 2.2.12 LAND  |                | -            |         | 4.7        | :            | •                   | 1.7   | ·            | :    |                     | ,                   |               | 6.4            | :             |
| 2.2.13 OTHER   |                | 0.0          | 2.2     | 20.6       | •            | 15.3                | 16.4  |              | :    | -                   | -                   | •             | 54.4           | :             |
| 3. RESEARCH AND DEVELOPMENT  |                |              | •       | ·          | ٠            | 349.4               | ,     | :            | •    |                     | -                   |               | 349.4          |               |
| 3.1 BASIC AND APPLIED RESEARCH                                     |                |              |         |            | •            | '                   | •     | :            | :    |                     | İ                   |               | İ              | •             |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION                            |                | '            | •       |            |              | 349.4               | 1     | :            | :    |                     | '                   |               | 349.4          | :             |
|  |                | 6.005.1      | 2.291.8 | 5,008.7    | •            | 5,774.9             | 472.4 | -            | :    | 20.7                | 7.22                |               | 19 686 3       |               |



In recent years, China-India relationship has continued its sound and steady growth, as evidenced by frequent high-level visits and contacts. Economic cooperation and trade between the two countries have experienced rapid development, making China India's second largest trading partner and India China's ninth largest. The two countries have engaged in increasingly dynamic exchanges in defense and culture and maintained good communication and coordination on the international financial crisis, climate change and other major regional and international issues.

The Chinese government attaches great importance to the development of its strategic and cooperative partnership with India. China will continue to work with India on the basis of the "Five Principles of Peaceful Coexistence" and follow through on the "10-point strategy" to increase strategic mutual trust, expand friendly exchanges, deepen pragmatic cooperation and handle the longstanding issues and differences properly with a view to promoting sustained, stable and sound development of the strategic and cooperative partnership. The year 2010 marks the 60th anniversary of China-India bilateral relations. The two countries have agreed to take advantage of the opportunity to keep up the momentum of high-level visits and contacts and organize commemorative events including "national festivals". The two countries are strengthening exchanges and cooperation in political, economic, cultural and defence fields to achieve new and even bigger progress of bilateral relations.

#### China-US Relations

The Chinese government has always taken a strategic and long-term approach to China-US relations. China is committed to working with the US to enhance communication and cooperation in broad areas of bilateral relations and on major regional and international issues as well as issues of global proportion, respect each other's core interests and major concerns, and build a positive, cooperative and comprehensive China-US relationship for the 21st century so that the two countries can make important contributions to peace, stability and prosperity of the Asia-Pacific region and the world at large.

In recent years, the two countries have witnessed intensive exchanges at the leadership and other levels. Since 2009, President Hu Jintao and President Obama have met five times and reached important agreement on building a positive, cooperative and comprehensive China-US relationship for the 21st century. China-US economic cooperation continues to deepen. China is the second largest trading partner of the United States and vice versa. More specifically, the United States is the second largest export market for China, while China is the third largest export market for the US. The two countries have made new progress in a variety of areas, ranging from energy and environment, counter-terrorism and law enforcement to science, education, culture, and public

health. They have maintained close communication and coordination on issues ranging from tackling the international financial crisis and climate change to nuclear security and the UN Security Council reform as well as the Iranian nuclear issue, the Korean nuclear issue and stability in South Asia.

#### China-Russia Relations

China and Russia have maintained steady and sound development of the strategic partnership of coordination. The two countries have had intensive high-level contacts and closer strategic coordination on major regional and international issues. Their bilateral cooperation has seen continuous new progress in the fields of economy, trade, investment and science and technology, unprecedented vigor in the cultural and people-to-people line and increasing presence at the local government level. The mutual understanding and friendship between the people of the two countries have grown deeper.

China-Russia relationship is not an alliance. Nor is it confrontational or targeting at any third party. It represents a new type of state-to-state relationship built upon mutual trust, mutual benefit, equality and coordination. The Chinese government attaches great importance to its relations with Russia and is committed to developing good-neighborly relations featuring mutually beneficial cooperation and enduring stability to bring benefits to the two countries and their people and contribute to regional and global peace, security and stability.

(II) China actively advocates and promotes regional cooperation. China believes that ASEAN Plus Three, China-Japan-ROK cooperation, East Asia Summit (EAS) and other mechanisms should give play to their respective advantages and move ahead in parallel so that together they will usher in a peaceful, stable and cooperative regional environment featuring equality, mutual trust and mutual benefit to expand common interests and achieve common development.

#### ASEAN Plus Three Cooperation

In recent years, new progress has been made in ASEAN Plus Three cooperation. In June 2009, the ASEAN Plus Three member states finalized the phase II study of the East Asian FTA and issued the Joint Press Statement on ASEAN+3 Cooperation in Response to the Global Economic and Financial Crisis. In March 2010, the Chiang Mai Initiative Multilateralization involving 120 billion US dollars came into effect. In May, the Credit Guarantee and Investment Mechanism with a total of 700 million US dollars was established.

China endorses the role of ASEAN Plus Three as the main channel for the advancement of East Asian cooperation. Leaders of the member countries have reached the

consensus that ASEAN Plus Three cooperation should aim to establish an East Asian community. China is ready to build on the Chiang Mai Initiative Multilateralization and strengthen ASEAN Plus Three cooperation in the financial sector, especially the development of the Asian bond market and credit guarantee and investment fund, so as to underpin the economic development of the region. Meanwhile, China is ready to work with other countries and deepen cooperation in food, energy and disaster relief to push forward the ASEAN Plus Three cooperation towards East Asian community.

#### China-Japan-ROK Cooperation

China-Japan-ROK cooperation, as an important component of East Asian cooperation, provides an important platform for the three countries to expand common interests and strengthen their good-neighborly and friendly relations. On the occasion of the 10th anniversary of the tripartite cooperation mechanism, the Second China-Japan-ROK Leaders' Meeting chaired by Premier Wen Jiabao was convened in Beijing in October 2009. The Meeting reviewed the progress of the tripartite cooperation and made plans for the future. The Third China-Japan-ROK Leaders' Meeting in May 2010 produced four outcome documents, including the Trilateral Cooperation Vision 2020, and charted the course for tripartite cooperation in the next 10 years. Being alldimensional, multi-tiered and wide-ranging and supported by gradually improved institution-building, the trilateral cooperation faces good opportunities for further progress.

China, Japan and the ROK are neighbors and major players in the region. Treating each other with respect and as equals and pursuing win-win cooperation is the only right way forward. Under new circumstances, China is ready to make joint efforts with Japan and the ROK to handle sensitive issues properly and enhance political mutual trust in the fundamental interests of people of the three countries, transform development patterns and pursue sustainable development, and strengthen cultural and people-topeople exchanges to promote friendship. China will work together with Japan and the ROK to cement the tripartite cooperation platform, advance pragmatic cooperation and promote peace, development and prosperity in the region and beyond.

#### East Asia Summit

The East Asia Summit is a leaders-led strategic forum. China is of the view that the summit, when holding discussions on major regional and international issues, should follow the principles of building consensus, making incremental progress, dealing with easier issues before thornier ones and taking into account the comfort level of all parties, and that it should provide overall strategic guidance for countries in the region in tackling various new types of challenges. China supports closer exchanges and cooperation between the

countries of the EAS in key areas such as finance, energy, disease prevention and control, education and disaster relief, and supports the EAS and ASEAN Plus Three, APEC and other mechanisms in reinforcing each other and seeking common development.

In 2009, China took an active part in EAS cooperation in various areas. During his attendance at the Fourth East Asia Summit, Premier Wen Jiabao announced that China will provide another 2,000 Chinese government scholarships and 200 MPA scholarships to developing members in the EAS within five years. China will also host the EAS Forum on Higher Education Cooperation, the EAS International Seminar on the Social Mobilization Mechanism for Massive Disasters and Formulation of Emergency Laws and Regulations, the Seminar on Capacity Building for Climate Change Adaptation and the EAS Symposium on the Welfare Development of the Physically Challenged People.

(III) The Asia-Pacific region is faced with significant traditional and non-traditional security challenges. China stands for peaceful and appropriate settlement of relevant hotspot issues through intensified regional and international cooperation on the basis of mutual respect, equality and mutual benefit. At the same time, non-traditional security challenges such as natural disasters, terrorism, maritime security and the proliferation of weapons of mass destruction (WMD) must be met with a joint response in a comprehensive approach that addresses both the symptoms and root causes.

#### The Korean Peninsula

Since last year, new complex changes have taken place in the situation on the Korean Peninsula, with the Choenan incident disrupting the DPRK-ROK relations and the resumption of the Six-Party Talks. Peace and stability of the peninsula face grave challenges.

China holds that the sinking of the Choenan is an unfortunate incident. China has expressed condolences to the victims and sympathies to the ROK people and the bereaved families. China attaches importance to the joint investigation conducted by the ROK and other countries as well as the reactions of various parties. And China will make its judgment according to the facts in an objective and just manner. China has always been committed to safeguarding peace and stability on the peninsula, and has always opposed and condemned any move that jeopardizes peace and stability on the peninsula. China calls on the parties to keep calm and exercise restraint, prevent escalation of the situation, a conflict in particular, and jointly maintain the hard-won peace and stability on the peninsula.

China has always called for and stayed committed to the denuclearization of the Korean Peninsula through the Six-Party Talks and normalization of relations between relevant

countries in a bid to effectively maintain peace and stability on the peninsula and in Northeast Asia. China believes that the Six-Party Talks is the best platform for advancing the denuclearization of the peninsula, upholding peace and stability in the region and achieving the ultimate goal of enduring peace and tranquility in Northeast Asia. No matter what changes may take place, all parties must make concerted efforts and work vigorously to create conditions so that the Korean nuclear issue can be put back on the track of the Six-Party Talks, dialogue and consultations at an early date. China is ready to work with all parties to continue to move the six-party process forward and strive for an early realization of all the goals set out in the September 19 Joint Statement.

#### The Issue of Afghanistan

In recent years, positive progress has been made in Afghan peace and reconstruction. In August 2009, Afghanistan witnessed the first independently organized presidential election in the country in more than 30 years. It was an achievement in the political reconstruction process of Afghanistan for the current stage. At the same time, Afghanistan is still faced with serious challenges from the resurgence of terrorism, rampant narcotic trafficking and slow reconstruction process.

On the reconstruction in Afghanistan in the next stage, China holds four points to be fundamental: First, ensure security. China is happy to see that the Afghan government is ready to take on the responsibilities for safeguarding the security of the nation and its people. The international community needs to create conditions for these efforts. The security transition from the international forces to Afghan forces must be done on the basis of ensuring the security and stability in Afghanistan. Second, develop the economy. The international community should earnestly honor its commitment to assisting the economic and social development in Afghanistan to enable the Afghan people to enjoy the "peace dividends" as early as possible while respecting the ownership of Afghanistan in the economic reconstruction and having the Afghan government and people in the "driver's seat". Third, improve governance. China applauds the Afghan government's commitment to fighting corruption and improving political governance and welcomes the international assistance to Afghanistan that focuses on capacity building and human resources development. The international community must fully respect the unique history, culture, religion and development stage of Afghanistan and enable Afghanistan to independently choose the development path and governance model that best suit its national conditions. Fourth, strengthen cooperation. The future of Afghanistan is in the hands of its people, but assistance and support of the international community are indispensible. All sides must enhance coordination and cooperation to make their efforts dovetail, supplement and reinforce each other.

#### Cooperation in Disaster Relief

The Asia-Pacific region has suffered more from disasters than other regions in the world in terms of frequency and damage. With rising frequency and severity in recent years, natural disaster has become one of the major restraints on the safety of human habitat and economic sustainability in the Asia-Pacific region.

China calls for stronger regional and international cooperation in disaster relief leading to enhanced capability for all to fend off natural disasters. Over the years, regional mechanisms such as the ASEAN Regional Forum, ASEAN Plus One, ASEAN Plus Three, East Asia Summit and APEC have all strengthened cooperation in disaster relief. The ARF has drawn up a "Work Plan on Disaster Relief" and held the first Voluntary Demonstration of Response in May 2009, marking the beginning of practical cooperation in disaster relief.

China is a main advocate and participant in Asia-Pacific disaster relief cooperation. In April 2009, China and Singapore co-hosted the ARF Seminar on Laws and Regulations on Disaster Relief. The seminar discussed the main experience and challenges of building a legal framework for the participation in international disaster relief by armed forces and put forward suggestions and ideas on closer cooperation in building such a framework. China also held EAS International Seminar on the Social Mobilization Mechanism for Massive Disasters and Formulation of Emergency Laws and Regulations, China-ASEAN Seminar on Disaster Early Warning and Space Technology Application and ASEAN Plus Three Seminar on Urban Disaster Emergency Management. Through these seminars, China shared experience and enhanced disaster relief cooperation with relevant countries. Looking ahead, China will continue to increase input in relevant disaster relief cooperation mechanisms, keep improving the mechanisms and expand the areas of cooperation. It will also provide training for disaster management personnel from Asia-Pacific countries to make even greater contribution to regional cooperation in disaster relief.

#### Counter-Terrorism

Asia-Pacific countries have intensified anti-terror cooperation and have made some progress in the fight against terrorism in recent years. At the same time, however, counter-terrorism situation in the Asia-Pacific remains grave with frequent terrorist incidents in a few places and rampant terrorist attacks by some terrorist organizations. The security and stability in the countries involved and the whole region at large remains under grave threat.

China opposes terrorism in all its manifestations and believes that the Asia-Pacific countries must engage in anti-terror cooperation. China actively promotes dialogue among civilizations and helps other developing countries enhance anti-terror capacity building. Counter-terrorism operations must comply with the Charter of the United Nations and other universally recognized international law and norms governing international relations and adopt a holistic approach involving political, economic, social, diplomatic and legal measures.

Counter-terrorism is one of the major areas of cooperation within the ARF. The Forum has held eight inter-sessional meetings, adopted nine joint statements and formulated a work plan on counter-terrorism cooperation. In recent years, the Forum has held discussions on counter-terrorism related issues such as border control, information sharing, ID card safety, contingency system and root causes of terrorism. The Forum has also made constructive proposals on strengthening law enforcement cooperation, information sharing and capacity building. These are positive contribution to the anti-terror cooperation in the region.

China is committed to enhancing its anti-terror cooperation and exchanges with other Asia-Pacific countries and has put in place consultation mechanisms with the US, Canada, Pakistan and India. In July 2009, China and Russia held a joint anti-terrorism military drill coded "Peace Mission-2009". In addition, China has taken an active part in the cooperation within the ARF framework. Such cooperation and exchanges have proven useful in enhancing mutual understanding on counter-terrorism issues between China and other Asia-Pacific countries, boosting bilateral anti-terror cooperation and upholding common safety and security. China stands ready to strengthen anti-terror exchanges and cooperation with other Asia-Pacific countries in line with the principle of equality, reciprocity and mutual benefit and push for fresh progress in international cooperation against terrorism.

#### **Maritime Security**

The current maritime security situation in the Asia-Pacific region is on the whole stable. However, complex factors still exist. Relations between countries concerned are still plagued by disputes over maritime sovereign rights and interests. And piracy, armed robbery, maritime smuggling, drug trafficking and illegal immigration remain the major threats to the security of maritime transport, international trade, ships and port facilities.

To maintain maritime security and stability in the Asia-Pacific serves the interests of all countries in this region. China stays committed to peaceful settlement of maritime sovereignty disputes through bilateral consultation between countries concerned in line with universally recognized principles of international law, and China opposes any action aimed at complicating or escalating disputes.

The nascent maritime security cooperation within the ARF

framework, marked by the inception of inter-sessional meeting on maritime security in 2009 is only limited to information sharing at the current stage due to differences among parties concerned over the scope of such cooperation. Given the complex historical background and actual interests involved, the ARF needs to advance cooperation on maritime security gradually and appropriately by following the principles of making incremental progress, tackling easier issues first and building consensus through consultation. At this stage, the Forum may focus its cooperation on meeting non-traditional security challenges including piracy, maritime smuggling and marine eco-system protection, enhancing capacity building of various countries and placing them in a better position to guard against and address the above mentioned risks and threats in an effort to better safeguard maritime security in the region.

#### Non-Proliferation

Generally speaking, Asia-Pacific countries have attached greater importance to the issue of non-proliferation and cooperation among them now covers a broader area. At the same time, however, some regional non-proliferation hotspot issues have dragged on and remain hard to resolve. Economic globalization and progress in science and technology have further facilitated the spread of sensitive items and related technologies. The risks of illicit trafficking in and acquisition of WMD by non-state actors, terrorists in particular, cannot be overlooked.

China stands firm against the proliferation of WMD and their means of delivery and takes a highly responsible approach to non-proliferation affairs. China believes that to root out proliferation, efforts must be made to first of all, create a global and regional environment of mutual trust and cooperation in order to eliminate the motives behind proliferation; secondly, adhere to political and diplomatic approaches to non-proliferation issues; thirdly, uphold and strengthen the effectiveness, authority and universality of the international non-proliferation regime; and fourthly, ensure justice and non-discrimination in international non-proliferation endeavors and balance between non-proliferation and peaceful use of science and technology, and reject double standard.

China stands for the complete prohibition and thorough destruction of nuclear weapons. As has been our publicly stated position since the first day of our possession of nuclear weapons, China will not be the first to use nuclear weapons at any time under any circumstance. China has also made the solemn commitment that we will unconditionally not use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. So far, China is the only nuclear-weapon state that has made these pledges.

China attaches great importance to the issue of nuclear security and maintains a good record in this field. We are considering setting up a nuclear security "Center of Excellence" in China through cooperation with relevant countries in order to play a positive role in regional nuclear security cooperation.

China has taken a constructive part in the regional non-proliferation process in the Asia-Pacific. China is a staunch supporter of the efforts made by ASEAN countries in establishing a nuclear-weapon-free zone, and has reached principled agreement with ASEAN on the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone and its protocol. China has had consultation on arms control and non-proliferation with the US, Russia, the ROK and Australia respectively since 2009.

China has also taken an active part in the non-proliferation affairs within the ARF framework. China co-chaired with the US and Singapore the first ARF Inter-sessional Meeting on Non-proliferation and Disarmament in Beijing in July 2009, where the parties had in-depth discussions on, among others, the current situation of the international disarmament and non-proliferation regimes and the implementation of Security Council Resolution 1540. Together with the parties concerned, China is making preparations for the second ARF Inter-sessional Meeting on Non-proliferation and Disarmament themed on "Peaceful Uses of Nuclear Energy and Technology", which is expected to be held in Singapore this July. China will continue to encourage balanced discussions within the ARF on the issues of non-proliferation, arms control and peaceful use of nuclear energy.

#### IV. China's Views on the Future Direction of the ARF

As the most important multilateral platform for official security dialogue and cooperation in the Asia-Pacific, the ARF has played a major role in enhancing mutual trust among its members, strengthening security dialogue and cooperation and promoting regional peace and stability since its inception 16 years ago.

Still, the ARF is facing opportunities as well as challenges posed by other mechanisms of security cooperation. China holds that the Forum needs to commit itself to the following if it is to become the most effective regional security cooperation mechanism.

— Building trust. This should always be present throughout the development of the Forum. Political mutual trust is a foundation for security dialogues and cooperation, without which all the cooperation items are only words on paper. Although it is true that confidence building measures of the ARF have yielded gratifying results, inadequate mutual understanding and strategic mutual trust remain obstacles to substantive security cooperation within the Forum. Given the amount of work that needs to be done in this field, enhancing trust will continue to be a primary task for the ARF at present and in the years to come.

— Addressing non-traditional security challenges. This should constitute a major part of ARF preventive diplomacy. The immediate and long-term security challenges facing the Asia-Pacific region are risks and threats posed by non-traditional security challenges such as terrorism, transnational crimes, proliferation of WMD and maritime security. To tackle these immediate security threats through cooperation was the intended mission of ARF preventive diplomacy and should become the priority and primary task of the ARF in the new phase.

— Improving the efficiency and effectiveness of ARF dialogue and cooperation. This should be the focus of ARF endeavors. The Forum should continue to follow the established principles of upholding the leading role of ASEAN, non-interference in each other's internal affairs, building consensus through consultation, making incremental progress and taking into account the comfort level of all parties concerned. At the same time, the ARF needs to constantly improve its way of work to keep pace with the times. By reinforcing the Friends of Chair and the Expert and Eminent Persons Group, increasing publicity, and strengthening the linkage between Track I and Track II organizations, the Forum may improve its democratic and scientific decision-making and maximize the political and social returns of its security dialogues and cooperation.

#### **DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA**

The Security View of the Democratic People's Republic of Korea on Peace and Security in the Region and the Korean Peninsula

#### 1. Security Situation In The Region

The world peace and security remains yet the topmost international priority.

With the ongoing NPT Review Conference, international attention is being focused on nuclear disarmament, non-proliferation and peaceful use of nuclear energy, while major international issues such as climate change and financial crisis which badly affect the peace and security of the world are being addressed with political implications in the current international relations.

What is drawing more attention from the international society under the prevailing situation is on the question of the inter relationship between nuclear disarmament and non-proliferation. Nuclear disarmament means the total elimination of nuclear weapons by its true meaning, and it can be possible and come true only when and as the world largest nuclear weapon state takes concrete and practical steps in the forefront as a good example.

Last April, what is known as the START was signed by Russia and the United States but it is no more than a symbolic gesture since they are in possession of 95% of all the existing nuclear weapons across the world and as the international demand for nuclear disarmament is ever more on the increase.

It is a stark reality that the presence of nuclear weapons and their continuous modernization are going unabated with aggravating nuclear threats against the world peace and security, thus becoming the major source of international proliferation of nuclear weapons. This has been exactly the case on the Korean peninsula.

In the Asia-Pacific region where the major nuclear power states are located, the issue of nuclear disarmament and non-proliferation are being raised as quite an important question to be considered and addressed in a balanced manner.

In particular, it is noteworthy that the world largest nuclear weapon state has been enforcing the deployment of the Missile Defence System in the Northeast Sub-Region and its scale speaks by itself that its real nature is to undertake a preemptive strike, with a view to realize its wild dream of dominating the entire world.

Therefore, the Missile Defence System only constitutes the decisive factor of igniting arms race in the sub-region,

as there is growing concern and fear that the system will inevitably lead to the destroying of the strategic balance between the nuclear weapon power states.

Article VI of the NPT stipulates that nuclear disarmament is the obligation of the nuclear weapon states and no nuclear weapon state has the right to neglect its own obligations, while imposing the implementation of non-proliferation upon other non nuclear weapon states.

#### 2. The Nuclear Issue Of The Korean Peninsula

The nuclear issue of the Korean peninsula is strictly the product of the hostile policy of the United States and its nuclear threats against the Democratic People's Republic of Korea, DPRK. In other words, the nuclear issue of the Korean peninsula originated entirely from the nuclear weapons of the United States.

### 2.1. The Nuclear Issue Of The Korean Peninsula And The Nuclear Weapons Of The United States.

2.1.1. The deployment of the nuclear weapons into south Korea by the United States was the very beginning of the nuclear issue of the Korean peninsula.

In 1957 the United States dared introduce tactical nuclear weapons into south Korea and already by the mid-1970s dared step into increasing their number well over 1000. Since then, the Korean peninsula has turned into the only place out of all the Asian countries, where the US nuclear weapons have been deployed, with the DPRK fully exposed to the risk of direct nuclear strikes, pushing the country towards the most difficult and critical position in its security environment.

As regards the role of the NPT under such security environment of the DPRK, the NPT has exposed its weakness by failing to play its role in preventing the deployment of the US nuclear weapons into the outpost position in south Korea.

2.1.2. For all times the DPRK has been the target of nuclear strikes of the United States.

November 30. 1950, Truman, the then President of the United States was the first President who opened the way to use its nuclear weapons on the Korean peninsula in the Korean war, 1959-1953 byway of giving an order to the US Strategic Air Forces to put its bombers on standby, ready to immediately drop nuclear weapons in the Far East. Following such blackmails of the use of nuclear weapons of the United States at the time of the Korean war, it gave rise to a mass exodus of "A-bomb driven refugees" from the north to the south and they became later what is known as "separated families" of several millions scattered into north and south of Korea.

Entering into the 1980s, the United States moved towards making an official commitment to "Nuclear Umbrella" over south Korea. Further more in the year 2002, the hostile policy of the United States against the DPRK by Bush Administration reached its extreme end by going as far as to designate the country as an "Axis of Evils" and the Target of Nuclear Preemptive Strike".

The incumbent US Administration proclaimed its unilateral assurance but not legally binding one on "no use of nuclear weapons against the non-nuclear weapon states parties to the NPT in the newly published "Nuclear Posture Review" in April 2010, and on the other hand made it clear to the world that the DPRK is excluded in the commitment. It clearly indicates that there is no change at all in essence, in the US Policy of nuclear preemptive strike against the DPRK.

2.1.3. The United States continues to hold the US-south Korea joint nuclear war exercises in line with its nuclear policy, ready to move to real war at any time.

It is true that the United States has been holding large scale joint nuclear war exercises every year with south Korea since the beginning of deployment of its nuclear weapons in the southern part of the Korean peninsula. As days go by, massive amount of the most sophisticated weapons of mass destruction are being involved in the joint nuclear war exercises more than ever before.

The most representative example is the Mobile Strike Forces of the United States headed by "Kalbinson", the nuclear powered carrier and the carrier led fleet, which were transferred to around the Korean peninsula taking up the posture of nuclear preemptive strike against the DPRK immediately after its mission of invasion war against Iraq in 2003. In particular, from the year 2002, the US Administration has been simultaneously undertaking military exercises codenamed "Key Resolve" and "Foal Eagle" with deployment of super nuclear powered carrier "George Washington" and another nuclear powered carrier "Stenis" and other sophisticated weapons.

Thus, the scale of the US-south Korea joint nuclear war exercises indicate that they are carrying the nature of strike, thereby driving the Korean peninsular towards touch-and-go tension and in case of these exercises turning into the real war, the disastrous impact will not be purely limited to the Korean peninsula alone.

Therefore, one can find it very easy to estimate the catastrophe to be caused by over 1000 nuclear weapons of the United States deployed in south Korea in the light of the destructive power demonstrated by the US only through dropping of two nuclear bombs over Hiroshima and Nagasaki, Japan.

#### 2.2. The Efforts Of The Dprk For Denuclearization Of

#### The Korean Peninsula And Peace Therein

2.2.1. The DPRK made every effort possible to remove the US nuclear threats and preserve peace and security on the Korean peninsula.

In 1959, 1981 and 1986, the DPRK respectively put forward proposals on establishing nuclear weapon free zone in Asia, nuclear free zone in the Northeast Asia and the denuclearization of the Korean peninsula.

On the other hand, in 1985 the DPRK acceded to the NPT with a hope that it can remove once and for all the US nuclear threats against the DPRK, and cooperated closely with the IAEA in its inspection activities over nuclear facilities.

2.2.2. However the efforts of the DPRK for denuclearization of the Korean Peninsula were faced with challenges of ever more increasing nuclear threats of the United States.

While the IAEA inspection activities were going on with the close cooperation of the DPRK, the United States started to raise the question of "suspicion over the nuclear program" of the country and finally fabricated a "resolution on special inspection" with the aim of further expanding inspections even to the very sensitive military facilities.

The United States went on further to take steps to blackmail the DPRK by resuming the joint military exercise "Team Spirit", which was stopped in honor of its promise to do so, proclaiming so called "surgical operation strike" against the country. In fact, the DPRK gave a green light to the inspection activities of the IAEA because the United States made an assurance that it would stop the nuclear war exercise "Team Spirit" launched jointly with south Korea.

Under the daily increased nuclear blackmails of the United States, the supreme interest of the sovereignty and security of the DPRK came to the brink of grave infringements, and therefore, the country was compelled to withdraw from the NPT in 1993. After then, following the DPRK-US dialogue undertaken, the DPRK took a step for moratorium on its withdrawal from NPT for the period of the dialogue in progress.

Although in 1994, the "DPRK-US Agreed Framework" was adopted, it was later abrogated unilaterally by the Bush Administration, with a negative impact on the denuclearization process. To make things worse, the Bush administration, designating the DPRK as a part of an "Axis of Evils" and "Target of Preemptive Nuclear Strike", pursued an extreme hostile policy against the DPRK.

It was concluded that all kinds of efforts, be it through dialogue or through international law ended with no sign of success at all. On the contrary, national peace and security were endangered with more grave challenges from this undisguised preemptive nuclear strike threats and it encouraged the DPRK to take the last option of "nuclear to nuclear".

Eventually in light of the DPRK's last nuclear option in the Northeast Asia which are already full of nuclear weapons and "nuclear umbrella" with the exception of the territory of the DPRK as the sole nuclear vacuum zone, there is no more vacuum left nor nuclear imbalance any longer. Along with the DPRK's nuclear deterrence, nuclear balance has been basically established now in the sub-region and the threats of nuclear war which have been tormented and harassing the Korean people for last decades are being deterred considerably.

#### 3. Nuclear Policy Of The DPRK 3.1. Special Security Environment On The Korean Pennisula

3.1.1. Korea is the country divided for more than half a century by outside forces.

In 1945, when Japan was defeated, the United States deployed its military forces in the southern part of Korea under the excuse of so called "disarmament" of the defeated country and later imposed the division of Korea in accordance with its cold war strategy to contain the communism of the former Soviet Union.

Decades passed on from then and it is nearly 20 years since the end of the cold war with the collapse of the Soviet Union.

However, the world largest nuclear weapon state continues to have presence of massive military bases and troops in south Korea. And furthermore, beyond the level of the cold war era, it is intensifying the outdated military alliance constituting itself as the fundamental source of threats to the regional peace and security.

3.1.2. The DPRK and the US are legally at war on the Korean peninsula.

The Korean war which was imposed by the invasion of the United States 1950-1953 came under ceasefire with an armistice agreement but it has not been replaced yet with peace treaty until now in spite that the cold war ended. The current armistice agreement is purely for the tentative ceasefire of war and it can not prevent accidental military confrontations. The state of ceasefire between the DPRK and the United States is the basic reason for the hair-trigger tension existing on the Korean peninsula.

If the United States, a state party to the armistice agreement, is genuinely in favor of the regional peace and security including the Korean peninsula, it has no reason to turn

down the concluding of the peace treaty.

#### 3.2. The Dprk's Nuclear Policy

#### 3.2. The Dprk's Nuclear Policy

3.2.1. Replacing the Armistice Agreement with peace treaty is the most reasonable step for confidence building and it is a precondition for denuclearization of the Korean peninsula.

Since 1990s, thanks to the honest efforts of the DPRK, the Agreed Framework between the DPRK and the US and September 19<sup>th</sup> Joint Statement were adopted. However, all of these agreements and documents were abrogated completely or given up halfway with no exception at all. During this period of time, the risk of the nuclear war on the Korean peninsula never ever decreased, but it went from worse to worse, and finally nuclear war deterrence emerged.

The Six Party Talks which has been in the process with ups and downs indicates strongly that no issue can be settled as long as there is trust between the partners, no matter how long they sit and talk. The Six Party Talks is not yet opening and it is absolutely due to the barriers of distrust caused by the US sanctions against the DPRK.

The conclusion of peace treaty will be a beginning of confidence building and it will serve to be a good process of removing distrust and creating the relationship of mutual respect and equality between the DPRK and the United States because aiming their guns at each other, countries concerned will never ever remove distrust nor settle any problem smoothly.

In view of this consideration, January 11, 2010, on the occasion of the 60 years after the Korean war, the government of the DPRK issued a statement of Ministry of Foreign Affairs, politely making a proposal on holding talks as soon as possible with a view to replacing the

armistice agreement with peace treaty. Talks for concluding of peace treaty can be held either independently or within the frame of the Six Party Talks for denuclearization of the Korean peninsula. It is the DPRK's principled position that if the sanctions, the barrier of distrust are removed and if there is a creation of situation which makes the partners have dialogue on equal basis, it can freely participate in the Six Party Talks. It is clear that there will be no equal and fruitful dialogue between the victim to the sanctions and offender with sanctions.

3.3.3. The DPRK clarified the mission of its nuclear armed forces through the Memorandum of the Ministry of Foreign Affairs April 21, 2010.

The Memorandum reads as follows:

"The mission of the nuclear forces of the DPRK is to deter

and repulse any aggression or attack against the DPRK until the Korean peninsula and the world are denuclearization. The DPRK maintains the consistent position of neither threatening nor using nuclear weapons against non nuclear states as long as they do not collude with other nuclear state in launching attacks or committing aggression against the DPRK. The DPRK has a willingness to prevent nuclear proliferation and safely manage nuclear materials on an equal footing with other nuclear states. The DPRK will manufacture as many nuclear weapons as it deems necessary. However, it will neither compete in nuclear arms race nor overproduce nuclear weapons beyond its need."

#### 4. Conclusion

Confidence building and preventive diplomacy are the main targets for the ARF.

Valuing its relation with ASEAN, the DPRK entered the ARF in Bangkok, Thailand in July 2000 and acceded to the "Treaty of Amity and Cooperation in Southeast Asia" in Singapore 2008.

In view of the question of confidence building and preventive diplomacy put forward by the ARF, the DPRK recognizes that its proposal on peace treaty is an effective proposal which can contribute to the promotion of confidence building and preventive diplomacy between the parties concerned.

Once peace treaty is concluded to create confidence building and to drive the process of denuclearization of the Korean peninsula, will the lasting peace and security come to the Korean peninsula, creating favorable environment for regional peace, development and prosperity.

# EUROPEAN UNION

#### 1. Overview of the Regional Security Environment

International affairs over recent months have been dominated by the international community's response to the economic and financial crisis. Regional conflicts in the Middle East, Yemen, Afghanistan, Somalia and in the European neighbourhood were also high on the EU's foreign policy agenda. The EU has continued to build on the European perspective as an anchor of stability through enhanced cooperation with neighbours in the framework of the European Neighbourhood Policy (ENP). This was given shape with the launch of the Eastern Partnership and further work on the Union for the Mediterranean.

In South East Asia, the EU has welcomed successful elections in Indonesia and the Philippines. The EU expressed concerns over the political situation in Thailand and strongly condemned violence and the loss of life. The EU closely followed the Mindanao Peace Process and negotiations between the Government of Philippines and Moro Islamic Liberation Front (MILF) and decided to support directly the process by leading the Humanitarian, Rehabilitation and Development component of the International Monitoring Team.

The entry into force of the Lisbon Treaty on 1st December 2009 marked a new beginning for the way the EU conducts its foreign relations. By combining policy and delivery tools under the single authority of the High Representative of the Union for Foreign Affairs and Security Policy, the EU has enhanced its capacity to work towards its foreign policy objectives.

#### 2. Security and Defence Policy

As regards Common Security and Defence Policy (CSDP)¹ activities, the EU continued to deploy 13 missions and operations across the globe, in the interest of the wider international community.

The establishment of a more effective multilateral global order, as called for in the European Security Strategy (ESS), continues to be a primary security objective of the EU. In this framework, the EU supports a stronger role of the UN, which is at the apex of the international system. Close cooperation with NATO, OSCE and the Council of Europe, as well as engaging in other international coordination mechanisms, is also crucial to achieve that goal.

The strengthening of the UN remains a key element in EU external action. The UN framework plays an essential role in areas such as peacekeeping, human rights and development. The EU put particular emphasis on addressing the global economic and financial crisis, the negative impact of climate change and the need to ensure energy and food security. The EU also focussed on the human rights situation in a large number of countries, including by resolutions on the human rights situation in Burma/Myanmar and DPRK in UNGA64 as well as by numerous statements and interactive dialogues with UN Special Rapporteurs in the framework of the UN Human Rights Council.

A closer and deeper relationship with the OSCE has helped bring coherence to the EU action, especially in Georgia and Kosovo. The EU also supported the efforts of the OSCE in various regional issues and attached particular attention to conflict prevention and conflict resolution, including through the work of the High Commissioner on National Minorities and the confidence and democracy building work of the OSCE Field Missions. The EU has engaged constructively and substantively in the dialogue on the future of European security, which has dominated the agenda of the OSCE in 2009.

The EU continues to be engaged in South East Asia due to its vital interests in this part of the world. Given that the challenges to our security are increasingly complex and inter-connected, strengthening of our partnerships is even more crucial. EU's trade in goods with East Asia exceeds transatlantic trade and the EU is the biggest trading partner of the East Asia Summit members, as a bloc. As the most advanced regional organization in the world, and a key player in all multilateral fora, the EU has much to contribute to East-Asian regionalism, including by supporting the centrality of ASEAN.

The EU congratulates ASEAN on the depth of its institutional reform and on the extent of its ambition for integration, including the implementation of the ASEAN Charter. The EU has been a strong supporter of ASEAN's central position in the emerging regional architecture and its role as a driving force in regional integration. The EU welcomes the open and inclusive nature of the East Asia regional architecture and is interested in further deepening its engagement in the evolving regional architecture, including through the East Asia Summit, while taking into account the specific nature of that forum.

<sup>1 -</sup> The European Security and Defence Policy (ESDP) prior to the entry into force of the Lisbon Treaty.

#### 3. Contributions to Regional Security

The EU has continued to contribute to regional security. In Asia, the EU has focused particularly on Afghanistan and Pakistan. The EU has intensified its engagement through the Plan for Strengthening EU Action in Afghanistan and Pakistan. This Plan renews a commitment to stabilization of the region, recognising that the situations in Pakistan and Afghanistan are interlinked. Afghan cooperation and ownership is key. In this process, the EU underlines the important role required from regional partners, as regional stability is essential for a prosperous Afghanistan and Pakistan.

The EU deployed an Election Observation Mission (EOM) for the Presidential and Provincial Council elections in August 2009 and will consider the possibilities to assist the reforming of the election process in Afghanistan as well as deployment of another mission in view of the upcoming parliamentary elections to be held in autumn 2010.

To facilitate civilian coordination and following the Lisbon Treaty, in April 2010 the EU established a single representation in Afghanistan, by integrating the European Commission Delegation with the EUSR Office for Afghanistan under a double-hatted EU Special Representative/Head of Delegation.

The EU has maintained its multi-track approach towards Burma/Myanmar, keeping restrictive measures in place - and reinforcing them after the verdict on Daw Aung San Suu Kyi in August 2009 - while continuing to provide humanitarian aid, as defined by the Common Position of 2006, and continuing dialogue and contacts with the authorities, within ASEM and with ASEAN and other neighbours and supporting UN efforts.

Mindful of the potential risks of instability that could result if the situation does not improve, and conscious of the need to present clear messages to the government of the country, the Council decided in December 2009 to enhance its dialogue engagement with the military authorities to promote its main aim: the start of transition to a stable democracy and the rule of law, based on an inclusive dialogue between the authorities and the opposition and the ethnic groups and the liberation of all political prisoners, leading to free and fair elections in 2010. The EU also continued to work in close cooperation with the UN and with like-minded allies, such as the US, Japan, Australia, ASEAN States and others.

The EU has continued to closely follow the Mindanao Peace Process. It welcomed the agreement on formation of an

International Contact Group, extension of the International Monitoring Team (IMT), and resumption of negotiations between the Government of the Philippines and the Moro Islamic Liberation Front. The EU attaches great importance to helping promote peace and development in Mindanao, and has long been active in providing both development and humanitarian assistance in the conflict-affected areas. The EU accepted the invitation by the Parties to assist further in the peace process and to lead the Humanitarian, Rehabilitation and Development Component of the IMT. The EU congratulates President Aquino on his inauguration on 30 June 2010, and hopes that both parties will prioritise work for further progress in the Peace Process.

In line with the Guidelines on the EU's Foreign and Security Policy in East Asia, the EU has continued to contribute towards maintaining peace and stability on the Korean Peninsula and attached the utmost importance to progress on regional stability and non-proliferation issues, in particular denuclearisation. The EU has repeatedly expressed strong support for the Six-Party Talks process and encouraged inter-Korean reconciliation. The EU has continued to implement in a robust way UNSC Resolution 1874 condemning the nuclear test conducted by the DPRK in May 2009 and imposing additional restrictive measures. The EU strongly condemned the sinking of the Cheonan ship.

Iran's nuclear programme has remained a serious concern, and the EU has played a major role in addressing this issue through the dual-track approach. The EU welcomed the adoption of UNSC Resolution 1929, in response to Iran's continued defiance of previous UN Security Council and IAEA resolutions and its reluctance to engage in meaningful negotiations about its nuclear programme. The EU is in the process of adopting measures to implement UNSCR 1929 as well as accompanying measures. The EU's objective remains the achievement of a negotiated solution of the Iranian nuclear issue and its overall ambition remains a long-term relationship with Iran based on confidence and cooperation.

Protection and promotion of human rights has guided many CFSP activities. The launch of several new human rights consultations and dialogues such as with Indonesia continued to give human rights issues a solid place within the various frameworks of EU's relations with third countries. The adoption of new human rights guidelines contributed to an advanced practical response to protect human rights worldwide. Human rights, including gender agenda and the rights of the child have been mainstreamed in the CSDP context, ensuring the protection of the most vulnerable groups.

The EU congratulated ASEAN on the establishment of the new Intergovernmental Commission on Human Rights (AICHR) and the Intergovernmental Commission on the Rights of Women and Children (ACWC), which marked a crucial step in the development of ASEAN as an organisation that defends universal human rights values. The EU encouraged ASEAN to implement the Terms of Reference of the two Commissions and align their future operations of the AICHR with the Paris principles, in order to protect the human rights of all individuals in ASEAN. The EU looked forward to continuing working in partnership with ASEAN on human rights issues, and stands ready to offer assistance and share experiences in this field, including in the further development of the AICHR.

The fight against impunity continues to be one of the cornerstones of the EU's approach to building and maintaining lasting peace, international justice and rule of law. The EU has given strong support to the International Criminal Court (ICC), and sought to integrate the rule of law across the EU's external policies, both in the CFSP and CSDP frameworks. The NGO community has been a valuable ally in these efforts.

The EU's strength in conflict prevention continues to lie in its capacity to address the different facets of this challenging and broad task in a comprehensive way by pooling the wide array of EU instruments (soft tools), particularly preventive diplomacy, development policies and assistance, support to strengthening democratic institutions and the rule of law, promoting reconciliation and dialogue, and building up institutional and national capacities on conflict prevention. Work on an EU Action Plan for situations of fragility and conflict started in 2009, with a view to developing a more coherent approach by EU institutions and Member States over the entire planning and implementation cycle, linking security and development policies.

#### - Counter-Terrorism

The EU has continued to address the terrorist threat both in the framework of the UN and in its relations with third countries, guided by the principle that effective counterterrorism measures and the protection of human rights, fundamental freedoms and the rule of law are complementary and mutually reinforcing goals. One of the priority areas for the EU Counter-Terrorism policy is the field of Prevention, and within it, the fight against Radicalization and Recruitment, not just in the EU, but also externally.

The EU political dialogue on capacity-building with third

states has been enhanced. Discussions on CT have been held, in particular, with US, Russia, Canada, Australia Turkey, India and Pakistan. South Asia, especially Pakistan and Afghanistan, the Sahel, Yemen and Somalia, remain high on the EU counter-terrorism agenda. The EU intends to support the establishment of a regional training center in Bangladesh.

The main financial instrument to support third countries in their efforts to prevent and counter terrorism is the Stability Instrument with a budget of € 2.062 billion for 2007-2013.

The human rights aspects of the fight against terrorism were raised in various Human Rights dialogues and consultations held in 2009, and the EU took the opportunity to stress to its interlocutors the need to make rule of law a core principle of counter-terrorism strategies.

Cyber Security has been identified by the Report on the European Security Strategy in 2008 as emerging security threat. Since then the EU has devoted particular attention to raise awareness of this security issue, build up national and institutional capabilities to address this challenge and strengthen cooperation and partnership with major international actors and organizations. Particular attention has been directed towards the issues of cyber crime and terrorism, judicial cooperation and the protection of critical information infrastructure.

### - NPD, Counter-proliferation, Arms control and Disarmament

The EU continued to play an active role in multilateral fora on the basis of the 2003 EU Strategy against Proliferation of Weapons of Mass Destruction (WMD) and the 2008 New Lines for Action by the EU in combating the proliferation of WMD and their delivery systems. The EU played a particularly constructive role at the 2010 NPT Review Conference, where it contributed through its Council Decision of 29 March to the successful outcome of the Conference. The EU welcomed the adoption of the action plans on all three pillars of the NPT - disarmament, non-proliferation and peaceful uses of nuclear energy - as well as the understandings reached on the implementation of the 1995 Resolution on the Middle East.

The President of the European Council, Herman van Rompuy, represented the EU at the Washington Nuclear Security Summit, and reaffirmed the EU's commitment to strengthening of global nuclear security. The EU remained a major donor to the IAEA Nuclear Security Fund with a new financial contribution of nearly €10 million, benefiting also

South East Asian countries. The EU continued to promote actively the early entry into force of the Comprehensive Nuclear Test Ban Treaty (CTBT). Projects worth of more than €5 million aimed at strengthening the capabilities of the monitoring and verification system of the Comprehensive Test Ban Treaty Organisation (CTBTO) were adopted by the EU. Another EU priority remained launching negotiations in the Conference on Disarmament on the Fissile Material Cutoff Treaty (FMCT).

The EU continued its endeavours towards universalisation and full implementation of the Chemical Weapons Convention (CWC) and the Biological and Toxin Weapons Convention (BTWC). In this context, the EU continued to give significant political and financial support to organisations such as the Organisation for the Prohibition of Chemical Weapons (OPCW), the United Nations Office for Disarmament Affairs (UNODA) and the World Health Organisation (WHO). A biosafety and biosecurity workshop was organized by the WHO from 23 to 25 June 2009 for countries from South East Asia and the West Pacific in Bali, Indonesia to promote strengthening of health laboratories. An assistance visit took place to one South East Asian country to assist in the submission of a confidence building measure declaration under the BTWC.

In a view of supporting the South East Asia region, the EU decided to establish the first of planned regional Centres of Excellence in the region. This network will assist countries to implement a coherent and coordinated strategy for chemical, biological, radiological and nuclear (CBRN) risk mitigation through the strengthening of their legal, institutional and enforcement systems and facilitating the exchange of best practices.

The EU continued with the implementation of the Council Decision in support of the Hague Code of Conduct (HCoC) against Ballistic Missile Proliferation, the only international instrument dealing with missiles, the primary means of delivery of WMD. The EU undertook outreach activities to non-Subscribing States, including in South East Asia, with a view to strengthening the functioning of the HCoC and to making it universal.

The EU continued to strongly support the negotiation of an Arms Trade Treaty (ATT), a legally biding instrument that should set high common international standards to regulate the legal trade in conventional arms. The EU participated actively in the first meeting of the Preparatory Committee in July 2010, as part of the process leading to the UN International Conference in 2012, mandated to negotiate the Treaty. A

new Council Decision on EU activities in support of the ATT was adopted in June 2010 and foresees the organization of seven regional workshops to promote participation by all UN Member States in the ATT negotiating process.

The EU continued to promote full implementation by all UN Member States of the UN Programme of Action on Small Arms and Light Weapons (SALW) through active participation in the Biennial Meeting of States in June 2010 and the inclusion of SALW issues in its political dialogue with third countries within the framework of the EU SALW Strategy. In 2010, the EU continued the preparation of an ambitious project in support of the UN Programme of Action, to be implemented by UNODA, and including a series of outreach events covering also South East Asia.

The non proliferation of WMD and SALW continued to be mainstreamed in contractual relations between the EU and third states. WMD and SALW clauses have been included or are being negotiated in the Partnership and Cooperation Agreements with China, the Philippines, Russia, Singapore, South Korea, Thailand, and Vietnam.

The EU has continued to strengthen its dual-use export control system, following entry into force of the recast dual-use Regulation in August 2009. Globally, the EU has supported implementation of UN Security Council Resolution 1540 with both political and financial means, including in South East Asia. In the field of conventional arms exports, EU Member States continued to strive for convergence of their export control policies, showing their determination to prevent the export of military technology and equipment which might be used for undesirable purposes such as internal repression or international aggression or contribute to regional instability. Since December 2008, a unique legally-binding EU instrument underpins such convergence by setting out stringent criteria guiding national export control procedures and by implementing information and consultation mechanisms.

#### - Transnational Crime

The EU continued to be a major global actor in pandemic prevention and response. The investments made since early 2006 at the occasion of the Avian Influenza crisis had a positive impact on the region response to the A/H1N1 pandemic. A regional programme on Highly Pathogenic Emerging and Re-emerging Diseases was set up in coordination with the ASEAN Secretariat and started implementation in January 2010. At the occasion of the International Ministerial Conference on Animal and Pandemic Influenza held in Hanoi

in April 2010, the need to address health risks originating at the interface between animals, humans and environment (the "One Health" approach) was reaffirmed.

A key step to move the food security agenda forward has been taken by adopting a new EU policy framework for food security which puts food security and sustainable agriculture high on Europe's development agenda in the years ahead. At the same time, a new policy on Humanitarian Food Assistance seeks to ensure that all EU humanitarian actors operate within a common framework, analysing emergency needs in the same way, designing responses that are as appropriate to the needs and contexts as possible, and using all available tools in a flexible manner.

The EU leads in the global discussions to promote a more coordinated and longer-term international response to food security, particularly in the UN, in international financial institutions and in the G8/G20, as well as on MDGs. The L' Aguila Food Security Initiative (AFSI) was adopted in the G8 in July 2009 under Italy's chairmanship. The G8 committed US\$ 20 billion to contribute development finance to sustainable agricultural development and food security in 2010-2012. The European Commission alone has pledged a total of 3.8 billion USD (EUR 3 billion) for 2010-2012 in support of food security. These funds will be provided through existing geographical and thematic instruments, as well as the EU Food Facility. Food security is also an integral part of the EU Action plan to foster progress towards the MDGs in view of the UN MDGs High Level Meeting in New York of September 2010. To this end, last April the EC has presented the so-called Spring package which includes a package of measures and concrete proposals.

#### Climate change and Security

Over the past two years, the EU has sought to implement the recommendations identified in the joint Commission and High Representative report on Climate change and international security, adopted in 2008. This described 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.

Following the Council Conclusions of December 2008, a comprehensive "Joint progress report and follow-up recommendations on climate change and international security" was submitted to the Foreign Affairs Council (FAC) in December 2009, which highlighted the work done in recent years on climate change and international security

(CCIS). Four case studies (regional scenarios) addressing CCIS in South West Asia, South East Asia, Middle America and Indian-Pacific Ocean Island States have been carried out. These case studies are looking in more detail into potential security implications in the respective areas and should underpin our reflection on development of climate change adaptation and climate risk management in these regions.

The Foreign Affairs Council endorsed the report and its recommendations, stating that Climate Change and its international security implications are part of the EU's wider agenda for climate change and central to the endeavours of the Union. Progress has been made in enhancing EU capacities for early warning, analysis and response to climate-induced international security implications, by integrating the issue in the work of different departments of the General Secretariat of the Council in parallel with comprehensive inter-service coordination within the Commission services.

The issue has become an integral part of the political dialogue agenda with third countries, including USA, Russia, India, Japan and China. Informal consultations also took place with international and regional organisations, i.a. UN, OSCE, NATO, ASEAN and the ASEAN Regional Forum aiming at supporting the build up of the Climate Change debate leading to the Copenhagen Climate Negotiations.

In June 2009, with the EU in a leading role, the UN General Assembly (UNGA) unanimously agreed on a resolution<sup>2</sup> "expressing deep concern for the possible security implications of climate change" and requesting the UN Secretary General to table a report<sup>3</sup> on the subject at the 64th UN General Assembly. The EU contributed to the report which was presented in September 2009 and which initiated a debate in and between UN relevant bodies.

The EU co-organized, and co-chaired the ARF Seminar on Security Implications of Climate Change in 2009. The main objective of this event was to raise awareness of possible negative consequences of climate change in South East and South Asia and to discuss possible ways of preventing and mitigating trends and factors of instability. The EU will organize a follow-up ARF seminar on climate change and international security in 2010.

<sup>2 -</sup> UN General Assembly Resolution A/63/281

<sup>3 -</sup> Report of the UN Secretary-General on Climate change and its possible security implications A/64/350

#### - Humanitarian Assistance and disaster relief

The EU has continued to enhance and strengthen its Humanitarian Aid, Disaster Relief and Disaster Preparedness (DP) capacities. With the new Commission, Civil Protection has been merged with Humanitarian Aid under one Directorate General (DG Humanitarian Aid and Civil Protection ECHO), making EU's response capacities to disasters even more efficient and effective. While the Humanitarian Aid provided through ECHO's partner organisations (UN, NGOs and Red Cross/Crescent) is available for any country in need outside Europe, Civil Protection interventions by EU Member States target both Europe and third countries.

As Humanitarian Aid, Civil Protection and Disaster Preparedness have also grown in priority within ARF, not the least because of the increasing number of disasters in the region, the EU remains available to assist and advise on advancing the DP and DRR agendas in the region. As part of that assistance the EU has recently launched a more direct dialogue between ECHO and the ASEAN Secretariat (ASEC) on the new AADMER work programme. Funding has been provided to the ASEAN Partnership Group to cooperate with ASEC on the drafting, implementing and monitoring of this work programme. Additional longer term funding is available through the READI facility (Regional EU-ASEAN Dialogue Instrument), aiming at further development in the DM and DRR sectors in the ASEAN region.

#### - Maritime Security

Maritime security is of strategic importance for many of the ARF Participants and the ARF is an appropriate platform for deepening and enhancing a dialogue on this subject. In line with the European Security Strategy, the EU actively contributes to a stable and secure global maritime domain, while ensuring coherence with EU internal policies, including the EU Integrated Maritime Policy (IMP).

In particular, the EU military operation EUNAVFOR Atalanta in Somalia, within its current mandate until December 2012, contributes to the deterrence, prevention and repression of acts of piracy and armed robbery off the Somali coast and to the protection of vessels of the World Food Programme (WFP) delivering food aid to displaced persons in Somalia. The EUNAVFOR operation is in permanent liaison with other forces in the region in particular US, NATO, Russian, Indian, Japanese, Malaysian and Chinese vessels. Building on existing interaction and pursuant to the related cooperative framework, a working relationship has been established also between EUNAVFOR and India. EUNAVFOR operation is the

maritime component of the global approach promoted by the EU in the Horn of Africa to deal with the Somali crisis, which has political, security and humanitarian aspects.

Contributing to the ARF discussions on maritime security, the EU organized an ARF Seminar on Measures to Enhance Maritime Security: Legal and Practical Aspects which was held in Brussels on 19-20 November 2009. The Seminar acknowledged existing efforts in enhancing maritime security and identified numbers of challenges which should be addressed in order further strengthen maritime security (such as lack of consensus on definitions of key maritime concepts, need to address comprehensively all maritime security threats, enhancing interagency cooperation and best-practice sharing, etc.). The outcome of the Seminar successfully contributed to the 2nd Inter-Sessional Group Meeting on Maritime Security held in Auckland, New Zealand, in March 2010.

Maritime routes are crucial to trade and international security. Representing the largest proportion by volume of world trade, maritime transport faces a number of multi-dimensional security threats and therefore the EU pays attention to this area as well. The EU program will include measures supporting the efforts of the Regional Cooperation Agreement against Armed robbery and Piracy (ReCAAP) in the straits of Singapore and Malacca and the sharing of experience of ReCAAP member States with the littoral States of the Gulf of Aden and Bab El Mandeb.

# 4. Role of ARF

The East and South East Asian regions are of increasing political and economic importance to the EU, and the EU therefore has close interests in their stability and security. At the same time Asia is also the source of significant threats to regional and global stability (proliferation of WMD, terrorism, territorial disputes, piracy, natural disasters etc.).

The ARF is an important forum to promote the EU security and political interests in the region. The core ARF agenda closely reflects EU priorities as defined in the European Security Strategy. The ARF is the only security related organization which brings together all the countries with a direct interest in the region, including the EU. The ARF is a valuable forum for a political and security dialogue on Asia with the participation of all regional and global players, including almost all the EU's strategic partners and it also serves as an important platform for the enhancement of political and security dialogue between the EU and ASEAN.

The EU will contribute to strengthening of the ARF's relevance to an evolving regional architecture and enhancing the ARF as a forum with a comprehensive security approach which combines dialogue and cooperation in both traditional and non-traditional security challenges. The EU key focus is to enhance the ARF's role as an important forum for political dialogue.

While recognising the diversity and unresolved territorial differences in the Asia-Pacific region, enhancing peace and security remains essential. Against a background of rapidly developing security challenges, the ARF should adapt accordingly, in line with the ARF Vision Statement adopted by Ministers in July 2009. The traditional ASEAN approach of building consensus 'to move forward at a pace comfortable to all' should not prevent the ARF from moving forward in a way which can still take account of the interests of all ARF Participants.

In the sixteen years since it was created, the ARF has developed recognizable confidence building measures. The EU has also contributed to promotion of these by its decision to accede to the Treaty of Amity and Cooperation. The demand for more effective regional institutions and a need to respond to new security challenges should move the ARF towards developing significant preventive diplomacy tools. The EU looks to the ARF to undertake practical steps to achieve this. In this regard, the EU underlines the importance of studying the experience of other regional organisations, such as the OSCE, and strengthening the organizational and institutional structure of the ARF.

The EU has continued its political dialogue with ASEAN at the Ministerial level (27-28 May 2009 in Phnom Penh and 26 May 2010 in Madrid) which reaffirmed the strategic importance of EU-ASEAN cooperation and relations. Political declarations were issued at the ministerial meeting, whereby ASEAN gave its formal consent to the EU's application to join the Treaty of Amity and Cooperation and pledged to speed up the accession process.

Moreover, the EU signed a first-ever Partnership and Cooperation Agreement (PCA) with Indonesia, finalized PCA negotiations with the Philippines and made substantive progress in PCA negotiations with other countries of ASEAN, in particular Vietnam and Thailand. While confirming the strategic objective of a region-to-region FTA, the EU decided to pursue bilateral FTAs with relevant ASEAN countries and agreed to launch negotiation with Singapore as the first ASEAN country.

Both a closer economic relationship and a vigorous political dialogue with the rising Asian region are of increasing importance for the future of Europe. The ASEM Foreign Ministers' Meeting (25-26 May 2009, Hanoi) enabled a frank dialogue between European and Asian partners on a wide range of subjects of common concern and interest, including the ASEM enlargement with Russia and Australia. The applications of Australia and Russia were welcomed and modalities to enable both countries to formally join ASEM at the 8th summit in 2010 were worked out. In October 2010, Europe will host the 8th ASEM Summit in Brussels which in particular, will offer a substantial opportunity to define common ground in the run up to major international

# I. Indonesia's overview on the regional security situation

Since the 16th ASEAN Regional Forum in July 2009, the region's security has been featured with mixed signs.

Indonesia notes that the region's overall atmosphere has improved, marked by efforts of ARF participants, including the region's key countries, to strengthen relations among them. At the same time, Indonesia is also concerned that tensions may build up if existing disputes in the region are not managed properly and wisely.

In non-traditional security issues, Indonesia welcomes the growing cooperation among ARF participants to address issues such as disaster relief, terrorism, human trafficking and people smuggling.

The ARF has succeeded in increasing the level of confidence and comfort among its participants. The ARF is also a process that needs to continuously increase its awareness of potential major security challenges in the region and enhance concrete cooperation in addressing existing issues.

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

#### 1. Disaster Relief

Learning from its experiences, Indonesia acknowledges the urgency of strengthening disaster preparedness. At a strategic level, Indonesia has established the National Agency for Disaster Management to coordinate disaster relief activities nationwide.

At a more operational and tactical level, last year Indonesia formed the Rapid Reaction Force for Disaster Management (Pasukan Reaksi Cepat Penanggulangan Bencana).

The destruction and aftermath of disasters in the Asia Pacific region has again underscored the need to address this issue in a concerted manner, especially within the regional context. Natural disasters respect no national boundaries and its impact often cannot be handled by a single nation.

Based on Indonesia's own experience, special attention should be given to facilitating delivery of disaster relief to the affected people; and in order to ensure expeditious delivery of relief assistance, the international community must work with the national government while respecting internal security considerations.

It is Indonesia's view that the ARF Strategic Guidance for Humanitarian Assistance and Disaster Relief is a helpful guide for civilian-military cooperation that can reduce response time in disaster relief. This is in addition to the ASEAN Agreement on Disaster Management and Emergency Response (AADMER).

Regional disaster relief cooperation should be designed to appropriately accommodate the participation of different elements of the military and civilian institutions, and to answer the unique challenges arising from the aftermath of each disaster. This is an area where military forces of different countries can cooperate for a common purpose.

Indonesia is supportive of bilateral, regional, and global cooperation in this field. The ARF Inter-Sessional Meeting of Disaster Relief stands as a notable example of regional cooperation whereby common understanding and approaches to manage multiple and complex issue through cooperative activities can be elaborated in this mechanism.

Reaffirming its commitment to disaster relief cooperation Indonesia, together with Japan, is preparing the ARF Disaster Relief Exercise (ARF DiREx) 2011 to be held in Manado, Sulawesi in the first quarter of 2011. This exercise is expected to contribute to better coordination and cooperation between military and civilian agencies in multinational disaster relief cooperation in the region.

#### 2. Counter-Terrorism

One issue that is likely to continue to preoccupy Indonesia's domestic and foreign policies is the efforts to overcome terrorism.

In recent years, Indonesia has made significant progress in disrupting terrorists' network by apprehending dangerous and prominent terrorists. In the course of one year, Indonesia has also managed to disrupt terrorist cells operating and training in Aceh and in other places in Indonesia, with connections to other terrorist cells in the region.

Indonesia's foreign policy will continue to maintain bilateral, regional, and global approaches in overcoming this threat. Institutional capacity building will be key. Moreover, Indonesia also attaches importance to sharing of information and intelligence, and countering terrorist financing. Within the region, Indonesia is actively engaged through the ASEAN mechanism, the ASEAN Regional Forum, and other relevant mechanisms.

Under the United Nations framework, Indonesia has so far ratified seven of 16 international instruments related to counter-terrorism, namely: the 1963 Convention on Offences and Certain Other Acts Committed on Board Aircraft; the 1971 Convention for the Suppression of Unlawful Seizure of Aircraft; the 1971 Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation; the 1980 Convention on the Physical Protection of Nuclear Material; International Convention for the Suppression of the Financing of Terrorism (adopted by the General Assembly of the United Nations on 9 December 1999); the International Convention for the Suppression of Terrorist Bombings (adopted by the General Assembly of the United Nations on 15 December 1997); and the Amendment to the Convention on the Physical Protection of Nuclear Material (CPPNM).

Indonesia is of the view that terrorism cannot and should not be associated with certain beliefs or any other attachments.

Indonesia is committed further to addressing the so-called conditions conducive or root causes of terrorism. Interfaith dialogue through bilateral, regional and inter-regional cooperation will be at the forefront of our diplomacy. Indeed, the entire spectrum of "soft power" will occupy a central place in Indonesia's foreign policy.

#### 3. Maritime Security

As an archipelagic nation, the issue of maritime security is among Indonesia's main security concerns. Threats to maritime security come from various sources.

Multiple disputes over maritime territories, such as that of the South China Sea, pose a significant challenge. In this regard, Indonesia firmly adheres to and advocates a habit of dialogue. Indonesia is of the view that all claimants of the South China Sea should work towards the implementation of the Declaration on Conduct of the Parties in the South China Sea.

This year marks the 20<sup>th</sup> Anniversary of the Workshop on Managing Potential Conflicts in the South China Sea, an initiative put forth by Indonesia to help build trust and confidence among the claimants and other interested countries.

Threats to maritime security are also originating from nonstate actors which in many cases are economically-driven, such as piracy and armed robbery at sea. Indonesia welcomes the overall reduction of piracy and armed robbery at sea in the region and underlines the importance of national efforts and close cooperation among the littoral states.

In addressing the issues regionally, Indonesia welcomes the contribution of the ISM on Maritime Security towards strengthening global and regional maritime security efforts. Maritime trade is an important factor which contributes to the prosperity of ARF participants. It is an essential element in ensuring the sustainability of the total supply chain and maritime trade in a globalised trading system.

Following the first meeting held in Surabaya on 5-6 March 2009, the 2nd ASEAN Regional Forum Inter-Sessional Meeting on Maritime Security (2nd ARF ISM-MS) was held in Auckland on 29-30 March 2010. Both meetings in Surabaya and Auckland were co-chaired by Indonesia, New Zealand and Japan and attended by over 100 delegates representing the 26 participating members with the exception of North Korea.

Indonesia supports the proposal to develop a work plan for maritime security, to be discussed at the 3<sup>rd</sup> ARF ISM-MS in Japan in 2011.

# 4. Food, Energy, and Water (FEW) Security

Indonesia is also concerned with FEW security which will impact on the peoples in the region. FEW security requires global management. The world has to manage and overcome this security issue so as to prevent new tensions over scarcity of resources from arising.

In the previous era, conflict and war were primarily driven by ideology and territory. While this may be increasingly unlikely to occur at the present time, there is an increasing tendency for FEW resources to become today's potential source of tension.

Countries with large population and high economic growth are almost certain in need for extensive source of food and energy. This situation is becoming more complicated as the world has to overcome environmental crisis such as climate change.

For this reason, Indonesia has taken those issues into account in its development plan. The plan calls for maintaining economic stability, more government financing from local sources, stronger food and water security, better energy security, a more competitive economy and the promotion of a "green" economy. Indonesia seeks to strengthen its international engagement in securing those objectives.

#### 5. Peace Keeping Operation

The deployment of Indonesian peacekeeping troops is a reiteration of its stance and commitment towards the maintenance of world peace and security. The participation also gives weight to the conduct of our international relations and at the same time contributes to the implementation of our independent and active foreign policy.

Since 1957, Indonesia has contributed 63 peacekeeping contingents to UN peacekeeping missions, as well as non UN regional peacekeeping missions in Vietnam and the Philippines. Over 20,000 TNI personnel have been involved in those missions. As of November 2009, 1,614 personnel were deployed in six peacekeeping missions in three territories of the world.

Taking into consideration the changes in the nature of conflicts since the end of the Cold War, from inter-state to primarily intra-state conflicts, PKOs are no longer limited to placing neutral troops between conflicting parties, stopping hostilities, supporting cease-fire, and supervising the implementation of peace agreements. PKOs today are involved in humanitarian assistance, establishment or restoration of democratic and accountable governments and economic reconstruction and development.

For this reason, Indonesia deems it crucial that the Troop Contributing Countries (TCC) are involved in the formulation of peacekeeping mandates by the UN Security Council.

#### III. Conclusion

The region's security is a complex and dynamic one. For Indonesia, the ARF remains one of the primary forums for Confidence Building Measures (CBMs) and Preventive Diplomacy (PD) in Asia and the Pacific. Indonesia seeks to use its military and civilian assets to help preserve peace and security in the Asia Pacific region together with the other ARF participating countries.

The ARF has succeeded in increasing the level of confidence and comfort among its participants. But it still needs to continuously increase its awareness of, and capacity to deal with, the potential major security threats in the region. The forum needs to also strengthen concrete and tangible cooperation in addressing existing traditional and non-traditional security issues and challenges.

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

#### 1. Overview

Currently, the international community faces numerous challenges such as worldwide occurrence of terrorism, the economic and financial crisis, environment and climate change, piracy, natural disasters and food, which are all difficult issues for individual countries or regions to tackle on its own.

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

On the other hand, the Asian-Pacific region faces remaining issues such as those regarding the Korean Peninsula as well as the Taiwan Straits which are casting a shadow over the great potential of the region and creating factors of instability. 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. involvement be ensured for the prosperity and development of Asia, b) constructive and future-oriented relations be built among Asian countries, and c) an open and highly transparent regional cooperation be promoted through utilizing frameworks such as the ARF, East Asia Summit (EAS) and ASEAN+3 in a multilayered and flexible manner.

#### 2. Regional Situations

# (1) North Korea

The development of nuclear and ballistic missile programs by North Korea is totally unacceptable since they pose a serious threat to the security of Japan and bring grave harm to the peace and security of Northeast Asia and the entire international community. The missile launches in April and July 2009 and the nuclear test in May of the same year violated the series of United Nations Security Council Resolutions (UNSCRs), as well as the Joint Statement of the Six-Party Talks.

Japan demands that North Korea take seriously the unanimous stance of the international community demonstrated by the relevant UNSCRs and the statement by the President of the Security Council, refrain from activities that endanger 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, as well as China which is the Chair of the Six-Party Talks.

With regard to the sinking on 26 March 2010 of the ROK navy patrol vessel, Cheonan, the result of the joint investigations carried out by the ROK government participated by experts of other countries made it clear that the sinking was caused by a North Korea's attack using a torpedo. Such an act is intolerable and Japan will work in close coordination with countries concerned toward peace and stability of the region.

With regard to Japan-North Korea relations, the countries concerned understand the importance of full implementation of the Joint Statement of the Six-Party Talks, and that advancing Japan-North Korea relations is necessary for that end. With such an understanding, the countries concerned are pressing North Korea to take concrete actions towards the resolution of the abduction issue; North Korea has yet to take concrete actions. There is no change in Japan's policy of seeking to normalize diplomatic relations with North Korea on the basis of the Japan-North Korea Pyongyang Declaration, through a comprehensive resolution of the outstanding issues of concern, such as the abduction, nuclear and missile issues and a settlement of the "unfortunate past." Japan will continue to seriously take part in Japan-North Korea consultations and work consistently for the resolution of outstanding issues including the abduction issue.

#### (2) China

Japan-China relationship is one of the most important bilateral relationships for Japan, and both countries maintain frequent high-level communications. Since May 2009, both countries have held summit meetings for four times in addition to other high-level dialogues, such as foreign ministers' meetings on a number of occasions. In particular, the economic interdependence between Japan and China has increased in recent years and China has been the biggest trading partner for Japan since 2007. Japan will continue to promote concrete cooperation in a wide range of fields, thereby building the true relationship of trust and further developing the "Mutually Beneficial Relationship based on Common Strategic Interests."

On the other hand, Chinese military spending (implementation basis) has recorded a double-digit growth rates for 21 consecutive years until 2009. It has been pointed out that there are some areas lacking in transparency with regard to the detailed breakdown of the spending and its modernization. Although efforts such as China's biennial publication of "China's National Defense" can be seen as a positive step to some extent, it is not sufficient to dispel the concerns of the regional/international community, including Japan. Moreover, China is modernizing its military capability, focusing primarily on nuclear and missile capability as well as naval and air power, and intensifying maritime activities. In April this year, there were two separate incidents in which Chinese ship-borne helicopters approached to Japanese destroyers. Japan has expressed its candid concerns over the Chinese movements toward strengthening and modernizing its military capability. Furthermore, Japan has requested the Chinese side to take a restrained response and to enhance its transparency on a number of occasions including the Japan-China Security Dialogues. Japan also has made efforts to enhance mutual understanding and trust by expanding various exchanges including mutual visits of naval vessels, high-level exchanges (visits to Japan by the Chinese Minister of National Defense and visits to China by the Japanese Minister of Defense, etc.) and reciprocal visits of young officers between the two countries.

China's development in harmony with the international community presents an "opportunity" for the international community. Japan hopes that China will play a further constructive role in dealing with regional/global issues, while increasing its transparency.

# (3) Far East / Russia

In Russia, stable political administration under the leadership of President Medvedev and Prime Minister Putin is continuing. In his annual Address to the Federal Assembly in November last year, the President announced that Russia would pursue an intelligent and pragmatic foreign policy that would contribute to improving the standard of living of the Russian populace. With regard to relations with the Asia-Pacific region, Russia is continuing to pursue a policy of aiming to strengthen its relationships with this region, and there are significant moves not only in the realm of economics, but also with regard to security as well.

Concerning nuclear weapons, as a result of negotiations between the US and Russia, the new START treaty was signed and Russia has been showing its position to work on

nuclear disarmament. On the other hand, Russia has been intensifying its military activities in the Asia-Pacific region, including the construction in Kamchatka of a base for new strategic nuclear submarines and an increase in recent years in flights by strategic bombers to areas surrounding Japan, as exemplified by flights to areas around the Okinawa. Furthermore, high-level Defense Ministry officials have stated Russia is to deploy Mistral-class amphibious assault ships in its Pacific Fleet, in order to provide for the defense of the Northern Territories, the region disputed between Russia and Japan.

Thus, there is still a lack of transparency in Russia's security policy in relation to the Asia-Pacific region, and Japan is paying careful attention to Russia's policy. On the other hand, Japan is encouraging Russia to play a more constructive role in the Asia-Pacific region, and in order to strengthen cooperative relations with Russia in this region, Japan calls on Russia to secure transparency in its military activities, and at the same time, intend to achieve the final resolution of the Northern Territories issue, which has been the greatest concern pending issue between Japan and Russia.

#### (4) Afghanistan and Pakistan

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

With regard to Afghanistan, in order to ensure that the country will not become a hotbed of terrorism again, it is necessary for the international community to continue concerted assistance, while ensuring Afghan ownership; to this end, Japan has been active in providing support. Since September 2001, Japan has provided a total of approximately 2.35 billion US dollars worth of humanitarian and reconstruction assistance. Moreover, in November last year, Japan decided on a new assistance package to Afghanistan, by which assistance up to an amount in the region of 5 billion US dollars will be provided in about 5 years from 2009. Three main areas of the package are i) support in enhancing Afghanistan's capability to maintain security; ii) assistance for reintegration of grass root level soldiers; and iii) assistance for Afghanistan's sustainable and self-reliant development. Japan provided 49.9 billion yen from the fiscal 2009 supplementary budget for those areas. Japan will continue to actively contribute to the reconstruction of Afghanistan as a responsible member of the international community.

With regard to Pakistan, following upon Friends of Democratic Pakistan Ministerial Meeting in April last year, Japan is steadily implementing support up to 1 billion US dollars in the coming two years, as was announced at Pakistan Donors Conference co-hosted by the World Bank, and has already implemented 474 million dollars to date. In order to support the Pakistani government's efforts on the counter-terrorism and economic reform, Japan will continue to a) implement assistance for economic growth (energy sector such as electricity and infrastructure development) and macroeconomic reform (syndicated loan with the World Bank), and seek improvement of people's livelihood by providing assistance in poverty reduction (health, basic education, rural development, etc.); and b) seek to improvement of people's livelihood in regions such as Khyber Pakhtunkhwa (former North-West Frontier Province) including Malakand Division and Federally Administered Tribal Areas (FATA), as well as assistance for the internally displaced persons (IDP) and Afghan refugees.

#### Chapter 2 Japan's Security Policy and Defense Policy

# 1. Japan's Security Policy

#### (1) Japan's Basic Security Policy

As apparent in the North Korea's launch of ballistic missiles, nuclear test, and sinking of the ROK navy patrol vessel, 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-U.S. 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 has brought peace and prosperity to Japan and the Far East and has functioned effectively as the fundamental framework supporting stability and development of the Asia-Pacific region. Further deepening of the Japan-US Security Arrangements is an important task for ensuring the peace and security of Japan and the region. At the Japan-US summit meeting held in November last year, the two countries agreed to begin a process of consultation to deepen the Japan-

U.S. alliance and to work on strengthening cooperation in both conventional and new challenges including extended deterrence, information security, missile defense and space. This process began at the Foreign Ministerial meeting held in January this year. Marking 50th anniversary of the conclusion of the current Japan-U.S. Security Treaty in 2010, the two countries are engaging in consultations to strengthen cooperation not only on bilateral issue but also on issues concerning the Asia-Pacific region and global issues, thereby further strengthening the Japan–U.S. alliance in order to adopt to the environment of the 21st century.

In the area of BMD cooperation, since the decision to develop the BMD system in December 2003, Japan has been making efforts in the steady development of the BMD system in cooperation with the U.S. in various aspects including policy, management, and research and development. On its part, Japan began a series of domestic deployment of PAC-3 in 2007, and succeeded in the first launch test in September 2008 (Japan succeeded in implementing the second launch test in September last year). With regard to SM-3, the Maritime Self-Defense Force has been conducting launch tests of Aegis destroyers, Chokai, Kongo and Myoko since 2007, achieving good results overall.

In addition to the Japan-U.S. security and defense cooperation mentioned above, it is important to mitigate the impact of the local residents caused by the activities of the U.S. Forces in Japan and gain understanding and support from the residents for the stationing of U.S. Forces in order to ensure a smooth and effective operation of the Japan-U.S. security arrangement. From this perspective, it is important to maintain deterrence provided by the US military in Japan while mitigating the impact of local communities, through continuing posture realignment of the US Forces in Japan.

#### 2. Japan's Defense Policy

# (1) Japan's defense policies

#### a. The Constitution and the Right to 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 to self-defense as a sovereign state.

Since the right to 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.

#### a.) Not Becoming a Military Power

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

# b.)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. The Kan Cabinet does not intend to change the policy to adhere to the Three Non-Nuclear Principles.

#### c.) Ensuring Civilian Control

Civilian control of the military means politics has precedence over the military in a democratic state, or in other words, 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 maintained and operated in accordance with the will of the people.

The Japanese people are represented by 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 issuance of Defense Operation Orders.

As part of its general administrative functions, the Cabinet holds complete authority over issues 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. In addition, 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. Discussions to set new guidelines have been underway at experts' meetings, and the government will consider new guidelines while referring to the results of these discussions.

The current guidelines define the following two objectives for security:

- 1) Preventing threats from reaching Japan but, in the event that they do, repelling them and minimizing any damage, and
- 2) Improving the international security environment to reduce the potential of threats from reaching 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 current guidelines define the role of defense capabilities as:

- 1) Effective response to new threats and diverse contingencies,
- 2) Preparation for a response to a full-scale invasion,
- 3) 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, the following are fundamental elements of Japan's defense capabilities that are included in the current guidelines, which are necessary to fulfill the defense missions described earlier.

- 1) Enhancement of Joint Operation Capabilities
- 2) Strengthening Intelligence Capabilities
- 3) Incorporating the Progress of Science and Technology in Japan's Defense Capabilities
- 4) Effective Utilization of Human Resources (See http://www.mod.go.jp/e/publ/w\_paper)

#### 2. Defense-Related Expenditures

#### (1) Defense-Related Expenditures and Changes

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 2010 decreased for the eighth consecutive year, declining \20.2 billion or 0.4% from the preceding fiscal year (The budget shown above excludes costs related to the Special Action Committee on Okinawa (SACO) and the U.S. forces realignment-related expenses (the portion meant to reduce the burden on local communities).

Including \16.9 billion in SACO-related expenses and \90.9 billion in expenses related to realignment of U.S. forces (the portion meant to reduce the burden on local communities), Japan's total defense-related expenditures for FY 2010 amount to \4,790.3 billion, representing an increase of 0.3% or \16.2 billion 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, education and training of SDF personnel, and procurement of equipment, among 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 more than 80% 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 Information on Defense-Related Expenditures under the United Nations Instrument for Reporting Military Expenditures Japan has submitted to the United Nations Secretariat 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.

#### Chapter 3 Japan's Contribution to Regional Security

#### 1. Counter-Terrorism

Major terrorist incidents in 2009 include simultaneous terrorist bombings of foreign-owned hotels in Jakarta, Indonesia in July and an attempted bombing of a US airliner en route to Detroit in December. In 2010, a series of suicide bombings took place on the Moscow subway in March. As can be seen from these incidents, 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 areas in this field. For this purpose, Japan has been promoting counter-terrorism measures according to 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.

Japan has been holding multilateral and bilateral discussions with the countries of the Asia-Pacific region, thereby promoting the strengthening of international cooperation in the field of counter-terrorism. In particular, the issue of terrorism in Southeast Asia, where Japan has multiple interests, including the presence of Japanese-owned companies and Japanese nationals, is one that is directly linked to the peace and security of Japan. Japan has actively contributed to assist the improvement of counter-terrorism capacity of the region, through such frameworks as the ASEAN-Japan Counter-Terrorism Dialogue and the ASEAN+3 Ministerial Meeting on Transnational Crime. Japan also intends to make use of the Inter-Sessional Meeting on Counter-Terrorism and Transnational Crime (CTTC) within the ARF.

Moreover, in relation to Afghanistan and Pakistan, regarding which there is great concern among the international community, Japan announced its New Strategy to Counter the Threat of Terrorism in November last year; with regard to Afghanistan, Japan announced that it would provide assistance up to an amount in the region of 5 billion dollars in about 5 years from 2009, while in relation to Pakistan, it has confirmed that it will swiftly implement the pledge announced at the Pakistan Donors Conference in April 2009 of assistance up to 1 billion dollars in two years. Through

such assistance, Japan continues to pursue its policy of actively contributing to initiatives aimed at preventing and eradicating international terrorism.

With regard to assistance for developing countries on counter-terrorism capacity building, Japan has provided technical assistance and equipment in areas of immigration control, airport security, maritime and port security and law enforcement. Furthermore, under the counter-terrorism security grand aid cooperation scheme, which was established in 2006, Japan has decided to extend, in recent years for example;

- a) 714 million yen for the Malaysian customs to introduce small high-speed vessels and infrared surveillance cameras required for enforcement activities in March 2009
- b) 1.437 billion yen for the installation of large-scale x-ray inspection machines at Queen Alia International Airport in Jordan in August 2009
- c) 861 million yen for the reinforcement of custom functions at Vietnam's Hai Phong Airport in September 2009
- d) 467 million yen for the reinforcement of custom functions in Uzbekistan barders in March 2010

# 2. Non-Proliferation, Counter-Proliferation, Arms Control and Disarmament

While the international nuclear disarmament and nonproliferation 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 without nuclear weapons. The resolution on nuclear disarmament that Japan submitted to the UN General Assembly last year was adopted with the support of 171 countries. Moreover, the International Commission on Nuclear Non-proliferation and Disarmament, which was established jointly with Australia, based on an agreement at the summit talks between Japan and Australia in July 2008, presented a report last December to the Prime Ministers of Japan and Australia. Furthermore, ahead of this year's NPT Review Conference (3 – 28 May), the governments of Japan and Australia have jointly submitted a Package of Practical Nuclear Disarmament and NonProliferation Measures, with reference to this report, and the package was presented to the United Nations Secretariat as a working paper on 23 March. The final document, including a concrete, forward-looking Action Plan on of the three pillars of the NPT (nuclear disarmament, nuclear non-proliferation and peaceful uses of nuclear energy), was adopted at the NPT Review Conference; in the field of nuclear disarmament, an agreement was reached with regard to such matters as working to achieve a "world without nuclear weapons", reaffirming the "unequivocal commitment" of the nuclearweapon States to accomplish the total elimination of their nuclear arsenals, and a request to nuclear-weapon States to report on their agreed nuclear disarmament undertakings to the 2014 NPT Preparatory Committee. Japan will continue to strive to ensure that the concrete measures set forth in the Action Plan are steadily implemented, while working closely with partner countries.

In Asia, the capacity of some countries in producing and supplying weapons of mass destruction, their means of delivery and materials that could potentially be diverted for the development of such weapons and means of delivery is increasing. In addition, with some countries and regions developing as intermediary trading markets, this region is growing ever more important from a non-proliferation perspective. Last year North Korea conducted missile launches in April and July, and announced that it had carried out a second nuclear test in May, while numerous WMD related illicit procurement cases in Asia have been reported, as such developing and enhancing of the non-proliferation architecture in the region continues to be a pressing issue. Cooperation within Asia aimed at strengthening the international disarmament and non-proliferation architecture is becoming even more significant. In response to the missile launches and announcement of conducting a nuclear test carried out by North Korea, the international community adopted UNSCR 1874, which prohibited import and export trade with North Korea that involves weapons of mass destruction; in Japan, the Act on Special Measures Cargo Inspections, which is aimed at the implementation of the resolution, was passed in the Diet in May 2010.

To address the aforementioned and other nuclear proliferation challenges, the international community has been promoting multilateral approaches such as the International Atomic Agency (IAEA) safeguards, export controls and new initiative such as "Proliferation Security Initiatives (PSI)". Japan, through the full implementation of its comprehensive safeguards agreement with the IAEA supplemented by the additional protocol, has endeavored to ensure the transparency of its nuclear activities and peaceful uses of

nuclear energy. As a result, the IAEA has annually concluded that Japan has neither diversion of nuclear materials nor any undeclared activities.

In addition, Japan has been strengthening its outreach activities based on the following three pillars:

a) promotion of the conclusion of relevant treaties on disarmament and non-proliferation as well as strengthening domestic implementation.

b) establishing and strengthening export control systems, and c) raising awareness of and strengthening efforts for the (PSI). To this end, Japan has been hosting a range of meetings every year, including the Asian Senior-level Talks on Non-Proliferation (ASTOP) and Asian export control seminars. As part of these efforts, Japan is extending support for capacity building in fields such as export controls, and encouraging individual measures to promote the implementation of UNSCR 1540. Japan has also played an active part in Singapore's PSI maritime interdiction exercise Deep Sabre II, held last October, to which it sent a Maritime Self-Defense Force escort ship and two P-3C patrol aircraft.

Furthermore, in April this year, the US held the Nuclear Security Summit, in which the leaders and representatives of 47 countries and three international organizations participated, and agreed to secure all vulnerable nuclear materials within four years. Japan, which has hitherto implemented international cooperation aimed at strengthening nuclear security in Asia, through such endeavors as cooperation with the IAEA, will continue to make efforts toward this end, particularly in Asia, through initiatives including the establishment of an integrated support center for strengthening of nuclear security in Asia.

#### 3. Countermeasures Against Transnational Crime

Transnational organized crime, such as narcotics, human trafficking and money laundering, still remains a problem in the Asia-Pacific region. Taking countermeasures against transnational organized crime is an important issue for Japan, and Japan is taking account of the following points in promoting such measures.

Firstly, it is important to strengthen cross-border legal frameworks. Japan is tackling the problem of narcotics in collaboration with the member countries and regions of the ARF, based on the treaties relating to drugs, such as the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. Japan has signed the United

Nations Convention Against Transnational Organized Crime, which is the world standard to counter transnational organized crime, and the Diet has approved its ratification, but the partially deficient implementing domestic law hinders actual conclusion. For the same reason, Japan has not yet concluded the United Nations Convention Against Corruption and the Convention on Cybercrime of the Council of Europe. Since it is important for Japan, as a member of the ARF, to participate in the legal frameworks aiming at a concerted response to transnational crime and to create laws without loopholes in the Asia-Pacific region, Japan will carry out the deliberations that are necessary for the early conclusion of these treaties under cooperation amongst relevant ministries and agencies. Moreover, Japan has concluded mutual legal assistance treaties and agreements (with the US, China, the ROK and Hong Kong) and extradition treaties (with the US and the ROK); it has also completed the signing of the Japan-Russia Mutual Legal Assistance Treaty and the Japan-EU Mutual Legal Assistance Agreement, and the Diet has approved the conclusion of them, so as to develop systems for ensuring that the cooperation between Japan and other countries and regions can be carried out smoothly in the field of criminal justice.

Secondly, support for developing countries, including capacity building, is vital. Through the Crime Prevention and Criminal Justice Fund (CPCJF) and the Fund of the United Nations International Drug Control Program (UNDCP) of the United Nations Office on Drugs and Crime (UNODC), Japan is supporting projects aimed at countermeasures to deal with illegal drugs and human trafficking in Southeast Asia. For example, in 2009, through the UNDCP, Japan contributed to the monitoring of illegal cultivation in Myanmar, as well as support for the formulation of a strategy for enforcing drug control laws and the implementation of a training exercise for practitioners involved in drug control in Laos. Moreover, with regard to the problem of corruption, in October of the same year, Japan supported an anti-corruption seminar in Vietnam, in collaboration with the UNODC. Furthermore, in 2010, through the CPCJF, Japan contributed to a project, "Protecting vulnerable children from human trafficking and sexual exploitation in Pattaya, Thailand".

Thirdly, in order to strengthen such legal frameworks and provide support for developing countries, Japan is actively promoting policy coordination with various countries and international organizations. While, actively participating in ministerial meetings and meetings of high-level practitioners relating to regional frameworks including the Bali Process and the ASEAN+3 Ministerial Meeting on Transnational Crime, Japan is also promoting bilateral policy coordination.

With regard to human trafficking, Japan has sent an Inter-Ministerial Delegation for Research and Discussion on the Issue of Trafficking in Persons to a total of 16 countries since 2004, and is striving to reinforce bilateral cooperation. In particular, in May 2006, a joint taskforce was established between Japan and Thailand, which is striving to strengthen cooperation between the two countries, with the aim of preventing and eliminating human trafficking, and protecting the victims of trafficking. Furthermore, in order to deal with cross-border money laundering, Japan is engaged in developing cooperative relationships aimed at promoting the exchange of information on suspicious transactions between authorities". With regard to the relationships with member countries and regions of the ARF, Japan had established information exchange frameworks with 16 countries and regions by April this year\*.

\*Hong Kong, Thailand, Malaysia, Australia, US, Singapore, Canada, Indonesia, Philippines, ROK, EU members (Belgium, UK, Italy, Portugal, Rumania, France)

# 4. Japan's Disaster-Relief Initiatives

As approximately 90% of the people affected by natural disasters in the world live in Asia, disaster-relief is an urgent issue there. (Note that, in terms of occurrence, economic damage and mortality, the Asia occupies around 40-60% of those affected by natural disasters in the world.)

Based on the Initiative for Disaster Reduction through ODA, which sets forth Japan's basic policy on international cooperation in the field of disaster risk reduction, Japan has been implementing ODA in a comprehensive and consistent manner to meet the needs at each stage; disaster prevention, emergency response, reconstruction and development assistance. With a view to facilitating the Hyogo framework for Action, Japan has effectively been taking a combination of the following approaches; promotion of regional cooperation in Asia, collaboration with international organizations including the UN, and the utilization of ODA.

Since last year, many natural disasters have occurred in Asia, and Japan has actively implemented disaster-relief activities.

For example, when an earthquake occurred off the coast of Padang in Indonesia last September, Japan swiftly provided emergency relief goods worth 25 million yen and sent Japan disaster relief teams composed of a rescue team and a medical team, and a Self-Defense Force unit as the Japan

Disaster Relief Team, to the affected areas. These efforts were appreciated by local citizens, in particular. Also, grant assistance worth 550 million yen was provided to rehabilitate schools in the affected areas.

In response to the damage caused by the typhoon last September, Japan provided the Philippines with emergency relief goods, such as blankets and sleeping mats, worth 20 million yen and an emergency grant aid project of approximately 4.5 million dollars through the WFP. Japan also provided emergency relief goods worth 20 million yen to Vietnam and those worth 10 million yen to Laos.

Earthquakes, typhoons and other natural disasters occurred frequently across the globe, and Japan implemented disaster relief activities immediately after the outbreak to respond correctly to the needs of each country

With regard to the ARF, Japan and Indonesia will co-host the next ARF Disaster Relief Exercise (DiREx) in Manado, Indonesia, March 2011. In order to promote cooperation on disaster relief among the ARF participants, both countries are currently working hard to make the next DiREx effective and actual-disaster-based, utilizing the outcomes of last year's ARF DiREx.

# 5. Japan's Initiatives Relating to Maritime Security

Japan is a seafaring country as well as a trading country which depends on maritime transport for its imports of energy and food resources and also much of its trade. Ensuring safety of maritime navigation and maintaining maritime security through various means such as counterterrorism and anti-piracy efforts are not only an issue which is directly linked to Japan's existence and prosperity but are also extremely important in achieving economic growth in the region.

In recent years, the number of piracy and armed robbery incidents in the Straits of Malacca and Singapore has been declining steadily. On the other hand, the number of piracy incidents off the coast of Somalia has surged. In light of this situation, Japan dispatched, in March 2009, two Maritime Self-Defense Force vessels and two patrol aircraft to engage in anti-piracy measures off the coast of Somalia. In addition, the Anti-Piracy Measures Law was enacted in June of the same year.

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

was drafted and agreed upon under the initiative of Japan, and came into force in September 2006 (Japan concluded the agreement in April 2005). Based on the agreement, the Information Sharing Center (ISC) was established in Singapore. The ReCAAP-ISC has since been undertaking active work in building a piracy information-sharing system and an international cooperation network in Asia, and has received high reputation worldwide. Japan has been contributing both in financial and human resource terms, as both the current and the previous Executive Directors were from Japan. The ReCAAP is currently regarded as the "model" in the effort to build a similar regional cooperation framework in Africa, in light of the troubling rise in the number of piracy incidents in the region.

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, user states and all the users of the Straits at the third "Meeting on the Straits of Malacca and Singapore" 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 funding by the private sector. Japan will continue its cooperation with coastal states by actively participating in the "Cooperative Mechanism" and related projects.

Moreover, in the ARF, Japan co-chaired the Second Inter-Sessional Meeting on Maritime Security (ISM-MS) in March this year, in partnership with the host New Zealand and the other co-chair Indonesia; at this meeting, Japan announced that it was considering to host the next meeting in Tokyo in 2011, and that it intended to complete the compilation of "the Best Practices" in the field of maritime security at the next meeting.

# Concluding Chapter Japan's Future Contribution to Improve the Functions of the ARF

If we look at the security environment in the Asia-Pacific region, we can see that there remain serious tensions that stem from conflicts between nations and the problem of divided states, and we can point out areas that are still unstable. Amidst this situation, as a security framework for the whole of the Asia-Pacific region, the ARF is making a significant contribution to improving the security environment through dialogue and sharing its vision among its members for the peaceful resolution of conflict, in order to improve the security environment in this region.

However, while the ARF has been expected to play a

certain role concerning traditional security problems, such as the problem of conflict between nations, it has not been able to make progress beyond confidence building, since ARF members have different opinions on matters of state sovereignty, and thus have various views on ARF's role as mentioned above. Japan believes that it is important for the ARF to make steady progress along from the first stage, which involves promoting confidence building, to the second stage, which involves promoting "preventative diplomacy", and ultimately to the third stage, which involves approaches to conflicts. In the event of future regional disasters and conflict, if the ARF can play the role other international institutions fulfill, such as dispatching fact-finding missions or election-monitoring groups, and surveillance of troops in conflict zones, this will greatly improve the security environment in the region. On the other hand, in reality, it will take time before we have a framework that will facilitate concrete activities in the field of conflict prevention. Consequently, while setting such targets, in parallel with efforts to achieve these targets, Japan believes that the most vital, pragmatic approach is steadily to promote cooperation in non-traditional security fields such as counterterrorism, disaster relief, non-proliferation and disarmament, maritime security and PKO, and to change the ARF from being a talking shop, into an action-oriented framework.

It is easy for the interests of countries to converge in non-traditional security fields, and concrete cooperation has slowly been progressing in the ARF, with formulation of work plans and the implementation of table top and field exercises. The plan of action to implement the ARF Vision Statement has also just been formulated, and it is hoped that by setting forth the direction of cooperation in each field, concrete activities will progress in the future, leading to an improvement in the functions of the ARF; as such, Japan intends to take concrete initiative and to actively contribute to improving the functions of the ARF.

Moreover, in April this year, Japan appointed an ambassador for ASEAN affairs, based in Jakarta, in order to strengthen its ASEAN-related affairs. It is hoped that, through this, Japan will be able to undertake ASEAN-related diplomacy, including matters relating to the ARF, in a more agile manner. Through such endeavors as consultations and coordination with the ASEAN Secretariat and the locally-stationed representatives of countries involved with the ARF, Japan wishes to further consider how it can contribute to improving the functions of the ARF.

# Overview of the Regional Security Environment

- The overall regional security outlook for the Asia Pacific region in 2010 continues to remain positive. Nevertheless, there remain 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, weapons of mass destruction and nonproliferation issues, overlapping or unresolved territorial and jurisdictional claims.
- 2. The other type is basically non-traditional security threats such as terrorism, piracy, illegal migration, smuggling of small arms and light weapons, trafficking of illegal drugs, money laundering and other criminal activities. In addition, the recent global economic and financial crisis has also impacted many economies in the region which could also have the potential to undermine peace and stability in the region.
- 3. 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. As littoral to the Straits of Malacca, Malaysia shoulders the primary responsibility to ensure the safety and security of the Straits for international navigation.
- 4. The second important geopolitical factor that shapes Malaysia's security relates to the South China Sea - an area where territorial claims of China, Brunei Darussalam, Malaysia, the Philippines and Viet Nam overlap. Malaysia is committed towards maintaining peace and stability in the South China Sea which it deems vital for the stability and economic prosperity of the entire region.
- 5. 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.
- 6. 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.
- 7. 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.

#### National Security and Defence Policy

# Overview of National Security and Defence Policy

# (i) National Defence Orientation

- 3. Over the years, Malaysia's defence policy has moved away from one that of threat-based to capability-based. The policy thus focuses on developing minimum capabilities and utilizing them optimally to meet national defence objectives. Such a stance is in recognition of the reality that Malaysia perceives no immediate major conventional external threats in the region. However, the policy does recognize that there exist a plethora of non-traditional security threats that may originate from the external environment. Optimization of capabilities thus translates into being prepared for any eventualities while keeping the bigger national defence objectives in mind.
- 9. Recognizing that the well-being of the nation is inextricably linked to regional peace and stability, Malaysia's defence policy is focused towards sustaining regional peace and stability that are conducive to our continued economic prosperity. Towards this end, regional cooperative endeavours that contribute towards maintenance of peace and stability of the region are given due significance.
- 10. In an interdependent and interconnected world, adverse developments in other parts of the world can also affect Malaysia's interests as Malaysia is a trading nation. As such, Malaysia's defence policy is also focused towards supporting the nation's involvement in international peace endeavors, commitment to the various conventions, and disarmament initiatives under the auspices of United Nations and its organs.

#### (ii) Commitment towards FPDA, ADMM and ARF

- 11. Commitment towards multilateral regional institutions is an important aspect of Malaysia's defence policy. The Five Power Defence Arrangements (FPDA) continues to provide significant avenues for professional enhancement of the Malaysian Armed Force (MAF) as well as capacity-building in addressing non-conventional threats. The ongoing stock-taking exercise of the FPDA aimed is aimed at strengthening further the arrangements.
- 12. The ASEAN Defence Ministerial Meeting (ADMM) since its inception four years ago has become another important regional forum in promoting security in the region and the ADMM-Plus process, which is schedule to take-off by this year, is a testimony to the ADMM's open and inclusive nature. Defence involvement in the ARF has also increased over the years. The various cooperative endeavours under the auspices of ARF have contributed significantly in enhancing capacity-building especially in facing the challenges posed by non-conventional threats.

#### (iii) Total Defence

13. Malaysia recognizes that being a multi racial country, internal cohesion and unity is the best form of defence together with security readiness and psychological resilience. This underscores the notion that the defence of the nation does not solely rest on the shoulders of the security forces, but also on each citizen.

# (iv) Defence Force Transformation

14. Over the years, the Malaysian Armed Forces (MAF) has gone through different stages of development – counter-insurgency, conventional and force modernization. The MAF has embarked on fourth dimension plan or 4D MAF Plan as part of its transformation programmme. The plan calls for the MAF to transform into a well integrated and balanced force in all four dimensions (land, maritime, air and information) giving emphasis on jointness and interoperability among the services.

#### (v) Deterrence and Forward Defence

15. The twin pillar of Malaysia's defence strategy remains deterrence and forward defence. Deterrence is a peacetime strategy and for it to be credible the MAF should possess deterrent capability to prevent potential adversaries from adopting aggressive tendencies. The forward defence strategy, on the other hand, advocates development of modest capabilities to engage an adversary at the outer parameters of Malaysian territory.

#### (vi) Counter-Terrorism

16. One of the major threats to internal stability is terrorism. Recent events like the infiltration of terrorist elements into some institutions of higher learning underscore the reality of the threat and the need to be ever vigilant. Malaysia's response is therefore multi-prong: preventive laws, enforcement, and use of defence policy instruments if need be.

#### (vii) National Service Programme

17. As part of the effort towards instilling civic values such as patriotism and love for the country that could contribute towards total defence and internal stability, the government has been carrying out national service programme involving the youngsters.

#### Data Contribution to ARF Arms Register

# (i) Total Defence Expenditure on Annual Basis

18. The total defence expenditure for 2010 (consisting operational and development elements) is RM 11.00 billion. It constitutes 5.75% of the total national annual budget. This is RM2.0 billion or 15.29% less than the previous year's budget. The reduction in the expenditure is due to cost-cutting measures taken by the government as part of a strategy to overcome the financial downturn. The total defence allocation for the last five years is as shown in the table below:

| Year  | Allocation (RM) |  |  |
|-------|-----------------|--|--|
| 2006  | 11,729,202,000  |  |  |
| 2007  | 13,392,862,100  |  |  |
| 2008  | 14,520,294,000  |  |  |
| 2009  | 13,001,657,500  |  |  |
| 2010  | 11,013,503,900  |  |  |
| Total | 63,657,519,500  |  |  |

19. In terms of development expenditure, the allocation for 2010 is RM1.9 billion as compared to RM 2.3 billion in 2009. Although the development expenditure is based on a formal five-year planning structure, the actual allocation is dispensed on an annual basis. The breakdown of defence development expenditure from 2006 to 2010 under the 9th Malaysia Plan is as shown in the table below:

| Year  | Allocation (RM) |  |  |  |
|-------|-----------------|--|--|--|
| 2006  | 4,106,300,000   |  |  |  |
| 2007  | 4,763,239,800   |  |  |  |
| 2008  | 4,680,698,000   |  |  |  |
| 2009  | 2,351,153,500   |  |  |  |
| 2010  | 1,912,361,000   |  |  |  |
| Total | 17,813,752,300  |  |  |  |

20. The operating expenditure of RM9.1 billion in 2010 is a reduction of RM1.5 billion or 14.55% from the RM10.6 billion allocated in 2009. The operating expenditure from 2006 to 2010 is as shown in the table below:

| Year  | Allocation (RM) |  |  |
|-------|-----------------|--|--|
| 2006  | 7,622,902,000   |  |  |
| 2007  | 8,629,622,300   |  |  |
| 2008  | 9,839,596,000   |  |  |
| 2009  | 10,650,504,000  |  |  |
| 2010  | 9,101,142,900   |  |  |
| Total | 45,843,767,200  |  |  |

# (ii) Defence Expenditure as a Percentage of GDP

21. The defence allocation is based annual government expenditure and not based on GDP. However, in terms of GDP, the percentage of defence outlay for the past five years is between 2 to 3% except for 2010 which stands at 1.99% as shown in the table below:

| Year | GDP (RM) |  |  |
|------|----------|--|--|
| 2006 | 2.67%    |  |  |
| 2007 | 2.65%    |  |  |
| 2008 | 2.74%    |  |  |
| 2009 | 2.49%    |  |  |
| 2010 | 1.99%    |  |  |

# National Contributions to Regional Security

#### Counter-Terrorism

# (i) Promoting a People-centred Approach to Counter-Terrorism.

- 22. Malaysia believes that terrorism needs to be addressed in a more comprehensive manner and not through military means alone. Apart from strict legislative and enforcement measures, Malaysia adopts multifaceted approach by addressing the underlying contributing factors that breeds terrorism, principally the social and economic problems of the society.
- 23. Terrorism can be dealt effectively by addressing the conditions that breed it such as ignorance, backwardness and illiteracy. Malaysia places greater emphasis on education as a means to provide opportunity to escape poverty and develop greater understanding between different cultures to ensure peace and stability. Hence, the Government provides the biggest allocation of its national budget for education programmes.
- 24. Among others, Malaysia implemented the Education Development Master Plan (2006-2010) which is a comprehensive guideline for ensuring fair and equal educational opportunities regardless of ethnicity and religious background. In addition, Malaysia also implemented specific programmes such as the Pupil's Programme for Unity (RIMUP), Vision Schools and Transformation in Curriculum to encourage acceptance of diverse cultures of the society.
- 25. Malaysia also believes that in order to fight terrorism, there is a need to promote mutual understanding and cooperation through inter-cultural, inter-civilisation and inter-religious programmes.
- 26. At the regional level, the Southeast Asia Regional Centre for Counter Terrorism (SEARCCT) based in Kuala Lumpur conducted training and capacity building by organizing relevant courses, seminars and specific forum related to counter-terrorism. In 2009, SEARCCT conducted 14 capacity-building courses attended by 420 participants from ASEAN and other countries.

### (ii) Promoting of Inter-Civilization Dialogue

27. Malaysia has always encouraged and welcomed initiatives on interfaith dialogue by participating in the

Alliance of Civilisations, ASEM Inter-faith Dialogue, and Asia-Pacific Regional Interfaith Dialogue on annual basis. Those initiatives are important dimensions towards the promotion of mutual understanding and cooperation through inter-cultural, inter-civilisational and inter-religious programmes to achieve global peace. Malaysia supports such initiatives and believes that the positive interaction among peoples of diverse cultures and values will help to achieve the aim of having continuing global peace and stability, which are necessary prerequisites for the promotion of sustainable economic and social development.

28. At the national level, Malaysia promotes various measures among others, inter-religious dialogues, educational and community programmes to promote mutual understanding and tolerance among the multiracial and multi-religious society.

# (iii) Information Sharing and Intelligence Exchange and Document Integrity and Security Exchanging Cooperation to Combat Terrorism and Transnational Crimes.

- 29. 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.
- 30. 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 mattes under the ASEAN Convention on Counter-Terrorism (ACCT).
- 31. Malaysia has provided capacity building in training programmes through the Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT). Focused training courses and workshop on counter-terrorism are also organized in collaboration with partners such as United States, United Kingdom, European Union and Russia.

# (iv) Cooperative Counter Terror Action on Border Security

32. Malaysia, Indonesia and the Philippines signed an

Agreement on Information Exchange and Establishment of Communication Procedures in Putrajaya on 7 May 2002. Cambodia (30 July 2002), Thailand (5 November 2002) and Brunei (5 October 2003) have also acceded to the Agreement. This Agreement provides a framework for cooperation among participating countries in addressing border and security issues including terrorism, transnational crime and other illegal activities occurring within their respective territories.

#### (v) Measures against Terrorist Financing

- 33. In recognizing the need for consolidated and concerted efforts in anti-money laundering and the counterfinancing of terrorism (AML/CFT), Malaysia has taken various AML/CFT measures, through the passage of the Anti-money Laundering Act (AMLA) in 2001 and the extend the scope of its reporting requirements, as well as the development of counter-measures such as the sharing of information and law enforcement cooperation under the Egmont Group and Asia Pacific Group (APG).
- 34. Amendments to the Anti-Money Laundering Act 2001 and the Penal Code provisions were made specifically to counter financing terrorism. This facilitated Malaysia's accession to the 1999 International Convention for the Suppression of the Financing of Terrorism.

# Non-Proliferation, Counter Proliferation, Arms Control and Disarmament

#### (i) National Implementation of UNSC Resolution 1540

35. The Malaysian Parliament has approved the new comprehensive law on export control, known as the Strategic Trade Act 2010. The Act enables Malaysia to effectively supervise and control the export, transshipment, transit and brokering of all strategic items, including arms and related material as well as other activities that will or may facilitate the design, development and production of nuclear weapons and other weapons of mass destruction and their delivery systems. To underline our seriousness, the punishments for transgressions under the Act are very severe. Malaysia is ready to share our experience in establishing this comprehensive regulatory framework on export control with other States.

#### (ii) Non-Proliferation

- 36. Malaysia recognizes the IAEA's invaluable contribution in establishing and promulgating effective safeguards and verification mechanisms for peaceful uses of nuclear energy. We call upon all Member States to abide by these safeguards. As a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and a Member State of the IAEA, Malaysia reaffirms its commitment to non-proliferation. We also reaffirm the centrality of the IAEA in nuclear safeguards and verifications.
- 37. All States must adhere to the cardinal principles underlying the activities related to the peaceful uses of nuclear energy. In ensuring that the right to peaceful uses of nuclear energy is not abused, States must exercise full transparency in nuclear programmes, subject those programmes to the full scope of the IAEA's safeguards and verification, including the Additional Protocol, and adhere to the provisions of the NPT. Only then, the trust and confidence of the international community over the peaceful nature of nuclear programmes could be gained.
- 38. Malaysia fully subscribes to these principles as we consider them as the necessary foundation for the development and peaceful uses of nuclear energy, which would ensure safe and secure environment for all. We encourage all States to also subscribe to those principles.
- 39. Malaysia continues to play a constructive role in promoting international peace and security. Malaysia is of the view that the continued existence of nuclear weapons represents a significant threat to humanity and the full and effective implementation of the NPT obligations, in particular by Nuclear-Weapon States, plays a crucial role in achieving a nuclear weapon-free world.
- 40. Malaysia has been a strong advocate for the realisation of the Nuclear Weapons Free Zone (NWFZ) in the Middle East. The realisation of the Nuclear Weapons Free Zone in the Middle East is of utmost urgency. The recent Plan of Action adopted by the 2010 NPT Review Conference on the implementation of the 1995 Resolution on the Middle East, provides hope for possible movement towards the realisation of the NWFZ in the Middle East.
- 41. Malaysia considers the Comprehensive Nuclear

Test Ban Treaty (CTBT) as a primary disarmament instrument. We join the CTBTO in calling upon the remaining Member States, especially of the Annex 2 States, to immediately sign the CTBT. We look forward to the early entry into force of the Treaty. Malaysia has ratified the CTBT on 17 January 2008.

#### Transnational Crime

# (i) Information Sharing and Intelligence Exchange and Document Integrity and Security in Enhancing Cooperation to Combat Terrorism and Transnational Crimes

- 42. Malaysia has enacted the Mutual Assistance in Criminal Matters Act 2002 (MACMA) which came into force on 1 May 2003. MACMA establishes and facilitates the mechanism for the recovery of assets through international co-operation in confiscation. Under MACMA, Malaysia is able to execute a request for assistance in enforcing a Foreign Forfeiture Order. The Act also provides for Asset Sharing Agreements between Malaysia and a country of origin, which is made bilaterally and on a case-to-case basis.
- 43. Bilateral meetings between the Royal Malaysia Police and their counterparts from Indonesia, Singapore and Thailand are held annually to discuss matters concerning transnational crime.
- 44. Malaysia is committed to all international conventions, regional and bilateral agreements which it has become a party to and reaffirms its support to the various UN General Assembly Resolutions in combating transnational organised crime.

# (ii) Promoting Collaboration on the Prevention of Diversion of Precursors into Illicit Drug Manufacture

45. Malaysia participated actively in the UN Commission on Crime Prevention and Criminal Justice (CCPCJ), which is held annually in Vienna, Austria. The Commission is a subsidiary body of the Economic and Social Council (ECOSOC) and its role is to formulate international policies and recommend activities in the field of crime control. The CCPCJ provides a forum for UN Member States to exchange information and find solutions to fight crime at the global level. The mandates of the Commission are carried out by the Centre for International Crime Prevention (CICP) of the UN Office on Drugs Control and Crime Prevention (UNODC). 46. Malaysia also cooperates closely with enforcement agencies from the United States, Australia, New Zealand, Netherlands and Germany to eradicate drug trafficking as well as people smuggling and trafficking in persons.

#### (iii) Strengthening Transport Security against International Terrorism

- 47. Malaysia welcomes the continued engagement of ARF participants to discuss the issue of terrorism within the ARF framework. This includes regional efforts in strengthening transportation security against international terrorism.
- 48. In addition, Malaysia participated actively in several fora related to transportation security under APEC and ASEM frameworks.

#### Humanitarian Assistance and Disaster Relief

- 49. Although Malaysia is not a donor country neither a main player for the humanitarian assistance in the Asia region, Malaysia has always been very forthcoming in helping out countries in need.
- 50. Most of Malaysia's humanitarian assistance at the international level was done in the context of bilateral relations. Malaysia's financial contributions for humanitarian assistance at the multilateral level were channelled through the Central Emergency Response Fund (CERF). The establishment of CERF was adopted at the 60<sup>th</sup> United Nations General Assembly (UNGA) on 15 December 2005, as the upgrading of the former Central Emergency Revolving Fund. In 2006, Malaysia contributed (financially) USD 50,000 to the CERF. Malaysia had further contributed USD 100,000 to the CERF in 2007, 2008 and 2009, respectively.
- 51. The Basic Agreement for the establishment of the United Nations Humanitarian Response Depot (UNHRD) was signed by the Government of Malaysia and World Food Programme (WFP) on 25 February 2010. The signing marks the establishment of the United Nations Humanitarian Response Depot (UNHRD) at the Subang Airbase, Selangor. Malaysia hopes ASEAN through its existing mechanisms on disaster management such as the Coordinating Centre for Humanitarian Assistance (AHA Centre), could establish linkages and cooperation with the Depot. This will allow for a more coherent and effective response to natural disasters in this region

# (i) Malaysia's Indian Ocean Tsunami Warning System

- 52. Following the December 2004 Indian Ocean Tsunami, the Malaysian Government established a National Tsunami Early Warning Centre to continuously monitor occurrences of earthquakes and tsunamis on a 24-hour basis. The centre is linked to the Indian Ocean Tsunami Warning System, as well as the Northwest Pacific Advisory System coordinated by the Intergovernmental Oceanographic Commission, UNESCO.
- 53. Malaysia has successfully installed 90% of the tsunami early warning network of ocean buoys and tidal gauges to measure seismic activity, wave speed and temperature changes in the sea. The buoys will transmit the data obtained to the National Tsunami Early Warning Centre in Malaysia. In this regard, the Pacific Tsunami Warning Centre in Honolulu, Hawaii and the Japan Meteorological Agency Tokyo are providing valuable tsunami advisories to Malaysia.
- 54. Malaysia had set up its early warning system which currently operational at Pulau Rondo in Indonesia and Pulau Layang-Layang in Sabah. The third and final buoy would be placed in the Sulu Sea, pending final consultation on the Memorandum of Agreement with the Philippines Government. In the meantime, a temporary buoy will be placed in the Sabah waters and until such time it would then be transferred to Sulu Sea.

# **Maritime Security**

- 55. 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.
- 56. 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).

- 57. 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.
- 58. Until the month of May 2010, two (2) incidents of armed robbery at sea were reported in the Malaysian waters of the Straits of Malacca. Six (6) incidents were reported in 2009, and in 2008 only two (2) incidents were recorded. In 2007 and 2006, four (4) incidents were reported each year. In the area off the coast of Sabah, four (4) incidents of armed robbery at sea were reported as of May 2010. Sixteen (16) armed robbery were reported in 2009 compared to four (4) in 2008, six (6) in 2007, and eight (8) in 2006.
- 59. The figures below show the number of incidents of armed robbery reported in the Malaysian waters of the Straits of Malacca and off the coast of Sabah:

| Year              | Straits of<br>Malacca | Off the<br>Coast of<br>Sabah | Total<br>number of<br>cases |
|-------------------|-----------------------|------------------------------|-----------------------------|
| Until May<br>2010 | 02                    | 04                           | 06                          |
| 2009              | 06                    | 16                           | 22                          |
| 2008              | 02                    | 04                           | 06                          |
| 2007              | 04                    | 06                           | 10                          |
| 2006              | 04                    | 08                           | 12                          |
| 2005              | 08                    | 16                           | 24                          |

60. Malaysia, together with Indonesia and Singapore have come up with initiatives to enhance the safety and security of the Straits of Malacca and Singapore, such as the Malaysia – Indonesia – Singapore Malacca Straits Coordinated Patrols, launched in June 2004, and the Eyes in the Sky (EiS) which was launched in September 2005.

# Role of ARF

61. 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.

- 62. Since its creation sixteen years ago, the ARF has been progressing quite remarkably, both in terms of expansion of activities and depth of substance. Indeed, the discussions and activities under the ARF has contributed to the overall objective of the Forum in ensuring lasting peace, security and stability in the Asia Pacific region. In addition, the ARF has grown in membership over the years whereby the participation of countries in and around the region has added depth and a greater strategic dimension to ARF discussion and activities.
- 63. The scope of activities of the ARF has also expanded to cover a broad 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 fastchanging global security concerns.
- 64. Malaysia believes that despite the progress made thus far, the ARF cannot be complacent with what it has achieved. The ARF has to adapt itself to the new security challenges facing us especially in light of the evolving global and regional environment. This would be a daunting task as these challenges are multi-faceted and cross-dimensional in nature. However this scenario should present the ARF Participants with an opportunity to renew their individual and collective commitment in strengthening existing dialogues and practical cooperation.
- 65. Malaysia is pleased that the ARF has taken significant steps to enhance its effectiveness with the adoption of the ARF Vision Statement at the 16<sup>th</sup> ARF. It is indeed an important document which charts the future direction and vision of ARF by 2020. This year, at the 17<sup>th</sup> ARF in Ha Noi, Viet Nam, the ARF will adopt another important document namely the ARF Plan of Action to Implement Vision Statement which would translate the ARF Vision Statement into concrete actions.

# 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 ASEAN Regional Forum (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.

New Zealand is strongly committed to an open trading regime and considers that enhanced economic inter-dependence is one of the most effective means of ensuring longer term regional stability and security. New Zealand was the first developed country to establish a Free Trade Agreement with China and has FTA/Closer Economic Partnerships with Australia, Malaysia, Thailand, Singapore and Hong Kong. New Zealand is currently negotiating bilateral FTAs with the Republic of Korea and India and is engaged in preliminary discussions with Russia.

New Zealand is a party to the Trans Pacific Partnership, which also includes Singapore, Brunei Darussalam and Chile and is in the process of discussing an expansion of that agreement with other Asia Pacific countries. New Zealand attaches considerable importance to the ASEAN/ Australia/New Zealand FTA, which was concluded in 2009. New Zealand is a strong supporter of the proposed Comprehensive Economic Partnership in East Asia (CEPEA) and a Free Trade Area of the Asia-Pacific (FTAAP).

The security threats that we face in the region continue to evolve as a result of both internal and external factors. One consistent external catalyst for change is the growth of technology, particularly its use by criminal groups. Transnational criminal entities are quick to adapt to new technology and use it to increase their operational ability. In this new environment it is important for law enforcement to understand how criminal groups (including terrorists) are using new online capacity and then be able to adapt their own systems to counter the emergence of cyber offending. ASEAN Regional Forum Counter-Terrorism and Transnational Crime processes have focused a number of inter-sessional meetings on this emerging threat.

Security in the Pacific Islands region has long been recognised as a vital prerequisite for sustainable development. It has also become a significant area of the Pacific Islands Forum's work in recent years. New Zealand has been closely involved

in responding to regional security issues, through bilateral aid programmes to build capacity, the Forum's Regional Security Committee and through working with regional law enforcement agencies.

# 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 in 2009 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 working with our ASEAN partners to realise 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 and 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 and the ASEAN Defence Ministers Meeting Plus process.

#### 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, training for criminal justice officials; 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 counterterrorism 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 95 countries that acts as a bulwark against proliferation activity around the globe. New Zealand's participation in PSI, including its membership of the Operational Experts Group (the PSI steering committee) and participation in exercises and capacity building initiatives, 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 80 GICNT partners to preventing nuclear or radiological material falling into the hands of terrorists. Terrorist groups have threatened to use 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 security.

#### Disarmament

New Zealand welcomes the recent announcement by Indonesia of its intention to move towards ratification of the Comprehensive Nuclear-Test-Ban Treaty. As an Annex 2 state, Indonesia's ratification is important to bringing the Treaty closer to entry into force. Further CTBT ratifications by ARF states, both Annex 1 and Annex 2, would be an important signal of the importance of the Treaty to regional and global security.

New Zealand is also pleased that the Convention on Cluster Munitions will enter into force on 1 August 2010, and that Lao PDR will host the first Conference of States Parties in November. New Zealand encourages other ARF members who have not yet done so to ratify or accede to the Convention.

Negotiations are beginning in July 2010 on an international Arms Trade Treaty. New Zealand strongly supports an ATT based on establishing minimum standards applicable to all States, with a rigorous and transparent system of enforcement and monitoring. There is a compelling need to address the impact the illicit arms trade has on global and regional security, conflict, crime, terrorism and sustainable development.

The DPRK remains an ongoing regional and international security concern. The conclusions reached by the international investigation into the sinking of the ROK naval vessel, the Cheonan, constitute a serious and unprovoked challenge to peace and security on the Korean Peninsula. The torpedo attack follows on from the provocative rocket launch and nuclear test conducted by the DPRK in 2009 which were significant steps backward for non-proliferation and global nuclear disarmament efforts in the region. New Zealand continues to urge the DPRK to focus on dialogue and align itself more closely to international norms and expectations.

#### Peace Support

New Zealand is engaged in peace support missions in eleven 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 as the security situations have improved.

The Regional Assistance Mission to Solomon Islands (RAMSI) continues to play a key part in maintaining security and stability in Solomon Islands, while the Mission's civilian programmes help the Solomon Islands Government (SIG) to rebuild the machinery of government and foster economic governance and growth. The mission has a strong focus on local capacity development. In 2009, the Solomon Islands Parliament adopted the SIG/RAMSI Partnership Framework Agreement, a strategic work plan to guide RAMSI's ongoing presence in Solomon Islands.

New Zealand contributions to RAMSI include policy, military, police, inland revenue and justice support. The New Zealand Ministry of Foreign Affairs and Trade provides two staff to RAMSI, including the Deputy Special Coordinator. New Zealand also maintains a substantial bilateral development assistance programme.

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). While the present security situation in Timor-Leste is encouraging, there remains potential for instability. 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.

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 Bamyan 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.

# Confidence Building and Preventive Diplomacy

At the ARF's outset it was envisaged that the forum would move from a confidence building phase to one of preventive diplomacy and finally conflict resolution as part of its evolution. While many confidence building measures have been undertaken, the ARF has yet to reach its potential with "preventive diplomacy". In December 2009 New Zealand, in partnership with Indonesia, co-sponsored a meeting of 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. The subsequent EEP on Preventive Diplomacy was endorsed by the ARF Senior Officials in May 2010 and will be drawn upon in the development of an ARF work plan on preventive diplomacy.

#### **Maritime Security**

In 2008, ARF 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 intersessional meetings (ISM) on maritime security. The first ISM meeting on maritime security was hosted by Indonesia in Surabaya from 5-6 March 2009. During 29-30 March 2010 New Zealand hosted in Auckland the second ISM on Maritime Security. The ISM built on previous discussions on maritime security, including on common perceptions of threats and challenges in maritime security; and agreed to support the development of an ARF work plan on maritime security. The ISM was held back to back with a meeting of the Naval Enhancement Study Group of the Council for Security Cooperation in Asia Pacific.

# **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 a regional disaster, the Voluntary Demonstration of Response on Disaster Relief, which was held in the Philippines in May 2009 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. Timing for this work has been delayed a little but the Ministry of Defence aims to complete the defence review by June 2010, and the Government has announced its intention to release the Defence White Paper by September 2010.

# 4.2 and 4.3: Information on Defence Budgets and Military Expenditure

New Zealand's total military expenditure in the year July 2008 to June 2009 was NZ\$2.044 billion, of which operating costs total NZ\$1.678 billion, procurement and construction NZ\$366 million, and research and development NZ\$8 million which are included in the operating costs.

#### Overview Of The Regional Security Environment

The Philippines has always viewed regional security from a holistic perspective to address both traditional and non-traditional security issues. It is within this premise that the Philippines supports various collective efforts to enhance the security architecture of the region. A strong and solid relationship between and among states in Southeast Asia and the Asia Pacific is therefore important to the Philippines.

One of the realities of Philippine Foreign Policy is that more and more of the foreign policy decisions of the Philippines have to be made in the context of ASEAN. This affirms its view that ASEAN is a cornerstone of the country's foreign and strategic policy.

The Philippines has been active in ensuring that a peaceful regional community emerges from ASEAN's cooperative efforts. In the wider Asia Pacific, the Philippines has constantly been working with its ASEAN partners in pursuing greater cooperation with other countries who share a major stake in the security of the region. This is very evident in the context of the ASEAN Regional Forum (ARF) where the Philippines, as one of the pioneering participants, actively encourages closer cooperation among the ARF's 27 participants, with ASEAN as the driving force.

The Philippines believes in the lasting value and relevance of the ARF in promoting and maintaining security in the region and beyond. The ARF is the principal venue for multilateral cooperation in discussing and responding to a wide range of security issues affecting both our individual and collective security.

It is imperative that ASEAN take the lead in finding ways for the region to bring in both old and emerging powers to the table and prevent tensions among them that would negatively impact on the region. There is also a need to continuously reinforce the ties that bind the Philippines with its neighboring states. It looks forward to the realization of the ASEAN Community which it sees as a major turning point in ensuring regional stability and security.

The Philippines has committed itself to be a reliable member of the community of nations. It will endeavor to harmonize national interests with international responsibilities. In the next few years, the Philippines will seek to further promote peaceful dialogues and interactions among nations, religions and civilizations.

#### Regional Issues

#### Situation in the South China Sea

The South China Sea presents an excellent opportunity for

comprehensive regional cooperation. The situation remains calm and stable with the main parties concerned, ASEAN and China, jointly working together to find lasting peace and stability.

The Philippines upholds the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC), a milestone document that underscores the commitment of ASEAN and China to maintain peace and stability in the SCS. The parties have agreed to engage in joint development efforts. ASEAN is working towards having greater cooperation with China in the crafting of the implementation of project guidelines. The conduct of the 4<sup>th</sup> ASEAN-China Joint Working Group on the Implementation of the DOC in April 2010 in Viet Nam paved a way where differences among the parties can be addressed.

# The Philippines places its faith in the DOC in enhancing cooperation in the South China Sea.

#### **Nuclear Non-proliferation and Disarmament**

The Philippines is committed to global and regional non-proliferation and disarmament efforts. This commitment was most recently demonstrated in the Philippines' successful Presidency of the 2010 Review Conference of the Nuclear Non-Proliferation and Disarmament Treaty on 3-30 May 2010 in New York. The Conference proved to be a crucial opportunity for the international community to make modest but genuine progress on the three pillars that together hold high the promise of a world free from nuclear weapons: nuclear disarmament, nuclear non-proliferation and the peaceful uses of nuclear energy.

With increasing demands for energy, more and more countries in East and South Asia are turning to nuclear energy as an efficient alternative to fossil fuels. Data from the World Nuclear Association indicates that there are currently 112 nuclear power reactors in operation, 37 under construction, and many more were proposed -- mostly in China, Japan, South Korea and India.

In Southeast Asia, where currently no ASEAN Member State possesses a nuclear power plant, some are looking toward developing their own nuclear power programs to address their respective energy concerns. These developments augur well for energy security in the region, with focus on the peaceful uses of nuclear energy and technology in the region, as embodied in the Southeast Asia Nuclear Weapon Zone (SEANWFZ) Treaty.

The Philippines also views the dual-use nature of nuclear technology and possible terrorist access to fissile materials increases the risk of nuclear proliferation as legitimate security issues.

The Philippines also highlights the discussions at the ARF Inter-Sessional Meeting on Non-Proliferation and Disarmament. It proves to be an important mechanism where participants can engage in productive and meaningful discussions to advocate a region and a world free from the threat of nuclear weapons.

#### The Korean Peninsula Issue

The Philippines views with concern the tensions in the Korean Peninsula. The sinking of a South Korean warship in the west coast of the Korean Peninsula in March 2010 invariably stoked tensions between Republic of Korea and the Democratic People's Republic of Korea. This situation affects regional peace and stability.

It would be in the region's best interest to promote a peaceful resolution of the issue. Also, any incidence that brings into the public mind the possibility of a nuclear stand-off needs to be resisted and, as such, it is vital that tensions be lessened and the problem be resolved immediately.

The Philippines joins ASEAN Member States in calling for all parties to resolve conflicts through various peaceful means available. The Philippines believes that a peaceful resolution of the tensions in the Korean Peninsula will be crucial to the region's over-all development, and continues to support the resumption of the Six-Party Talks as the appropriate mechanism and best way forward to achieve the denuclearization of the Korean Peninsula.

# National Security Environment Overview And Contributions To Regional Security

#### **Counter Terrorism and Transnational Crime**

The Philippines has been continuously cooperating with its neighbors and other states towards ensuring the safety and security not only of the county but the rest of Southeast Asia and the Asia Pacific as well. Towards these ends, it has partnered with other states in and outside the region to foster closer relationships among law-enforcement and support agencies.

The Philippines ratified the ASEAN Convention on Counter Terrorism and Transnational Crime (ACCT) in April 2010. The ACCT provides a framework for ASEAN to work together in addressing terrorism and transnational crime.

Within the ASEAN Ministerial Meeting on Transnational Crime (AMMTC) and Senior Officials Meeting on Transnational Crime (SOMTC), the Philippines is the lead shepherd of the SOMTC Working Group on TIP. The Philippines will play host to the 10<sup>th</sup> SOMTC to be held in October 2010 and looks forward to enhance further cooperation among ASEAN with its dialogue partners.

In the ARF, the Philippines notes the progress of the ARF Inter-Sessional Meeting (ISM) on Counter-Terrorism and Transnational Crime (CTTC) and its work plan. The Philippines plays a key role in the promotion of the biological security architecture of the region. It hosted the ARF Workshop on Biological Threat Reduction on 10-11 June 2009 in Manila, the first ARF activity in the area of biosecurity and bioterrorism. The ARF Workshop on Biorisk Management will take place on 28-30 September 2010 in Manila as a follow-up activity.

Reflecting the Philippines' commitment in the strengthening of the biological security architecture of the region is its role as a lead shepherd with the United States in the area of biosecurity and bioterrorism under the ARF Work Plan on Counter Terrorism and Transnational Crime.

Since 2002, the Philippines has entered into various memoranda of understanding, arrangements and agreements with Indonesia, Malaysia, China, Pakistan, Australia and New Zealand on combating transnational crime and cooperating in anti-terror activities.

The RP-Australia Counter Terrorism Capacity Building Project (CTCBP), which was implemented from 2004 to 2009, enhanced Philippine security personnel's skills in intelligence collection and management, intelligence exchange and collaborative operational response to terrorist activities.

The Philippines, in partnership with the United Kingdom has set up the RP-UK Crisis Management Assistance Program on Counter Terrorism (RP-UK CMAP) which ran from 2004-2009. The RP-UK CMAP was aimed at developing the capacity of Philippine law enforcement and other agencies in managing crises arising from terrorism and transnational crime.

# **Maritime Security**

In the field of maritime security, the Philippines participates in the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia (ReCAAP). An Information Sharing Center (ISC) was also launched in December 2006 to promote closer cooperation among the contracting parties, namely, ASEAN Member States, Bangladesh, China, India, Japan, Republic of Korea and Sri Lanka.

The Philippines also launched its own ISC in early 2010. The Philippine Coast Guard acts as the Philippines' focal point for the ReCAAP-ISC.

The Philippines and the European Union implemented the Philippine Border Management Project (PBMP) from 2005 to 2008. This contributed to the efforts of the Philippine Government to strengthen and enhance its border control

management capacity to better effectively manage migration in accordance with international norms and protocols. The project was managed in cooperation with the International Organization for Migration (IOM).

Cooperation in the area of maritime security in the region will be further deepened with the drafting of the ARF Work Plan on Maritime Security and the establishment of the ASEAN Maritime Forum which will have its inaugural meeting in July 2010 in Indonesia.

#### Measures against Terrorist Financing

The Philippines actively participates in efforts towards addressing money laundering and terrorist financing. It is a contributor to the Asia Pacific Group on Money Laundering and the Egmont Group, which is a forum for Financial Intelligence Units (FIUs) around the world to facilitate international cooperation.

The Philippines has concluded several mutual legal assistance (MLAs) treaties with the United States, Australia, Hong Kong, Switzerland, Spain and Republic of Korea. It is also a party to the ASEAN Treaty on Mutual Legal Assistance in Criminal Matters.

The Philippines acknowledges the need to separate terrorist financing as a separate crime. The Philippines has organized a special task force of prosecutors which works closely with the Anti-Money Laundering Council to help with the resolution of anti-money laundering cases.

The Philippines will continue to pursue closer cooperation with other states to combat terrorist financing. Internally, it is pursuing several initiatives to be at par with the rest of the world with regard to counter-terrorist financing activities.

#### Contributions to Non-Proliferation and Disarmament

The Philippines recognizes that the continued existence of nuclear weapons and the threat of their proliferation pose a great challenge to peace and security in the region and to the millions of Filipinos overseas. As President of the 2010 Nuclear Non-Proliferation Treaty (NPT) Review Conference (RevCon), the Philippines showed its commitment to make genuine progress on the three pillars that together hold high the promise of a world free from nuclear weapons: nuclear disarmament, nuclear non-proliferation, and the peaceful uses of nuclear energy.

The NPT is the cornerstone of the international nuclear disarmament and non-proliferation regime, and the review conference is held every five years to assess the operation and implementation of the Treaty. The Philippines was able to get all state-parties to agree to a 64-point action plan and to prepare for a 2012 conference on the Middle East which

would focus on the implementation of the 1995 Resolution in the Middle East and the establishment of a nuclear weapons free zone in that region.

The Philippines reaffirms the inalienable right of States Parties to the development, research, production and use of nuclear energy without discrimination and in conformity with the provisions of the Treaty and recognizes the key role of the IAEA in supporting its Member States in strengthening their national capacities in nuclear security. The Philippines remains committed to realizing the objectives of the Non-Proliferation Treaty in a comprehensive manner, and believes that the Comprehensive Test Ban Treaty (CTBT) provides a crucial complement to the NPT towards achieving nuclear disarmament and non-proliferation.

The Philippines therefore strongly supports the establishment of nuclear weapons-free zones and encourages the nuclear weapon states and other ASEAN partners to accede to the SEANWFZ Treaty. The Philippines believes that the only guarantee that nuclear weapons will never be used is through their total elimination in a verifiable and irreversible manner.

#### Disaster Relief and Management

The increasing frequency of natural disasters has enlarged the focus of the region on disaster relief and management cooperation. The Philippines welcomes regional initiatives which are focused to enhance our national and regional capacity to respond to disasters.

The entry into force of the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) on 24 December 2009 augurs well for disaster relief cooperation among ASEAN Member States. The Philippines, as Chair of the 15<sup>th</sup> ASEAN Committee on Disaster Management, is fully committed to ensure the operationalization of the AADMER Work Program (2010-2015), the Standard Operating Procedure for Regional Standby Arrangements and Coordination of Joint Disaster Relief and Emergency Response Operations (SASOP) and ASEAN Coordinating Center for Humanitarian Assistance on disaster management (AHA Center) in Jakarta.

The ARF Inter-Sessional Meeting on Disaster Relief has been very effective in encouraging ideas and cooperation. The ARF Work Plan on Disaster Relief also provides a very good direction of strengthening partnership to mitigate the effects of disasters in the region.

In May 2009, the Philippines co-hosted with the United States the Voluntary Demonstration Response on Disaster Relief (VDR), which was held in Metro Manila and Central Luzon. Several activities were held during the VDR to demonstrate possible cooperation efforts in responding to

disasters. The field demonstration can be replicated in other countries by developing concrete and tangible contributions to disaster relief.

The Philippines is committed to sustain its role in the area of disaster management in the ARF. The Philippines will make have a valuable contribution in the ARF Disaster Relief Exercise (DiREx) in Manado in March 2011. We have shared our experiences and expertise in organizing a multinational disaster relief exercise with the co-Chairs of the ARF DiREx, Indonesia and Japan.

#### Future Of The ARF

The Philippines will work in concert with other ARF participants to promote the objectives of the ARF, which are to foster constructive dialogue and consultation on political and security issues of common interest and concern; and to make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region, and ultimately establish conflict-resolution mechanisms.

The Philippines is encouraged by the enlarged focus of the ARF, and the proliferation of initiatives that aim to further strengthen our region's capacity to respond to various security challenges. The ARF Vision Statement has clearly set the vision of the ARF that by year 2020 ARF will build a region of lasting peace, stability friendship and prosperity. The Philippines would like the ARF to continue its efforts in promoting constructive dialogue and mutual understanding.

We share a positive outlook for the ARF by supporting efforts to strengthen its role in raising public awareness on security challenges, developing preventive diplomacy in priority areas, making the ARF an action-oriented mechanism, maintaining comprehensive approaches to security issues and encouraging greater participation by a broad spectrum of agencies and officials including defense and security.

In order to further realize this vision, the ARF adopted the ARF Hanoi Plan of Action to Implement the ARF Vision Statement at the 17th ARF in Hanoi. It is designed to help the ARF cooperation process become more action-oriented, so that it can effectively contribute to the regional cooperation for enduring peace and stability. It contains a set of policy guidance for the ARF to discuss concrete and practical actions including those agreed under various ARF work plans in several areas of cooperation.

# Toward this end, the Philippines seeks to undertake the following actions in cooperation with the participants of the ARF:

Under Disaster Relief, the Philippines will support practical and concrete ARF disaster relief exercise to harmonize regional cooperation in Disaster Relief and strengthen the interoperability of civilian and relief operations;

Under Counter Terrorism and Transnational Crime, the Philippines will promote further cooperation on regional biosecurity efforts by holding seminars and activities aimed at enhancing capacity-building, providing venue for productive discussions and establishing a network among experts. The Philippines is committed to carry its role as a lead shepherd in the area of biosecurity and bioterrorism under the ARF CTTC Work Plan;

Under Maritime Security, the Philippines will promote compliance and adherence to relevant international legal instruments and regional arrangements. It support efforts to promote awareness and develop concrete and effective regional responses to maritime security challenges within the framework of the ARF ISM on Maritime Security and the ASEAN Maritime Forum;

Under Non-Proliferation and Disarmament, the Philippines will implement measures to ensure the proper management of sensitive information in order to prevent illicit acquisition or use of nuclear material. It will also strive to improve its national criminal laws to ensure that adequate authority will be available to prosecute all types of cases of illicit nuclear trafficking and nuclear terrorism and commit to prosecuting these crimes to the full extent of the law; and

The Philippines will continue to support the ARF in ensuring regional peace and stability so that the region will be free from fear and threats and our peoples are able to live together in peace and harmony. The Philippines will work to enhance cooperation among Asian and Pacific states to propel the region forward.

# REPUBLIC OF KOREA

#### 1. Overview of the Regional Security Environment

The security environment of the Asia-Pacific region in 2010 remains complex and dynamic. Responsible for approximately 60% of the world GDP and 40% of international trade, the Asia-Pacific region has become a focal point of the global economy. At the same time, the potentials for instability seem to be inherent. With its defense expenditure amounting to roughly 61% of the world total, the region continues to face traditional and non-traditional challenges.

The Republic of Korea (ROK) attaches great importance to security cooperation in the Asia-Pacific region. Carrying forward President Lee Myung-bak's New Asia Initiative, the Korean Government aims to promote the region's peace and prosperity through actively participating in various regional mechanisms. The ROK is making active contributions to the ASEAN+3, EAS, ARF, ACD and APEC, as well as to the trilateral cooperation with China and Japan and to other international cooperative efforts. The ROK envisages a mutually supporting regional architecture where these frameworks can be harmoniously utilized, so as to lay foundation for a more stable security and prosperous economy of the region.

Despite the various efforts to foster cooperative ties and prosperity in the region, the Democratic People's Republic of Korea (DPRK) remains isolated from these endeavors for peace, defying international norms and refusing to abandon its nuclear ambitions. Indeed, the North Korean nuclear issue stands out as one of the most serious security concerns in the Asia-Pacific. The DPRK is the only country that announced its withdrawal from the NPT and conducted two nuclear tests, displaying complete disregard for international norms and obligations. The 2010 NPT Review Conference, in which 189 nations participated, declared that the DPRK cannot have the status of a nuclear weapons state in accordance with the NPT in any case. The Conference also strongly urged the DPRK to fulfill the commitments under the Six-Party Talks, including the complete and verifiable abandonment of all nuclear weapons and existing nuclear programs in accordance with the September 2005 Joint Statement, and to return, at an early date, to the NPT and to its adherence to the IAEA safeguards agreement.

The ROK Government remains firmly committed to resolving the North Korean nuclear issue through the Six-Party Talks, and has worked closely with the parties in the Six-Party Talks in order for the DPRK to realize that the pursuit of nuclear capabilities will not guarantee its security and that its strategy of gaining concessions through provocations will no longer work.

Nevertheless, the DPRK has been escalating tensions on the Korean Peninsula through its military provocations. On 26 March, the DPRK perpetrated an armed attack against the ROK Navy ship, the Cheonan (PCC-772), which was on a routine patrol in the territorial waters of the ROK, 2.5 kilometers off the southwestern coast of Baekryong Island. The attack resulted in the sinking of the 1,200-ton ROK corvette, leading to the deaths of 46 ROK servicemen on board.

The attack by the DPRK was substantiated in the investigation conducted by the Joint Civil-Military Investigation Group (JIG) of the ROK, with the participation of international experts from Australia, Sweden, the United Kingdom and the United States, and the Multinational Combined Intelligence Task Force (MCITF) comprised of the ROK, Australia, Canada, the United Kingdom and the United States. Based on material evidence obtained through a scientific and objective investigation, it was determined that the sinking was caused by an underwater explosion of a torpedo made in the DPRK. The investigation results further established that additional conclusive evidence point overwhelmingly to the conclusion that the torpedo was fired by a North Korean submarine. This corroborates that the DPRK is responsible for the armed attack.

The armed attack by the DPRK against the ROK Navy ship is a flagrant violation of the UN Charter, the 1953 Korean Armistice Agreement, and the 1992 Agreement on Reconciliation, Non-aggression, and Exchanges and Cooperation between the South and the North. As such, the armed attack by the DPRK constitutes a threat to peace and security on the Korean Peninsula and beyond. The ROK and the international community share the conviction that there must be an appropriate response to the DPRK's armed attack in order to deter the recurrence of any further provocation by the DPRK. Therefore, the ROK referred the matter to the UN Security Council on 4 June 2010.

The sinking of the Cheonan has significant implications for the security of the Korean Peninsula. Although the ROK's commitment to the denuclearization of the DPRK remains unchanged, at this juncture, the ROK cannot continue its efforts to resume the Six-Party Talks as if nothing had happened. After the necessary measures to respond to the Cheonan incident have been taken, the ROK will consult with the other parties on the future course of action toward the denuclearization of the DPRK.

#### 2. National Security and Defense Policy

# a. Overview of national security and defense policy

#### i. ROK's National Defense Objectives

The ROK sets the defense objectives as follows: defending the nation from external military threats and invasion; upholding the peaceful unification; contributing to regional stability and world peace. The specific meanings of these objectives are as follows:

First, defending the nation from external military threats and invasion signifies protecting the country not only from North Korea's existing military threats but also from all potential threats. In particular, North Korea's conventional military capabilities, nuclear tests, WMDs, and forward military deployment pose serious threats to our national security. Second, upholding peaceful unification means contributing to 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 neighboring countries in accordance with the ROK's national stature and security capabilities. The ROK also seeks to proactively participate in the international community's efforts to maintain the world peace, including UN peacekeeping efforts.

# ii. Basic Directions of the National Defense Policy

In order to achieve the national defense objectives, the Ministry of National Defense of the Republic of Korea defines eight basic directions of the national policy: intensifying its capabilities for comprehensive security; developing the ROK-US alliance; advancing defense capabilities; supporting promotion of peace on the Korean Peninsula; fostering specialized armed forces; fostering an advanced and pragmatic defense operation system; enhancing military personnel's welfare; and improving an image of a trustworthy military.

First, the ROK aims to intensify its capabilities for comprehensive security. The ROK military is poised to respond immediately to any conceivable military threat or aggression and maintains a firm defense posture that can deter war provocations from the enemy. It endeavors to attain a technology-intensive military structure and reinforce state-of-the-art defense capabilities. In addition, on the

basis of the ROK-US combined defense system, the ROK military maintains vigilant response system to address military threats including extensive provocation by North Korea. Further, in order to cope with the newly emerging threats such as international terrorism and natural disasters, the ROK military is bolstering the comprehensive defense posture between the civilian, public and military sectors.

Second, the ROK continues to pursue a creative development of the ROK-US alliance. Since the signing in 1953, the ROK-US Mutual Defense Treaty has been playing a pivotal role for maintaining peace and stability of the Korean Peninsula. As wartime operational control will be transferred from the ROK-US Combined Forces Command to the ROK Joint Chiefs of Staff by April 2012, the two countries will build a strong combined defense system to deter war and assure absolute victory on the Korean Peninsula. The ROK military is also making efforts to provide a more stable environment for the US forces stationed in the country and promote mutual confidence to consolidate the ROK-US alliance.

Third, the ROK aims to advance defense capabilities by promoting force structure reforms for the future strategic landscape and expanding defense cooperation with other countries. In order to actively cope with changing security environments, the ROK military will reorganize its structure to deter future wars and pursue the state-of-art information and scientific force based on intelligence and knowledge. It also aims to forge more cooperative mechanisms with countries in Northeast Asia and beyond, and actively participate in multilateral defense dialogues. Its contribution to the international cooperation includes the peacekeeping operations of UN and MNFs.

Fourth, the ROK military intends to provide supports to promote a structure of peace on the Korean Peninsula. With the aims to develop mutual prosperity and ease the tension in inter-Korean relations, the ROK military will continue to make efforts to ensure exchange and cooperation with North Korea, and prevent armed conflicts therein. It will also pursue inter-Korean arms control to sustain the military stability of the region and provide military supports for building a new structure of peace.

Fifth, the ROK aims to foster specialized armed forces in various areas, while also promoting diversity of military personnel by increasing civilian and female workers. The ROK military continues to develop a systematic and constant defense training system for talented personnel.

Sixth, the ROK military pursues fostering an advanced and

pragmatic defense operation system by rationalizing its resource management, maintaining the reasonable allocation of the defense budget, and innovating defense informational environment.

Seventh, the ROK aims to boost morale and promote the welfare of soldiers by improving barrack facilities and living environment. It is also upgrading the quality of life of military personnel by developing an advanced medical service system and running an independent military pension system for soldiers.

Last, the ROK military intends to establish an image of the armed forces that is trusted by its people, by improving the barrack culture and system on military service, protecting and promoting safety and interests of the people, guaranteeing public participation and disclosing the information on main defense policies.

#### b. Data contribution to ARF Arms Register

- i. Total defense expenditure on annual basis
  - 1) Defense expenditure: US\$ 29 billion
  - 2)Defense expenditure as a percentage of Gross Domestic Product (GDP): 2.77%
  - 3) Defense expenditure per capita: US\$ 500

# 3. National Contributions to Regional Security

#### i. Counter-terrorism

It is the firm position of the Korean Government that terrorism cannot be tolerated or justified under any circumstances. Acting on this principle, the ROK has been strengthening its counter-terrorism capacity at the domestic level, while actively participating in the international and regional efforts as well. These efforts include enhancing law enforcement, strengthening the international system to prevent the spread of WMDs into the hands of terrorist groups, and addressing conditions conducive to the emergence of terrorism and the spread of terrorist ideologies.

At the international level, the ROK is faithfully implementing its obligations under the relevant UN Security Council and General Assembly resolutions, as well as the UN Global Counter-Terrorism Strategy. It is a party to the twelve counter-terrorism conventions and protocols, and is recently promoting the ratification of the International Convention

on the Suppression of Acts of Nuclear Terrorism. It is also supporting the early adoption of the Comprehensive Convention on International Terrorism.

The ROK is also making various efforts against terrorism on the regional sphere. After co-chairing the 7<sup>th</sup> ARF Inter-Sessional Meeting on Counter-Terrorism and Transnational Crime in Hanoi in May 2009, the ROK hosted the 2<sup>nd</sup> APEC Cyber Terrorism Seminar in Seoul in November 2009. It is currently seeking ways to operate the ARF Virtual Meeting of Experts on Cyber Security and Cyber Terrorism (VME) in a more affective manner, which it jointly launched with the Philippines in May 2009.

On the other hand, the ROK has been carrying out a number of bilateral consultations on counter-terrorism with approximately 20 countries and international organizations, including France, Germany, the EU and Belgium in October 2009, the United States in December 2009, the Philippines and Australia in March 2010, and Japan in June 2010. These consultations will serve as a platform for information sharing and policy coordination.

In addition, the Korean Government strives to address the conditions that may be conducive to the spread of terrorism. It has been contributing to the regional and international efforts to enhance inter-cultural and inter-religious dialogues aimed at addressing intolerance and extremism and at fostering mutual understanding and a culture of peace. In this connection, the Korean Government is actively participating in the Alliance of Civilizations, an UN-sponsored international initiative, as a member of its Group of Friends.

Meanwhile, the ROK has been providing training for the capacity-building of the countries vulnerable to terrorism, and increasing its development assistance for the eradication of poverty. In particular, the Korean Government has been carrying out the establishment of a Korean Provincial Reconstruction Team (PRT) in Afghanistan and plans to initiate the mission in July 2010. This PRT will put forward reconstruction projects, including administrative capacity-building, health and medical care, education and training, and rural and agricultural development.

# ii. Non-proliferation, Counter-proliferation, Arms Control and Disarmament

The proliferation of weapons of mass destruction (WMDs) and their means of delivery pose growing threats to international peace and security, which require the concerted efforts of the international community. Faced with the DPRK

nuclear problem in particular, the Korean Government is actively participating in the global efforts to strengthen the international non-proliferation regime.

Recently, the ROK actively participated in the 1st Nuclear Security Summit (NSS) in April 2010 and the 8th NPT Review Conference in May 2010. Most importantly, it was decided that the ROK will host the next NSS in 2012. By hosting the 2012 NSS, the ROK aims to contribute to enhancing the security of nuclear materials around the world and to preventing nuclear terrorism.

The ROK has also been promoting cooperation with the UN. It hosted the 8<sup>th</sup> UN-ROK Joint Conference on Disarmament in Jeju in November 2009, under the theme of NPT 2010: Prospects for a New Era of Progress on Disarmament and Non-Proliferation. In preparation for re-tabling the biennial UN resolution on preventing and combating illicit brokering activities at the 65<sup>th</sup> General Assembly in 2010, the Korean Government is working together with the UNIDIR on a research project to keep the momentum going and to further advance the international discussion on the issue of brokering.

As a key member of major multilateral WMD-related initiatives, the ROK is further expanding its participation in global endeavors. In May 2009, the ROK joined the Proliferation Security Initiative (PSI) with a view to participate more actively in the efforts to prevent the proliferation of WMDs and their delivery system and to strengthen cooperation with other PSI partners through the exchange of information and experience. Since 2004, the Korean Government contributed more than US\$ 10 million to the G-8 Global Partnership (GP) programs, including the dismantlement and decommissioning of Russia's nuclear submarines, the installation of radiation detection facilities along the Ukrainian border, and the enhancement of security and safety in the bioscience laboratories in Afghanistan. In 2009, the Korean Government participated in the Global Initiative to Combat Nuclear Terrorism (GICNT), and, in particular, in April, hosted an Exercise Planning Group meeting and a workshop on the current progress in detection and response to the illicit trafficking of nuclear and radioactive materials.

#### iii. Transnational Crime

The Korean Government attaches great importance to consolidating and further strengthening regional cooperation in combating transnational crime. The ROK attended the 3<sup>rd</sup> Bali Regional Ministerial Conference on People Smuggling, Trafficking in Persons and Related Transnational Crime in

April 2009, as well as the 4th ASEAN+3 Ministerial Meeting on Transnational Crime in November 2009 and the 8th ARF Inter-Sessional Meeting on Counter-Terrorism and Transnational Crime in April 2010. Through these meetings, the Korean Government reaffirmed its strong support for countering transnational crimes and intensifying the cooperative efforts therein.

As for information sharing and intelligence exchanges in drug crimes, Korea Customs signed Mutual Customs Assistance Agreements with 25 countries and regularly holds mutual cooperative meetings. In 2010, Korea Customs is to host the National Contact Points Meeting with the World Customs Organization/Regional Intelligence Liaison Office for Asia and the Pacific (WCO/RILO AP). The Meeting aims to promote information exchange and strengthen cooperation among 29 countries in the Asia-Pacific region and international organizations, including INTERPOL and UNODC, for the prevention of customs fraud, including the illegal transaction of narcotics.

The ROK also contributed to the successful implementation of the Workshop on Enhancing Cyber Crime Investigation Capacity of ASEAN Law Enforcement Agencies in Indonesia in November 2009. In addition, it is currently carrying out the ROK-ASEAN Knowledge Transfer Program on Narcotics Crimes with various ASEAN member states, including Laos in 2007, Cambodia and Vietnam in 2008, the Philippines in 2009, and Indonesia in 2010.

# iv. Humanitarian Assistance and Disaster Relief

With approximately 30 percent of the natural disasters and three-quarters of the deaths in the world occurring in Asia, the region has proven 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 disaster management capacity-building of the countries prone to natural disasters, and supporting the emergency response efforts of the United Nations.

With the goal of assisting the overseas disaster relief, the ROK provided approximately US\$ 7 million to 22 developing countries through bilateral and multilateral channels in 2009. As for January 2010 earthquakes in Haiti, the Korean Government provided US\$ 2.5 million for emergency response and pledged an additional US\$ 10 million for recovery and reconstruction efforts. It also supplied US\$ 2 million for the post-earthquake relief in Chile in February and US\$1 million for China in April 2010.

The Korean Government also carried out 3 grant projects and 4 training programs under the auspice of the Korea International Cooperation Agency (KOICA), as well as 7 loan projects of the Economic Development Cooperation Fund (EDCF). These projects and programs are intended to increase disaster prevention and preparedness in the developing countries of the ARF.

As a member of the UN OCHA Donor Support Group (ODSG), the ROK has been making contributions towards the international disaster relief efforts. The Korean Government offered US\$ 3 million in aid to the UN Central Emergency Response Fund (CERF) in both 2009 and 2010. It also supported the Consolidated Appeals Process (CAP) with US\$ 3.4 million in 2009. The ROK hopes that its financial assistance will contribute to addressing urgent and chronic humanitarian issues.

#### v. Maritime Security

Being the sixth largest maritime power in the world, the ROK has key interests in ensuring the safety of the Sea Lines of Communication (SLOC), and places great importance on the maritime security off the coast of Somalia and in the Straits of Malacca and Singapore.

In regard to fighting against the piracy off the coast of Somalia, the ROK acted as one of the co-sponsors to the five relevant UNSC resolutions from 2008 to 2009. It provided US\$ 50,000 to the IMO Diibouti Code Trust Fund in November 2009 for supporting regional capacity-building. The ROK is also one of the 24 founding members of the Contact Group on Piracy off the Coast of Somalia (CGPCS), and will be hosting the 7th CGPCS meeting in late 2010. In addition, the ROK has dispatched an anti-piracy unit, Cheonghae, to the Gulf of Aden since March 2009, which is comprised of a destroyer, an anti-submarine helicopter and 300 personnel. The Cheonghae unit has been participating in the Combined Task Force (CTF) 151, a multinational navel task force to counter-piracy under the command of the Combined Maritime Forces (CMF). It has also been serving as a commander of the CTF-151 from April to August 2010.

On the Straits of Malacca and Singapore, the ROK has been contributing its annual technical cooperation fund of 100 million Korean Won (approximately equivalent to US\$ 100,000) to the ReCAAP Information-Sharing Center since April 2008. It also signed an MOU with the Aids to Navigation Fund (ANF) for improving navigation safety, and has been annually providing 100 million Korean Won to the ANF since November 2009.

# 4. Role of the ARF

# a. National contributions to enhance the ARF and regional security

Along with Thailand, the ROK co-hosted the 4th ARF Peacekeeping Experts Meeting in Bangkok on 11-12 March 2010. The Meeting served as a meaningful opportunity to review the current trend of peace operations, which are moving beyond the traditional PKO. Various activities in post-conflict peace-building, humanitarian assistance and disaster relief operations were discussed, and the need to strengthen civil-military coordination and participation of civil experts and regional entities were also underlined.

The ROK also participated in various ARF initiatives in the inter-sessional year of 2009-2010, including its participation in every Inter-Sessional Meeting, conveying its views on the Voluntary MCDA Model Arrangement and the HADR Strategic Guidance, and contributing to the drafting of the Hanoi Plan of Action to Implement the ARF Vision Statement. The Korean Government also plans to take part in the next ARF disaster relief exercise (ARF DiREX) scheduled for March 2011 in Indonesia, willing to participate in various MEDCAP and ENCAP projects as well as USAR exercises.

# b. Future of the ARF

As a unique inter-governmental forum for multilateral security in the Asia-Pacific region, the ARF continues to play an essential role in promoting peace and stability in the regional architecture. Since its establishment in 1994, the ARF has facilitated dialogues among many different countries, by providing them with opportunities to freely exchange their views on various security issues. Such discussions have enabled ARF participants to enhance familiarity and reduce potential tension, and eventually led them to a higher level of trust and confidence on traditional security issues. In the meantime, the ARF has also been carrying out its own confidence-building measures over new security challenges of non-traditional and transnational nature, including natural disasters, terrorism and transnational crime. The ARF has developed its Inter-Sessional Meetings in the four areas of importance, namely, disaster relief, counter-terrorism and transnational crime, maritime security, and non-proliferation and disarmament, along with a great number of workshops, seminars, and joint operations. Most noticeable of all was the ARF Voluntary Demonstration on Response on Disaster Relief (VDR) in May 2009, the first-ever field exercise in the ARF that proved its potential for evolving into a more actionoriented forum.

The Korean Government is also delighted to witness the institutional progress of the ARF, including the adoption of the ARF Vision Statement, various Work Plans and Working Method Paper. The forum is about to publish its Plan of Action for implementing the Vision Statement in July this year, aiming to facilitate more concrete and action-oriented activities for promoting peace and stability in the region. 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.

# THE RUSSIAN FEDERATION

# 1. The Situation in the Asia-Pacific Region in the Global Context

The Asia-Pacific region is the most rapidly developing area in the world, where the centre of the global financial, economic and innovative development has actually shifted to. Today, the region accounts for 60% of the world GDP, about a half of the volume of international trade and around 40% of cumulative investments.

The global financial and economic crisis not only has become a serious trial for the region, but also has revealed tremendous potential of the Asia-Pacific. The countries of the region intensified efforts towards coordination of their economic policy, implementation of joint measures to ensure financial, energy, food and environmental security. Due to the timely steps taken at the national and regional levels the economy of the Asia-Pacific region overcame recession earlier than other regions.

The interdependence of the countries of the region is increasing and the trade liberalization and regional economic integration are accelerating. The process of forming a network of overlapping free trade zones and multilateral mechanisms of economic cooperation is underway in the Asia-Pacific, and their further strengthening constitutes a main vector of the contemporary regional development.

Objectively from these progressive processes a truly polycentric international system is emerging in the Asia-Pacific region. It has become increasingly evident that the region requires a full-fledged security architecture based on an adequate legal framework that would regulate norms of conduct of the Asia-Pacific states in military and political field, and efficient mechanisms of interaction in the field of security, dispute settlement and preventive diplomacy. It is necessary to establish a regional order that would allow not only to prevent and settle the conflicts, but also to stimulate cooperation.

Obviously, attempts to ensure one's own security at the expense of the security of others by forming closed military blocks are useless. In this regard, Russia stands for establishing in the Asia-Pacific an open, transparent and balanced architecture of security and cooperation relying on collective basics, norms and principles of the international law, equality and mutual respect with due regard for legitimate interests of all the states of the region.

# 2. Overview of Security Threats and Challenges in the Asia-Pacific

Despite efforts of the Asia-Pacific states to strengthen regional security, they still face serious regional and bilateral challenges which require constant attention. These challenges include international terrorism, extremism, drug trafficking, piracy, territorial disputes, ethnic and religious conflicts.

The situation on the Korean Peninsula, which has severely deteriorated after the Cheonan corvette of the Republic of Korea's Navy was blown up in the Yellow Sea on 26 March, is still a cause of grave concern. The international community should take adequate measures, showing restraint, with a view to prevent further escalation of tension and preserving peace, security and stability on the Korean peninsula and in the region as a whole.

Resolving the nuclear issue of the Korean Peninsula remains a major outstanding task. In this context, it could be useful to restart the Six-Party Talks that while having certain weak points, nevertheless played an important role in maintaining control over the situation and resolving the emerging problems by political and diplomatic means.

Russia is committed to political and diplomatic settling the issue of the Iranian nuclear programme. For that reason the Russian side has supported UN Security Council Resolution 1929 imposing sanctions on Iran which sends an important signal of the international community that Teheran must fully comply with the requirements of the previous Security Council resolutions as well as the decisions of the IAEA Board of Governors and to start restoring confidence towards its nuclear programme. It would address existing concerns and confirm the exclusively peaceful nature of its nuclear programme while strictly observing Iran's legitimate right for peaceful use of atomic energy.

Massive drug production and terrorist activities of extremists in Afghanistan are still among the destabilizing factors threatening all members of the international community. It is our understanding that the Afghan drug threat, characterized by mutual support between terrorists and drug criminals, has become global, so counteracting it requires increased coordination of international efforts. Measures to combat the IRA drug industry should be comprehensive and use all means of suppressing this criminal business, including eliminating crops, destroying drug-related infrastructure, stopping drug-related financial flows, marking precursors, arresting drug lords and putting them on the sanctions list of the UN Security Council.

Persistent disputes on the ownership rights with regard

to the islands and water areas in the South China Sea are fraught with potential conflicts. Russia supports efforts made by the states involved in this territorial dispute in order to find political and diplomatic solutions that would enhance security in Southeast Asia and the Asia-Pacific region as a whole.

# 3. Military Policy of the Russian Federation

The main tasks of the Russian Federation's military policy are defined by the President of the Russian Federation in accordance with the federal laws, National Security Strategy of the Russian Federation by the year 2020 and the Military Doctrine.

Guided by the new National Security Strategy approved on 12 May 2010, the Russian Federation intends to achieve the goal of preventing global and regional wars and conflicts, avoiding confrontations and new arms race, building its national defense on the principles of rational sufficiency and efficiency including methods and means of non-military response.

The Military Doctrine of the Russian Federation approved by the decree of the President of Russia on 5 February 2010 is one of the key documents of strategic planning in the Russian Federation and represents a system of views officially adopted by the state regarding the preparations for the military defense and the military defense of our country as such. In the Doctrine the President of the Russian Federation identified military dangers and military threats to Russia, main tasks of the national military policy, main tasks for the Army and other forces in the times of peace, direct threat of aggression and war, main priorities and tasks of military-political and military-technical cooperation of the Russian Federation with foreign states.

In accordance with that Doctrine, the Russian Federation maintains its Army and other forces in the state of alert on order to deter and prevent military conflicts, guarantee military defense of the state and its allies in accordance with the norms of international law and international agreements signed by Russia.

Preventing nuclear military conflict as well as any other military conflict is our country's highest priority.

The Russian Federation is engaged in military-political and military-technical cooperation with foreign countries, international and regional organizations basing on foreign policy and economic expediency and in accordance with

the federal laws and international agreements of the Russian Federation.

Our military doctrine also reflects the commitment of the Russian Federation to use political, diplomatic, legal, economic, environmental, information, military and other instruments for defending national interests of the state and its allies.

# 4. Fight against International Terrorism and Transnational Crime in the Asia-Pacific

Despite the efforts of the international community the level of terrorist threat in the world remains high. It becomes network and manifests itself at three levels – global, regional and national. Al-Qaeda is still the biggest world threat which is the main ideologist of "global jihad against the infidels".

At the same time, various radical extremist organizations existing in the Asia-Pacific maintain their potential and are ready to use terror to achieve their political goals. For instance, several countries of the region still have training camps for militants, well-established channels of illegal migration and smuggling, growing traffic in drugs and arms, and active maritime piracy.

Despite the losses incurred due to counter-terrorist operations, the terrorist cells in the Asia-Pacific not only remain active but even managed to recover its strength and structure.

Today, most countries in the region, including Russia, make best efforts to develop comprehensive, multilateral and regional cooperation in countering non-traditional threats and challenges, primarily terrorism, considering these efforts a key element of stability and security in the region.

In this respect, the Russian side reaffirms its commitment to the central and coordinating role of the UN in addressing international terrorism and other non-traditional challenges and threats, and its preparedness to closely cooperate in implementing the United Nations Global Counter-Terrorism Strategy, relevant resolutions of the UN Security Council and implementing the norms of universal anti-terrorism instruments.

It is becoming increasingly important to counter propaganda of terrorism and its ideology, develop inter-cultural and inter-civilizational dialogues and prevent incitement of ethnic or religious hatred by terrorists. Engaging the potential of civil society, religious, business and media circles is one of

priorities of comprehensive efforts to prevent international terrorism.

Russia views the dialogue partnership of Russia and the Association of Southeast Asian Nations (ASEAN), with its Senior Officials Meeting on Transnational Crime (the 5th SOMTC + Russia was held in July 2009 in Yangon, Myanmar) and the Joint Working Group on Counter Terrorism and Transnational Crime (JWG), as a key framework for strengthening regional collaboration in countering terrorism and other non-traditional security threats and challenges in the Asia-Pacific, including international information security. Thus, the ASEAN-Russia Work Plan on countering terrorism and transnational crime was adopted.

On 28-30 April 2010 the 8<sup>th</sup> ARF Inter-Sessional Meeting on Counter-Terrorism and Transnational Crime (ISM CTTC) co-chaired by Russia and Brunei Darussalam was held in Bandar Seri Begawan. It was focused on international information security and protection of critical infrastructure. The outcomes of the meeting were approved at the ARF SOM in Da Nang in May 2010.

The Asia-Pacific Economic Cooperation (APEC) forum which provides for effective promotion of specific anti-terrorism initiatives is another priority for Russia. The collaboration within the APEC Counter Terrorism Task Force (CTTF) contributes to the development of international anti-terrorism cooperation helping to strengthen security in this region. The Russian side intends to further closely collaborate in order to advance in the CTTF the issues of countering the use of ICTs for terrorist purposes.

Russia attaches great importance to building up the capabilities of the Collective Security Treaty Organization to address non-traditional threats and challenges to sustainable development of the region, building capacity of the Collective Rapid Response Forces, elaborating the modalities of their engagement in combating terrorist and drug threats originating from the Afghan territory, and seeks to provide for uninterruptible implementation of the international anti-drug operation "Channel" in order to establish anti-drug and financial security belts around Afghanistan.

A key issue for us is strengthening counter-terrorism collaboration through the Shanghai Cooperation Organization and its Regional Anti-Terrorist Structure (RATS), and consistent implementation and improvement of existing legal framework of the Organization in the field of countering non-traditional threats and challenges. Russia is determined to further give meaningful substance to the work

of the SCO RATS and engage observer states. Large-scale counter-terrorist exercises carried out through this structure enhance the counter-terrorist collaboration and bring it to a completely new level.

# 5. Nuclear Non-Proliferation in the Asia-Pacific

The Nuclear Non-Proliferation Treaty (NPT) continues to provide the foundation for strengthening the non-proliferation regime in the Asia-Pacific region offering an instrument for eliminating all emerging proliferation risks and challenges.

Russia stands for a sustained advancement of the Asia-Pacific states towards establishment of a proliferation-resistant architecture of international cooperation in the area of peaceful use of nuclear energy based, in particular, on effective instruments to verify the observance of non-proliferation obligations under the NPT and on multilateral approaches to the nuclear fuel cycle. Priority should be given to strengthening the IAEA verification potential, including through the adoption of the Additional Protocol to the IAEA Safeguards Agreement as a single universally recognized standard for verifying the NPT compliance.

An urgent task facing the Asia-Pacific nations is finding a way to stop the spread of sensitive technologies directly related to the production of weapons-grade nuclear materials while at the same time accommodating the legitimate interest of many countries of the region in the development of nuclear energy. It is, in particular, one of the objectives of the Russian initiative to create a Global Nuclear Power Infrastructure and international centres offering nuclear fuel cycle services.

All Asia-Pacific states should be involved in the disarmament process based on the principle of equal security for all and on a number of simple and straightforward conditions allowing for the progress towards a "global zero". They include, among others, settlement of regional conflicts, elimination of factors encouraging states to acquire and retain nuclear weapons, verifiable cessation of piling up conventional weapons, including an attempt to make up for the reductions in nuclear arsenals, ensuring viability of key disarmament and non-proliferation instruments and prevention of the deployment of weapons in outer space.

We attach great importance to the UN Security Council Resolution 1540 on non-proliferation of weapons of mass destruction considering it as a key multilateral instrument in this field. Its full implementation is of particular relevance to the Asia-Pacific region.

Significant results have been achieved recently in the area of nuclear disarmament, including, first of all, the conclusion of the Treaty between the Russian Federation and the United States of America on Measures for the Further Reduction and Limitation of Strategic Offensive Arms which was signed in April 2010.

# 6. Emergency Response in the Asia-Pacific

The Asia-Pacific region is vulnerable to almost all types of natural calamities. Floods, tsunamis, earthquakes, cyclones, landslides, typhoons, forest and ground fires are the most typical and dangerous for the region. Emergency statistics shows the increase in their frequency and the scope of impact, which can not always be liquidated through national capacities of the affected state.

The Ministry of the Russian Federation for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM of Russia) traditionally provides assistance to the Asia-Pacific states in the elimination of consequences of large-scale emergency situations. In particular, in response to the devastating earthquake in Indonesia in September 2009 the EMERCOM of Russia sent to the affected region its search-and-rescue group and the helicopter-borne hospital, as well as provided experts to work in the United Nations Disaster Assessment and Coordination Team (UNDAC). 740,000 USD were spent on that operation.

Furthermore, the EMERCOM of Russia provided an active humanitarian support to the DPRK, supplying 9.98 thousand tons of food in the framework of the joint project with the International Civil Defense Organization. On a bilateral basis it delivered by a special flight 25 tons of humanitarian goods (medicines, medical equipment, electric generators, tents, blankets and food) to the citizens of Sri Lanka, affected by an internal armed conflict, amounting to 1.02 million USD.

In order to develop international responses to huge disasters in May 2009 in the framework of the Shanghai Cooperation Organization Russia organized field training exercises with the participation of the emergency services of Russia, PRC, Kazakhstan and Tajikistan.

To address the threats of natural disasters it is necessary to enhance national capacities of the regional states in the prevention and liquidation of emergencies, including the systems of monitoring and catastrophe prediction, as well as improve the mechanisms of emergency mutual aid.

Therefore, Russia intends to render further aid to the Asia-Pacific states, affected by the emergency situations, as well as conduct humanitarian operations on a bilateral and multilateral basis.

We are ready to implement projects on sharing experience in establishing and operating national centers for crisis management in the framework of cooperation with ASEAN, as well as on a bilateral basis with the Asia-Pacific countries concerned, share best practices in forest and ground fires fighting within the framework of APEC, including holding special conferences and training courses.

In the near future Russia plans to improve international standards and national capacities in international response, support of the UNDAC and the International Search and Rescue Advisory Group (INSARAG) activities, including the international certification of the "Centrospas" team of EMERCOM of Russia with the INSARAG methodology in 2011. Based on that certification several Russian experts will join the INSARAG Certification Committee and in future will take part in the training and certification of search and rescue units of other countries, ensuring the propagation of best practices.

We deem it necessary to improve international legal framework of cooperation and mutual assistance. In this respect we plan to accomplish preparation of an intergovernmental agreement with India on cooperation in disaster relief and also to support the INSARAG Secretariat in the development of a draft international instrument, which would allow to provide on a priority basis the transit and the necessary facilities for the prompt arrival to the disaster zone and operation of the highly trained search and rescue teams, having the international INSARAG certification.

# 7. Multilateral Diplomacy Trends in the Asia-Pacific

A solid network of multilateral organizations and forums is gradually shaping in the Asia-Pacific – ASEAN, SCO, APEC, ARF, EAS, SAARC, RIC, CICA, ACD, SPF, etc. The activities of such interregional associations as BRIC, Asia-Europe Meeting (ASEM), the Asia-Middle East Dialogue, FEALAC, New Asian-African Strategic Partnership and others, is becoming more intense. Some of them establish interaction in the spirit of the network diplomacy as the one of the most effective ways to enhance security and cooperation in the region.

ASEAN is one of the core elements of the evolving security and cooperation architecture in the Asia-Pacific

concentrating multilateral structures with the participation of key regional players. Russia, in its turn, is ready to join different interaction formats, either existing, or evolving in the region. In this context, the Russian side welcomes Vietnam's initiative to launch the ASEAN Defense Ministers Meetings with Dialogue Partners, including Russia.

Russia considers the ASEAN Regional Forum as one of the pillars of the regional security architecture, remaining the main instrument of the dialogue on the regional peace and stability. The Forum will be further consolidated with the forthcoming adoption of the Hanoi Plan of Action to Implement the ARF Vision Statement, aimed at laying out specific and detailed measures of interaction among participating countries in combating non-traditional challenges and threats, the transfer from confidence-building measures to preventive diplomacy, developing the peacekeeping potential, and improving the Forum's working methods.

Network diplomacy will make it possible to give a new impetus to the activities of multilateral organizations and forums, significantly increase the effectiveness of their security measures. The region urgently needs to rethink the problems of regional security, develop new principles of their legal regulation, which would draw on the advantages of network links between the associations working to ensure peace and stability in the Asia-Pacific.

# SINGAPORE

## 1. Overview of the Regional Security Environment

General observations of contemporary regional security environment according to each country's security perspective.

The outlook for the Asia-Pacific region remains largely positive. The Asia Pacific economies are showing encouraging signs of recovery, despite some economic turbulence in other regions. The focus on economic cooperation and integration is encouraging and will help underpin regional peace and stability. On the political side, ASEAN Leaders, at their 16<sup>th</sup> Summit in April 2010 discussed how to engage the major powers in the evolving architecture, and how this can help promote stable relations among the major powers. On the whole, there are good prospects for long term political stability and economic growth in the Asia Pacific region. However, there remain several challenges which need to be carefully managed, such as terrorism, threats to maritime security, and tension in the Korean Peninsula.

The security and stability of the regional environment depend critically on stable relations among the major powers - the US, China, Japan and India. The US has given assurances of its commitment to engage the region. The inaugural ASEAN-US Leaders Meeting on 15 November 2009 in Singapore sent a strong signal of the US' interest to actively engage this region. The US-China relationship is underpinned by common interests in the economic, political and security spheres, and both sides recognise that they have to work with each other to preserve regional stability. China-India relations have gained momentum as both sides adopt a pragmatic approach in dealing with each other. There remain some contentious issues but both sides have chosen to focus on areas where they can work together, having come to the tacit recognition that there is more to be gained through cooperation instead of competition.

Although the general outlook is positive, tension in the Korean Peninsula has risen following the suspected involvement of the North in the sinking of the South Korean naval corvette *Cheonan*. The Six Party Talks remain important for defusing tension and the denuclearisation of the Korean Peninsula, but progress in the Talks will be hindered by the *Cheonan* incident. All parties should exercise restraint and refrain from provocative actions as conflict on the Korean Peninsula could cause major disruptions to the peace, stability and growth of the entire region.

The situation in the South China Sea continues to be stable. There have been positive attempts by ASEAN and China to move forward on the implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC). At the 4th ASEAN-China Joint Working Group on the Implementation of the DOC meeting in Hanoi in April 2010, both sides agreed that the DOC was one of the most important documents of the ASEAN-China relationship for building mutual confidence between China and the ASEAN countries and hence was important for the promotion of cooperation for peace and stability in the region. While there were some differences between ASEAN and China in the interpretation of the DOC Implementation Guidelines, efforts are underway to resolve the differences. At the same time, the US has reiterated its commitment to freedom of navigation through the South China Sea, and has urged all parties to observe international law and resolve their differences peacefully.

# 2. National Security and Defence Policy

- (a) Overview of National Security and Defence Policy
- Identify and briefly discuss national security and defence orientation, doctrine, and/or strategy
- (b) Data contribution to ARF Arms Register
- Provide all requisite information as per the following subcategories
  - (i) Total defence expenditure on annual basis
    - Defence expenditure
    - Defence expenditure as a percentage of GDP
    - Defence expenditure per capita

The Singapore Government is prepared to spend up to 6% of the country's GDP on defence. The Singapore Armed Forces (SAF) takes a steady and prudent long term approach to defence spending. It develops its capabilities in a systematic, prudent and disciplined fashion – selectively adding new capabilities using the most cost-effective solutions; extending the lifespan of current equipment by maintaining them well and upgrading where possible; and investing in networks and technologies to serve as force multipliers.

- (ii) Total number of personnel in national armed forces and its percentage in population (optional)
- Active (according to services, e.g. air force, navy, army, marines, special operation forces, etc)
- Reserve (according to services, e.g.: air force, navy, army, marines, special operation forces, etc)

The SAF has approximately 72,500 active personnel and 312,000 reserve personnel.

## 3. National Contributions to Regional Security

As a small country, Singapore's peace and prosperity are inextricably linked to the region's peace and stability. Hence, 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.

Singapore believes that regional security and stability are best served by having an open and inclusive security architecture with a network of strong bilateral relationships and multilateral forums and arrangements, through which Singapore can make its contributions to regional defence and security cooperation. As such, Singapore actively participates in forums and arrangements such as ASEAN, the ASEAN Regional Forum (ARF), Shangri-La Dialogue (SLD), the Five Power Defence Arrangements (FPDA), the ASEAN Defence Ministers' Meeting (ADMM), and the ADMM-Plus (to be inaugurated in October 2010).

The agreement concluded at the 4<sup>th</sup> ADMM in May 2010 to establish the ADMM-Plus was the outcome of a 4-year journey to realise an idea mooted by then Malaysian Defence Minister Najib Razak, during the inaugural ADMM in Kuala Lumpur in May 2006, for the ADMM's external engagement. Building on this idea, the 2<sup>nd</sup> ADMM held in November 2007 in Singapore adopted a Concept Paper on the ADMM-Plus, which outlined the objectives and broad parameters for the ASEAN defence sectoral's engagement of extra-regional countries. The 3<sup>rd</sup> ADMM adopted a paper entitled "ADMM-Plus: Principles for Membership" which provided a set of criteria for identifying the extra-regional countries which could be invited to participate in the ADMM-Plus.

Sustaining the momentum, at the ADMM Retreat in Bangkok in November 2009, ASEAN member states agreed that the ADMM-Plus would adopt an ADMM+X format, where "X" refers to the countries that are able to fulfil the ADMM-Plus membership criteria. In this regard, there was broad support for an ADMM+8 composition which would include Australia, China, India, Japan, New Zealand, ROK, Russia and the US. At the 16th ASEAN Summit in Hanoi in April 2010, there was also strong endorsement from the ASEAN Leaders for the convening of the ADMM+8 on a regular basis.

The discussions at the ADMM Retreat and the 16<sup>th</sup> ASEAN Summit paved the way for the 4<sup>th</sup> ADMM in Hanoi in May 2010 to adopt the paper entitled "ADMM-Plus: Configuration and Composition" which recommended the ADMM+8 as the format for the ADMM-Plus meetings. The 4<sup>th</sup> ADMM also adopted the paper entitled "ADMM-Plus: Modalities and Procedures". In addition, the 4<sup>th</sup> ADMM agreed that Vietnam would host the inaugural ADMM-Plus meeting in Hanoi in October 2010.

The establishment of the ADMM-Plus is a milestone in the evolution of the ASEAN defence sectoral, and underscores ASEAN centrality in the regional architecture. The forum offers a useful platform for the ASEAN member states and the "Plus countries" to have open and constructive dialogue on issues of common security interest. The ADMM-Plus also complements the ADMM and ASEAN Chiefs of Defence Informal Meeting (ACDFIM) for fostering closer practical cooperation among the militaries of member states to address non-traditional and transnational security challenges.

The Shangri-La Dialogue (SLD) is the only forum in the Asia-Pacific region where defence ministers, senior defence officials and military officers, and defence and security experts meet regularly to discuss the important security issues of the day. The 9th SLD, held in Singapore from 4 to 6 June 2010, saw useful discussions on the Korean Peninsula crisis, the evolution of the regional security architecture, and ways of strengthening regional security partnerships in transnational and nontraditional areas. Delegates from 28 countries attended the 9th SLD, including 23 Ministerial-level participants. At the Ministerial Luncheons hosted by Singapore on the sidelines of the Dialogue, the Ministers discussed the situation in the Korean Peninsula, the progress of multinational reconstruction efforts in Afghanistan, and the key outcomes of the 4th ADMM. The Ministers also welcomed the establishment of the ADMM-Plus.

# (i) Counter-terrorism

ASEAN Leaders signed the ASEAN Convention on Counter-Terrorism at the 12<sup>th</sup> ASEAN Summit in Cebu. This is the first region-wide and legally-binding antiterrorism pact. Singapore has ratified this Convention. At the 7th ASEAN Ministerial Meeting on Transnational Crime, the ministers also unanimously endorsed the ASEAN Comprehensive Plan of Action on Counter Terrorism. Singapore is a firm supporter of the ASEAN response to terrorism and the instruments adopted by the ASEAN

Dialogue Partners to increase cooperation on counter terrorism. These include the ASEAN-China Memorandum of Understanding on Cooperation in the Field of Non-Traditional Security Issues and the Joint Declaration on Cooperation to Combat International Terrorism signed between ASEAN and various countries including Japan, the Republic of Korea, Australia, New Zealand, India, Pakistan, Russia, the United States and the European Union. Singapore has also worked with Dialogue Partners to promote information-sharing and capacity-building on counter-terrorism within ASEAN.

# (ii) Non-proliferation, Counter-proliferation, Arms Control and Disarmament

Singapore is committed to international non-proliferation efforts and supports measures that seek to bring about a more peaceful global environment through disarmament and the non-proliferation of weapons of mass destruction (WMD). Singapore endeavours to play an active and constructive role through various regional and international forums, such as ASEAN, the UN, its specialised agencies, and related organisations such as the IAEA.

Singapore takes seriously its international obligations under key international non-proliferation treaties and UNSC Resolution 1540 which calls on all UN member states to have effective domestic controls against the illicit trafficking of WMD items, their means of delivery, and related materials. Singapore has, since January 2003, put in place an enhanced export control system for strategic goods exported/transhipped/transiting through Singapore. In addition to controlling the export/transhipment/transit of goods and technology related to WMD, Singapore's Strategic Goods (Control) Act (SGCA) includes a catch-all provision, brokering controls, sharing of intelligence with other countries, and controls on the Intangible Transfer of Technology.

Singapore believes that enhanced international and regional cooperation is the way forward to combat the proliferation of WMD and their related systems. To this end, Singapore participates actively in various non-proliferation and counter-proliferation initiatives. Singapore is an active participant in the Proliferation Security Initiative (PSI) that aims to disrupt the proliferation of WMD-related material to states and non-state actors of proliferation concern. Unlike traditional multilateral initiatives, PSI is not restricted to the "lowest common denominator" among members, but instead encourages participation according to each state's ability. The PSI has gathered

significant momentum since it was launched in 2003 and enjoys broad-based support from 96 countries. Singapore is a member of the PSI's Operational Experts Group (OEG) and has hosted PSI exercises, the most recent of which was Exercise Deep Sabre II (XDSII) in October 2009. XDSII saw the participation of some 2000 personnel from 19 PSI-endorsing countries in the various components of the exercise.

As a major container port, Singapore takes its responsibilities for enhancing the security of sea-freight cargo movement seriously. Singapore was the first port in Asia to sign the Container Security Initiative (CSI) Declaration of Principles in September 2002. Singapore also participates in the Megaports Initiative under the US National Nuclear Security Administration's Second Line of Defence Programme. Singapore recently subscribed to the Global Initiative to Combat Nuclear Terrorism (GICNT).

In July 2009, Singapore, China and the US co-chaired the inaugural ARF Inter-Sessional Meeting (ISM) on Non-Proliferation and Disarmament (NPD). At the meeting, ARF countries discussed the implementation of UNSCR 1540 and shared experiences and best practices in their respective export control regimes. Singapore hosted the 2<sup>nd</sup> ARF ISM on NPD in July 2010, which focused on "Peaceful Applications of Nuclear Energy and Technology". To help in regional capacity-building, Singapore has also shared its experiences and the challenges it faced in implementing an export control regime. In January 2010, Singapore participated in the 17th Asian Export Control Seminar hosted by Japan, during which it gave a briefing on Singapore's export control regime and chaired the session on industry outreach.

Singapore strongly supports the work of the IAEA. The renaissance of nuclear energy has given a boost to the IAEA and its role as a standards-setting body for the safe and secure use of nuclear energy. In view of the nuclear terrorism threat, the IAEA's role in non-proliferation has also assumed greater importance. It is in this context that Singapore firmly supports the strengthening of the IAEA to ensure that it remains effective and capable of responding to new international security challenges. Singapore ratified the IAEA Additional Protocol in March 2008, and is working out the administrative details to join the IAEA's Illicit Trafficking Database.

As a state party to the Nuclear Non-Proliferation Treaty, Singapore considers the IAEA's three pillars of work – Safety and Security; Safeguards and Verification; and Science and Technology – as being complementary and of equal importance. Hence, Singapore supports the expansion of the IAEA's cooperation with member states in the technical, scientific and medical aspects of nuclear usage. Singapore believes that the right of States to access nuclear technology for peaceful purposes must be exercised in compliance with their non-proliferation obligations to ensure a peaceful and secure environment for the international community.

#### (iii) Transnational Crime

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 areas such as maritime security, terrorism, and cyber crime.

In line with the ASEAN Plan of Action to Combat Transnational Crime, Singapore has hosted four counterterrorism training workshops on aviation security, bomb/explosives detection, post-blast investigation and intelligence analysis. Singapore also hosted several workshops and seminars in the areas of combating cyber crime and international economic crime, such as the biennial Cyber Crime Investigation Workshop, Regional Cyber Crime Seminar, and the annual International Economic Crime Course, for law enforcement officers from countries such as ASEAN member states, Japan, South Korea, United States and France.

As a maritime nation, Singapore shares the concern of other maritime nations for ensuring the safety and security of sea lines of communications. Singapore supports multilateral efforts to combat the problem of piracy and armed robbery against ships in the region through its membership of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia (ReCAAP).

Singapore is committed to greater cooperation and consultation within ARF to formulate effective strategies to combat transnational crime. Singapore also welcomes the cooperation and support of international partners in combating these crimes in the region. Such regional and international cooperation is imperative for enhancing safety and security in the region.

# (iv) Humanitarian Assistance and Disaster Relief

The ARF Work Plan on Disaster Relief sets out a roadmap for disaster relief cooperation. The ASEAN Agreement on Disaster Management and Emergency Response (AADMER) came into force on 24 December 2009 and work is underway to fully operationalise the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Center) by the first semester of 2011. The AHA Center will also be establishing linkages and cooperation with other humanitarian centres in the region, including the United Nations Humanitarian Response Depot in Malaysia.

Together with Australia, Singapore has co-sponsored the ARF Disaster Relief Mapping Service, a voluntary geospatial data sharing and data mapping service that will help expedite the delivery of aid to disaster-stricken areas.

The 7<sup>th</sup> ASEAN Chiefs of Defence Informal Meeting (ACDFIM) that Vietnam hosted from 24 to 26 March 2010 has agreed to the proposal for Indonesia and Singapore to co-host a HADR table-top exercise (TTX) for ASEAN armed forces in 2011. The TTX will enable the ASEAN armed forces to familiarise themselves with each another's modus operandi and to identify capability gaps for development. This will enhance regional cooperation in HADR.

# (v) Maritime Security

Significant strides have been made over the past few years in developing regional cooperation in maritime security. Specifically, a consensus has emerged around the following three principles: first, the primary responsibility for the security of the regional waterways lies with the littoral states: second, the international community, including the user states and bodies like the IMO, have an important role to play; and third, new cooperative measures should be developed in line with international law and with full respect for national sovereignty. This consensus has enabled regional countries to move quickly from principles to cooperative action on the ground. For example, the concerted efforts by Indonesia, Malaysia and Singapore through the Malacca Strait Patrols (MSP), which comprise the Malacca Strait Sea Patrols (MSSP) and the "Eyesin-the-Sky" maritime air patrols, have helped to reduce the incidence of piracy in the Straits of Malacca and Singapore. Being an open arrangement, user states can participate in the Malacca Straits Patrols subject to the approval of the littoral states. Thailand joined the Malacca Straits Patrols in September 2008.

In addition to operational arrangements, information-sharing is also important for the timely detection of maritime threats and the coordination of responses. To this end, Singapore has established an Information Fusion Centre (IFC) at its Changi Command and Control Centre (C2 Centre). The IFC has been purpose-built as a maritime security information hub to collate and analyse information shared among an international network of partners, so as to facilitate timely and effective responses to maritime threats. A number of countries have stationed liaison officers at the IFC to facilitate tighter information-sharing and better coordination for timely and effective responses to maritime threats.

The regional maritime security situation has also improved due to efforts to enhance 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 agreement among governments that addresses piracy and armed sea robbery in Asia. The ReCAAP Information Sharing Centre (ISC) set up in Singapore in 2006 serves as a platform for information-sharing among member countries, and facilitates operational cooperation in responding to incidents of piracy and armed sea robbery in the region. Norway became the first non-Asian country to accede to ReCAAP in August 2009, and the Netherlands and Denmark are currently in the process of doing so. This is a testament to the success of ReCAAP as a model for regional cooperation in addressing piracy and armed sea robbery.

The integrity of the UN Convention on the Law of the Sea (UNCLOS) must be respected, and Singapore will continue to work with other "friends" of UNCLOS to protect its integrity and sanctity. UNCLOS is a carefully negotiated package that balances the interests of multiple stakeholders, and unilateral measures which do not conform to UNCLOS would compromise provisions on passage and overflight through maritime zones like straits used for international navigation, archipelagic sea lanes and Exclusive Economic Zones. Such unilateral actions could have serious implications for international shipping, and the economic and energy interests of the global community, as well as peace and security.

As a major maritime nation, Singapore has a key interest in the security of international sea lines of communications and shares the international community's deep concern over piracy in the Gulf of Aden and off the coast of Somalia. Hence, Singapore has contributed to the international counter-piracy efforts in the Gulf of Aden through its active participation in the Contact Group on Piracy off the Coast of Somalia (CGPCS) and the multinational Combined Task Force 151 (CTF 151). Under the ambit of CTF 151, Singapore deployed a SAF Task Group, comprising one Landing Ship Tank (LST) with two Super Puma helicopters embarked, to the Gulf of Aden from 24 April to 16 July 2009. Following the completion of Singapore's threemonth command of the CTF 151 from 20 January to 21 April 2010, Singapore will next deploy a second SAF Task Group, comprising a LST with two Super Puma helicopters embarked, to the Gulf of Aden from June to October 2010. Singapore will deploy a Fokker-50 Maritime Patrol Aircraft later in 2010 to assist in surveillance operations in the Gulf of Aden. Singapore will also take up the chairmanship of the CGPCS in 2011 after Turkey.

# (vi) Contributions to Multinational Stabilisation and Reconstruction Efforts in Afghanistan

Singapore recognises terrorism to be a transnational threat, and regards Afghanistan as being at the frontline of the global fight against terrorism. As such, Singapore has been making contributions that are useful and meaningful to the multinational stabilisation and reconstruction efforts in Afghanistan.

In 2009-2010, Singapore continued with SAF deployments by deploying a 6-man construction engineering team with the New Zealand Defence Force (NZDF) in Bamiyan province from May to November 2009 to supervise the construction of a paediatric and women's ward extension for the Bamiyan Provincial Hospital, as well as a security wall around the Bamiyan Provincial Administration building which houses the Governor's office. The SAF also deployed a 3-man team to Bamiyan from November 2009 to May 2010 to supervise the delivery of humanitarian assistance goods. A follow-on 6-man construction engineering team has been deployed to Bamiyan till October 2010 to supervise the construction of a comprehensive health clinic. As a continuation of Singapore's contributions to the Dutch-led field hospital in Tarin Kowt, Oruzgan province, the SAF deployed a 13-man medical team from December 2009 to March 2010. An 8-man surgical team was also deployed from April to May 2010. The SAF has also deployed a 21-man Weapon Locating Radar (WLR) detachment to Oruzgan since September 2009 to provide early warning of rocket attacks and enhance force protection for International Security Assistance Force (ISAF) personnel deployed there.

#### 4. Role of ARF

#### Future of ARF

The ARF was established to address regional security challenges by promoting dialogue, engaging in confidence-building measures, and developing preventive diplomacy and conflict resolution mechanisms. Since its formation in 1994, the ARF has moved beyond dialogue to more substantive cooperation, as confidence-building measures have led to higher comfort levels among its members.

The ARF's founding document, the ARF Concept Paper, outlined the gradual evolution of the ARF from Confidence-Building Measures (Phase I) to Preventive Diplomacy (Phase II) and eventually to Conflict Resolution (Phase III). The ARF Vision Statement, endorsed by the 16th ARF in 2009, charts out a vision for the ARF by 2020 and aims to make the ARF an action-oriented mechanism that is able to respond effectively to common challenges confronting the Asia Pacific region, through various measures such as strengthening the role of the ARF, intensifying confidencebuilding measures and developing feasible preventive diplomacy capabilities. The adoption of the Hanoi Plan of Action to Implement the ARF Vision Statement at the 17th ARF will be a key step in strengthening the ARF process. Given the broad agreement that the time is now ripe to move from Phase I to Phase II, the ARF has begun work on a Preventive Diplomacy Work Plan.

Cooperation has strengthened in various areas under the four ISM areas. On disaster relief, with the adoption of the Work Plan on Disaster Relief, there are plans to move towards the validation of the ARF Strategic Guidance for Humanitarian Assistance and Disaster Relief. The ARF Disaster Relief Mapping Service Initiative (DRMS), endorsed by the 16th ARF, will help to improve response time in the event of a disaster and will be displayed during the ARF Disaster Relief Exercise (DiREx) co-organised by Indonesia and Japan in March 2011 in Indonesia. Cooperation on the maritime security front is encouraging, given the mandate to draft the Work Plan on Maritime Security for the next inter-sessional year. In the area of counter terrorism and transnational crime, work has begun to implement the different priority areas of the Work Plan. In the area of non-proliferation and disarmament, Singapore hosted the 2<sup>nd</sup> ISM on Non-proliferation and Disarmament on 5-7 July 2010, which was co-chaired with China and the US. The ISM focused on peaceful uses of nuclear technology, developing national capabilities and confidence-building measures, and international cooperation and assistance programmes.h

## A. Overview of the Security Environment

#### Global Outlook

- 1. With the world characterized by ever increasing interdependence, many global issues or events in one region now have a potentially greater impact on the security and welfare of States and peoples in other regions. Coinciding with this trend has been the greater tendency for States to make use of multilateral mechanisms to address global challenges to international security and stability. As a result, States have a greater stake than ever in international cooperation to prevent or mitigate the impact of global challenges on the security and welfare of their peoples.
- 2. Against this backdrop of greater global interdependence and increasing reliance on multilateralism, the international security situation appears to be generally stable. Nevertheless, there are continuing challenges to international peace and security as well as to human security. Some of these challenges have resulted in the need for concerted international cooperation including peacekeeping operations. In this connection, Thailand will be joining the international community in contributing personnel this year to support the United Nations/African Union hybrid peacekeeping mission in Darfur. This is in addition to Thailand's ongoing participation to four UN peacekeeping missions in three continents.
- 3. Cross-border challenges, from terrorism to transnational crimes, such as illicit trafficking in small arms and light weapons to sea piracy, continue to create difficulties worldwide. Terrorist attacks and the development of new terrorist networks continue to pose threats. In human trafficking, more than half of the victims continue to be children while seventy percent of victims continue to be women. According to the World Drugs Report 2010, amphetamine type stimulants (ATS) has become a global issue with the current 30 to 40 million ATS users expected to exceed the number of opiate and cocaine users combined in the near future. With regard to illicit trafficking in small arms, non-state armed groups worldwide have been estimated to have a total of some 1.4 million small arms according to the Small Arms Survey 2010. Piracy attacks continue to affect global shipping, including Thai ships, in the Gulf of Aden and other areas.
- 4. Meanwhile, the threat of proliferation of weapons of mass destruction (WMD), technology and material continue to threaten global security giving rise to a number of UN Security Council resolutions to help address this threat. Enhanced international cooperation to address the multi-faceted nuclear issue comprehensively is reflected in the successful series of

- meetings including the 2010 NPT Review Conference, the Conference of States Parties and Signatories to Treaties that establish Nuclear Weapon-Free Zones (NWFZ) and Mongolia and the Nuclear Security Summit which should help contribute to attaining the goal of a world free of nuclear weapons.
- 5. Although the threats to food and energy security which peaked several years ago may have abated, these issues, in conjunction with poverty and the impacts of climate change, continue to pose challenges to countries and regions. These threats to "freedom from want" affect human security and, if unaddressed, can potentially lead to discord and instability. Efforts to close the global, regional and national development gaps and to undertake green growth thus remain important priorities for Thailand which endeavours to attain its Millennium Development Goals (MDGs) Plus and implement the Joint Declaration on the Attainment of the MDGs in ASEAN. Meanwhile, the sustained economic recovery in several regions combined with sustained economic growth in others, particularly in parts of Asia, have provided a global environment that is conducive to continued economic growth which remains an important factor in promoting international peace and security.
- 6. Propagation of extremism and hatred need to be addressed through concerted efforts to support respect for diversity and tolerance through initiatives such as Dialogue Among Civilizations and Inter-faith Dialogue.
- 7. The combination of greater global interdependence, the impact of many global issues on state and human security, and the rising trend of multilateralism have increased the value of cooperative security, based on a comprehensive security approach which is advocated in the ASEAN Charter.

# Regional Outlook

8. The Asia-Pacific has generally been free from major conflicts but it continues to face both traditional and non-traditional challenges to peace and security. Characterized by great diversity, the Asia-Pacific lacks an overarching institution and structure that can address the multi-dimensional challenges in the region. It is thus in the process of developing a regional architecture that can more effectively deal with these challenges.

# Outlook on Traditional and Non-Traditional Security Challenges

9. The increasing tensions on the Korean Peninsula are of concern especially with the continuing lack of progress in the Six-Party Talks and other incidents such as the regrettable

sinking of the ROK vessel Cheonan. These tensions will have an impact on peace, stability and efforts to achieve prosperity in the region. Restraint by all sides, the reconvening of the Six Party Talks and appropriate use of fora such as the ARF, which remains the only active fora other that the United Nations where concerned parties on the Korean Peninsula issue are all present, need to be pursued to rebuild trust and confidence. The fundamental goal remains the attainment of peace, stability and prosperity on a denuclearized Korean Peninsula.

- 10. There are also continuing border disputes and overlapping land and maritime claims between countries in the region which are being addressed in bilateral frameworks as well as other appropriate frameworks. While the overlapping claims issue in the South China Sea is a matter for the parties concerned, the implementation of the Declaration on the Conduct of Parties in the South China Sea (DoC) should be undertaken by ASEAN and China, in order to help promote peace, stability and prosperity in this area which straddles key sea lanes. In this connection, the re-activation of the DoC process is a positive development, emphasizing the importance of sustaining trust and confidence.
- 11. The recent trend of arms modernization in the region needs to be approached with transparency and on the basis of building trust and confidence -- an issue highlighted by several studies including that of the CSCAP Annual Regional Security Outlook of 2009 which focused on naval modernization. The trend of arms modernization in the region and its implications underscore the importance of developing an ASEAN Annual Security Outlook and other transparency measures for Southeast Asia.
- 12. Anti-personnel mines (APMs) have direct humanitarian consequences with its indiscriminate effect. 18 out of 27 ARF participants, including Thailand, have had casualties resulting from landmines in 2008 according to the Landmine Monitor Report 2009. Adequate preparation for the 10<sup>th</sup> Meeting of the States Parties to the Mine Ban Convention (MBC) in late 2010 will be important to addressing this challenge to human security.
- 13. The threat of proliferation of WMD, materials and technology to Southeast Asia and the wider Asia-Pacific region cannot be underestimated. This threat will become more salient with plans to develop nuclear facilities for peaceful purposes in Southeast Asia. A key goal of ASEAN is "to preserve Southeast Asia as a Nuclear-Weapon Free Zone and free of all other weapons of mass destruction", as stated clearly in the ASEAN Charter. The Southeast Asia Nuclear Weapons-Free Zone (SEANWFZ) Treaty, to which all ASEAN Member States are States Parties,

underscores the collective commitment to nuclear non-proliferation in the region.

- 14. Non-traditional security threats have always been an important part of the security picture in the region. With ASEAN committed to enhancing connectivity within the region that would be linked to East Asia and beyond, there is the potential for transnational crimes as well as cross-border challenges to increase unless appropriate safeguards are put in place. Thailand has identified non-traditional security challenges as one of the key threats facing the region in its national security policy. ASEAN has pledged to "respond effectively, in accordance with the principle of comprehensive security, to all forms of threats, transnational crimes and transboundary challenges" in its Charter.
- 15. The global challenge of transnational crimes has its impact on the Asia-Pacific. Trafficking in persons and illicit drugs continue to pose treats to the Asia-Pacific region. Some reports suggest that 3 out of every 1,000 people in the Asia-Pacific are victims of human trafficking. In Southeast Asia, amphetamine type stimulants (ATS) continue to pose the most significant threats with production and use still increasing. Another worrying trend is the continuing lack of sufficient victim care facilities. The region also continues to suffer from natural disasters with the Asia-Pacific being one of the regions most prone to natural disasters following the Tsunami in 2004 and Cyclone Nargis in 2008.

## **Emerging Regional Security Architecture**

- 16. Critical to Thailand's regional security outlook is its view of the regional security architecture. Several factors have influenced the shaping of the regional security architecture which is still evolving.
- 17. Key countries in the wider Asia-Pacific region are enhancing their engagement with Southeast Asia and with each other. Thus far, such interactions have produced cooperation rather than competition, thereby contributing to greater stability and more possibilities for prosperity.
- 18. With ASEAN becoming a Community by 2015 under the Charter and working to implement the ASEAN Political-Security Community Blueprint, ASEAN is reinforcing its efforts to be the driving force of ASEAN and ASEAN-centered frameworks of cooperation in the region, while working to strengthen its partnerships with Dialogue Partners and other external parties.
- 19. The consolidation of sub-regional cooperation frameworks and other regional arrangements which includes, inter alia,

ACMECS (Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy), the Greater-Mekong Sub-region (GMS), the Shanghai Cooperation Organization (SCO) and the Conference on Interaction and Confidence-Building Measures in Asia (CICA) are contributing to the development of trust and confidence as well as economic prosperity in the region.

- 20. There are also other arrangements dealing with security, from bilateral security arrangements to multilateral security arrangements, that have helped promote peace and security in the region.
- 21. These multiple frameworks and layers of cooperation interact with one another, forming the elements of an emerging regional security architecture. For such an architecture to be effective, however, it is essential for the architecture to be ASEAN-centered; be open, transparent and inclusive; and be based on existing frameworks of cooperation. In this connection, the ASEAN Regional Forum (ARF) remains a central pillar of the regional security architecture, supported by other ASEAN-centered arrangements such as the emerging ASEAN Defence Ministers' Meeting (ADMM) Plus and other arrangements.
- 22. This regional security architecture needs to be complemented with continuing 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 DoC.

## B. National Security and Defence Policy

# Overview of National Security and Defence Policy

- 23. Thailand's defence strategy serves the national security policy which is part of the overall Government Policy Statement announced to the Thai Parliament in December 2008. The national security policy aims to "strengthen and develop national defence capabilities in safeguarding the independence, sovereignty and territorial integrity of the state as well as in protecting the national interest".
- 24. To this end, Thailand pursues a national defence strategy that places emphasis on preventive measures and cooperation with friendly countries. In this connection, the National Defence Strategy of Thailand comprises six key elements. First, maintain solidarity and support for national interests amongst all Thais. Second, enhance defence 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 neighbouring 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.

- 25. The role of the Thai armed forces has been adjusted to focus on tasks other than preparations to defend the country in cases of armed conflict. The adjusted roles include missions in support of government policies such as assistance in the implementation of Royal Initiative Projects, elimination of drug trafficking as well as working with civilian agencies in addressing problems relating to irregular migration and smuggling, preservation of the environment and natural resources and other civic action programmes, all of which contribute towards enhancing human security in the region.
- 26. As part of the Royal Thai Government's policy of developing friendly ties with neighbouring countries as well as other countries and with a view to promoting trust and confidence, the Thai armed forces also seek to promote security cooperation with all countries at bilateral and multilateral levels on the basis of mutual respect and mutual benefit. Such cooperation will help promote amity, maintain neutrality, consolidate strength and prevent conflict.
- 27. Promoting further trust and confidence as well as enhancing capabilities for multi-national forces interoperability, including responses to disasters, peacekeeping and humanitarian assistance deployments, were some of the main goals of this year's Cobra Gold multi-national defence exercise in Thailand, which included the participation of Indonesia, Japan, Singapore, the Republic of Korea, Thailand and the United States. Many countries from the Asia-Pacific region were invited as observers.
- 28. Furthermore, in accordance with Thailand's policy to "promote Thailand's role in international peacekeeping under the framework of the United Nations," as emphasized in the Government's Policy Statement of December 2008, the Thai armed forces have engaged in 21 United Nations peacekeeping and other missions worldwide for several decades, serving in the Asia-Pacific, the Middle East and Africa, most recently in Darfur and the Sudan. Thailand has also established the Peace Operations Centre to help train Thai personnel for such peacekeeping missions and to develop cooperation on peacekeeping issues including capacity-building with other countries.
- 29. Thailand also supports enhancing regional cooperation on peacekeeping, especially amongst ASEAN Member States drawing upon the ASEAN Political-Security Community

Blueprint. Such regional cooperation was also pursued in the ARF context through the convening of the 4<sup>th</sup> ARF Peacekeeping Experts' Meeting in Bangkok with the Republic of Korea on 11-12 March 2010.

#### Defence Data

30. As part of Thailand's efforts to promote transparency with regard to defence policies, Thailand will be reporting in 2010 information of military matters including military expenditures for fiscal year 2010 in accordance with UN Resolution A/RES/64/22.

# C.National Contributions to Regional Security

## Counter-Terrorism

31. In the area 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." In combating terrorism, Thailand adheres to the framework provided by relevant Thai laws and respects human rights provisions in this regard.

32. At the global level, Thailand is committed to becoming party to all international conventions related to fighting terrorism. At present, Thailand is party to nine related conventions and is expediting its internal processes to enable the ratifying of the International Convention for the Suppression of Acts of Nuclear Terrorism and the accession to the Convention on the Physical Protection of Nuclear Material and its 2005 Amendment. Thailand also supports implementation of the UN Global Strategy to Combat Terrorism.

33. Thailand was one of the first ASEAN Member States to ratify the ASEAN Convention on Counter-Terrorism since 2008, works with ASEAN Member States to get full ratification of the Convention and looks forward to the implementation of the ASEAN Comprehensive Plan of Action on Counter-Terrorism as well as the ARF Work Plan on Counter Terrorism and Transnational Crime.

34. 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.

# Disarmament, Non-Proliferation and Peaceful Uses of Nuclear Energy

35. As a non-nuclear-weapon State (NNWS), Thailand adheres strictly to and supports the implementation of the NPT as well as the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC) and supports the universality of these treaties and conventions, particularly in Southeast Asia. Thailand likewise adheres strictly to and supports the implementation of the SEANWFZ Treaty as well as dialogue with the nuclear-weapon States in order to get them to sign the Protocol to the Treaty. The establishment of a WMD-free Southeast Asia is a key priority for Thailand and an integral element of a peaceful and prosperous Southeast Asia, with the ultimate goal being a world free of nuclear weapons and all other weapons of mass destruction.

36. Effective follow-up to the 2010 NPT Review Conference needs to be pursued through implementation of the Final Document of the 2010 Conference which emphasizes follow-on actions in all three pillars of the NPT in a balanced and non-discriminatory manner. Nuclear weapon-free zones (NWFZ) have an important role to play in supporting implementation of the NPT in all its aspects. Thailand's proposal for an enhanced coordination arrangement among the NWFZs and Mongolia was accepted at the Conference of States Parties and Signatories to Treaties that establish NWFZs and Mongolia held in New York in April 2010 as reflected in the Outcome Document of the Conference.

37. On nuclear non-proliferation, Thailand is expediting its internal processes in order to ratify the Additional Protocol to the Safeguards Agreement with the IAEA. In cooperation with the Preparatory Commission for the Comprehensive Test Ban Treaty Organization (CTBTO PrepCom), Thailand is home to two stations that are parts of the International Monitoring System to detect nuclear testing. National measures are continuously being strengthened to prevent terrorists from acquiring WMD. These and other measures have been reported to the United Nations Security Council in accordance with resolution 1540 and to the UN General Assembly in accordance with resolution 64/38 entitled "Measures to Prevent Terrorists from Acquiring WMD" last year.

38. Thailand is working to include dual-use items in its exportcontrol system and is part of the Megaports Initiative and the Container Security Initiative to prevent the smuggling of nuclear and radioactive materials. To strengthen international cooperation against nuclear terrorism, Thailand supports continuity in the Nuclear Security Summit process and has joined the Global Initiative to Combat Nuclear Terrorism as a partner nation.

39. Thailand sees value in closer cooperation among regulatory bodies in the region regarding peaceful uses under the NPT. As for Thailand's plans on the possible development of nuclear power plants, the feasibility studies on this matter are being finalized.

#### Transnational Crimes Illicit Drugs

- 40. Addressing the narcotic drug problem through enhanced cooperation with neighbouring countries and the international community is a key priority of the Royal Thai Government. With such cooperation, opium poppy cultivation in Thailand has dramatically decreased. Information sharing and intelligence exchange with friendly countries, including through the use of Border Liaison Offices, have helped suppress narcotic drug rings in Thailand and neighbouring countries.
- 41. To enhance intra-regional and extra-regional cooperation, Thailand has signed Memoranda of Understanding (MOUs) or agreements on drug control with Argentina, Poland, Peru, Cambodia, Vietnam, China, Myanmar, Lao PDR and Tajikistan, and is party to the 1993 Memorandum of Understanding between Cambodia, China, Lao PDR, Myanmar, Thailand, Viet Nam, and the UNODC. Thailand has been contributing 30,000 USD to the ASEAN and China Cooperative Operation in Response to Dangerous Drugs (ACCORD) annually. Furthermore, Thailand has vast experiences in alternative development under the implementation by the Royal Project and Mae Fah Luang Foundation and has extended cooperation and assistance to other countries including Afghanistan. Thailand is also ready to be a learning center on alternative development in the region.
- 42. Within ASEAN, Thailand will continue to work with Member States to implement the ASEAN Senior Officials' on Drugs (ASOD) Work Plan and realize the goal of ASEAN as a drugsfree region by 2015.

# Trafficking in Persons

43. Thailand has consistently been proactive in preventing and suppressing the problem of human trafficking. In 2009, Thailand made progress during the first year of implementation of the Anti-Trafficking in Persons Act B.E. 2551 (2008), which came into force on 5 June 2008. The law provides a broader definition on human trafficking, covers the whole dimension of

human trafficking, and imposes heavier penalties to persons involved with human trafficking. It also broadens the areas of cooperation and collaboration for all stakeholders in the issue.

- 44. Over the past year, Thailand has made extensive efforts in campaigning and raising awareness on trafficking in persons to the public at large, and to the at-risk groups in particular. In addition, capacity building of the relevant public and private agencies especially social workers and law enforcement officers throughout the country has also been undertaken regularly. In this connection, the Government also extended the period for nationality verification process for migrant workers in Thailand for another 2 years until the end of year 2011.
- 45. Regional and international cooperation has continuously been strengthened through MOUs between Thailand and a number of countries including Thailand's neighbours. ASEAN's effort in anti-human trafficking cooperation continues to be pursued including working towards a proposed ASEAN Convention on Trafficking in Persons, which was agreed to in principle by the ASEAN Senior Officials' Meeting on Transnational Crime (SOMTC).

# Small Arms and Light Weapons

46. Thailand supports international efforts to prevent and combat the illicit trade, proliferation, and trafficking of small arms and light weapons (SALW). We attach significance to the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in SALW (UN PoA) to promote the responsible actions of states to help prevent the illicit manufacture, export, import and transfer of the weapons. At the regional level, Thailand has consistently cooperated with ASEAN Member States to implement the UN PoA through the ASEAN Ministerial and Senior Officials' Meetings on Transnational Crimes (AMMTC and SOMTC) and ASEANAPOL.

# **Humanitarian Assistance and Disaster Relief**

- 47. As Co-Chair of the ARF Inter-Sessional Meeting on Disaster Relief, Thailand has been working with the U.S. as Co-Chair and ARF participants to develop an effective ARF-wide mechanism based on effective SOPs and standby arrangements that can help deal with disasters. Our objective also is to ensure effective coordination and synergy between these mechanisms and the emerging ASEAN disaster management mechanisms.
- 48. Such ARF mechanisms and arrangements will be supported by voluntary demonstration exercises and other instruments and tools developed by ARF participants. In this connection, Thailand will be co-chairing several activities to support disaster management cooperation including a workshop regarding legal

issues in China and a training module in Bangkok in 2010.

49. At the ASEAN level, Thailand actively promotes the quick operationalization of a small but effective ASEAN Humanitarian Assistance (AHA) Center, the effective mobilization of defence assets within the framework of the ASEAN Defence Ministers' Meeting (ADMM) to support humanitarian assistance and disaster relief (HADR), closer coordination between civilian and defence agencies in HADR and strengthening the role of the Secretary-General of ASEAN as humanitarian assistance coordinator for large scale disasters and pandemics.

## **Maritime Security**

- 50. Maritime security is an area of increasing concern for Thailand. Action has been undertaken in several areas such as Thailand's participation in the Malacca Straits Coordinated Patrols since 2008 and the Eyes in the Sky air patrols since 2009. Coordinated patrols have also been conducted a bilateral basis with a number of countries in the region. The results of such patrols have played a part in ensuring an absence of acts of piracy in Thailand's territorial waters and exclusive economic zone.
- 51. Support for enhanced maritime domain awareness is reflected in Thailand's active participation in the Regional Cooperation Agreement on Combatting Piracy and Armed Robbery against Ships at Sea in Asia (ReCAPP), where Thailand is currently serving as Chair of the Governing Board. This is supplemented by joint exercises with a number of ARF participants.
- 52. Thailand continues to participate actively in the ARF Inter-Sessional Meeting on Maritime Security and supports the establishment of an ASEAN Maritime Forum (AMF).

# D. Role of the ARF

- 53. Thailand supports and extends its cooperation to all ARF participants in making the ARF a central pillar in the evolving regional architecture a pillar that is responsive and effective in addressing the multi-dimensional challenges to peace and security in the Asia-Pacific region. This could be achieved through, amongst others, implementation of the ARF Vision Statement adopted at the 16<sup>th</sup> ARF in Phuket, Thailand, in 2009.
- 54. To this end, there are three general clusters of activities that the ARF should give particular emphasis in the next few years.
- 55. First is to promote the shaping and sharing of norms and

- habits of cooperation amongst ARF participants. Development of codes of conduct in issues of mutual interest, for example, would help encourage such habits of cooperation.
- 56. Second is to enhance trust and confidence and help prevent exacerbation of tensions through practical and feasible confidence building measures and preventive diplomacy. Enhanced transparency should be encouraged, beginning with participation of all ARF participants in a standardized ARF Annual Security Outlook. A realistic Work Plan on Preventive Diplomacy should be developed quickly and in a manner which can generate universal support within the ARF.
- 57. Third is to produce value-added cooperation in areas of shared interests such as disaster management. Sufficient resources as well as effective planning and coordination are prerequisites for a successful, results-oriented cooperation activity.
- 58. In terms of process, the ARF needs to undertake the following. First, it should encourage all participants to play an active part in the ARF process. Second, the ARF needs to find innovative ways to strengthen the ARF Unit so that it can more effectively service the expanding ARF agenda. Third, the ARF should continue to be open and consistent in its interaction with Track II organizations, such as CSCAP and ASEAN-ISIS, and regional/international organizations, such as the OSCE and the SCO, so that new ideas and fresh perspectives can always be considered.
- 59. One of the key challenges for the ARF will be how to define its role so that its core missions would not overlap with other security-related fora or arrangements in the region such as the envisaged ASEAN Defence Ministers' Meeting (ADMM) Plus. This challenge also applies to future peace and security mechanisms that may be developed in Northeast Asia and other parts of the Asia-Pacific. It would be incumbent on the ARF to ensure its continued vitality and value-added character so that the ARF would remain a central pillar in the evolving regional security architecture.

# UNITED STATES

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

# 1. Overview of the Regional Security Environment

As the Asia-Pacific's security landscape evolves, the United States remains committed to greater cooperation with countries in the region. While this year has seen positive steps towards this goal, some incidents of provocative behavior and the proliferation of nuclear and ballistic weapons have challenged regional stability. No single country can counter these challenges alone. Rather, a cooperative security effort will strengthen regional responses to security threats and countries working together with transparency and mutual trust will foster confidence in the bilateral and multilateral relationships.

The United States is dedicated to strengthening relationships with longtime allies and to developing partnerships with emerging powers in the region. The U.S.-Japan alliance has promoted cooperation on a wide array of security issues, leveraging the presence of U.S. forces to respond to security threats. Globally, we have worked together on issues such as climate change, nonproliferation, and the stabilization of Afghanistan. The U.S. alliance with the Republic of Korea (ROK) has deepened as we pursue the June 2009 US-ROK Joint Vision Statement to promote peace and prosperity in the region. We welcome President Lee's efforts to promote regional stability by doubling the ROK official development assistance budget, combating piracy off the Horn of Africa, and by contributing aid to international peace keeping operations in the Middle East. With Australia, the United States seeks to maintain a strong relationship, enhancing the alliance through greater cooperation on shared regional and global goals. Australia has focused on the global issues of climate change and the regional goal of the Trans-Pacific Partnership (TPP) agreement. The United States also has recognized the opportunities to work with our Southeast Asian allies, Thailand and Philippines, to address humanitarian and security concerns such as disaster relief and maritime security.

Beyond our alliances, the United States has developed partnerships with emerging powers. Recently, the United States engaged in its most important bilateral and comprehensive dialogues with China and India. At the Strategic and Economic Dialogue (S&ED) with China, we highlighted our shared interests in the region on such issues as addressing challenges posed by Iran and North

Korea and cooperating in new areas such as energy security. Similarly, the U.S.-India Strategic Dialogue also highlighted shared interests and the importance of India's input on regional and global topics. The United States also intends to strengthen this partnership on global security challenges like climate change. With Southeast Asian countries such as Indonesia, Vietnam, Singapore, and Malaysia, the United States has sought to enhance bilateral relationships with these emerging regional powers, including on security topics.

While our strengthened bilateral and multilateral relationships have enhanced stability, the current regional security environment also presents challenges such as the recent Cheonan incident, the proliferation of weapons of mass destruction (WMD), Burma, and dynamics in the South China Sea. On May 20, the ROK government released the results of the joint investigation into the March 26 sinking of the ROK navy corvette Cheonan, which claimed the lives of 46 ROK sailors. The objective and scientific investigation found overwhelming evidence that the Cheonan was sunk by a North Korean torpedo in an unprovoked attack. There are no plausible alternative explanations. The United States fully supports the ROK in its measured handling of, and response to, the Cheonan incident, including at the UN Security Council. The United States will continue to consult closely with the ROK, as well as with Japan, China, Russia, and other UN Security Council member states in order to develop an appropriate international response to North Korea's unprovoked attack and the threat that such provocative behavior poses to regional peace and stability. President Obama has directed U.S. government agencies to review their existing authorities and policies related to North Korea, in order to ensure that we have adequate measures in place, and to identify appropriate adjustments.

Despite North's Korea's provocative behavior, the United States remains committed to achieving the verifiable denuclearization of the Korean Peninsula and to implementation of the 2005 Joint Statement. North Korea must take concrete steps towards fulfillment of the 2005 Joint Statement, comply with international law, including UNSC Resolutions 1718 and 1874, cease provocative behaviors, and take action to improve relations with its neighbors.

The proliferation of WMD remains a destabilizing force in the region, threatening the security of every country. The United States remains committed to creating a world without nuclear weapons. President Obama's Nuclear

Security Summit held in Washington, which was attended by many ARF members, demonstrated the shared commitment of the international and regional community to reduce the threat of nuclear weapons. The Asia-Pacific region must still fully implement and cooperate UN Security Council Resolutions related to nonproliferation and disarmament.

We have expressed our concern to the Burmese senior leadership about its possible failure to implement UNSCRs related to North Korea. Burma's approach to this and regional questions about its possible nuclear program compound regional frustrations with Burma in other areas like human rights and democracy. The United States supports a unified, peaceful, prosperous, and democratic Burma. However, the United States remains disappointed with Burma's response to U.S. efforts for engagement. We fear that the upcoming elections will lack transparency, inclusiveness, and credibility, based on the actions the regime has taken to date. The region must remain committed to working with partners and allies to coordinate avenues to assist Burma in creating a better, more democratic, and internationally acceptable future for the nation.

Multilateral cooperation remains an important tool for ensuring stability and peace in the region. One such opportunity for greater regional cooperation is the South China Sea. The 2002 ASEAN-China Declaration on the Conduct of Parties helped to reduce tensions over territorial or maritime claims in the South China Sea. The United States supports this Declaration and the claimants' collaborative efforts to reduce tensions and reach a solution consistent with international law. The United States does not take sides on the competing legal claims over territorial sovereignty of the various land features in the South China. However, we urge claimants to conform all of their claims - land and maritime - to international law, including the UN Convention of the Law of the sea. We also oppose the use of force or coercion by any party and share the interests of the international community and other ARF members in regional stability, freedom of navigation, and the conduct of commerce in a lawful manner without harassment.

In addition to these challenges, global economic recovery, transnational crime like drug and human trafficking and terrorism, the situation in Afghanistan, Iran's pursuit of nuclear weapons, and climate change continue to threaten the regional and international stability. Many of these are transnational in nature and require concrete multilateral

and national responses from ARF members. Resultsoriented cooperation builds on our shared interests and has proven the best course of action for promoting peace and prosperity in the ARF region. The continued strengthening and growth of ARF's institutional capacity, enhanced bilateral and multilateral relationships, and burden-sharing efforts provide the best solution to these security concerns.

#### 2. National Security and Defense Policy

Global trends in the international security environment provide both challenges and opportunities for the U.S. defense policy. We aim to protect the American people and advance U.S. national interests by rebalancing U.S. military capabilities and reforming our domestic processes and institutions. To fulfill this strategy, the United States must prevail in today's conflicts, prevent and deter future conflicts, and prepare to defeat adversaries. As a nation currently at war, the United States remains committed to balancing current defense needs and preparing for the potential effects of important global forces and trends in the changing security environment.

The balance between current and future threats relies on strengthening U.S. defense capabilities and capacity. The current security environment challenges the United States to succeed in the Middle East and Central Asia while preserving the critical All-Volunteer Force. Beyond the current conflicts in Iraq and Afghanistan, the United States aims to prevent and deter future conflicts. Prevention of threat requires a combination of defense, diplomacy, development, and several critical tools of statecraft. These factors enable the United States to strengthen the capacity of allies and partners and to preserve stability. We must remain an active participant in world affairs with strong relationships with partners to pursue this preventative strategy. In addition to prevention, the United States should enhance its deterrence capabilities. In order to effectively deter conflict, we must understand potential threats and maintain the forces and skills necessary to respond to adversaries. If deterrence fails, the United States recognizes the necessity of being prepared to defeat adversaries with a wide range of contingencies. This objective requires that the United States to be capable of responding to a broad range of challengers that are likely to employ a mix of approaches and capabilities.

Employed effectively, these strategies will improve U.S. defense capabilities on several key issues related to

enduring global trends in the world. The United States remains cognizant of the shifting and more scattered distribution of global political, economic, and military power. The rise of countries like China, the most populous country in the world, and India, the largest democracy, serve as examples of the impact of these shifts on the landscape of the regional and international system. While the United States acts as a global power, it must also increase cooperation with other important actors in order to pursue common interests and achieve a secure international environment. Another area of focus remains the continued lowering of barriers for dangerous technologies, including WMD, their means of delivery, and associated items. Land, air, and naval forces operate as deterrents, but as technology evolves, the U.S. response must also evolve. Cyber and space capabilities, ballistic missile defense and counter-WMD capabilities, and the U.S. global power posture enhance those deterrent forces on the issue of dangerous technologies. Another area of concern for defense is the probable increasing frequency of chronically fragile states. These states present a defense challenge because they often foster the growth of radicalism and extremism. The United States should focus on preventing and deterring threats to America's national interests from these states. In addition to this challenge, environmental degradation, drug and human trafficking, cyber security, climate change, and economic distress remain concerns for the U.S. defense.

The U.S. defense strategy seeks to address all of these challenges by demonstrating a commitment to strengthening and reforming its capabilities and building relationships with partners and allies.

The Quadrennial Defense Review (QDR) provided a review of the strategies and priorities for the national defense policy. The 2010 QDR can be found at:

http://www.defense.gov/QDR/images/QDR\_as\_of\_12Feb10\_1000.pdf
Additionally, the Department of Defense publishes the National Defense Strategy which can be found at: http://www.defense.gov/home/features/2010/0510\_nss/index.html

# a. Data contribution to ARF Arms Register

- 1. Total defense expenditure on annual basis
  - a. Defense expenditure -

# Fiscal Year 2010 Defense Base Budget: \$533.8 Billion

| Current \$ in Millions                   | FY 2008 A | FY 08-09 | FY 2009 A | FY 09-10 | FY 2010 |
|--|-----------|----------|-----------|----------|---------|
|  |           |          |           |          |         |
| Total Obligational Authority (TOA)       |           |          |           |          |         |
| DoD - 051                                | 672,055   | -82,185  | 589,870   | -56,057  | 533,81  |
| Budget Authority                         |           |          |           |          |         |
| DoD - 051                                | 673,487   | -85,496  | 587,991   | -50,060  | 537,9   |
| Additional OCO Requests                  | -         | 75,829   | 75,829    | 54,171   | 130,0   |
| Delta OMB Rounding/Scoring               | 1,228     | -1,300   | -72       | -166     | -2      |
| DoE and Other                            | 21,553    | 8,319    | 29,872    | -4,785   | 25,0    |
| Fotal National Defense 050               | 696,268   | -2,648   | 693,620   | -840     | 692,7   |
| Dutlays                                  |           |          |           |          |         |
| DoD - 051                                | 594,599   | 25,999   | 620,598   | -40,900  | 579,6   |
| Additional OCO Requests                  | -         | 37,242   | 37,242    | 60,192   | 97,4    |
| Delta OMB Rounding/Scoring               | 57        | 7,090    | 7,147     | 806      | 7,9     |
| DoE and Other                            | 21,441    | 3,880    | 25,321    | 2,447    | 27,7    |
| Total National Defense 050               | 616,097   | 74,211   | 690,308   | 22,545   | 712,8   |
| Constant FY 2010 Dollars                 |           |          |           | '        |         |
| Total Obligational Authority (TOA)       |           |          |           |          |         |
| DoD - 051                                | 694,983   | -94,380  | 600.603   | -66,790  | 533,8   |
| Budget Authority                         |           |          |           |          |         |
| DoD - 051                                | 696,459   | -97,760  | 598,699   | -60.768  | 537,9   |
| Additional OCO Requests                  | -         | 77,210   | 77,210    | 52,790   | 130,0   |
| Delta OMB Rounding/Scoring               | 1,270     | -1.343   | -73       | -165     | -2      |
| DoE and Other                            | 22,288    | 8.128    | 30,416    | -5.329   | 25.0    |
| Total National Defense 050               | 720.017   | -13,765  | 706.252   | -13.472  | 692.7   |
| Outlays                                  |           |          |           |          |         |
| DoD - 051                                | 614,614   | 15,786   | 630,400   | -50,702  | 579,6   |
| Additional OCO Requests                  | -         | 37,830   | 37,830    | 59,604   | 97.4    |
|  | 59        | 7,201    | 7,260     | 693      | 7,9     |
| Delta OMB Rounding/Scoring               |           | 3,558    | 25,721    | 2.047    | 27,7    |
| Delta OMB Rounding/Scoring DoE and Other | 22.163    |          |           |          |         |

The base request funds noncontingency operational costs associated with the U.S. Army, Navy, Marine Corps, and Air Force, including ongoing operations in Iraq and Afghanistan. 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. The total National Defense budget is \$692.780 billion. The following information was found through the DoD National Defense Budget Estimates for FY2010. (http:// comptroller.defense.gov/defbudget/ fy2010/Green\_Book\_Final.pdf).

# b. Defense expenditure as a percentage of Gross Domestic Product (GDP)

The budget for national defense was 4.8% of GDP in FY 2010. This information was obtained from the DoD National Defense Budget Estimates for FY2010.

(http://comptroller.defense.gov/defbudget/fy2010/Green\_Book\_Final.pdf)

Table 7-7 (continuted): Defense Shares of Economic and Budgetary Aggregates – FY 1940 to FY 2010

Percentages of Indicated Totals

|                  |           |                     | % of Net Public Spending                          |                  | DoD as a % Public Employment |          |               |                              |                      |                  |     |
|------------------|-----------|---------------------|---|------------------|------------------------------|----------|---------------|------------------------------|----------------------|------------------|-----|
| Fiscal Year  DoD | % of Fede | ral Budget          | % of Net Public Spending<br>Federal State & Local |                  | Military & Civilian          |          | Civilian Only |                              | DoD as % of          | % of GDP         |     |
|                  |           |                     |   |                  | t I                          | Federal, | Federal       | Federal,<br>State &<br>Local | Total Labor<br>Force |                  |     |
|                  | DoD       | National<br>Defense | DoD National<br>Defense                           | State &<br>Local |                              | DoD      |               |                              |                      | Nation<br>Defens |     |
| 1975             | 25.5%     | 26.0%               | 13.9%   | 14.2%            | 61.6%                        | 18.2%    | 34.1%         | 6.6%                         | 3.3%                 | 5.4%             | 5.5 |
| 1976             | 23.6%     | 24.1%               | 12.8%   | 13.0%            | 60.8%                        | 17.6%    | 33.3%         | 6.3%                         | 3.2%                 | 5.1%             | 5.2 |
| 1977             | 23.4%     | 23.8%               | 12.5%   | 12.7%            | 60.2%                        | 17.0%    | 32.4%         | 6.0%                         | 3.1%                 | 4.8%             | 4.9 |
| 1978             | 22.5%     | 22.8%               | 12.1%   | 12.3%            | 59.6%                        | 16.6%    | 31.9%         | 5.9%                         | 3.0%                 | 4.6%             | 4.7 |
| 1979             | 22.8%     | 23.1%               | 12.4%   | 12.5%            | 59.6%                        | 16.1%    | 31.8%         | 5.6%                         | 2.9%                 | 4.6%             | 4.6 |
| 1980             | 22.5%     | 22.7%               | 12.5%   | 12.6%            | 59.8%                        | 16.1%    | 31.8%         | 5.6%                         | 2.8%                 | 4.9%             | 4.8 |
| 1981             | 23.0%     | 23.2%               | 13.1%   | 13.2%            | 60.8%                        | 16.6%    | 32.9%         | 5.8%                         | 2.8%                 | 5.1%             | 5.1 |
| 1982             | 24.7%     | 24.8%               | 14.3%   | 14.3%            | 61.6%                        | 16.9%    | 33.5%         | 5.9%                         | 2.8%                 | 5.7%             | 5.7 |
| 1983             | 25.4%     | 26.0%               | 14.8%   | 15.1%            | 61.9%                        | 17.2%    | 34.1%         | 6.1%                         | 2.8%                 | 6.0%             | 6.1 |
| 1984             | 25.9%     | 26.7%               | 14.8%   | 15.2%            | 62.0%                        | 17.1%    | 34.4%         | 6.1%                         | 2.8%                 | 5.7%             | 5.9 |
| 1985             | 25.9%     | 26.7%               | 14.9%   | 15.3%            | 61.2%                        | 17.0%    | 34.0%         | 6.2%                         | 2.8%                 | 5.9%             | 6.1 |
| 1986             | 26.8%     | 27.6%               | 15.2%   | 15.7%            | 61.6%                        | 16.8%    | 34.0%         | 6.0%                         | 2.7%                 | 6.0%             | 6.2 |
| 1987             | 27.3%     | 28.1%               | 15.2%   | 15.7%            | 61.3%                        | 16.7%    | 34.0%         | 6.0%                         | 2.7%                 | 5.9%             | 6.1 |
| 1988             | 26.5%     | 27.3%               | 14.8%   | 15.2%            | 60.1%                        | 16.0%    | 32.4%         | 5.6%                         | 2.6%                 | 5.6%             | 5.8 |
| 1989             | 25.8%     | 26.5%               | 14.4%   | 14.8%            | 60.4%                        | 15.8%    | 33.2%         | 5.7%                         | 2.6%                 | 5.5%             | 5.6 |
| 1990             | 23.1%     | 23.9%               | 12.9%   | 13.4%            | 59.2%                        | 15.0%    | 31.9%         | 5.3%                         | 2.5%                 | 5.1%             | 5.2 |
| 1991             | 19.8%     | 20.6%               | 11.0%   | 11.5%            | 58.4%                        | 14.7%    | 31.3%         | 5.2%                         | 2.4%                 | 4.4%             | 4.6 |
| 1992             | 20.8%     | 21.6%               | 11.3%   | 11.8%            | 56.5%                        | 13.8%    | 30.6%         | 5.1%                         | 2.2%                 | 4.6%             | 4.8 |
| 1993             | 19.8%     | 20.7%               | 10.5%   | 11.0%            | 55.1%                        | 12.9%    | 29.4%         | 4.7%                         | 2.1%                 | 4.2%             | 4.4 |
| 1994             | 18.4%     | 19.3%               | 9.7%  | 10.2%            | 54.0%                        | 12.2%    | 28.7%         | 4.5%                         | 1.9%                 | 3.9%             | 4.0 |
| 1995             | 17.2%     | 17.9%               | 9.0%  | 9.3%             | 52.6%                        | 11.4%    | 27.6%         | 4.2%                         | 1.8%                 | 3.6%             | 3.7 |
| 1996             | 16.2%     | 17.0%               | 8.4%  | 8.8%             | 53.2%                        | 11.1%    | 28.0%         | 4.0%                         | 1.7%                 | 3.3%             | 3.5 |
| 1997             | 16,1%     | 16.9%               | 8.3%  | 8.7%             | 52.8%                        | 10.7%    | 27.4%         | 3.8%                         | 1.6%                 | 3.2%             | 3.3 |
| 1998             | 15.5%     | 16.2%               | 7.8%  | 8.2%             | 51.9%                        | 10.2%    | 26.3%         | 3.6%                         | 1.6%                 | 3.0%             | 3.1 |
| 1999             | 15.4%     | 16.1%               | 7.7%  | 8.1%             | 51.0%                        | 9.9%     | 25.3%         | 3.4%                         | 1.5%                 | 2.9%             | 3.0 |
| 2000             | 15.7%     | 16.5%               | 7.8%  | 8.1%             | 50.1%                        | 9.6%     | 24.2%         | 3.2%                         | 1.5%                 | 2.9%             | 3.0 |
| 2001             | 15.6%     | 16.4%               | 7.6%  | 8.0%             | 51.0%                        | 9.4%     | 24.7%         | 3.1%                         | 1.4%                 | 2.9%             | 3.0 |
| 2002             | 16.5%     | 17.3%               | 8.2%  | 8.6%             | 51.4%                        | 9.3%     | 24.8%         | 3.1%                         | 1.5%                 | 3.2%             | 3.4 |
| 2003             | 17.9%     | 18.7%               | 9.0%  | 9.4%             | 51.1%                        | 9.3%     | 24.3%         | 3.0%                         | 1.5%                 | 3.6%             | 3.7 |
| 2004             | 19.0%     | 19.9%               | 9.5%  | 9.9%             | 51.3%                        | 9.3%     | 24.6%         | 3.0%                         | 1.4%                 | 3.8%             | 4.0 |
| 2005             | 19.2%     | 20.0%               | 9.6%  | 10.1%            | 51.0%                        | 9.1%     | 24.7%         | 3.0%                         | 1.4%                 | 3.9%             | 4.0 |
| 2006             | 18.8%     | 19.7%               | 9.5%  | 9.9%             | 51.2%                        | 9.1%     | 25.1%         | 3.0%                         | 1.4%                 | 3.8%             | 4.0 |
| 2007             | 19.4%     | 20.2%               | 9.7%  | 10.1%            | 50.3%                        | 8.9%     | 24.4%         | 3.0%                         | 1.4%                 | 3.9%             | 4.0 |
| 2008             | 19.5%     | 20.7%               | 9.9%  | 10.4%            | 49.7%                        | 8.6%     | 24.6%         | 3.0%                         | 1.3%                 | 4.1%             | 4.3 |
| 2009             | 16.3%     | 17.3%               | 9.0%  | 9.6%             | 49.9%                        | 8.7%     | 24.6%         | 3.0%                         | 1.3%                 | 4.6%             | 4.8 |
| 2010             | 15.8%     | 19.9%               | 8.0%  | 10.1%            | 48.9%                        | 8.7%     | 23.6%         | 2.9%                         | 1.3%                 | 3.8%             | 4.8 |

# 2. Total number of personnel in national armed forces and its percentage in population

- Active (according to services, e.g. air force, navy, army, marines, special operations forces, etc)
   There are 1,484,000 active members in the U.S. Armed Forces. This information was obtained from the DoD National Defense Budget Estimates for FY2010.
   (http://comptroller.defense.gov/defbudget/fy2010/Green\_Book\_Final.pdf)
- b. Reserve (according to services, e.g. air force, navy, army, marines, special operations forces, etc)

  The FY 2010 Base budget request supports the Department's Ready Reserve totaling 1.1 million members, and contributes 48 percent of the total military end strength. The Ready Reserve consists of the Selected Reserve (about 838,300), the Individual Ready Reserve about (250,000), and the Inactive National Guard (ING) (about

Table 7-5 (continued): DoD Manpower – FY 1940 to FY 2010

End Strength in Thousands

|             | ACTIVE DUTY MILITARY |       |        |           |           |          |  |  |
|-------------|----------------------|-------|--------|-----------|-----------|----------|--|--|
| Fiscal Year | Army                 | Maure | Marine | Air Force | Full Time | Total    |  |  |
|             | Army                 | Navy  | Corps  | Air Force | Gd & Res  | Military |  |  |
| 1980        | 777                  | 527   | 188    | 558       | 13        | 2,063    |  |  |
| 1981        | 781                  | 540   | 191    | 570       | 19        | 2,101    |  |  |
| 1982        | 780                  | 553   | 192    | 583       | 22        | 2,130    |  |  |
| 1983        | 780                  | 558   | 194    | 592       | 39        | 2,163    |  |  |
| 1984        | 780                  | 565   | 196    | 597       | 46        | 2,184    |  |  |
| 1985        | 781                  | 571   | 198    | 602       | 55        | 2,207    |  |  |
| 1986        | 781                  | 581   | 199    | 608       | 64        | 2,233    |  |  |
| 1987        | 781                  | 587   | 200    | 607       | 69        | 2,244    |  |  |
| 1988        | 772                  | 593   | 197    | 576       | 71        | 2,209    |  |  |
| 1989        | 770                  | 593   | 197    | 571       | 72        | 2,203    |  |  |
| 1990        | 751                  | 583   | 197    | 539       | 74        | 2,144    |  |  |
| 1991        | 725                  | 571   | 195    | 511       | 75        | 2,077    |  |  |
| 1992        | 611                  | 542   | 185    | 470       | 72        | 1,880    |  |  |
| 1993        | 572                  | 510   | 178    | 444       | 71        | 1,775    |  |  |
| 1994        | 541                  | 469   | 174    | 426       | 68        | 1,678    |  |  |
| 1995        | 509                  | 435   | 174    | 400       | 65        | 1,583    |  |  |
| 1996        | 491                  | 417   | 175    | 389       | 66        | 1,538    |  |  |
| 1997        | 492                  | 396   | 174    | 378       | 64        | 1,504    |  |  |
| 1998        | 484                  | 382   | 173    | 367       | 64        | 1,470    |  |  |
| 1999        | 479                  | 373   | 173    | 361       | 65        | 1,451    |  |  |
| 2000        | 482                  | 373   | 173    | 356       | 65        | 1,449    |  |  |
| 2001        | 481                  | 378   | 173    | 354       | 65        | 1,451    |  |  |
| 2002        | 487                  | 383   | 174    | 368       | 66        | 1,478    |  |  |
| 2003        | 499                  | 382   | 178    | 375       | 66        | 1,500    |  |  |
| 2004        | 500                  | 373   | 178    | 377       | 66        | 1,494    |  |  |
| 2005        | 492                  | 362   | 180    | 352       | 69        | 1,455    |  |  |
| 2006        | 505                  | 350   | 180    | 349       | 71        | 1,456    |  |  |
| 2007        | 522                  | 338   | 186    | 333       | 72        | 1,451    |  |  |
| 2008        | 544                  | 332   | 199    | 327       | 72        | 1,474    |  |  |
| 2009        | 532                  | 325   | 194    | 317       | 79        | 1,447    |  |  |
| 2010        | 547                  | 324   | 202    | 332       | 79        | 1,484    |  |  |

2,000). This information was found from the FY2010 Budget Summary Justification, which can be located at:http://comptroller.defense.gov/defbudget/fy2010/fy2010\_SSJ.pdf.

# 3. National Contributions to Regional Security:

The United States remains committed to promoting peace and stability in the region by contributing support and participating in a broad range of security activities. The United States specifically focuses on contributing to the following regional issues:

# i. Counterterrorism

The United States supports multilateral and regional efforts through programs designed to strengthen regional partners and allies and to engender continued regional cooperation on counterterrorism measures. One program focused on counterterrorism is the Anti-Terrorism Assistance Program (ATA). This program strengthens partner and ally capabilities in tracking and dismantling terrorist networks through the provision of training, equipment, and technology. Thai police and security officials have participated in a series of U.S. training programs sponsored through the Antiterrorism Assistance

(ATA) program. Thailand also hosted the Cobra Gold Joint-Combined Military Training Exercises. Peacekeeping, humanitarian assistance and disaster relief were first included in these exercises in 2008 as an additional safety measure for Southeast Asia.

Another way the United States supports counterterrorism measures in the region is through Foreign Military Financing (FMF). FMF also enhances capabilities through programs in the region that strengthen partner countries' ability to counter terrorist efforts. FMF programs focus on other issues such as military reform and assisting other U.S. objectives in the region. FMF will work in the Philippines to enhance counterterrorism capabilities and capacities. Thailand will also use FMF to support its counterterrorism units. Both ATA and FMF strengthen the capabilities and capacity of countries in the region, increasing the region's ability to counter potential terrorist threats.

The United States also works bilaterally with governments in the region to pursue counterterrorism measures. In Japan, U.S. officials collaborated with Japanese authorities to increase U.S. access to database records and fingerprints of known or suspected terrorists. As a VISA Waiver Program country, Japan held discussions with U.S. counterparts to widen database and biometric record exchanges on known and suspected terrorists. China has also increased counterterrorism cooperation with the United States since the Olympic Games in Beijing. The United States and China marked the ten year anniversary of the Joint Liaison Group (JLG) in 2008. These groups work to increase policy dialogue and improve cooperation writ large between U.S. and Chinese law enforcement agencies. The United States continues to support and strengthen partners and allies to enable regional actors to effectively secure the region from potential terrorist threats.

# ii. Non-proliferation, Counter-proliferation, Arms Control and Disarmament

The United States seeks the security of a world without nuclear weapons and pursues this goal by relying on a shared commitment to abolish the proliferation and use of weapons of mass destruction (WMD). The proliferation of WMD threatens the security of countries in the region as well as the international community as a whole. One way that the United States has supported regional approaches to addressing this global challenge is through promoting full implementation of UNSCR 1540 in the region. We have supported efforts in the ARF toward this end, and

have promoted greater cooperation between the ARF and with the UN 1540 Committee in New York.

The United States also maintains several programs to help address the proliferation threat in the ARF region. The Export Control and Related Border Security Assistance (or "EXBS") program is the United States 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. In addition, the United States established the Nonproliferation and Disarmament Fund in 1994 to allow the United States to rapidly respond to nonproliferation and disarmament opportunities and conditions surrounding nonproliferation that are unanticipated or unusually difficult. This fund aims to address proliferation of arms by eliminating the proliferation of WMD, destroying or neutralizing existing WMD, helping to detect WMD, and limiting the spread of advanced conventional weapons. The countries in ARF have shown increased sensitivity to topics such as missile defense and nonproliferation of WMD, creating a foundation for cooperation with the United States to reduce the threat of proliferation and nuclear weapons.

# iii. Transnational Crime

The United States augments the capabilities of regional actors and supports the region on a broad range of transnational crime issues. One way the United States combats transnational crime is by establishing programs to train prosecutors and judges to manage terrorism and transnational crime cases. These programs also provide training and technical assistance for law enforcement agencies to combat alien smuggling and enhance border security. In addition, the United States has taken steps to protect the economic interaction in the region against cybercrime and intellectual property piracy.

Narcotics production and trafficking also challenges the ARF region. The U.S. government established programs to strengthen partner nation capabilities to ensure that those countries can fight international drug trafficking and crime. These programs include eradication, sustainable alternative development, and demand reduction training.

The International Military Education and Training (IMET) program is another method for derailing transnational crime by providing partners in the ARF region with training and educational opportunities that strengthen military-to

military ties and expose participants to the U.S. military and way of life. These opportunities promote the development of positive defense relationships, lead to more professional militaries, improve civil military relations, and enhance regional stability. The Philippines, Thailand, Indonesia, Malaysia, and Mongolia are the five largest recipients in the East Asian-Pacific region. Through IMET and other programs that utilize U.S. engagement, the ARF region can build the capabilities to thwart transnational crime.

#### iv. Humanitarian Assistance and Disaster Relief

The United States continues to provide humanitarian assistance and assist disaster relief programs in the ARF region. For example, the USAID Office of U.S. Foreign Disaster Assistance (OFDA) supports The Asia Foundation to promote rural housing reconstruction in the areas of the Sichuan Province affected by earthquakes. This program also raises public awareness about reducing the risk of disasters and has aided the Sichuan Province since 2006.

Another U.S. contribution to disaster relief occurred following the 2008 Cyclone Nargis in Burma. In response to the cyclone, USAID/OFDA provided \$250,000 to the U.N. Children's Fund (UNICEF), the U.N. World Food Program (WFP), and the Office of the U.N. High Commissioner for Refugees (UNHCR) to help supply emergency food, water and sanitation, and shelter assistance to the people of Burma. The United States has also contributed to tsunami relief efforts in the region. These efforts include projects to rebuild infrastructure such as houses, roads, and schools in Indonesia and Thailand and also contribute to enhancing the tsunami warning system for the Indian Ocean by working with regional partners.

The United States sponsors or participates in several exercises with Asian partners every year, including the ASEAN Voluntary Disaster Relief (ARF VDR) exercise and the Balikatan exercise with the Philippines. In the Philippines, annual bilateral military exercises are designed to develop Philippine military capacity to engage in disaster relief as well as other military goals.

The Pacific Partnership mission also enhances regional disaster response capabilities. The U.S. Navy recognizes the effectiveness of establishing relationships before disasters. Pacific Partnership to strengthens relationships between civilian and military specialists from countries in the region through cooperation on medical and engineering projects as well as practicing disaster response procedures. In June, the 2010 Pacific

Partnership mission visited Cambodia to treat people in need of food and medical supplies. Pacific Partnership also improves the ability of the United States and regional countries to prepare for and better respond to disasters, such as pandemic illness, typhoons, earthquakes and tsunamis. Pacific Partnership will continue to provide assistance and enhance disaster relief in the region.

# v. Maritime Security

Cooperation with the United States and between countries in the region remains the lynchpin of maritime security in the ARF region. These relationships enhance the capabilities of countries to allow them to pursue a greater degree of responsibility in the region. Annually, the United States hold exercises with allies and partners such as the Annual Exercise (ANNUALEX) with Japan and the Southeast Asia Cooperation Against Terrorism (SEACAT) The ANNUALEX continues to strengthen exercise. cooperation between Japan and the United States as they work together to train, share information, and coordinate operations that bolster regional maritime safety. SEACAT promotes maritime security by training six Southeast Asian countries by practicing responses to various scenarios. This exercise encourages the productive relationships and provides realistic training for combating threats to maritime security.

#### 4. Role of ARF

# a. National Contributions to Enhancing the ARF and Regional Security

While the ASEAN Regional Forum faces significant challenges moving forward, the prospects for improving the institution can be realized through holistic multilateral engagement. The United States has been and will remain active in building ARF's institutional capacity and in ensuring ARF's place in the regional architecture. ARF has made significant progress in disaster relief following the 2009 Voluntary Demonstration of Response. The United States is working diligently to maintain that momentum by shepherding the ARF Model Arrangement proposal and providing planning and other assistance for the 2011 ARF Disaster Relief Exercise in Indonesia. With other ARF partners, the United States will continue to promote and resource forward-leaning projects such as the ARF Transnational Threat Intelligence-Sharing Center (ATTIC) and an ARF Mutual Legal Assistance Task Force. The United States will also continue its leadership in Priority Areas of ARF's various work Plans. The United States is encouraged by the progress made on the ARF Vision Statement and the Plan of Action. We must ensure the Plan's early and full implementation.

As Secretary of State Clinton said earlier this year in her January 2010 speech on multilateral cooperation in Asia, the United States is eager to strengthen ARF. The United States is establishing the U.S. Mission to ASEAN in Jakarta, in part, to strengthen ASEAN-led institutions like ARF and support ASEAN's integration goals. We want to work actively with ASEAN to strengthen the ARF Unit. The United States is committed to increasing the ARF Unit's capacity, but the best way to ensure this is for all ARF members to commit themselves and their resources to improving the institution.

#### b. Future of ARF

ARF serves as a useful and increasingly capable venue for broad, multilateral cooperation and dialogue on a number of security issues. For the United States, ARF's inclusiveness, maturing commitments, and growing experience all suggest a targeted agenda that addresses the common issues that affect all ARF members. These include transnational security threats like proliferation, terrorism, transnational crime, disasters, maritime threats, and regional stability. ARF should seek to build capacity and develop interoperability to counter these transnational threats and aspire to results-oriented cooperation, which can be achieved through concerted, pragmatic, and common action at the multilateral level. At the same time, discussion among senior officials and Ministers on key traditional security topics - such as those outlined in the Annual Security Outlook - help build confidence, share views among key countries, and lay the groundwork for traditional security cooperation in ARF and elsewhere.

Improving ARF's institutional capacity is a key objective for the future. The institution should assume greater yet clearer responsibilities for disaster relief and humanitarian operations. Other new areas of cooperation such counter terrorism, maritime security, nonproliferation, and transnational crime can look to ARF's disaster relief cooperation as a model. As ARF's agenda and efforts increase, so must its institutional capacity. ARF nations should actively foster confidence building measures with the objective of fully shifting the institution into its second phase, preventive diplomacy. In fact, ARF is already accomplishing some preventive diplomacy actions through concrete cooperation in transnational security areas. All states must share in the burden of achieving

ARF's collective goals. No one member or group of members can be relied upon to move ARF forward. ARF members should engage on its various work plans, help resource major initiatives such as exercises, and promote tangible projects that can be expanded to other areas. In order to achieve full levels of cooperation to build confidence among all parties, ARF must concentrate on all key priorities on its agenda and not allow some areas to lag far behind others.

## 1. Regional Security Environment

The Asia-Pacific region plays an essentially important part in the national strategies of many countries. Vital interests of quite a few global and regional powers converge in this region, especially the United States, China, Russia, Japan and India... Simultaneously, there are also a number of disputed hotspots such as Korea peninsula, Taiwan Straits or East Sea (the so called South China Sea). Because of the geo-political importance of the region, any development in its security environment also has a great impact on the international peace and stability.

Economically, the Asia-Pacific continues to be the most dynamic developing region and can be said to act as the motive force for the world's economic recovery in the post-financial crisis period. Regional economies have quickly regained their growth and returned back to their frequent tracks of sustained development, especially China, India and several ASEAN countries. The trend of multipolarisation has been confirmed and multilateral solutions have been chosen ever more to settle the international affairs. Multilateral political and security fora have proven important and advantageous, helping regional nations to address a number of non-traditional, transnational or global challenges.

Recently, the region has seen the rapid development of the situation in hotspots, especially the deteriorating relationship between two Korean states. Although both South Korea and North Korea endeavored to restrain themselves, the situation in the peninsula has made all countries in the world concerned. At present, the international community is awaiting for initiatives or efforts brought forward by concerned parties to ease the strained relations and bring parties back to the table in order to seek a solution establishing a longterm peace and stability for the peninsula. Otherwise, new dimensions in the relations between the United States and cross-Taiwan Straits have been causing concerns about a new arms race and unstable situation when the United States made a weapon offer to Taiwan and China declared to take retaliatory actions. The cross-Taiwan strait situation continues to be complicated as there are differences in the US-China relations such as those in trade and naval clashes on the sea.

The disputes over sovereignty and natural resource exploitation in the East Sea have been among the most debating subjects in recent years. It is clear that concerned parties should consider this matter and negotiate with one another to reach a long-term acceptable solution. Regarding this issue, the "Declaration of Conducts of Concerned Parties in the East Sea" (DOC) signed in 2002 is the important,

necessary and action-oriented legal document for a possible process of settlement among parties. As a concerned party, Vietnam always pursues a consistent policy to solve disputes in the East Sea through peaceful means. At the same time, Vietnam also hopes that concerned parties continue their negotiation efforts to rapidly build the "Codes of Conducts of Concerned Parties in the East Sea" (COC).

Cooperation on non-traditional security issues is still considered as a top priority in the foreign policies of almost countries in the region. Counter-terrorism activities have been expanded not only to track down or exterminate terrorists, but also to eliminate their support foundations such as financial support and manpower recruitment. In addition to links with international terrorists to endanger the global security, activities of regional terrorist groups continue to threaten the national security and stability of many countries. Evidently, this is a no-small security challenge toward the region, requiring closer cooperation between regional countries and even the international community.

Efforts have been made to prevent and eradicate transborder and transnational crimes or criminal activities by many governments in the region. However, against their expectations, these illegal activities are on the rise in some places, especially trafficking in illicit drugs and persons. Illegal trade, weapon trafficking and piracy remain great security challenges to many countries in the region. Concrete cooperation in this regard has been promoted by many governments; however, some activities did not produce desired effects due to their insufficient material power. Furthermore, a number of activities need more supports, cooperation and information sharing from other regional or non-regional partners, such as counter-piracy patrols in Malacca Straits.

Epidemics and natural disasters are unceasing concerns for nations, especially poor countries which are short of equipments and facilities. After many pandemics like SARS and Avian Flu H5N1, regional nations have gathered quite a few experiences confronting natural challenges. In reality, the coordination, information sharing and assistances among nations have not produced desired results. The initiatives such as establishing a humanitarian relief force within the ARF should be highlighted and multiplied; however, they need more supports from ARF member states and the international community. Otherwise, more attention has been paid to Humanitarian Aid and Disaster Relief (HADR) exercises by regional countries, including Vietnam.

# 2. National Defense Policy of Vietnam

# 2.1. Fundamental Issues of the National Defense Policy

Vietnam always regards the maintenance of peaceful and stable environment for socio-economic development, industrialization and modernization, building the socialism oriented market economy as the top national interest and the consistent goal of its national defense policy. Vietnam has followed a national defense policy of peace and self-defense expressed in the guideline of not using force or threatening of using force in international relations, solving differences and disputes with other countries by peaceful means. Vietnam advocates the gradual modernization of the VPA and enhancement of the defense potential only to maintain its military power sufficient for self-defense capability and it also opposes arms race. Vietnam thoroughly respects other countries' independence, sovereignty, unity, territorial integrity and national interests and it demands the same from other countries.

Though there is sufficient historical evidence and legal foundation to prove Vietnam's undeniable sovereignty over water areas and islands in the East Sea, including the Paracels and the Spratlys, it is always ready to negotiate with all parties concerned to find peaceful solutions to those disputes in conformity with regulation of the 1982 United Nations Convention on the Law of the Sea. While continuously seeking for a long-term solution to the issue, Vietnam advocates that all parties must restrain themselves, strictly abide by DOC, and strive for building COC in order to reach a long-term and fair solution to this complicated issue, turning the East Sea into a sea of peace, friendship, and development.

Vietnam builds its national defense power on the basis of the overall strength of the whole nation, of the great solidarity of the masses, of the whole political system led by the Communist Party of Vietnam (CPV), combining the strength of the nation with the strength of the time, the strength of military forces and the all-people defense posture with the strength of people's security forces and postures. Vietnam has established a policy to concurrently develop both its socio-economic and defense capabilities and closely coordinate defense security and diplomatic activities to support the cause of industrialization and modernization, and rapid and sustainable economic development. To protect Vietnam's independence, sovereignty, unity, territorial integrity and other national interests as the region and world situation faces many changes, Vietnam builds its allpeople national defense upon the whole nation's tradition of "patriotism and fighting against foreign aggression", strengthening armed forces, inheriting and upholding the values of the Vietnamese military sciences over the times

and developing the Vietnamese military arts to meet the demands of modern wars.

Vietnam's national defense is always closely linked to the CPV and the State's guideline of independence, selfreliance, peace, cooperation and development in external affairs, and the foreign policy of openness, multilateralization and diversification in international relations. Through its diplomatic activities, Vietnam has consolidated mutual understanding and trust with peoples and governments of other countries, laying the firm foundation for expanding cooperation, resolving differences in order to prevent and repulse the dangers of armed conflicts, contributing to the maintenance of a peaceful and stable environment in the region and the world. On implementing the independent, and self-reliant national defense policy, Vietnam builds national defense power mainly upon its own resources and people. Thus, Vietnam consistently advocates neither joining any military alliances nor giving any other countries permission to have military bases or use its soil to carry out military activities against other countries. With the spirit of "shelving the past, looking forward to the future", Vietnam is ready to cooperate with other countries to solve humanitarian issues left by history; and at the same time, Vietnam acclaims initiatives and activities for peace and cooperation of all countries regardless of political regimes or their history of relations with Vietnam.

Vietnam resolutely condemns and opposes to terrorism in any forms and simultaneously protests against any acts in the name of counter-terrorism to intervene into the internal affairs of other countries. Apart from taking necessary measures to prevent and respond to terrorism, Vietnam supports the international community's endeavors and expansion of cooperation to prevent terrorist actions and support of terrorism in any forms. Vietnam insists that the counter-terrorist measures and international cooperation in the fight against terrorism must be carried out within the framework of the United Nations, and in compliance with the fundamental principles of the United Nations Charter and international laws.

# 2.2. ARF Weapon Register of Vietnam

## 2.2.1. Total defense expenditures

The State of Vietnam has allocated a necessary portion of the State budget for defense requirements in accordance with the annual demand. The major portion of the defense budget was spent on ensuring decent living conditions for military personnel and maintaining the existing equipments and facilities. However, VPA has continuously reduced its active troops on a planned roadmap. At present, annual average defense expenditure is about 23,000 billion VND or some USD 1.3 billion, accounting for average 2.1 percent of GDP as shown in a table as follows:

Billion VND

|                   | 2005    | 2006    | 2007      | 2008      |
|-------------------|---------|---------|-----------|-----------|
| GDP               | 839,211 | 973,791 | 1,143,442 | 1,490,000 |
| Defense<br>budget | 16,278  | 20,577  | 28,922    | 27,024    |
| Share in GDP      | 1.872%  | 2.194%  | 2.529%    | 1.813%    |

# 2.2.2. Military Personnel

#### a. Active Forces:

The active forces consist of 3 core services, namely Ground Forces, Air Defense - Air Force and Navy. The active forces also include Border Guard and Local Force. At the present, the VPA has some 450,000 strong active personnel. However, Vietnam advocates continuing to downsize the strength of the active forces and the VPA is maintained at the level of reasonable strength, highly-skilled, yet compact, ensuring the combat power to meet the requirements of the tasks entrusted by the CPV and State.

## - Ground Forces:

The Ground Forces consist of seven Military Regions (1, 2, 3, 4, 5, 7 and 9) and Hanoi Capital Command, six arms (Artillery, Tank and Armour, Engineering, Signal, Chemical and Commando) and four corps (1, 2, 3 and 4). The forces are equipped in the "modern, light and compact" direction so as to achieve the capabilities of high mobility, strong shock and fire power, and fighting in various terrains and any weather and climate conditions in conformity with the art of modern people's war.

#### - Air Defense - Air Force:

The Air Defense - Air Force is a service assuming the responsibilities of both national air defense and air forces. It is the core force responsible for the control and defense of the airspace, protection of the nation's key facilities and the people, and participates in safeguarding the Homeland's seas and islands. The service has well performed the training

task, maintained the combat readiness, and taken part in search-and-rescue and disaster relief operations.

#### - Navy:

The Vietnam People's Navy is the core service in protecting Vietnam's maritime sovereignty. The Navy's responsibility is to strictly manage and control the waters and islands in the East Sea under Vietnam's sovereignty, to maintain security, to counter any acts of violating sovereignty, sovereign rights, jurisdiction and national interests of Vietnam at sea, to secure normal activities of Vietnam in its waters and islands in conformity with Vietnamese and international laws, to ensure maritime safety and participate in search-and-rescue operations, to be ready for joint and combined operations to defeat any aggression from and at sea.

#### b. Reserve:

The Reserve is strictly organized, disciplined and capable of fulfilling its task, ready to participate in the active force as required. The Reserve includes reserve military personnel and technical means of the national economy which have been selected and planned to readily supplement the active force of the VPA. Every year, the Government assigns quotas of training, exercises and examinations of mobilization readiness for ministries, branches and localities. At the moment, Vietnam has some 5 million strong reserves.

## 3. Contributions of Vietnam to the regional security

## 3.1. Counter-terrorism

Vietnam resolutely condemns terrorism in any forms and supports the international community's efforts to prevent terrorist actions within the framework of the United Nations. and in compliance with the fundamental principles of the United Nations Charter and international laws. Vietnam attaches great importance to participating international treaties, bilateral and multilateral activities on counterterrorism. Vietnam has signed 10 out of 16 international conventions on counter-terrorism. Vietnam is building legal regulations in support of the international counter-terrorism cooperation. Basically, the policy and the law of Vietnam meets the requirements of UN conventions on counterterrorism. Vietnam has regulations against terrorism in the criminal Act, establishing the framework of anti-money laundering, blocking economic and financial supports for terrorists. In April 2010, Vietnam attended the Nuclear Security Summit Conference in Washington, and officially joined the Global Nuclear Counter-terrorism Initiative. In the spirit of cooperation against terrorism, Vietnam is willing to exchange and share intelligence information to support counter-terrorism activities.

#### 3.2. Humanitarian Aids and Disaster Relief

Vietnam provides its full supports to the International Community's efforts on humanitarian aids and disaster relief (HADR). Vietnam is willing to share and exchange the experiences with international community. Vietnam is considering sending observers or forces to take part in humanitarian research-and-rescue operations of the international community. Especially, Vietnamese observers already took part in the ARF Voluntary Demonstration of Response on Disaster Relief in the Philippines in May 2009 and Vietnam is considering appropriate forces to be sent to the ARF Disaster Relief Exercise in March 2011 in Indonesia. Moreover, Vietnam is considering the establishment of a humanitarian relief force within its capability and conditions to participate humanitarian relief operations in the Southeast Asia in the future.

# 3.3. Maritime security

Vietnam supports recent counter-piracy international efforts to ensure the maritime security in the region. Vietnam condemns piracy in Somalia and Malacca Straits. This type of crime is increasing in spite of the facts that efforts have been made by the International Community to carry out many preventive and counter-piracy measures, such as counter-piracy patrols by major powers' warships in the Somalia waters and joint patrols by four ASEAN countries in Malacca Straits, namely Singapore, Malaysia, Indonesia and Thailand. For its part, Vietnam has already carried out joint patrols with Thailand and Cambodia, and is considering the same cooperation with Indonesia and Malaysia.

# 4. The ARF Role

# 4.1. Contributions of Vietnam to the ARF process and regional security

Since its founding date in 1994, the ASEAN Regional Forum (ARF) was confirmed as a dialogue and view-exchange forum on politics and security in the Asia-Pacific region. ARF objectives are to promote peace and stability of this region, creating favorable conditions for regional countries to develop their economies. More importantly, the forum has attracted more participants and discussed more topics affecting general development of the Asia Pacific region and the world. ARF is entering a transitional stage from the

confidence-building to the preventive diplomacy. However, the confidence-building remains a main thrust and ASEAN is the driving force of ARF process.

Vietnam was an ARF founding member. Together with multifaceted innovation and international integration, Vietnam has taken part more intensively in the ARF process and had significant contributions to ARF activities. In the year 2009-2010, it is the second time Vietnam has honorably chaired the ARF. As the ARF Chairman, Vietnam will host and hold the 17th ARF Summit. The ARF participation has provided Vietnam with important opportunities to strengthen the political and security relations with other ARF members. Vietnam always expresses its supports for a strengthened ARF and its transitional process from confidence-building to preventive diplomacy, but at a comfortable pace to participants and ASEAN is the driving force.

Within the ARF framework, Vietnam always supports initiatives for specific co-operations. Efforts to materialize cooperative activities have been made to build the ARF Action Plan on Disaster Relief establishing a roadmap for disaster relief cooperation between ARF members. According to this roadmap, ARF members implemented the first cooperative activity in this area through the ARF Voluntary Demonstration of Response on Disaster Relief in Philippines in May 2009 and the second ARF Disaster Relief exercise will be conducted in Indonesia in March 2011. Besides, Vietnam has actively supported and made significant contributions to ARF members' cooperative activities to ensure maritime security, counter-terrorism and transnational crimes.

Vietnam and other ARF member states agreed upon more defense participants in ARF activities, including ARF Defense Officials Dialogue (DOD) and ARF Security Policy Conferences (ASPC). Vietnam held successfully three ARF DODs in November 2009, in March and May 2010 and ASPC in May 2010. Vietnam also plans to hold the ARF Summit in July 2010 in Hanoi. Vietnam realized the importance of multilateral fora, therefore, it has actively participated these dialogues with the belief that regional disputes and differences should be solved if they are open to discussion in the fora.

In ASEAN, Vietnam has shown its initiative and responsibility in her chairmanship of the year 2010. Within its reach, Vietnam has organized successfully many important ASEAN conferences and meetings of various sectors. With its responsibility and determination, Vietnam strongly believes that it will organize successfully other ASEAN meetings, especially the ASEAN summit at the end of this year and fulfill

the ASEAN chairmanship. It has been noted with significant contributions by defense and security cooperation to enhancing mutual understanding and confidence-building in recent years. ADMM is an important channel for strategic dialogues on security issues at ministerial level, contributing to mutual understanding and confidence building among ASEAN member countries. Besides, ASEAN military interactions are taking place at various levels in effective ways.

Vietnam organized fruitfully a number of important ASEAN defense - military meetings on schedule, namely the 7th ASEAN Military Intelligence Informal Meeting (7th AMIIM), the 7th ASEAN Chiefs of Defense Forces Informal Meeting (the 7th ACDFIM), ASEAN Defense Senior Officials' Meeting Working Group (ADSOM WG), ASEAN Defense Senior Officials' Meeting (ADSOM), the 3rd Meeting of Track II Network of ASEAN Defense Institutes (the 3rd NADI), the 4th ASEAN Defense Ministers' Meeting, ADSOM WG on the first ADMM-Plus. During the remaining months of this year, Vietnam will host ASEAN Air Chiefs Conference, ADSOM Retreat, ADMM Retreat and the first ADMM-Plus.

A highlighted ASEAN-initiated process that Vietnam is actively preparing is ADMM-Plus. This has resulted from an ASEAN policy initiated in 2007 aimed at strengthening relations with its dialogue Partners in order to take advantage of outside support for building ASEAN Community. The establishment of ADMM-Plus will be in accordance with the principle of a flexible, open and inclusive ADMM and other cooperation processes within ASEAN. It is also an imperative for ASEAN to extend its engagement to non-ASEAN countries in the context that the region is facing transnational security challenges which no single country could afford to tackle.

Regarding to ADMM-Plus, the Concept Paper on the Establishment of ADMM-Plus" was adopted by the 2nd ADMM in 2007; the Concept Paper on "ADMM-Plus: Principles for membership" was adopted by the 3rd ADMM in 2009; the 4th ADMM which was held in Hanoi in early May 2010 adopted other two papers, namely Concept Paper on "ADMM-Plus: Configuration and Composition" and Concept Paper on "ADMM-Plus: Modalities and Procedures". Furthermore, at the 4th ADMM, ASEAN Defense Ministers expressed their determination on strengthening defense - security cooperation with Dialogue Partner countries of ASEAN when they agreed to organize the inaugural ADMM-Plus in Vietnam in October 2010. The inaugural ADMM-Plus will be convened with the ADMM-plus 8 configuration and participants are from 10 ASEAN countries and 8 Dialogue Partners which best meet the membership principles

approved by the 3rd ADMM, namely Australia, China, India, Republic of Korea, Japan, New Zealand, Russia, the United States. The other Dialogue Partners could be considered on their membership of ADMM-Plus in the future when they satisfy the membership principles.

For its part, Vietnam fully supports the ADMM-Plus process and believes that ADMM-plus would be an important part of regional security architecture. ADMM-Plus would be a platform for a significant, effective and practical cooperation between ASEAN and non-ASEAN countries in security issues of common interests. Therefore, Vietnam will cooperate closely with ASEAN member countries to prepare contents and necessary conditions for the success of the important meeting.

#### 4.2. Future of ARF

ARF is considered as the largest security dialogue forum in the Asia-Pacific region which embraces around it all benefit holder countries including power countries, developed countries and developing countries in the region. It could be said that ARF presents a successful and effective multilateral security forum to maintain the regional security and stability. Various issues of both traditional and non-traditional security such as peacekeeping operations, WMD proliferation, transnational crimes, and disaster relief... are open to discussion at the forum. However, many member countries are expected to have ARF specific steps and cooperative activities initiated in order to deal with specific problems in the region.

The ARF is obviously aimed at addressing security challenges to ensure regional peace and stability. With this objective, ARF should give priority to resolutions for flash-points of disputes and security issues that may cause instability in the region. In addition to the ARF, there are still some multilateral security mechanisms and forums in the Asia-Pacific region such as APEC, Shangri-la Dialogue, and the Six Party Talk. It raises a question that ARF could afford to deal with pressing issues in the region. In this regard, ARF should consider the most pressing issues of the region for discussion rather than general issues and would identify specific areas for practical cooperation./.