The United Kingdom and Southeast Asia after Brexit

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EXECUTIVE SUMMARY

- As the United Kingdom (UK) prepares to leave the European Union (EU) by 31 October 2019, it seeks to enhance its global influence and interests, including in the Indo-Pacific region. The UK views the region as a source of economic opportunity but also security threats which challenge the rules-based international order.

- Post-Brexit, the UK looks to strengthen relations with ASEAN and deepen political and economic ties with Southeast Asian states.

- Britain hopes to benefit from free trade agreements the EU has already negotiated with Singapore and Vietnam, and has indicated its intention to apply for membership of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) which includes four Southeast Asian countries.

- Britain’s plans to increase its defence engagement with Southeast Asia countries and ASEAN pre-date the 2016 Brexit referendum. The UK has applied to be an observer to two of the ASEAN Defence Ministers’ Meeting Plus’ (ADMM-Plus) Expert Working Groups and will increase its participation in joint exercises conducted under the Five Power Defence Arrangements (FPDA).

- The UK is considering a more permanent defence presence in the Indo-Pacific, possibly including in Southeast Asia. Its commitment to freedom of navigation in support of the rules-based international order, including in the South China Sea, has created friction with China and could complicate Sino-British trade talks.

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INTRODUCTION

Two years after the British government triggered Article 50 of the Treaty of the European Union, the UK was scheduled to leave the EU on 29 March 2019. However, following difficult negotiations with the EU over the terms of the withdrawal agreement, and a highly divisive and oftentimes chaotic political debate in the British Parliament over the terms of that agreement, the date of Britain’s departure has been delayed until 31 October 2019 (or until Parliament can agree on a withdrawal agreement before that date).

After the referendum on the UK’s membership of the EU on 23 June 2016—in which 51.9% voted in favour of leaving—the British government began rethinking the country’s role in a post-Brexit world. In early 2017, Prime Minister Theresa May announced a post-Brexit vision for the country under the slogan “Global Britain”.¹ According to the government, “Global Britain is about reinvesting in our relationships, championing the rules-based international order and demonstrating that the UK is open, outward-looking and confident on the world stage.”² The vision identifies three global centres of economic activity and political influence “essential to making Global Britain a success”: the United States, Europe and the Indo-Pacific region.³

Within the Indo-Pacific, the UK recognizes Southeast Asia as a “dynamic region where there are opportunities for greater UK engagement across a variety of sectors”.⁴ Due to its historical links to the region, and its globalized economy—the fifth largest in the world—the UK already has significant economic, political and security interests in Southeast Asia. It also has considerable soft power attributes in the region through language, education, music, the media and sport (especially football). Post-Brexit, it seeks to enhance those interests by strengthening relations with the Association of Southeast Asian Nations (ASEAN), deepening ties with regional states, and expanding its defence activities in the region. This article examines UK aspirations, and some of the challenges to those aspirations, in each of these areas.

ENGAGING ASEAN

After Brexit the UK’s political interactions with ASEAN will no longer be facilitated through the EU’s Dialogue Partnership with the ten-member organization. In recognition of the critically important role ASEAN plays as a diplomatic, economic and security community in Southeast Asia—including as a convener of forums which include all the major powers—the British government seeks greater engagement with the Association after the country exits the EU.

In 2019, Britain will take its first substantive step towards a new relationship with the organization when it establishes a dedicated Mission to ASEAN headed by an ambassador. The UK’s Minister of State for Asia and the Pacific, Mark Field, has said that going forward Britain wants to “ensure a close bond [with ASEAN] through a formal connection that is as broad and ambitious as possible”.⁵ Although the UK has not explicitly said so, this ambition ultimately includes Dialogue Partnership. ASEAN currently has ten Dialogue Partners: Australia, Canada, China, the EU, India, Japan, New Zealand, Russia, South Korea and the United States.
Two obstacles could frustrate this ambition. First, since 1999 ASEAN has had a moratorium on new Dialogue Partners. Second, any decision by ASEAN to make an exception for the UK and lift the moratorium would require consensus among the member states. Achieving that consensus might be difficult—though not impossible—because of the UK’s strained relations with Myanmar over the Rohingya crisis in Rakhine State. In January 2019, for instance, UK Foreign Secretary Jeremy Hunt called the expulsion of 700,000 Rohingya refugees into Bangladesh by Myanmar’s armed forces “a brutal act of ethnic cleansing.”

An alternative to Dialogue Partnership would be for the UK to seek Sectoral or Development Partnership with ASEAN. A Sectoral Partner provides support for ASEAN integration and community-building, while a Development Partner assists with developmental and capacity-building support. Currently ASEAN has Sectoral Partnerships with Pakistan, Norway, Switzerland and Turkey, but only Germany has been accorded Development Partnership status. However, as with Dialogue Partnership, Sectoral and Development Partnership for the UK would also require consensus within ASEAN.

Another avenue for the UK to enhance engagement with ASEAN (and expand its defence diplomacy activities in the region) is through the ASEAN Defence Ministers’ Meeting Plus (ADMM-Plus) process. The ADMM-Plus was established in 2010 to strengthen security and defence cooperation between ASEAN and eight of its Dialogue Partners (the EU and Canada are not members) through dialogue, capacity-building support and military exercises. As the UK is not a Dialogue Partner, it cannot become a member of ADMM-Plus. However, it has applied for observer status to two of the ADMM-Plus’ Expert Working Groups—military medicine and peacekeeping operations. The UK’s application for observer status (together with those of the EU, Canada and France) will be decided at the ASEAN Defence Ministers Meeting in Thailand on 10-12 July 2019.

DEEPENING POLITICAL AND ECONOMIC TIES WITH SOUTHEAST ASIA

Post-Brexit, the UK intends to broaden and deepen its bilateral relationships with all countries in Southeast Asia. A possible model for enhanced ties is the Singapore-UK “Partnership for the Future” which was announced during a visit to the city-state by Mr Hunt in January 2019. The partnership will build on the extensive ties between the two countries, especially the digital economy, sustainable business and innovation, security and defence, and education, youth and culture. Similar agreements with other Southeast Asian countries might be negotiated in the future.

The UK is particularly keen to strengthen trade and investment links with Southeast Asia, both bilaterally and multilaterally. In 2016 (the last year for which UK statistics are available) the value of two-way trade between Britain and the ASEAN states was US$42 billion. Southeast Asia represented the third biggest non-EU market for the UK. The UK was the fifth largest EU investor in Southeast Asia in 2016, with cumulative investments worth US$29 billion.

Talks between the EU and ASEAN for a free trade agreement (FTA) have been on hold since 2009. However, as building blocks towards an EU-ASEAN FTA, the EU has successfully negotiated FTAs with Singapore and Vietnam. As they were negotiated while the UK was still a member of the EU, Britain hopes to benefit from the provisions in these
two FTAs. However, this will depend on whether they are ratified before it leaves the EU. This is likely to be the case with the EU-Singapore FTA (which the European Parliament approved in February 2019) but not the EU-Vietnam FTA which is unlikely to enter force until late 2019 or early 2020.\textsuperscript{12} Although the UK has expressed an interest in signing FTAs with Indonesia and Thailand after it leaves the EU, a shortage of British trade negotiators and modest two-way trade between the UK and these two countries suggests it will not be a priority for London.\textsuperscript{13}

The UK is also considering accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP, the renamed Trans-Pacific Partnership which the Trump administration withdrew America from in January 2017) which came into force on 30 December 2018. CPTPP membership includes four Southeast Asian countries—Brunei, Malaysia, Singapore and Vietnam—as well as Australia, Canada, Chile, Japan, Mexico, New Zealand and Peru. The 11 members account for 13\% of global GDP and US$125 billion worth of the UK’s trade.\textsuperscript{14} Japanese Prime Minister Shinzo Abe and Australian Prime Minister Scott Morrison have both expressed support for UK membership of the CPTPP.\textsuperscript{15} However, in February 2019 Australia’s Minister for Trade, Tourism and Investment, Simon Birmingham, suggested that countries in the Asia-Pacific should be offered membership before the UK (even though there is no geographical criterion for membership in the CPTPP).\textsuperscript{16}

**BUILDING ON THE UK’S SECURITY INTERESTS IN SOUTHEAST ASIA**

Among the current 28 members of the EU, the UK has the most extensive security interests in Southeast Asia.

Britain maintains a defence garrison in Brunei at the request of His Majesty Sultan Hassanal Bolkiah. It is also a founding member of the Five Power Defence Arrangements (FPDA)—Asia’s only collective security arrangement—which includes Singapore, Malaysia, Australia and New Zealand. In support of the FPDA, the UK maintains a naval logistics facility at Sembawang in Singapore. In 2013-17, British defence sales to the region ranked fourth after Russia, the US and China.\textsuperscript{17} Military officers from Southeast Asian countries regularly attend training and educational courses at British defence establishments. The UK provides counter-terrorism expertise to Southeast Asian security and law enforcement agencies, and has established a regional counter-terrorism and extremism unit at its High Commission in Kuala Lumpur.\textsuperscript{18} The UK was a founding member of the International Contact Group which facilitated peace talks between the Philippine government and the Moro Islamic Liberation Front (MILF).\textsuperscript{19}

UK plans to strengthen defence links with Southeast Asia pre-date the 2016 Brexit referendum. As the UK ended its military operations in Iraq in 2011 and Afghanistan in 2014, it began to reassess its global defence posture and in 2015 published its conclusions in the *National Security Strategy and Strategic Defence and Security Review (SDSR)*.\textsuperscript{20} The SDSR outlines the country’s national security strategy from 2015 to 2020. It identifies terrorism, the resurgence of state-based threats (particularly from Russia), cyber-attacks and the erosion of the rules-based international order as the four main security challenges facing the UK.\textsuperscript{21} Regarding the fourth challenge, the SDSR asserts that the Asia-Pacific region exerts “considerable influence on the future integrity and credibility of the rules-based
international order”. On Southeast Asia, the policy report pledges to strengthen engagement with ASEAN, promote stronger bilateral defence relationships and increase the UK’s participation in FPDA exercises and joint training activities. Due to heavy operational deployments in Afghanistan and Iraq from 2001 to 2014, British military participation in FPDA activities had been reduced. The SDSR also announced the creation of British Defence Staffs for the Middle East, Africa and the Asia-Pacific to coordinate regional defence activities. The British Defence Staff for Southeast Asia was established in 2016 and is based at the British High Commission in Singapore.

While the SDSR was published before the Brexit referendum, the decision to leave the EU gave the plans added impetus. Those plans—including strengthening Britain’s overseas defence networks, reinvesting in existing relationships and supporting the rules-based international order—were reiterated in the government’s 2018 National Security Capability Review.

*Britain and the South China Sea Dispute*

Over the past two years, the UK’s Royal Navy has increased its naval presence in the Indo-Pacific. In 2018-19, four Royal Navy warships deployed to the region—HMS Sutherland, Argyll, Albion and Montrose—the highest number since 2013. Those warships participated in UN-sanctions enforcement missions against North Korea, and several of them exercised freedom of navigation rights in the South China Sea. The UK government considers freedom of navigation and overflight one of the central pillars of the rules-based international order. The UK’s stepped-up presence in the South China Sea is also partly a result of calls from the United States that other countries should do more to support freedom of navigation in the contested area.

China has reacted negatively to increased British naval operations in the South China Sea. The Chinese government was particularly incensed when HMS Albion transited through the Paracel Islands on 31 August 2018. The aim of the mission was to challenge the archipelagic straight baselines China drew around the Paracels in 1996, a move which contravenes the 1982 United Nations Convention on the Law of the Sea. The Chinese government called the Albion’s passage an illegal act and a violation of its sovereignty. China’s reaction may have been stronger than usual because the operation was similar to US Freedom of Navigation Operations (FONOPs)—the Albion may have sailed within, or very close to, the 12 nautical mile territorial sea limit—and because the warship was en route to Vietnam, a country that contests sovereignty of the Paracels. Subsequently the state-controlled Chinese media warned that if Britain continued to challenge the country’s “core interests” a proposed post-Brexit Sino-UK FTA might be derailed. So far, however, such warnings have not dissuaded London. For instance, in January 2019 British and American warships conducted joint activities in the South China Sea.

Further British naval activities in the South China Sea are expected over the next few years. In February 2019, British Defence Minister Gavin Williamson delivered a speech at the Royal United Services Institute (RUSI). Global Britain, he asserted, required UK “action to oppose countries that flout the law” and “action to shore up the global system of rules and standards on which our security and prosperity depends”. In support of those goals he went on to announce that in 2021 the maiden deployment of the UK’s newest and largest warship, the 65,000-tonne aircraft carrier HMS Queen Elizabeth, would include the
Pacific—presumably including the South China Sea. Williamson had made a similar commitment in July 2018, as had his predecessor, Michael Fallon, in 2016 and also then Foreign Secretary Boris Johnson in 2017. Nevertheless, the hard-hitting speech provoked controversy both at home and abroad, and it was reported that it had caused Philip Hammond, the UK’s finance minister, to cancel a trip to China where he was due to discuss trade issues. The UK Treasury later denied that Hammond had planned to visit China. The spat between the Treasury and the Ministry of Defence probably had less to do with UK-China relations and more to do with the political rivalry between Hammond and Williamson, both of whom are contenders for leadership of the Conservative Party when Mrs May eventually steps down. Nevertheless, British activities in the South China Sea in support of the rules-based international order could frustrate the UK’s plans to negotiate an FTA with China after it leaves the EU.

The UK is committed to maintaining a persistent presence in Asian waters. However, maintaining that commitment will be challenging. The Royal Navy has only 19 frigates and destroyers, and limited manpower which will be stretched even further when HMS Queen Elizabeth’s sister ship, HMS Prince of Wales, is commissioned in 2023. The UK’s strategic focus will remain on the Euro-Atlantic area, and especially the requirement to respond to an increasingly assertive Russia. The UK also intends to maintain a naval presence in the Gulf and other parts of the world. Thus, until a new planned class of frigate enters service in the late 2020s or early 2030s, the navy’s strategic assets will be stretched thinly around the world. Joint naval operations with the UK’s allies and partners may be the way forward. When HMS Queen Elizabeth deploys to Asia in 2021 it will not only embark UK and US F-35 combat jets, its escort group may also include a warship from a NATO ally or Australia.

A Permanent UK Military Presence in the Asia-Pacific?

As part of its plans to increase its defence engagements in the Indo-Pacific, the UK is considering a range of options, including deploying naval assets to the region on a continual basis. However, contrary to what the Sunday Telegraph reported in an interview with Defence Secretary Williamson in December 2018, that presence is unlikely to be in the form of a “base” in Southeast Asia due to the high cost of building and maintaining bases and, more importantly, the political sensitivities of regional states. In his RUSI speech, Mr Williamson would only say that Britain was looking at “what permanent presence we might need in areas including the Caribbean and Asia-Pacific to extend our global influence”. One option under consideration is to deploy a frigate or a multi-role Littoral Strike Ship (still in the design phase) to the region on a rotational basis for two to three years. The UK already uses this model in the Middle East. In May 2019, the Royal Navy will deploy HMS Montrose to a British naval support facility in Bahrain for three years. Although various locations have been suggested in the media—including Singapore, Brunei, India and Japan—the UK government has yet to make a final decision on how it intends to maintain a continual presence in the Indo-Pacific region.

CONCLUSION

In 2016 the decision to leave the EU triggered the UK’s most serious political, constitutional and foreign policy crisis in a generation. In preparation for a post-Brexit world, the British
government has formulated ambitious plans to strengthen and advance its global influence and interests. In Southeast Asia it seeks to forge a new relationship with ASEAN, broaden and deepen bilateral ties with all its member states, and increase its defence engagement activities. Achieving these ambitions will depend on the self-interests of Southeast Asian countries and the extent to which they consider Britain can make a meaningful contribution to regional stability and prosperity. That in turn may depend in large part on how the UK economy weather the country’s departure from the European Union—possibly without a withdrawal agreement—as well as the foreign and defence policy priorities of the next British government.

4 Ibid.
9 The ADMM-Plus convenes seven Expert Working Groups on military medicine, peacekeeping operations, counter-terrorism, de-mining, cyber-security, humanitarian and disaster relief, and maritime security.
In the interview, Williamson himself did not use the word base, but said the UK was looking “to
have more than one friend: China Daily editorial”, 13 February 2019

"UK chancellor pulls out of trip to China”, Financial Times, 16 February 2019,
https://www.ft.com/content/26fb86f8-31d8-11e9-bb0c-42459962a812

“Gavin Williamson says UK warships will have ‘freedom’ in Pacific dispute despite China
warships-will-have-freedom-in-pacific-despite-china-row-11641575

In the interview, Williamson himself did not use the word base, but said the UK was looking “to
get as much of our resources forward based”. See “We are opening new overseas bases to boost
Britain”, Sunday Telegraph, 30 December 2018.
32 “Defence in Global Britain”, op. cit.
33 Ibid.