

Singapore & the United Kingdom

An enduring bilateral relationship for the future



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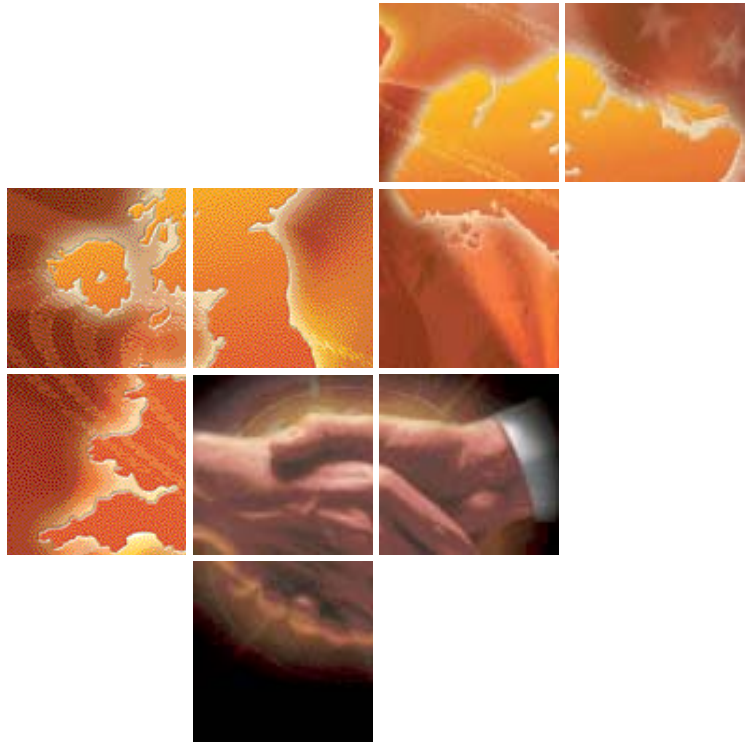
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Introduction

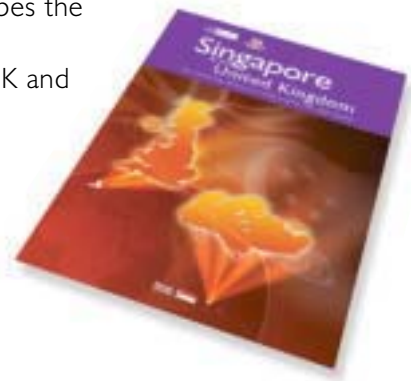


Rear Admiral Richard Cobbold
Director, Royal United Services Institute
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Barry Desker
Director, Institute of Defence & Strategic Studies

We would like to welcome you to this publication, which has been jointly produced by the Institute for Defence and Strategic Studies in Singapore and the Royal United Services Institute for Defence and Security Studies in the UK. The publication describes the past, present and future of the bilateral relationship between the UK and Singapore and we have assembled a variety of contributions that detail just a few elements of the multifaceted defence and security relationship that exists between our two countries. The RUSI and the IDSS cooperate in a number of ways including an annual conference, focussed on issues of mutual concern to the UK and Singapore. We hope that you take the time to read these articles and gain a greater understanding of the ties that link the UK and Singapore and provide a base for a stronger and closer relationship in the future.





Rear Admiral (NS) Teo Chee Hean
Minister for Defence Republic of Singapore

The Singapore - UK Bilateral Relationship





Bilateral Relationship

...our two defence science and technology agencies have identified possible areas of cooperation, such as advanced networks and high-end computing



Singapore and the UK also consult regularly on global security issues. During Singapore's term in the United Nations Security Council (UNSC) in 2001-2002, there were frequent consultations with the United Kingdom on such issues. The UK continues to play an important and constructive role as a permanent member of the Security Council.

The UK and Singapore also share very similar perspectives on the new security challenges which confront countries around the world today, in particular the threats posed by global terrorism and the proliferation of weapons of mass destruction. The discovery of plans by the Jemaah Islamiyah terrorist group to acquire bomb-making materials and target Western assets in Singapore, as well as the deadly bombings in Bali, Casablanca, Riyadh and Jakarta over the past year, show that the threat of terrorism remains a clear and present danger. This has created a new security environment in Southeast Asia just as it has in other parts of the world, including

the UK. Given the multinational and trans-border nature of these threats, close international cooperation is vital if we are to overcome these new security challenges. Singapore and the UK can work together to mutual advantage in dealing with these threats. We can build on the cooperation that already exists in such areas as sharing of intelligence.

In the area of military defence, the British forces' experience in Iraq has reaffirmed the advantage conferred by advanced technology and networked operations as a strategic capability in modern warfare. It is useful that our two defence science and technology agencies have identified possible areas of cooperation, such as advanced networks and high-end computing.

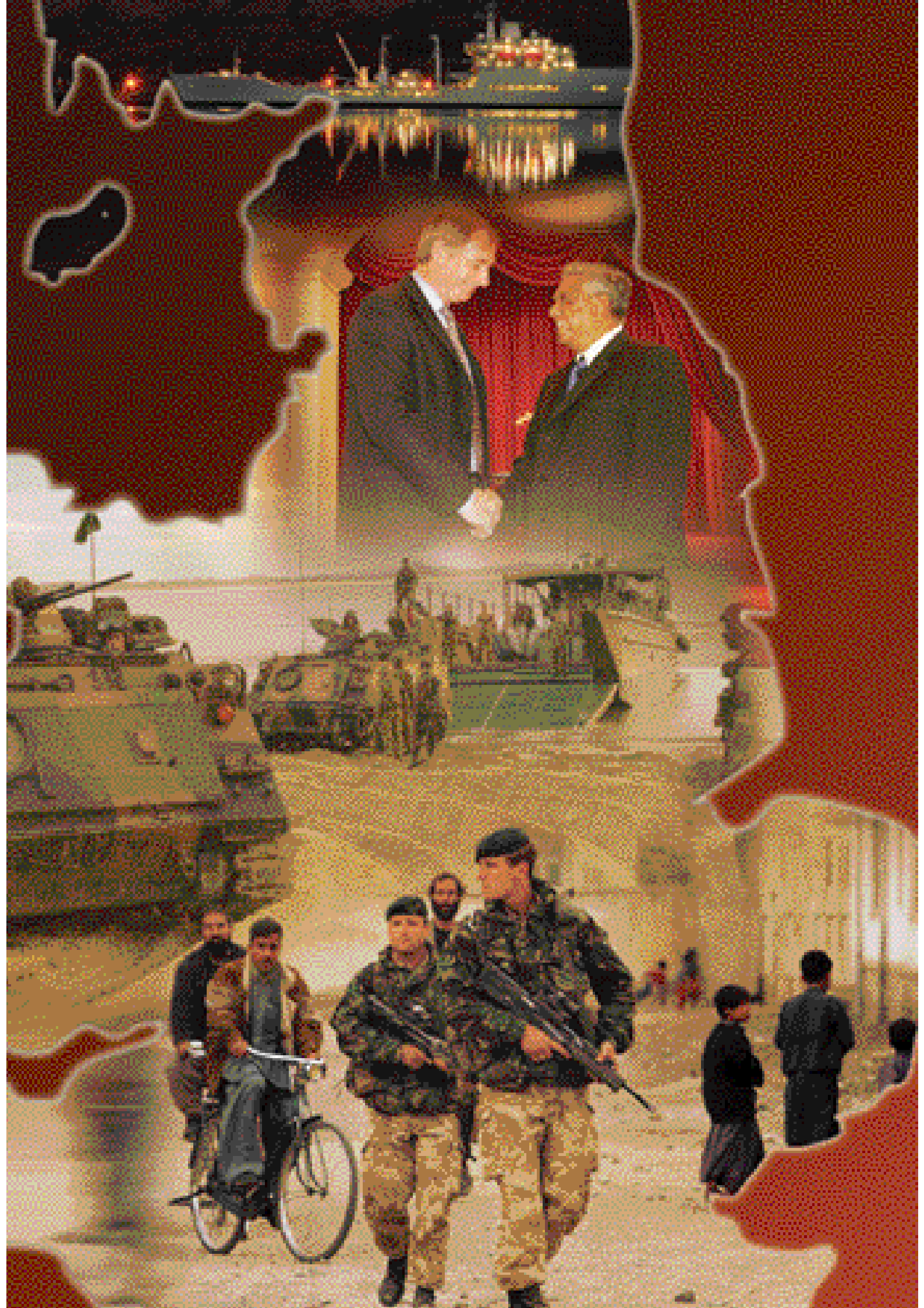
Singapore and the United Kingdom are both committed to making their contributions to a stable global security environment. Even as the scope and complexity of security threats grow, our two defence establishments have been able to develop and build on concrete areas of cooperation. I have no doubt that the cooperation will continue to grow from strength to strength, to the benefit of both our countries and both our armed forces.



Rt Hon Geoff Hoon MP
UK Secretary of State for Defence

The UK - Singapore Bilateral Relationship





Bilateral Relationship

...we will continue to strengthen our defence ties



As well as having strong historical ties, Singapore and the United Kingdom share common interests and values. We are close partners in many international forums: the UN Security Council, the Commonwealth and the Five Power Defence Arrangements. And our societies share fundamental similarities. Both are educated and skilled, host many visitors drawn by the economic opportunities and cultural vibrancy our societies offer, and both benefit enormously from the diverse ethnic and religious mix of their people. Our close ties also extend across the full range of defence and security issues.

Through the European Union, we are 'Dialogue Partners' of the ASEAN Regional Forum (ARF), the region-wide security organisation. With our Partners, we want to see effective security mechanisms in Asia. The ARF provides an important arena for discussions on security policy and the fight against terrorism because all the key players in the region, including Singapore, participate and we remain keen to develop the relationship further. We regularly exercise militarily with the Singaporean Armed Forces on

both a bilateral basis, and through the long-standing Five Power Defence Arrangements. There is also an extensive programme of education and training in both directions, as well as a programme of senior level visits and working level exchanges. The Royal Navy is a frequent and enthusiastic visitor to Singapore, and we have had visits by Singapore Navy ships in the past few years. There are also strong links in the area of defence science and technology, with cooperation between our respective Science and Technological organisations on a wide range of issues. We will continue to strengthen our defence ties, and improve the cooperation between our respective armed forces, in particular in the area of interoperability.

We, along with Singapore and the other nations, recently renewed our commitment to the Five Power Defence Arrangements at the FPDA Defence Ministers Meeting in June this year. The FPDA is the UK's main permanent defence commitment outside Europe, the Mediterranean and the Gulf, and demonstrates our continuing political commitment to South-east Asia. A joint Ministry of

Defence / Foreign and Commonwealth Office review concluded that, despite being 30 years old, the FPDA has a continuing role in promoting regional security, and that it remains of genuine value to the UK. In turn, we also recognised the value and significance of the FPDA for Singapore, in particular in promoting dialogue and confidence building with Singapore's neighbour, Malaysia. The FPDA provides a robust framework for multilateral defence cooperation and dialogue, and offers all its members the practical benefits of regular opportunities for joint exercises and training, thus enhancing interoperability and professionalism.

The UK and Singapore also have shared aims in the campaign against terrorism: to protect our fundamental values and our respective populations; to preserve our trading and commercial interests; and, ultimately, to eliminate



Bilateral Relationship

...but we are under no illusions about how much is left still to do



terrorism as a force for change in international affairs. We see Singapore as a staunch and valued ally in the war against terrorism, and a natural partner in ASEAN.

The international reach of groups like Al Qa'ida and Jemaah Islamiyah, their ability to plan and carry out sophisticated and coordinated attacks, their support systems and their ability to recruit, means that no one State acting alone will be able to combat the threat they pose. More than ever before, security challenges have to be met both internationally and collectively. Through the leading roles that we have been taking in international efforts to combat terrorism, the UK and Singapore are working to ensure that this collective approach brings results.

Singapore's thorough investigation and analysis of Jemaah Islamiyah and its cell in Singapore opened many people's eyes to the nature and resilience of the threat that we face. The Singapore Government's White Paper in January 2003 is a valuable addition to the growing body of knowledge on terrorism in South-east Asia and the links between groups in the region and the Al Qa'ida network.

Through unprecedented levels of law enforcement, intelligence and military cooperation, many key terrorist operatives and leaders have been detained and the network of groups like Al Qa'ida and Jemaah Islamiyah have suffered depredation. Old alliances, like that between the UK and Singapore, have been as vital to these efforts as the new relationships that we are both building with others.

Like the UK, Singapore has taken robust steps to deter, detain and disrupt terrorist groups, including through new legislation. Singapore's action against Jemaah Islamiyah has thwarted planned attacks against Singaporean, UK and allied interests that would have killed innocent people in Singapore and further afield. We continue to share information on terrorism and to cooperate closely on law enforcement and security matters. We are also working together and with other partners, to share skills and best practice with other Governments in South-east Asia: in March, Singapore hosted a UK-sponsored Aviation Security course for personnel from five ASEAN countries. By return, a delegation

from the Singapore Ministry of Home Affairs visited London in June to look at security arrangements in the City of London, Heathrow Airport and the London Underground.

As seafaring nations, the UK and Singapore also enjoy a close working relationship in the International Maritime Organisation trying to tackle the increasingly important issue of maritime security. There is a need to develop further coordination to combat the problems of piracy and armed robbery in South-east Asian waters. The Singaporeans regard the importance of combating trans-national crime as seriously as we do.

But we are under no illusions about how much is left still to do. It is vital that we maintain the broadest possible international consensus to continue the fight against international terrorism. I know that the UK and Singapore will continue to work together resolutely towards this goal.



Kwa Chong Guan
Head of External Programmes, IDSS

Singapore looks at Britain

Trading in Asia

The End of Empire

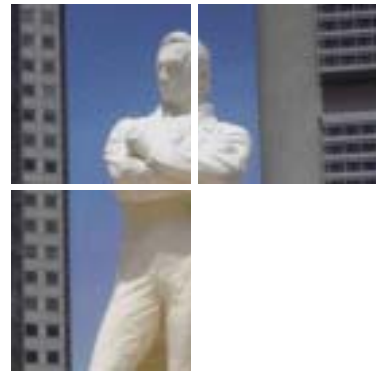
The Asian Identity

The British Legacy



looks at Britain

...as the pattern of European colonialism evolved, so too did South-east Asian perceptions of Europe



On 31 October 1971, a naval parade of 16 warships, escorted by 26 planes and 24 helicopters, in Singapore waters marked the formal end of the British Far East Command. The historic British withdrawal of all its military forces from Singapore, which was announced in January 1968, in a distinct way marked the end of an era of European colonial domination of South-east Asia, which arguably started when Alfonso d'Albuquerque captured Melaka in 1511. How Singaporeans and other South-east Asians today look at Europe and Britain is fundamentally shaped by this era of European colonial domination of the region. As the pattern of European colonialism evolved, so too did South-east Asian perceptions of Europe. How Tengku Husein perceived Sir Stamford Raffles in 1819 is quite different from how Mr Lee Kuan Yew perceived Raffles in 1963. This paper outlines Singapore's perceptions of Britain in the wider and longer context of European colonialism and imperialism, and its implications for Singapore-British relations in the 21st Century.

Trading in Asia

For most Asians, their first image of Europeans were of Portuguese *fidalgos* and *cavaleiros* following the tracks of Vasco da Gama to Goa. For historians like K.M. Panikkar, the period 1498-1945 'presents a singular unity in its fundamental aspects.' These are 'the dominance of maritime power over the land masses of Asia; the imposition of a commercial economy over communities whose economic life in the past had been based not on international trade, but mainly on agricultural production and internal trade; and thirdly, the domination of the people of Europe, who held the mastery of the sea over the affairs of Asia'.¹

Today, we recognise that Panikkar may have overstated his case.² The Portuguese, concerned primarily with trading and preaching, did not perceive a need to establish a territorial presence in Asia. But the 17th Century Dutch, British and French traders, perceived the need for a territorial presence. On the Coromandel coast, the English, Dutch and

French East India Companies established new European ports. The British built Fort St George in 1641 and expanded that fort into the city of Madras. The Dutch transformed the old Indian port of Palecat and Nagapatnam, which they secured from the Portuguese in 1658, while the French established themselves in Pondichery in 1672.³ In South-east Asia, a new VOC Governor-General, Jan Pieterszoon Coen, recaptured and fortified (in 1619) the old city of Jayakarta (where the Dutch had a trading post since 1611), renamed it Batavia, and made it the capital of an expanding VOC trading state.

The conquest and occupation of territories, once initiated, developed a momentum of its own.⁴ The British and the French extended their 18th Century rivalry in Europe into south India. In alliances with Indian princes, they rivalled and battled each other from 1744 to 1761, with the French under the astute Joseph Francois Dupleix initially establishing a pre-eminent position until defeated by a young

...focus was on developing its trade with China and administering its Indian territories



English East India Company clerk, Robert Clive, at Arcot in 1751. Clive laid the foundation stone for British India when he defeated the Nawab of Bengal at Plassey in 1757 and became the Governor of an enlarged Bengal. Clive was succeeded by Warren Hastings in 1773, who became the architect of a British empire in India.⁵

This transition from trading and preaching, to conquest and territorial annexation, appears, paradoxical.⁶ For warfare was, and continues to be, expensive, disruptive and reduced profits. The English industrialist and Member of Parliament, Richard Cobden, complained in Parliament in 1853 about the 'constant wars and constant annexation of territory. How is it that this goes on constantly in India to the loss and dilapidation of its finances?'⁷ The records indicate that the conquest and annexation of territory, whether by the English, Dutch or French East India Companies, went against declared policies. William Pitt's India Act of 1784 states that 'to pursue schemes of conquest and extension of dominion in India, are measures

repugnant to the wish, the honour and policy of this nation'.⁸

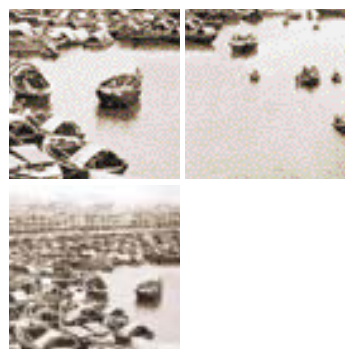
Sir Thomas Stamford Raffles establishment of an East India Company factory on Singapore was, within this context of conquest and annexation of territories, problematic. The British had little commercial and almost no strategic interests in the Malay peninsula through the 17th and much of the 18th Centuries. Their focus was on developing its trade with China and administering its Indian territories. The outbreak of the Anglo-French War, however, forced Britain to review its strategic interests in the Malay peninsula and lead Hastings to become more receptive to proposals from Raffles for the establishment of a station at the southern end of the Straits of Melaka to secure the sea lane against French and Dutch control of it. Raffles' establishment of a station on Singapore precipitated a 'paper war' with the Dutch which the British government, pressured by its China and free trade lobbies, pursued, with some indifference, to a treaty with the Dutch in 1824.⁹

Having to administer Singapore after winning it from the Dutch created a new series of problems for the Company. As its interest in Singapore was little more than as a station to service its China trade, the Company was resentful of this responsibility thrust upon them and did the minimum for Singapore, which it grouped together with Melaka and Pinang to form the Straits Settlements. This minimal interest in the administration of its Straits of Melaka possessions declined even further when the Company lost its monopoly of the trade with China in 1833.¹⁰ The East India Company eventually found, like its European rivals, that they were unsuited to administer an empire and was, like its European rivals, eventually bankrupted by the cost of it. But the British and Dutch Crowns, which took over the Companies' territories and responsibilities, continued to widen and deepen their presence in Asia, and were joined by the French in the late 19th Century.

Singapore

looks at Britain

...British colonial rule created in Singapore a plural society



Was conquest and annexation therefore 'unintentional', unpremeditated' and 'unplanned', a consequences of circumstances forced upon the Companies?¹¹ For in the era before telegraph and Internet, it was the official in Asia who, perforce, exercised plenipotentiary power in responding to crisis and opportunities confronting him and then presented his superior officers, the Heeren XVII or the Court of Directors, with a fait accompli. Clive's instructions was to only relieve the nawab's siege of Calcutta, but he seized an opportunity to expand the Company's territory and presented his superiors with a fait accompli, as did Cohen in capturing Jayakarta, and Sir Stamford Raffles in establishing a British factory on Singapore. Their intentions were not to educate the natives (that came later), but more pragmatic ones of pre-empting trading rivals from establishing a stranglehold on trade. The annexation of territory may have been 'unplanned' and 'unpremeditated,' but its subsequent administration had to

be rationalised and planned. The structures and systems developed for the administration of colonies may have varied between the British, Dutch and French,¹² but had a deep and wide impact on South-east Asia. For the Dutch economist, J H Boeke, European colonialism created a 'dual society' - a capitalist colonial economy challenging a pre-capitalist Asian agricultural economy; but for John S. Furnival, colonialism created not so much a 'dual' but a 'plural society' in which the different ethnic and social groups, 'the natives, the Chinese and the Europeans, living side by side but separately and rarely meeting, save in the material and economic sphere.'¹³ British colonial rule created in Singapore a plural society, the governing of which created new problems.¹⁴ These problems carried over into the post-colonial era to bedevil the process of nation building. A plural society, as Mr Lee Kuan Yew has pointed out, lacks the social glue to hold it together as a nation.

The End of Empire

How South-east Asians viewed Europe during these centuries of European dominance depended very much upon how South-east Asians were reading their history. For many of the 17th, 18th and 19th Century court historians, the historiographical issue was rationalisation of the European presence in their worlds. The anonymous author of the classic Malay text, the Malay Annals (Sejarah Melayu) played down the loss of Melaka to the Portuguese by recording that one of Sultan Mahmud's ministers advised his Sultan not to fight it out to the bitter end with the Portuguese because 'every country has a Raja, and if your Highness is granted length of days, we can find ten countries for you!'¹⁵ The point is that what matters is the white-blooded body of the Sultan, irrespective of where he is in residence and holding court. The Portuguese captured only the empty shell of Melaka, but not its spirit, for the network of allegiances and alliances which made Melaka great was carried by Sultan Mahmud in his flight from

...these problems of colonial rule were terminated in December 1942



Melaka to the court of his cousin in Pahang and thereafter passed to his son and successor, Sultan Ala'u'd-din, who established a new realm based on the Johor River, from where he challenged the Portuguese in Melaka.

It was into the murky waters of Johor-Riau Malay politics that Raffles sailed in 1819. His initiative posed a challenge to the Malay rulers of Johor-Riau: were they to welcome or rebuff Raffles?¹⁶ The 1865 Bugis chronicle *Tuhfat al-Nafis* ('The Precious Gift') narrates how Tengku Husein was persuaded by Raffles to decamp to Singapore from Bintan to be recognised as the Sultan of Singapore. For the Bugis, the Sultan of Johor-Riau continued to reside on Bintan with them, and not, as Raffles claimed, with him in Singapore.¹⁷ Sultan Husein, his descendents and followers had eventually to come to terms with a more assertive and dominant British presence that forced them to cede Singapore. Abdullah bin Kadir, Raffles' Malay language teacher, perceptively noted in his autobiography that this increasing

British presence led to the destruction of the old Malay world and created a new world.¹⁸

Central to the new 19th Century world was the emergence of new elites, new ideologies and the creation of new political space to challenge both the old world of the Sultans and British colonialism. The end of the 19th Century and early decades of the 20th Century was a time of political ferment as not only the Malay community, but also the other immigrant communities in Singapore, debated how to respond to political change in the region. How to respond to the end of the Qing dynasty or Gandhi's satyagrahs, or Mohamad 'Abdu's call for reform of Islam, these challenges divided the immigrant communities of Singapore and made them question their identity. For the colonial authorities, such debates were politically divisive, threatening the stability and security of colonial rule. However, these problems of colonial rule were terminated in December 1942, when the Japanese invaded Malaya. General Arthur Percival's

surrender of British Malaya to Lt General Yamashita Tomoyuki on 15 Feb 1942, symbolically ended a period of European colonial rule in South-east Asia. Three years of Japanese occupation extensively changed the political, economic and social landscape of South-east Asia. A number of South-east Asian nationalist leaders, Soekarno and Hatta in Indonesia, Jose Laurel in the Philippines, and Aung San in Burma, were prepared to collaborate with the Japanese and work with them towards some form of independence. Others, however, like Soetan Sajhir, remained sceptical, if not hostile, and organised underground resistance movements against Japanese war efforts.

The end result was the politicisation of an entire generation of South-east Asians and the radicalisation of their leaders to resist the returning Allied forces and their reimposition of the pre-War colonial order. In Singapore, Mr Lee Kuan Yew and his generation of political leaders attributed their political awakening to the

Singapore

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...underlying South-east Asian nationalist images of Europe as 'colonial' and 'imperial' was a deeper issue of identity



Japanese occupation. They argued that the colonial powers had lost their moral authority to rule. Their right to rule should be challenged and, in the cases of Vietnam, Indonesia and Burma, the ensuing struggle for independence was violent. In contrast, the process of decolonisation in Singapore and Malaya was less violent and traumatic. This has made for a more positive post-colonial appreciation of their colonial heritage.¹⁹

But these post-World War II leaders found breaking out of political dependence on London, Paris and Holland easier than breaking the economic dependence. The great estates, mines and oilfields continued to be operated by colonial planters, engineers and managers. Exports of their products still had to go through the old European trading houses. Some might argue that the economic dependence link was never broken.²⁰

Diplomatically, they also had to relate to their ex-colonial powers. For despite their efforts in Bandung

in 1955 to break out of the diplomatic influence of the old colonial powers and pioneer a new Non-aligned way between the Communist bloc and Western bloc in the expanding Cold War of the 1950s, they eventually had to implicitly align with the Western bloc of old colonial powers as they distanced themselves from the Communist bloc.

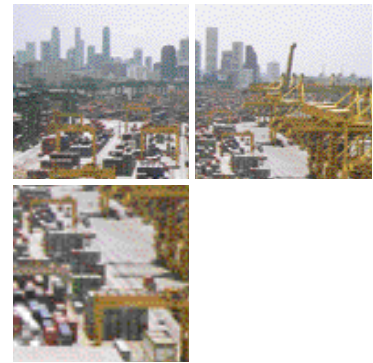
South-east Asian perceptions of Europe during the era of decolonisation in the 1950s and 1960s were therefore somewhat negative. Britain, France and the other European countries were seen as powers in decline,²¹ decolonising not only in South-east Asia, but also in Africa. South-east Asians recognised they had to deal with rising powers such as Communist China, the Soviet Union and the United States. With the possible exception of Great Britain in Malaya, none of the European countries figured in South-east Asian geostrategic calculations.

The Asian Identity

Underlying South-east Asian nationalist images of Europe as 'colonial' and 'imperial' was a deeper issue of identity. For a long time South-east Asians had been taught that they were a part of European history, that their world has been shaped, if not created by European colonial powers. South-east Asians could see that by the 19th, perhaps even earlier, they had gone into a cycle of decline and had lost the moral power to shape and influence change to the Europeans. But did the power and right to shape the South-east Asian world really passed to the European colonial powers?²²

This issue of when Asia becomes a part of European history was, paradoxically, first raised in 1934 by the Dutch economic historian Jacob Cornelius van Leur in his doctoral proefschrift. Comparatively unknown, van Leur's writings and ideas did not attract a wider audience until after his death in the Battle of the Java Sea. His writings attempted a re-evaluation of Asian history, and

...Singaporeans recognise that their identity is integrally linked to their experiences of colonisation and decolonisation



especially Asian-European relations. He argued that to start Indonesian history from June 1596, when the first VOC ship arrived at Bantam was ridiculous. For within the longer time frame of Indonesian history, the Dutch were merely another group of traders competing for a portion of the spice trade. Van Leur charged his predecessors with viewing the history of Indonesia from Dutch perspectives of the trading house, which he argued was wrong. He pointed out 'the Company was rising in the Indonesian world by means of a hard struggle with the existing powers. Why then, he asked, 'does more light not fall on that world?'²³

Van Leur argued that up to the 17th Century, the Europeans, and the Dutch in particular, were minor players in the Asian game of trade. The major players were the Asian potentates. He pointed out 'the 18th Century as a category in Indonesian history.' He argued that there was an autonomous historical world in Asia which the Dutch and the Portuguese and Muslim and Indian traders had failed to influence

significantly. For van Leur, 'there is an unbroken unity in the state of Asian civilisation from the seventeenth to the nineteenth century... Two equal civilisations were developing separately from each other, the Asian in every way superior.'

Today, we recognise that the Indian Ocean and its emporia and great empires from Quanzhou to Siraf, formed one dynamic cycle from the rise of Islam to 1750.²⁴ By the 13th Century we can clearly distinguish a global trading system, of which Europe was a subsystem.²⁵ Within South-east Asia, the 14th to the 17th Century was an 'Age of Commerce' which the Portuguese temporarily disrupted for about three decades at the beginning of the 16th Century. It was only in the mid-seventeenth century that a profound economic, political and social crises begun.²⁶

Asians are today finally shaking off the effects of that crisis and entering into a new age of regional commerce. The initiative to change the course of history is returning to Asia²⁷ after the 'long

16th Century decline.' South-east Asians now have the confidence to review more critically and dispassionately the influence of Europe. They can overcome their earlier emotional and unhappy image of Europeans as colonialists and imperialists.

The British Legacy

Singapore's relations with Great Britain in the 21st Century should thus be viewed from within this historical perspective of European colonisation and decolonisation of the region. Singaporeans are aware that their modern founding in 1819 by Sir Stamford Raffles makes them an integral part of 'the modern world.'²⁸ Singaporeans recognise that their identity is integrally linked to their experiences of colonisation and decolonisation. Singapore's transformation from an East India Company factory into an entrepôt for the export of the produce from South-east Asia, especially the Malay peninsula, was dependent upon British colonial infrastructures. The development of Singapore as a 'Fortress' was driven by British strategies for the

looks at Britain

...active participation in the Five Power Defence Arrangements will continue



defence of their colonies. The social structure of Singapore as a 'plural society' was a consequence of British colonial labour policies. The post-World War II struggle for independence was in large part driven by the imperative to undo British World War II planning which had separated Singapore from its perceived Malay peninsula hinterland. The formation of Malaysia, in part driven by Cold War security concerns, was, in hindsight, more a part of British decolonisation.²⁹ It was this historical consciousness of British colonialism, and its significance for Singapore, that led then Prime Minister Lee Kuan Yew in 1961 to keep the statue of Sir Stamford Raffles in the heart of the city.³⁰

However, a new generation of Singaporeans, born after 1965, are remembering British colonisation and decolonisation rather differently from their fathers and grandfathers. They are reframing it in the context of how this historical consciousness is contributing to defining who they are in a rapidly changing wider Asia Pacific region. Participating in the Commonwealth is useful to the

extent that membership has helped identify Singapore as a member of a larger international community in the past, and continues to be useful in future in defining niches and networking for Singapore.³¹ Likewise, active participation in the Five Power Defence Arrangements will continue, as the Arrangement is perceived to be useful as a security network to involve Britain, Australia and New Zealand in the maintaining a regional balance of power.³²

The new generation of Singaporeans also view Singapore's relations with Britain within the larger context of how South-east Asia, and the wider Asia-Pacific region, is relating to Europe. ASEAN, as the core of South-east Asia, recognised in 1971 the forces of change in Europe and moved to establish a Special coordinating Committee [SCANN] to conduct an institutionalised dialogue with the EC. The first ASEAN-EC Ministerial meeting was held in Brussels in November 1978 and after extensive preparatory work, the ASEAN-EC Cooperation

Agreement was signed at the second ASEAN-EC Ministerial meeting in Kuala Lumpur in March 1980. In 1996, this dialogue was expanded to include ASEAN's Asian dialogue partners – China, Japan and South Korea – in a unique bi-regional dialogue process with the 15 member states of the European Union.³³

Britain may increasingly be viewed in this multilateral context of ASEM or the Asia-Europe Meeting, which has now convened four times. What can Britain contribute to the expanding Asia-Europe economic dialogue to facilitate trade and promote investments between the two regions?³⁴ What can Britain and its European partners, especially the French, contribute to the evolving balance of power in the Asia Pacific region that preoccupies ASEAN and its Regional Forum partners?³⁵

Forums between international policy institutions like between the RUSI and the IDSS are the venues where these questions and issues of relations between Singapore and Britain can be reviewed and discussed.



Notes

1 Panikkar, *Asia and Western dominance: A survey of the Vasco da Gama epoch of Asian history 1498-1945* (Lond.: Allen & Unwin, 1959 [first publ. 1953]) reaffirms and expands upon arguments made in his *Malabar and the Portuguese* published in 1927.

2 See G V Scammell, *The world encompassed: The first European empires c.800-1650* (Lond.: Methuen, 1986) who related the classic cycle of European expansion to earlier ventures and explorations.

3 S Arasaratnam, *Merchants, companies and commerce on the Coromandel Coast 1650-1740* (New Delhi: Oxford Univ. Press, 1986).

4 The explanation of European expansion continues to be debated among historians. Oversimplified, there are four categories of explanations for European expansion: (1) to continue their proselytising of Christianity against Islam; (2) a Renaissance spirit of exploration; (3) an emerging world economy in Europe; (4) advances in marine, cartographic and military technology. G.V. Scammell, *The first Imperial Age: European overseas expansion c.1400-1715* (Lond.: Unwin Hyman, 1989) investigates the reasons for Europe's expansion, why Europeans succeeded in some locations, but not others, how they exploited their new possessions and opportunities and the societies they created.

5 Holden Furber, *Rival empires of trade in the Orient 1600-1800* (Minneapolis: Univ of Minnesota Press, 1976).

6 The roots of most explanations, including Lenin's Imperialism, the highest stage of capitalism, can be traced to J.A. Hobson's seminal *Imperialism: A study* (Lond.: Unwin Hyman, 1988 repr.) On this paradigm, the Europeans were reluctant imperialists.

7 John Bright & J E T Rogers, eds., *Speeches on questions of public policy by Richard Cobden M.P.* (Lond.: Macmillan, 1878), 500-1.

8 Quoted in P.J. Marshall, *Problems of empire: Britain and India 1757-1813* (Lond.: Allen & Unwin, 1968), 167.

9 Wong Lin Ken, 'The strategic significance of Singapore in modern history,' in E. Chew and E. Lee, eds., *A history of Singapore* (S'pore: Oxford Univ 1991), pp.17-35 for a reconstruction of the strategic considerations driving the founding of modern Singapore. Raffles' earlier plans and submissions for British colonisation of the archipelago were rejected by his superiors in Bengal. His settlement on Singapore was received with some concern and irritation in London.

10 C M Turnbull, *The Straits Settlements, 1826-67, Indian Presidency to Crown Colony* (S'pore: Oxford Univ Press, 1972) documents how this light-handed administration of Singapore from India allowed a more laissez-faire local administration to emerge and fundamentally shaped the nature of Singapore as an immigrant society.

11 As argued by, e.g. J.R. Seeled, *The expansion of England: Two courses of lectures* (Lond.: Macmillan, 1902).

12 See for example, K.S. Furnival, *Colonial policy and practice: A comparative study of Burma and Netherlands India* (Lond.: Cambr. Univ.Press, 1948) and Rupert Emerson, *Malaysia: A study in direct and indirect rule* (Kuala Lumpur: Univ Malaya Press 1964 repr of 1937 edn by Macmillan) for two contrasting analyses of colonial rule.

13 Boeke's early ideas are in his 1910 Leiden doctoral dissertation, *Tropisch-koloniale staathuishoudkunde: Het probleem and more fully in his 1930*

Leiden University inaugural address *Dualistische economie* (Leiden: S G van Doesburgh) and his two volume *Indische economie* (Haarlem: H D Tjeenk Willink, 1940). Furnival is quoted from his *Netherlands India: A study of plural economy* (Cambr.: Univ Press 1967 repr of 1939 edn). Both frameworks have developed an extensive literature, e.g. Koentjaraningrat's review of the literature on Boeke in his *Anthropology in Indonesia*, Biblio. Ser. 8 ('s-Gravenhage: Nijhoff for Koninklijk Instituut, 1975), pp. 74ff and David J Banks, 'Pluralism east and west,' *Contr. Asian Stud.* 7 (1975), 17-31.

14 Edwin Lee, *The British as rulers: Governing multiracial Singapore, 1867-1914* (S'pore: Singapore Univ Press, 1991) defines these problems.

15 *Sejarah Melayu* quoted from C C Brown's translation of Raffles MS 18, the earliest known text of the *Sejarah Melayu*, in J. Malayan br. R. Asiat. Soc. 25/ii-iii (1952), 189. Sultan Ala'ud'din's venture to establish a new realm is described in detail in a later, and longer, version of the *Sejarah Melayu* edited by W Shellabar, *Sejarah Melayu*, ed. Baru (Kuala Lumpur: Oxford Univ Press, 1967).

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17 Raja Ali Hj. Ibn Ahmad, *The Precious Gift (Tuhfat al-Nafis)*, transl. V. Matheson and B Andaya (Kuala Lumpur: Oxford Univ Press, 1982), pp.227ff. Husein and his Temenggong, however, despatched a series of letters to Husein's brother, the Sultan in the Riau claiming to have been deceived by Raffles and pledging continued loyalty to him.

looks at Britain



Notes

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19 The impact of the Occupation on the colonial powers and their colonies is examined by Christopher Thorne, *The Far Eastern War; States and Societies 1941-45* (Lond.: Unwin, 1986), and in greater descriptive detail for South-east Asia, by Jan Pluvier, *South-East Asia from colonialism to independence* (Kuala Lumpur: Oxford Univ Press, 1974). Harry Benda was among the first to argue for the Japanese Occupation as a critical point of South-east Asia's past in 'The structure of South-east Asian history; Some preliminary observations,' *J SEAsian hist.* 3 (1962), 133-138.

20 See the essays in Wolfgang J. Mommsen & J Osterhammel, eds., *Imperialism and after; Continuities and discontinuities* (Lond: Allen & Unwin/German Historical Instit. 1986).

21 A point recognised by D.A. Low in his 1984 inaugural lecture as Smuts Professor of the History of the British Commonwealth at Cambridge, which was entitled *The contraction of England* (Cambr.: Univ Press, 1991), 1-21.

22 See the essays in David K. Wyatt & A. Woodside, eds., *Moral order and the question of change: Essays on South-east Asian thought*, Monogr ser 24 (New Haven: Yale Univ South-east Asia Studies, 1982) and Anthony Reid & D. Marr, eds., *Perceptions of the past in South-east Asia*, Asian Stud Assoc Australia SEAsia publ ser 4 (Singapore: Heinemann, 1979) for case studies of how South-east Asian historians and earlier court chroniclers have attempted to come to terms with their colonial past.

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29 A. J. Stockwell, 'Malaysia: The making of a new-colony,' *J. Imperial & Commonwealth hist.* 26/ii (1988, 138-156).

30 Lee Kuan Yew, *From Third World to First; The Singapore Story: 1965-2000* (S'pore: Times Edn., 2000), pg. 67

31 Much will also depend upon how the Commonwealth adapts and provides for its South-east Asian members, on which W. D. McIntyre, 'The Commonwealth and South-east Asia,' in B Barrington, ed., *Empires, Imperialism and South-east Asia; Essays in honour of Nicholas Tarling* (Clayton, VIC: Monash Asia Institute, Monash University, 1997), 170-194.

32 T Huxley, *Defending the Lion City; The Armed Forces of Singapore* (St Leonards, NSW: Allen & Unwin, 2000), pp. 37ff.

33 Michael Reiterer, who has worked on the Asia-Europe meetings in the European Commission, reflects on this bi-regional dialogue in *Asia-Europe; Do they meet? Reflections on the Asia-Europe Meeting* (S'pore: Asia-Europe Foundation, 2002).

34 During the era of decolonisation, the EC as a group had withdrawn from investing in ASEAN and South-east Asia, leaving the region open to Japanese and US investments. ASEAN is today looking to increased access to EC markets.

35 See Ralf Emmers, *Cooperative Security and the balance of power in ASEAN and the ARF* (Lond.: RoutledgeCurzon, 2003) for the argument that it's a balance of power that drives ASEAN and the ARF.



Andrew Kennedy
Head of Asia Programme, RUSI

The UK looks at Singapore

Shared Experiences

History

British Foreign Relations

Modern Day Links

The Future



The UK looks at Singapore

...the relationship between these two countries is a complex one



When one takes a look at the current challenges faced by the UK and Singapore, it is striking to observe how much the two countries have in common. It should come as no surprise, therefore, that these two island states view each other as natural allies. Yet, as is always the case in international relations, the relationship between these two countries is a complex one. A relationship that is guided as much by history as by the imperatives of the current international environment.

Shared Experiences

Both countries are reliant on the safe flow of trade for the health of their economies and both are situated just off the edge of major continents. Despite the vast difference in the political age of the two countries they have a similar, paradoxical relationship with their continental neighbours. While acknowledging that the relationship with the continent is vital, and that a peaceful, harmonious relationship is key for both economic and political stability, the people of the UK and

Singapore look to the continent with an underlying sense of apprehension. An obvious – and much overlooked – link is a shared language, which even in today's world of the multilingual businessman and instant electronic communication, provides a huge advantage in understanding the thoughts and aspirations of each other. The fact that both countries are parliamentary democracies also helps to engender a sense of familiarity and trust between the two countries. Similarly, both the UK and Singapore are key allies of the United States and this alliance also brings shared problems, particularly with their respective continental neighbours who are wary of the ambitions of the US. If two countries are to cement a natural friendship they also need to have similar underlying tenets that govern their society, and here again we can see a number of linkages between the UK and Singapore. The ethos that governs Singapore – and has gained Singapore global admiration – centres on hard work, the importance of education, and the reward of endeavour and

innovation. It is this same ethos that marked the development of the UK as a major world power. This ethos has declined somewhat in the UK in the post-World War II era, but is still an element that many in the UK aspire to once again. Elements such as pride in your country, a willingness to engage in public service, a strong sense of civic pride were all symbolic of the UK and are now part of the great success that Singapore has seen in recent years.

All of these factors should bring the UK and Singapore closer together – and that is before we begin to look at the shared history of the two countries. It is here where we can find the elements that have, perhaps, prevented a closer relationship forming over the past few decades.

History

The factual side of the historical development of the UK-Singapore relationship, and by default the development of Singapore as an independent country, is well covered elsewhere in this

...the United States, which, in its efforts to recruit allies in the Cold War, was actively engaged in many of the areas vacated by Britain



publication. There are, however, a few elements that are worth reiterating as pointers for the modern-day relationship. These are based on the role of the UK as the colonial power in Singapore and the impact that this has had on the development of Singapore as the country we now know. Singapore, with its large harbour and strategic location, was treated as a vital trading outpost of the British Empire, and this position is one that provides the foundations for the country as a trading economy. While it is undoubtedly true that as the colonial power the UK didn't always act in the best interest of its colonies (Singapore included), it did try to provide the foundations for a thriving society. The aim was to create the pathway for the development of the colonies as a valuable addition to the Empire and, while this was not done for purely altruistic reasons, it certainly provided a foundation for development once independence came. In many ways the most important way that history influences modern day relations is

each country's interpretation of that history and this is clearly applicable to the relationship between Singapore and the UK. While Singapore understandably asserts its independence as a relatively new country, some underlying reservoir of goodwill towards the UK remains. While this was neither immediately apparent nor accessible for the UK in the years immediately following the British withdrawal, as the years have passed feelings towards the UK have improved. However, if this goodwill is to be taken advantage of, the UK has to be both able to identify it and be willing to act. The partial failure to do so is perhaps a legacy of how the UK handled the dismantling of the Empire.

British Foreign Relations

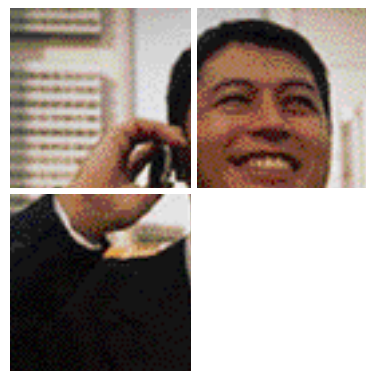
The British Empire was dismantled several decades ago, but its impact is still evident in the development and conduct of British foreign policy. The spread of British territory around the world and the speed at which the Empire was dismantled has

resulted in Britain having a significant degree of influence in the establishment of many new countries. However, following this initial flurry of activity, the UK was often reluctant to involve itself in promoting strong relations with its former colonial possessions. This reluctance stemmed from a desire to avoid any accusations of continuing to act like a colonial power. However, in many cases it also led to the removal of British influence in some of today's major troublespots. The Middle East and South Asia immediately spring to mind, but the policy was also felt in South-east Asia with the withdrawal from East of Suez by British forces. This policy was in stark contrast to that of the United States, which, in its efforts to recruit allies in the Cold War, was actively engaged in many of the areas vacated by Britain. The popular caricature was of a British diplomat and an American diplomat at a drinks party where the reserved British representative would stand in the corner waiting for people to come to him for advice while the American would go round dispensing advice



The UK looks at Singapore

...the key aspects for cooperation lie in the fields of defence and counter-terrorism



whether it was asked for or not. Whether or not this created friends for the US, it certainly increased its influence and has helped to provide the foundation for American diplomatic power.

Times have moved on, however, and recent years have seen a new determination in the UK to improve its diplomatic relationship with countries around the world and particularly with members of the Commonwealth. This organisation has been reinvigorated as a useful vehicle of cooperation, particularly as the UN has faced so many recent difficulties and challenges to its influence. With the US being increasingly viewed as 'unilateralist', acting without due consultation with its allies, many states perceive current and future international relations in a new light. The close relationship between the US and UK, and in particular between Bush and Blair, has also provided a valuable fillip in the efforts of the UK to strengthen its international position. Many countries now see Britain, and Tony Blair, as the best

way of trying to influence US policy. This has resulted in the British Prime Minister holding an international status not seen for many years and has allowed the UK to pursue its own efforts to improve its bilateral relations with many countries, notably Singapore.

Modern Day Links

The political developments that have provided the UK with a new role in the international community are also the same developments that have given an impetus for a closer relationship between the UK and Singapore. It is an unfortunate indication of the modern day international community that the key aspects for cooperation lie in the fields of defence and counter-terrorism. While the terrorism problem has existed for a number of years, the focus on terrorism in the region has come from the events of 11 September 2001. Singapore has shown itself to be a key ally of the US and the UK in the war on terrorism. The actions of the Jemaah Islamiyah cells in Singapore have shown that it also

has the potential to be a victim of terrorism. The British experience of dealing with embedded native terrorist cells has allowed the UK to pass on valuable experience to those who want the advice. That experience, combined with the UK efforts to create a joined-up government response to the terrorist threat, have enabled the UK to come to the table with lots to offer Singapore. In turn Singapore's vast experience of the region, and the terrorist groups that originate from South-east Asia, has created a mutually beneficial alliance.

This alliance has also spread to the wider defence field with both the UK and Singapore looking to the oft-overlooked Five Power Defence Arrangements as a vehicle to improve the working defence relationship between the two countries. Both countries are involved in political alliances with their neighbouring continents, the UK in the EU and Singapore in ASEAN, and both countries are unsure about relying on this political alliance as a means of mutual security. This has provided

The UK looks at Singapore

...such cooperation allows the sharing of technology and experience



the FPDA with a renewed importance as a means of promoting the defence relationship between the members. A recent review of the FPDA in the British government has concluded that the Arrangements have a great utility in the current security environment. The recent and successful Exercise Flying Fish that took place off the coast of Malaysia, has emphasised the commitment of the five members of the FPDA to the future of the Arrangements.

Outside of the security field there are many other areas of mutual concern, which also provides a foundation for a closer relationship. Both Singapore and the UK are advanced trading economies that are facing a big threat from high-skilled, low-wage economies. One of the means of combating this competition is by close cooperation between businesses based in each country. Examples of this are shown in this publication with the link between BAE SYSTEMS and Singapore Technologies Engineering. Such cooperation allows the sharing of technology and experience to provide vital economies of scale, allowing the more advanced economies to compete with those with lower overheads.

The Future

The relationship between the UK and Singapore is one that has a long history and, crucially, has the potential to get stronger and stronger. The links between the UK and Singapore cover a whole range of areas and are not just focused on the defence and security field – although this has provided an additional impetus to bring the two countries much closer together. Even elements such as the congestion charge in London, which was based on an existing arrangement in Singapore, and also the massive popularity of Manchester United and British football in Singapore, serve to strengthen the ties between the two countries. With the UK and Singapore both looking to improve and widen their bilateral links, the vital friendship that already exists between the two countries will doubtless become even stronger.



Lt Col Vijaya Kumar
National Contingent Commander (Singapore) Peace
Keeping Force UNMISET

Defence Cooperation: Policy Implications for Singapore

Policy Implications for
Singapore

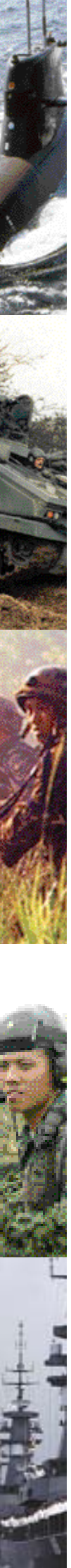
Research and Development

Joint Production

Upgrade and Maintenance

Explore Potential Partners
within the Region

Conclusion



Policy Implications for Singapore

...in this regard we should consider replicating the DERA model in the UK



Singapore's defence industry is a strategic element supporting the Singapore Armed Forces (SAF). Often referred to as the sixth component of the total defence concept, it has three main roles: to meet the needs of the SAF by enhancing technological capabilities, to provide quality products and services at competitive prices to the SAF and to contribute to the economy through the External Wing and profits. These roles have driven the local defence industry to develop defence equipment both in collaboration with foreign defence establishments and on its own. This has broadened and deepened the technological capability of the defence industry. More importantly, this has positioned the local defence industry to leverage on the benefits of pursuing a strategy of defence collaboration to enhance the Defence Industrial Base. In fact, Singapore has understood the need for defence collaboration much earlier to leverage on the advance technologies and other advantages afforded through defence collaboration.

In line with the above objectives, the strategy of the local defence industries in defence collaboration is as follows:

- *Establish long-term and enduring relationships with pioneers in the defence industry. Examples include those with the US.*
- *Emphasis on training and education to enable a highly-skilled technical workforce with the absorptive capacity for new and emerging technologies.*
- *Minimise off-the-shelf purchases, which are currently 45 % of total procurement.*
- *Emphasis on dual-use industries and technologies of strategic significance to leverage on the spin-on and spin-offs from critical technologies through a bigger market.*
- *Privatisation of the local defence industry to allow for greater transparency and efficiency in defence collaboration. In this regard, we should consider replicating the DERA model in the UK.*

Policy Implications for Singapore

In the assessment of this paper, the main areas for defence collaboration for Singapore are in the areas of research and development, joint production and finally joint upgrade and maintenance. It is pertinent to emphasise that these three areas are not mutually exclusive, but are mutually reinforcing.

Research and Development

Owing to Singapore's limited resources, technology must be exploited as a force multiplier. We have to be more proactive and innovative in exploiting technology to have technological capabilities to maintain, acquire, upgrade and develop systems for the SAF. However, given a limited budget of S\$2.66b (1.8% of GDP) for research and development in 2000, there is a need to enter into several long-term cooperative arrangements on defence research and development with the defence establishments of other countries to reduce costs, share risks and

...conscious mix of selected world-class abilities combined with a broad capability



significantly shorten the time taken to realise advanced technologies. The focus of such efforts should be on a conscious mix of selected world-class abilities combined with a broad capability, as opposed to an incoherent scatter of abilities.

The local industry should aim to develop collaboration in research and development on technologies that will have a greater bearing on the SAF defence strategy and doctrine. These include:

- *Dual-use areas such as in knowledge, intensive, value-added and those that provide industrial linkages such as in wafer fabrication.*
- *In the areas of satellite reconnaissance, information technology, precision-guided weapons and Unmanned Aerial Vehicles (UAVs)*
- *In projects with high technological spin-offs, such as the JSF development.*

JSF is easily one of the largest international projects, with many technological spin-offs for future use. Presently, a minor partner with a contribution of US\$3m, we should aim to be a substantial partner in research and development in order to benefit from the possible technology transfer. This, together with the experience in upgrading the F-5 and Skyhawks, will position us to offer similar upgrades to other countries using F-16s in this region on an individual or a collaborative basis.

Singapore's policy on collaboration in research and development should therefore take a long-term view encompassing the SAF's long-term needs and future requirements and those which allow us to collaborate in joint production and that offer joint upgrades in the future. Foreign investment policy should also encourage collaboration in civilian industries that have spin-offs for the defence industry.

Joint Production

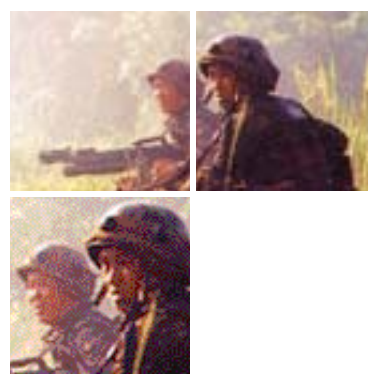
The other important area for defence collaboration is in joint production. Given the experience and success in defence-related endeavours such as the Bionix, the local defence industry is well positioned to enter into collaborative ventures to meet the requirements of the SAF and also to develop export potential. The policy with respect to joint production should be as follows:

- *Prime contractor when there is synergy with core capability. An example of this is our success with the development and production of the Bionix IFV. As such, the policy approach is to focus on systems integration rather than trying to manufacture everything. In this regard, Westland of the UK is an example to emulate.*
- *Participating as a minor partner in high-tech and specialised areas allowing long-term benefits so that we can gain the required capability to position us for other high-end collaborative ventures.*



Policy Implications for Singapore

...there is much scope for bilateral and multi-lateral cooperation in the region



For example, our participation in the JSF programme will position us to provide upgrades to F-16s or produce high value-added subsystems for the JSF. This will transfer capabilities and technology allowing us to gradually advance to more high-tech areas or even produce parts for Boeing and Airbus commercial aircraft in the long term.

• *Collaboration as a strategy is required in technologies that are not openly available such as in information on missile systems or UAVs. The MINDEF Chief Defence Scientist, Professor Lui Pao Chuen said, 'Because of our work on this aircraft, the armed forces of the United States, Sweden and France are interested in collaborating with us on it.' Harnessing UAV technology is important to make up for the lack of manpower. Hence, joint partnerships or collaboration in producing UAVs to meet local needs with potential for exports, should be one of the key areas that requires attention.*

• *Leverage on the marketing skills of others such as with Vickers Defence Systems to market the Bionix in Europe. We should adopt similar approaches for our FH 88 I 2000 Artillery, SAR 21 assault rifles and any other future products coming out of our defence industries.*

Upgrade and Maintenance

Given the high costs of advance defence equipment and the opportunity costs of high defence expenditure, upgrading existing weapons systems to extend the life cycle is proving to be an attractive option throughout the armed forces of the world. In fact, it is no secret that even in the developed states, all major weapons systems undergo at least one major mid-life upgrade. The experience gained in upgrading our F-533 and Skyhawks, and our participation in the JSF development, position us well to undertake collaborative ventures to upgrade and install subsystems aboard the F-16 fighters in the region. We can pursue such collaborative ventures with Israel,

another partner of the JSF development. Alternatively, we can jointly negotiate the upgrade for the F-16s in this region with the US. Such cooperation is bound to result in benefits in terms of price, transfer of technology and other advantages due to the greater bargaining power. Similarly, we should continue to gain a greater share in maintenance of aircraft, including commercial aircraft. Possibilities of collaborative ventures in these areas will not only enhance market share, but also provide spin-offs.

Explore Potential Partners within the Region

There are now indicators signalling a move towards defence collaboration in this region. Deputy Prime Minister and Defence Minister of Singapore, Dr Tony Tan has stated that 'there is much scope for bilateral and multi-lateral cooperation in the region' and 'cooperation among the defence establishments remains relatively under-developed'. Though not accepted

Defence Cooperation:

Policy Implications for Singapore

...non-traditional security concerns call for a multi-lateral approach



due to various reasons, the prevalence of non-traditional security concerns and the experience from the East Timor crisis would be the motivations towards this direction. The International Maritime Bureau on Piracy has also identified Indonesia as the most piracy-prone area in the world. Such non-traditional security concerns call for a multilateral approach, coalition and joint approaches to tackle the problems. So politics may become a driver of defence collaboration in this region, albeit at a much slower rate.

The other area for regional collaboration efforts is in meeting the naval and maritime police requirements for offshore patrol vessels and coastal patrol craft. Given the prevalence of piracy and illegal immigrants, the ability to patrol and control the seas surrounding becomes very crucial. Our experience in locally developing the LSTs37 and patrol vessels, shows, the local defence industry's ability to design, build, integrate and deliver sophisticated warships and combat systems for

the SAF. Alternatively, such requirements can be jointly procured from major defence companies to give us greater bargaining power in terms of price, transfer of technology and other advantages. In this regard, Rolls-Royce, a British gas-turbine manufacturer, is seeking partnerships with local shipbuilders to establish warship design and production capability here. The company is offering its propulsion-systems expertise to shipbuilders, such as Singapore Technologies Engineering, to set up their own warship industry. This is the recognition of our appetite to design and build warships locally, and even export them and the opportunities must not be missed. Such collaborative ventures, if possible, must be done with regional partners to reap greater economic benefits.

Conclusion

The international trend is clearly towards defence collaboration driven by political, economic and military factors. States ignore this trend given impetus by the increasing phenomenon of

globalisation only at their own peril. Hence, Asia is likely to replicate this trend of international defence collaboration. In the case of the Singapore Defence Industry, complete self-reliance may not be possible. This should not stop us from pursuing self-reliance on vital and basic weapons systems such as ammunition and basic weapons (SAR 21, Ultimax 100 and artillery systems). However, collaboration as a strategy in major weapons systems and high-tech areas must be continued to minimise costs in research and development, technology transfer is required to maintain the edge and to increase market share. Taking a long-term view in these areas will allow us to master the technology to meet our specific needs and subsequently incorporate them in future production and development of our weapon systems.



Sir Stephen Brown
Group Chief Executive, British Trade International

The UK and Singapore: A new knowledge-based partnership

New trading partners

The UK's hub in Asia

New opportunities for the
UK...

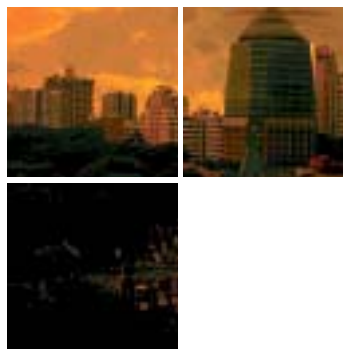
New Britain, new knowledge-
based industries

But we will always need good
partners

The UK and Singapore:

A new knowledge-based partnership

...Singapore attracts more UK investment than any other country in the region



The UK and Singapore have a long and very successful trading relationship that stretches back nearly two hundred years to the days of Sir Stamford Raffles. Since then, our trading relationship has changed beyond all recognition. But together we have achieved much more than we would have done separately. And much more than Raffles could ever have dreamt of.

New trading partners

Our relationship with Singapore has always been a dynamic one, but never more so than now. The language and culture we share is as important as ever. From its earliest days, Singapore was seen as a vital gateway into South-east Asia and beyond. Today our trading relationship is more important than ever. Last year alone, our bilateral trade amounted to more than £3.5 billion. Singapore is now the UK's largest market in the region, and our eighth largest market outside of Europe. The UK continues to attract more Singaporean investment than any other country in the European Union.

I am also pleased to say that our trading relationship is very much a partnership. The UK is Singapore's third largest trading partner outside of the Asia Pacific. The UK imports more from Singapore than from any other country in the region. And Singapore attracts more UK investment than any other country in the region.

The UK's hub in Asia

For many reasons, Singapore is an ideal hub for British companies to do business. The close cultural familiarity we share goes well beyond language – the business, legal and education systems, for example, are all based on British traditions.

It is no surprise then that some 700 British companies and 19,000 British nationals have chosen to make Singapore their home. A wide range of companies - from regional headquarters of major multinationals to world-class SMEs - are represented there. Some, like GlaxoSmithKline, have had a substantial manufacturing presence there for some time.

Others, like Standard Chartered, are major employers in Singapore's thriving financial services sector, and many more British companies are joining them every day.

New opportunities for the UK...

But we can always do more. With this in mind, the British government has established British Trade International to support Britain's trade and investment strategy. Our two operating units are currently Trade Partners UK, which helps UK companies improve their business performance overseas, and Invest UK, which promotes the whole of the UK as an inward investment location.

Trade Partners UK assists help small and medium sized British companies seize new opportunities in the global marketplace. Through our website www.tradepartners.gov.uk, businesses can now draw on a global network of expertise and access a wide range of trade

...the majority of Singaporean companies investing in Europe establish their operations in the UK



services – they can order market reports, speak to our country experts, and get sales leads e-mailed directly to their desktops.

In consultation with British industry, we have identified six priority sectors for British business in Singapore:

- *Electronics & IT Hardware & Communications;*
- *Software & Computer Services;*
- *Life-sciences, including Healthcare & Medical;*
- *Transport – Airports, Rail & Roads;*
- *Education and Training;*
- *Environmental technology.*

We are working ever more closely with British companies to help them exploit opportunities in these sectors and more. As a result, large numbers of British businessmen and women continue to target Singapore therefore it remains a significant market in bilateral trade and investment terms. Last year, Trade Partners UK supported 17 trade missions to Singapore and 13 delegations – representing almost

700 UK companies – who participated in Singapore-based trade shows. Over the last few months, political and economic uncertainties combined with SARS led to the cancellation of some Singapore-based events and a consequent reduction in the number of British business visitors. However, we are confident that business will soon return to normal, and there are real signs that this is happening.

I am pleased to say that the majority of Singaporean companies investing in Europe establish their operations in the UK. According to the latest statistics available, Singapore invested S\$4 billion in the UK in 2000, more than half of all Singaporean investment in the EU. This is because the UK is a natural gateway into Europe for Singaporean business, just as Singapore is a natural gateway into South-east Asia for British companies.

Of course, it is not just Singaporeans who recognise that the UK is the ideal base to do

business in Europe. The UK attracts more inward investment than any other country in the world, apart from the US. We have low taxation amongst the major EU economies, a skilled and adaptable workforce, and economic and political stability. Like Singapore, the UK welcomes new businesses.

New Britain, new knowledge-based industries

The UK is also a world-leader in many of today's knowledge based industries that Singapore too is developing new strengths in. We are increasingly the partner of choice for international scientific and business collaboration, including from Singapore. The UK is a global hub for research and development - we are at the leading edge of research and innovation in key hi-tech industries, and the innovative application of technology. That is why 5,000 Singaporeans come to study at the UK's world-class universities each year.

The UK and Singapore:

A new knowledge-based partnership

...we need facilitators, like RUSI and IDSS, to foster international collaborations



As a result, the UK is now home to many of today's most successful knowledge-based industries, including from Singapore. Almost a fifth of Europe's biotechnology companies are located in the UK. The UK has more than 300 dedicated biotechnology companies and a further 450 involved in bioscience-related activities. Fifteen of the world's top 75 medicines were discovered and developed in Britain. Indeed, the UK pharmaceutical industry invests £8 million per day in the search for new medicines.

But we will always need good partners

But modern knowledge-based industries such as these cannot thrive in isolation. The internationalisation of research means that technological developments are now global in nature. No one country has the monopoly on scientific experience, nor does any one government have the resources to support all aspects of scientific research. This means that if knowledge-based industries are to progress, there must be collaboration between governments, interchange between international communities and closer links between science and business, both at home and abroad.

There are many ways that governments can help to make their country's knowledge-based industries more competitive, innovative and attractive to investors. But governments alone cannot determine the fate of business. We need facilitators, like

RUSI and IDSS, to foster international collaborations and identify new opportunities to do business together.

Nor can organisations stand still. From November 2003 British Trade International, Trade Partners UK and Invest UK, will become 'UK Trade and Investment.' The new identity reflects the closer relationship between trade and investment work, and our continuing commitment to provide an integrated service, delivering business opportunities through a global network.

Britain and Singapore are both facing the challenge of change. But I am confident that together we can address those challenges head-on and continue to go from strength to strength. I am proud to be associated with this conference.



Mr Tan Pheng Hock
President & CEO, ST Engg

ST Engineering and the United Kingdom - A Partnership in Business and Technology

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ST Engineering and the United Kingdom -

A Partnership in Business and Technology

...ability to strike strategic alliances with strong technology partners



About ST Engineering

Singapore Technologies Engineering (ST Engg) is Singapore's leading defence and engineering conglomerate with major businesses in Aerospace, Electronics, Land Systems and Marine for both defence and commercial customers. Formed in 1997 through an amalgamation of 4 publicly-listed engineering companies, our vision is to be a global defence and engineering company. Our sales today are about £1.0bn, with a worldwide staff strength in excess of 11,000.



It is the only defence company in the Asia-Pacific region that is listed in the Jane Defence Weekly Top 20 Index, and thus is regarded to

be among the industry leaders in the global defence engineering business.

The Group has greatly expanded its geographical reach in recent

years, especially in Asia-Pacific, Europe and the US. We have established a significant operational presence in the US with our networks of commercial aerospace maintenance facilities and a recently acquired shipyard. We have some 2,500 employees in the US alone.

We aim to establish a strong presence and realise major sales contributions from Europe in the longer term. A successful foothold and positioning in Europe is strategic and of great importance to us. Our current ST Engg (Europe) Office is in London, and our operations are also largely in the UK, namely Bournemouth Aerospace (BASCO) and Airlines Rotables Limited (ARL).

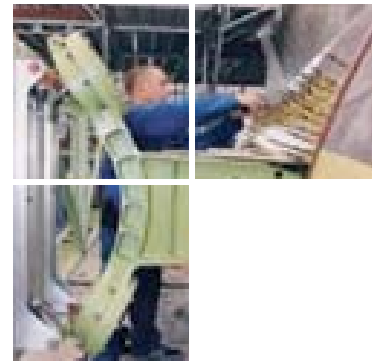
More About Our Businesses

In Aerospace, ST Engg has a strong network of facilities located internationally in key aviation hubs of Asia, Europe and the US. We are thus able to provide geographical flexibility coupled with a broad spectrum of maintenance support, covering a

range of commercial and military aircraft, engines and components. We are, today, the largest independent aviation maintenance and engineering operator in Asia-Pacific, and the largest independent airframe MRO operator in the world measured by man-hours and revenue.

In Electronics, our core expertise is in large-scale system electronics and integration, communication systems and sensors, and software systems – with key markets especially within the Asia Pacific. Because of the diverse nature of electronics products and services, and the short product cycle, the ability to sense and respond to customers' changing needs is paramount. In-house research and development must be complemented by an ability to strike strategic alliances with strong technology partners; this will enable us to deepen our capabilities and offer 'best-in-class' solutions to our local and overseas customers.

...the presence of the UK as a vital member of the FPDA in South-east Asia is testimony to the enduring bilateral ties



In Land Systems, the Group is presently predominantly engaged in defence systems, weapons, ammunitions and vehicles – such as the Terrex AV81 8x8 wheeled vehicle, 40mm Super Light Weight Automatic Grenade Launcher and the 155mm Light Weight Self propelled Howitzer. We are prepared to build up and invest in new ventures and expand our portfolio of defence-related products and services to include commercial vehicles, transmission systems, engines and drives.

In Marine, ST Engg operates a premier yard in Singapore with world-class operations and capabilities for both naval and commercial customers. We have recently acquired Halter Marine in the US, a medium-sized yard based in Mississippi, whose main businesses are shipbuilding and repair of small to medium-size vessels. It has also a distinguished client base comprising both government and commercial customers in 29 countries.

ST Engg In UK

Singapore and the UK have enjoyed a close and strategic relationship since Singapore's independence in 1965. The presence of the UK as a vital member of the FPDA in South-east Asia is testimony to the enduring bilateral ties.

Since our beginnings in 1967, we have had many collaborations with UK companies. Our familiarity with the UK is also based on successful past collaborations such as the maintenance of Bloodhound, Rapier Air Defence Systems, the Hunter aircraft and many modern sensors and command and control systems.

Our vision to be a global defence and engineering company will be complete with a significant presence in Europe. We have chosen the UK as the base of our current operations because we recognise the excellent opportunities to achieve access to the mature and vibrant UK and European markets. We hope to find opportunities for technology

and industrial collaborations with UK-based defence and engineering companies for the broader market.

ST Engg currently operates two business entities in the UK: Bournemouth Aviation Services Co Ltd (BASCO), a joint venture with FR Aviation Group (FRAG) for third-party narrow-body commercial aircraft heavy maintenance; and Airline Rotables Ltd (ARL), a fully-owned subsidiary for component management and support services for commercial aircraft.

BASCO today operates a leased hangar capable of taking 5 narrow-bodied aircraft, and plans to add a wide-bodied hangar in 2003. Through BASCO, we will continue to grow our customer base of European airlines and to better serve ST Aerospace's global customers by providing a European maintenance base for their networks.

These investments are strategic and major milestones in the Group's expansion as they offer



ST Engineering and the United Kingdom -

A Partnership in Business and Technology

...the key is to search out win-win industries collaborations and alliances



good access and niches into the strong UK and European markets. For example, FRAG is also actively seeking opportunities to help BASCO enter the UK MOD aerospace maintenance market, such as MOD's C130 maintenance programme.

We are actively discussing with BAE SYSTEMS on further cooperation and alliances that could strengthen our relationship. The Group already has a joint venture with BAE SYSTEMS in Singapore British Engineering (SBE) since 1988, whose main

activities are in the marketing and sale of BAE SYSTEMS' range of defence products and equipment and in the joint development of new products and systems in Singapore and the region. A joint steering committee of senior executives meet semi-annually to identify and pursue initiatives that would enhance the business mutual base and increase collaboration.

For the UK and European markets, ST Engg seeks similar strategic cooperation to market

and sell its own range of defence products and services through its partners, as well as to jointly collaborate in major projects and/or programmes, especially those for major defence contracts, such as the UK's Future Rapid Effect System (FRES).

Our approach in Europe is one based on partnership with established defence and engineering companies, which would be mutually beneficial and should preferably extend to the broader markets, leveraging when possible on the local requirements.



A Partnership in Business and Technology

...exploring and pursuing possible opportunities and openings



ST Engg In Europe

In the medium term, we intend to increase our presence and operations in Europe. The size, potential and leadership of the Continent in global economics, business and technology, make it critical that we position ourselves prominently in this market and be aware of the opportunities and openings here.

We are particularly keen to be a player in the defence industry's potential consolidation as Europe becomes increasingly more integrated. The Aerospace industry's recent consolidation could indicate the trends emerging in other areas of defence engineering. We intend to be proactive and responsive in identifying, exploring and pursuing possible opportunities and openings.



...the challenge for ST Engg and indeed for our industry, is to become more integrated



In Ireland, ST Engg has a 25% stake in Timoney Holdings, a global leader in independent suspension systems for heavy vehicles and which provides design and development services for wheeled vehicles for military and other heavy vehicles. The investment is strategic and symbiotic as it enables both companies to exchange technological know-how and strengthen their respective suspension capabilities and technologies in wheeled vehicles and vehicle subsystems.



Our subsidiary, ST Kinetics, has also signed MOUs with key defence players in Turkey and Belgium to promote our products, such as the Terrex AV81 and the Bronco All Terrain Tracked Carrier.

In Summary - Transformation

The recent war in Iraq has again re-inforced the message that technology and capability superiority, and not necessarily numerical strength of the troops, will be the key deciding factor between victories and defeats in the battlefield. The direction for future warfare will be in the mastery of technologies, and this will be the most important consideration for future defence planning. The Revolution in Military Affairs will gain momentum as armed forces all over the world respond to the transformation challenges facing future battlefields. Defence transformations will also occur right from the inception of doctrines and battlefield concepts, to the build-up of right capabilities in anticipation of threats, the execution of strategies and battle-plans, and seamless logistical support to support the entire theatre of operation.

ST Engg recognises the need to keep pace with the transformational impetus by raising our own capability levels and product offerings, and by crafting new and innovative defence solutions to age-old problems so that we can adequately meet the key defence needs of our customers, not just for the immediate future, but more so for the longer-term horizon.

The challenge for ST Engg and indeed for our industry is to become more integrated. This is not only in the way we network enable our products and systems, but also, in a more holistic sense, how we can integrate the way we do business across markets and geographical boundaries to bring best value to our customers. The key is to search out win-win industrial collaborations and alliances, so as to create new permutations of capabilities, products, concepts and life-cycle management.

ST Engineering and the United Kingdom -

A Partnership in Business and Technology

...a significant presence in the highly lucrative and technologically advanced UK market

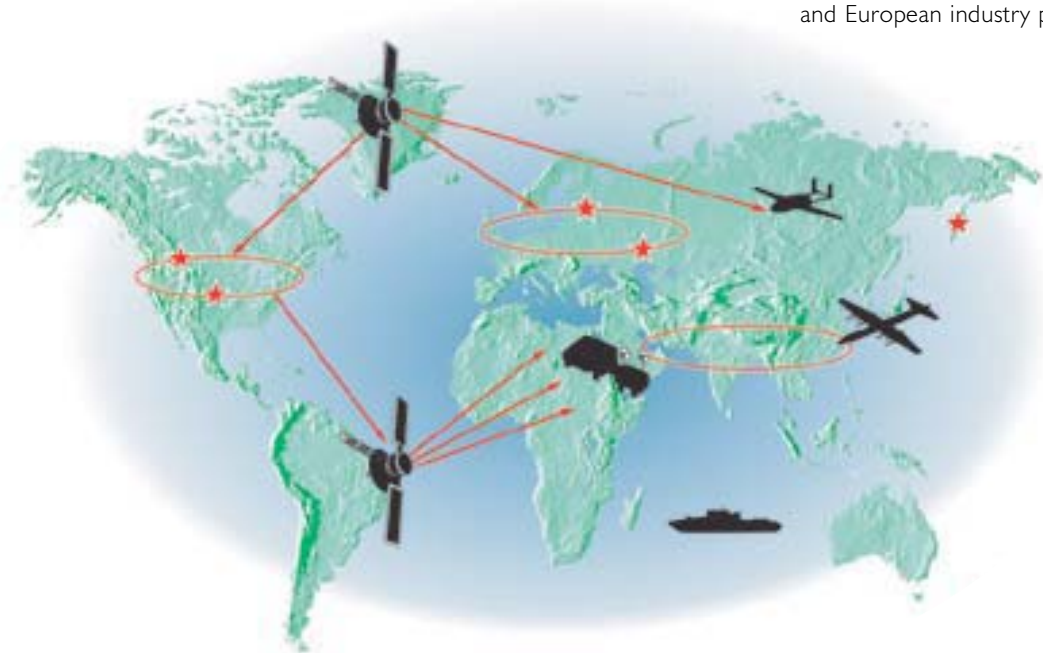


Conclusion

ST Engg is determined to achieve a significant presence in the highly lucrative and technologically advanced UK market. To do so, the Group will need to build strong business partnerships, alliances and cooperation with major and niche defence and engineering companies – such as BAE SYSTEMS, INSYS and FRAG, and also with government agencies.

We will continue to evaluate investment potentials and grow our European presence selectively in the commercial aerospace and defence businesses, and to invest in disruptive and nascent technologies such as robotics, unmanned platform technologies, miniaturisation, guided weapon systems etc, which will also benefit our local market.

ST Engg's approach towards globalisation is based on the premise of 'think international, act local'. In a nutshell, it implies we are ready to be as British as the British, or in Rome, do what the Romans do. We believe our operations in the various countries must duly assimilate the culture, people and talent if we are to grow our businesses here in the UK or anywhere in Europe. We look forward to creating strong binding alliances with UK and European industry players.





Sir Richard Evans
Chairman, BAE SYSTEMS

BAE SYSTEMS and Singapore Partnership through Technology

Introduction

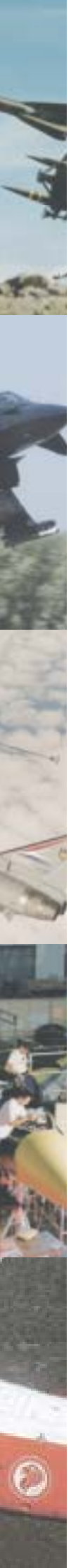
BAE SYSTEMS and Singapore
Technologies Engineering
Partnerships

BAE SYSTEMS and Singapore
Government Agency
Partnerships

BAE SYSTEMS and the
Singapore Community

BAE SYSTEMS and Singapore
- The Future

BAE SYSTEMS & Singapore -
Partnership through
Technology



BAE SYSTEMS and Singapore

Partnership through Technology

...continually strives to ensure it remains at the leading edge of technology



The Hunter - The original Air Superiority Fighter for the RSAF

Introduction

BAE SYSTEMS is a major global aerospace and defence company which continually strives to ensure it remains at the leading edge of technology, through its research and development programmes and partnerships with other global, high technology companies and Government organisations. BAE SYSTEMS is a major partner in many significant military and civil international strategic partnerships including the Eurofighter Typhoon, Joint Strike Fighter (JSF), Gripen, Airbus, MBDA, Alenia Marconi Systems (AMS) and Singapore British Engineering PTE Ltd. BAE SYSTEMS is also a major contractor, and systems integrator, in a wide range of worldwide Civil Air and Military Air, Land and Sea programmes.

BAE SYSTEMS recognises the immense capabilities and excellent resource within Singapore's knowledge-based economy and believes that the United Kingdom and Singapore have a common goal to excel in precision and hi-technology industries.

Thus, BAE SYSTEMS sees significant mutual benefit in engaging with Singapore in a high value **Partnership through Technology**.

Since the formation of the Singapore Armed Forces (SAF), BAE SYSTEMS (a merger of British Aerospace and Marconi Electronic Systems) has worked alongside Singaporean industry providing solutions and support for the armed forces tri-service military requirements, including Singapore's original air defence and air training capabilities through the Hunter, Strikemaster, and Bloodhound programmes. BAE SYSTEMS has supplied and continues to support the Rapier Air Defence System, as well as numerous avionics equipments fitted to many of Singapore's frontline platforms including the F5 and F16.

In recent years, BAE SYSTEMS has increasingly developed mutually beneficial relationships with Singapore Industry and Government agencies in areas covering technology and product development, marketing, training and support.

BAE SYSTEMS and Singapore Technologies Engineering Partnerships

In 1988, Singapore Technologies Engineering (ST Engg) and BAE SYSTEMS formed a joint venture, Singapore British Engineering (SBE). SBE is able to act as the focal point for any manufacture, repair and overhaul requirements, predominantly, but not always, in the defence sector.

Asia Pacific Training System (APTS) was formed in 1990 as a joint venture between British Aerospace PLC., Singapore British Engineering, and Singapore Technologies. APTS offered high quality pilot and flight engineer training to civil and military customers including Singapore, Malaysia, Oman, Pakistan and South Africa.

BAE SYSTEMS currently operates RSAF Flying Grading training at a training facility in Tamworth Australia and can offer a broad spectrum of training solutions to Singapore. Flying Training, and other training solutions, is a significant area for potential partnerships.

...continue to investigate how best to develop further potential partnership opportunities for mutual benefit



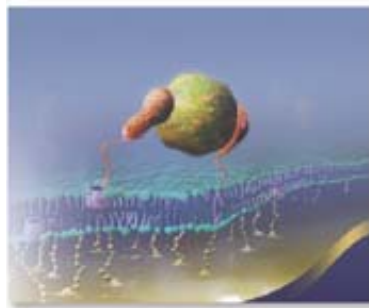
Air Defence for Singapore

BAE SYSTEMS and Singapore continue to investigate how best to develop further potential partnership opportunities for mutual benefit. This focus has been brought to fruition through work with the Singaporean Government agencies and local industry on high-technology collaborative programmes. Singapore Technologies Engineering and BAE SYSTEMS have been working closely together to identify synergies in their business portfolios that provide opportunities for collaboration. A good example of such cooperation is Falcon One, a technology demonstrator project where BAE SYSTEMS partnered Singapore Technologies Aerospace (ST Aero) on a very successful flight avionics upgrade programme for the F-16 aircraft. Falcon One had its first successful flight in late 2001 and was then exhibited at Asian Aerospace 2002. Singapore Technologies Engineering and BAE SYSTEMS have subsequently marketed the Falcon One upgrade package to F-16 operators.

A further partnership is a joint investigation into the development of Adaptable Embedded Battlespace Management and simulation.

Following a twelve-month study, discussions are ongoing between the two companies to exploit this technology jointly to the best effect.

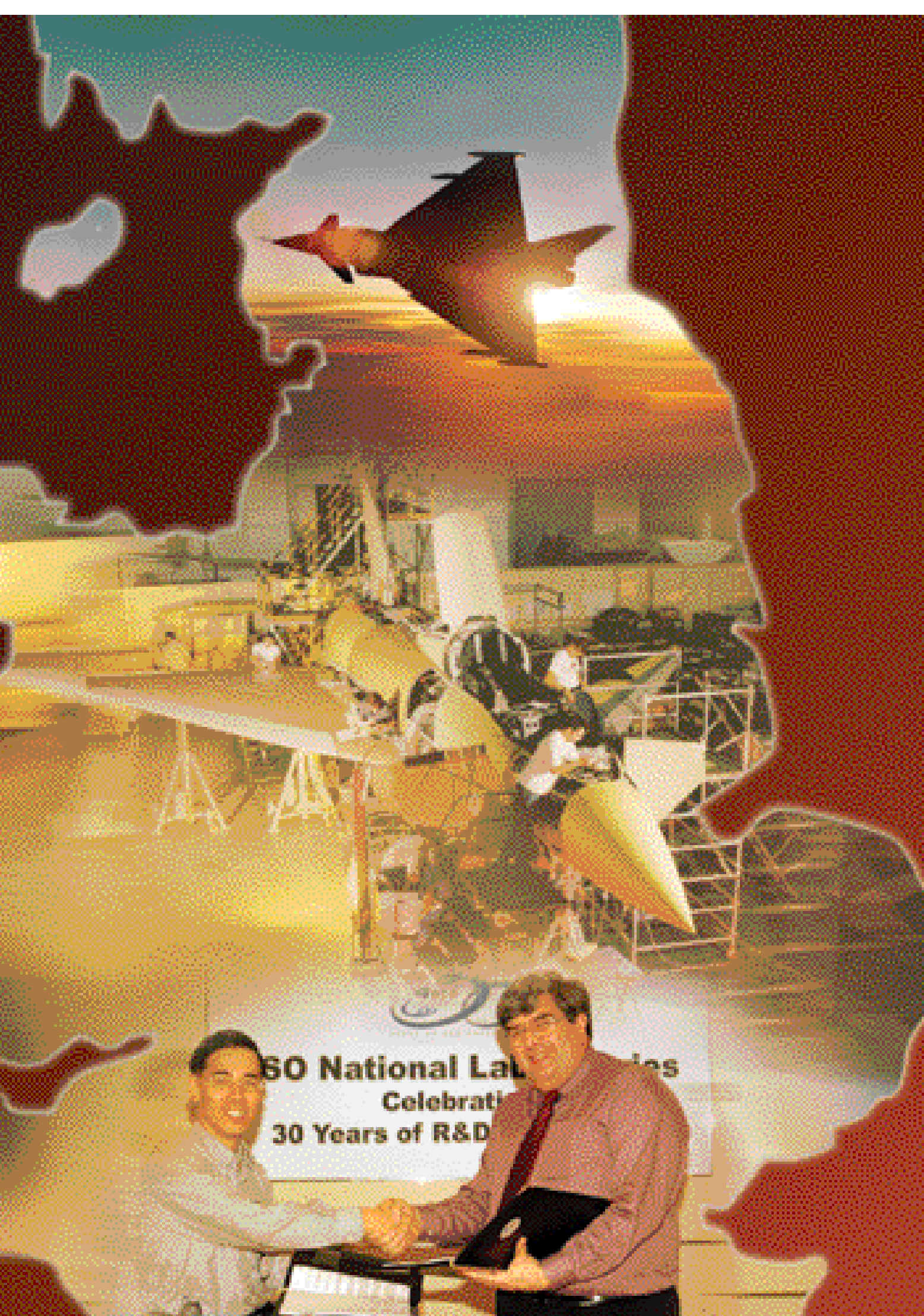
ST Engineering and BAE SYSTEMS continue to work together to develop further successful collaborative opportunities across the full breadth of the defence spectrum, and on a range of Singapore and UK programmes, some of which will certainly have third-party export potential.



Collaboration in Bioscience Research

BAE SYSTEMS and Singapore Government Agency Partnerships

In addition to the ongoing work with Singapore Technologies, there is also significant cooperation at an Industry-to-Government level. BAE SYSTEMS has been working closely with the Singaporean Government's Economic Development Board (EDB). For example, detailed planning work has been completed in preparation for the launch of a two-year biotechnology research programme. The programme involves bringing together expertise from a UK-based biotech SME, and the excellent resources of Nanyang Polytechnic, to advance biotech techniques and applications as diagnostic tools. Following the completion of a successful research programme, the aim is to commercialise the technology using the Biopolis infrastructure currently under development in Singapore.

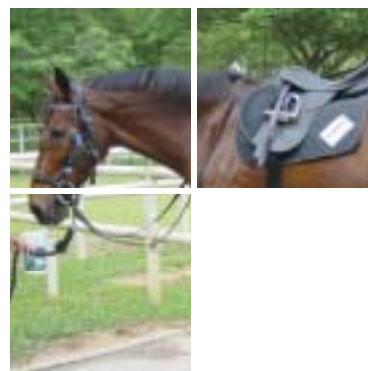


30 National Laboratories
Celebrating
30 Years of R&D

BAE SYSTEMS and Singapore

Partnership through Technology

...welcomes the opportunity to develop this relationship further



Sponsors of Riding for the Disabled Association

The BAE SYSTEMS Advanced Technology Centres (ATCs) at Sowerby and Great Baddow, and the DSO National Laboratories, are acknowledged Centres of Excellence for High Technology in the UK and Singapore. In March 2003, a Technical Agreement was signed which initiated a number of cutting-edge joint research and development programmes. A number of additional projects are already under discussion and are likely to commence before the end of 2003.

In March 2003, DSO hosted a technology seminar for over a hundred experts from all areas of Singapore's Research and Defence communities. Professor Terry Knibb, BAE SYSTEMS Chief Scientist and Dr Larry Firestone from BAE SYSTEMS North America, gave a joint presentation entitled 'Differentiation through Technology'. The presentation provided an overview of the significant breadth and diverse capabilities of BAE SYSTEMS in the fields of Land, Sea and Air. A number of opportunities were identified for further cooperation.

BAE SYSTEMS and the Singapore Community

BAE SYSTEMS is an active Corporate Citizen in Singapore, being involved in various community-based programmes and projects, from providing educational and research and development opportunities to working closely with children and the disabled. BAE SYSTEMS has initiated and fostered many beneficial cooperative efforts between organisations that serve deserving communities in Singapore and the UK.

One area where BAE SYSTEMS has contributed significantly in Singapore is in education. BAE SYSTEMS, together with the UK Foreign and Commonwealth Office, spearheaded the co-funding of post-graduate studies for Singapore students pursuing their Masters Degrees in British universities, through the Chevening Scholarship Scheme. BAE SYSTEMS has also funded regional students taking up defence studies in Singapore institutions. BAE SYSTEMS is currently providing educational

material for the School of Mechanical and Production Engineering at the Nanyang Technological University and welcomes the opportunity to develop this relationship further to aid in building a global network of universities and schools to promote an environment for effective teaching and research. One interesting ongoing project is the programme to electronically link up UK and Singapore schools to allow the two sides to discover and develop with the help of each other's skills and strengths.

As a part of its comprehensive Community Outreach Programme in Singapore, BAE SYSTEMS works closely with the Association for Persons with Special Needs (APSN) and the Riding for the Disabled Association (RDA).

BAE SYSTEMS supports the APSN, which caters to children with learning difficulties and aims to provide them with a broad balanced curriculum that is adapted for their needs, by sponsoring deserving APSN students under the BAE SYSTEMS

BAE SYSTEMS and Singapore

Partnership through Technology

...continue to explore and develop joint Industrial and technology collaboration

Scholarship Programme that was launched in 2002 and by providing Book Prizes for the school's top students. BAE SYSTEMS supports the efforts of the APSN in improving special needs training standards by facilitating a teacher exchange programme with a similar school in the UK, the Park School (Blackpool), through the Singapore-UK Special Schools Twinning Programme that was launched in 2002.

BAE SYSTEMS is a sponsor for the Riding for the Disabled Association (RDA), a charitable organisation that provides free therapeutic horse-riding lessons for children and adults with disabilities.

At the National level, BAE SYSTEMS has been pleased to be a sponsor for major national events such as the National Day Parade in August 2003 and key defence anniversaries such as the Republic of Singapore Air Force (RSAF)'s 35th Anniversary celebrations in September 2003.

BAE SYSTEMS and Singapore - The Future

Given Singapore's internationally acknowledged position as a centre of excellence for high technology, and Singapore's strategic importance in the region, BAE SYSTEMS is very keen to continue to explore and develop joint Industrial and technology collaboration with Singapore industry and government agencies for mutual benefit. A significant number of critical programmes are under discussion for potential technological collaboration between BAE SYSTEMS and Singapore Technologies Engineering, and BAE SYSTEMS and the Defence Science and Technology Agency (DSTA).

As one of the world's major companies with strong civil and defence partnerships and a major 'footprint' in both Europe and the United States, BAE SYSTEMS provides a unique opportunity and unrivalled access to cutting-edge technological and industrial collaboration that unites the high technology world.



BAE SYSTEMS supports the Association for Persons with Special needs

BAE SYSTEMS is a significant Partner Company of the Eurofighter Consortium (which also includes the Aerospace and Defence Industries of Germany, Spain and Italy) leading the campaign to supply the Typhoon weapon system as the solution to Singapore's Next Fighter Replacement Programme (NFRP).

If the Typhoon is selected, BAE SYSTEMS will provide the most cost-effective, 'on-shore' support and through-life modification and indigenous change capability for the NFRP, utilising the strength and technology base of the consortium and its extensive international supplier base. This operationally and cost-effective solution will be delivered through collaboration and partnership between BAE SYSTEMS and the Typhoon partners, the Republic of Singapore Air Force, Singapore Government agencies and Singapore Technologies Engineering.

BAE SYSTEMS & Singapore - Partnership through Technology



Khoo How San, PhD (ANU)
Independent strategic analyst, Singapore

The FPDA: Still steady after all these years...

Introduction

Common bonds, enduring
fears

The FPDA in the New
Millennium

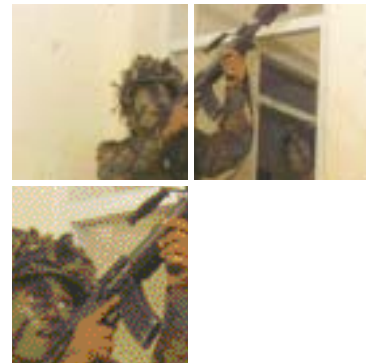
Conclusion



The FPDA:

Still steady after all these years...

...behind every surviving institution, lurks its purpose and history



Introduction

Behind every surviving institution, lurks its purpose and history. Purpose conveys the idea of relevance while history is full of changes and is not necessarily a good guide to the future. The multilateral Five Power Defence Arrangements (FPDA) emerged as a successor to a bilateral defence pact during a troubled period of South-east Asia's maritime history. It has survived despite chronic questioning about its purpose. Today, its five members continue to interact regularly and it continues to evolve in the aftermath of 11 September, 2001. On 2 June 2003, the five partners declared that the FPDA will consider adapting itself to counter the threat of regional terrorism, evolving from its original aim of defending Malaysia and Singapore from conventional external threats.

Common bonds, enduring fears

Malaya - a federation of nine small states - became independent from Britain in 1957. Two years later, Britain permitted Singapore to be

self-governing. The Singapore military bases accommodated British forces and also Australian and New Zealand forces (the ANZUK forces). The British continued to help Malayan counter-insurgency forces fight the communist remnants. Butterworth air base in peninsular Malaya continued to be used by ANZUK air forces while Johor was the location for joint jungle training. British forces were also stationed in British North Borneo (Sabah), Sarawak and Brunei.

Thus, when Indonesia under President Sukarno began to oppose Malayan Prime Minister Tunku Abdul Rahman's idea of an enlarged federation (to include Singapore, Brunei, British North Borneo and Sarawak), ANZUK forces were available in Malaya and in the other colonial territories. It can be argued that the proposed new federation, Malaysia, would have helped to stabilise the sub-region and therefore provide security to the widely scattered Indonesian archipelago. From Sukarno's perspective, however, Malaysia was a neo-colonial creation. Moreover, Sukarno had

not been consulted! Sukarno was also facing domestic problems and he wanted to divert attention to foreign policy.

In this atmosphere, the 1957 Anglo-Malayan Defence Agreement (AMDA) provided a security umbrella for independent Malaya. AMDA (unlike the future FPDA), was a bilateral defence agreement. When Malaysia was formally created in 1963 (without Brunei's inclusion), AMDA -- renamed the Anglo-Malaysian Defence Agreement -- continued to provide some measure of security to the new federation. Just as important, ANZUK forces were still based in Butterworth and Singapore. These forces helped Malaysia resist Indonesia's policy of 'Confrontation' which included military action or terrorist activities in Johor, Singapore, and Sarawak.

Confrontation engendered an enduring fear of Indonesia as a regional source of instability under certain conditions, such as internal challenges to its unity and the emergence of an 'adventurous' ultra-nationalist or religious leader (or leadership). But this common

...a set of arrangements that allow two parties or more to consult and cooperate



fear did not diffuse domestic tensions between the Malay-dominated central government in Kuala Lumpur and the Chinese-dominated government in the city-state of Singapore. Racial tensions followed. In August 1965, Singapore separated from Malaysia.

Externally, Britain had meanwhile decided by 1967 to pull out its military forces 'east of Suez'. Given that Confrontation had by then been effectively countered, and that a process of conciliation had begun between Indonesia and Malaysia, the dangerous years could be said to have passed for Malaysia and Singapore. But, because the long history of security cooperation among British, Australian, New Zealand and Malayan/Malaysian forces had always been mutually satisfying, both Malaysia and Singapore were keen to keep some form of this 'it ain't broke, don't fix it' security structure going. So were the Australians and New Zealanders. Canberra, in particular, posited forward defence as its strategic doctrine.

By 1971, just such a 'coalition of the willing' had emerged - the FPDA - in a formula that imposed no undue strain or obligation on any party. Defence ministers of the five nations met in London on 16 April 1971 to form the FPDA which obliges them to consult each other in the event of an external aggression or threat of such attack against Malaysia and Singapore. There was no requirement for the physical stationing of multinational forces in Malaysia or Singapore. On 1 September 1971, the five nations decided to form the Integrated Air Defence System (IADS) within the FPDA framework, to assume responsibility for the air defence of Malaysia and Singapore. Finally, on 1 December 1971, Malaysia and Singapore separately concluded bilateral exchange of notes with the other three partners of the FPDA to effect the new defence arrangements.

The key term in this multilateral successor to the bilateral AMDA is the plural noun, 'arrangements'. Yet, many commentators continue to refer, incorrectly, to the 'Five

Power Defence Arrangement'. The FPDA, as described above, is a set of arrangements that allow two parties or more to consult and cooperate under the FPDA rubric in the defence of Malaysia and Singapore. In this sense, this 'FPDA minus x' formula predated the famous 'ASEAN minus x' formulation! This in-built flexibility has proven useful in practice. For example, the most geographically distant partner, Britain, nevertheless can still assemble the most formidable array of assets for major FPDA exercises. But its absence during some years was not seen as a lack of commitment.

Flexibility apart, gradualism was another FPDA hallmark. For a whole decade, the IADS was about the most active component of the FPDA, with air defence exercises conducted annually since 1972. Then, in 1980, the leaders of the five countries decided to initiate regular land and naval exercises. Between 1981 and 1986, Australia and New Zealand alternately hosted annual FPDA land exercises. In 1987, Malaysia hosted its first land

The FPDA:

Still steady after all these years...

...the FPDA is best seen as providing a form of 'potential' deterrence



exercise and in 1989, Singapore was the host. The 1990 land exercise was held in Malaysia but hosted by Britain. Sea exercises, also held since 1981, are alternately hosted by Malaysia and Singapore in the South China Sea. Since 1997, a triennial large-scale joint air and sea exercise, Flying Fish, has emerged. The 2003 exercise, was held between 21 June and 5 July in the South China Sea with more than 2,700 personnel and about 30 warships and 90 aircraft taking part.

Apart from the usefulness of the various exercise series, the FPDA - especially in the early years - provides the teeth for a vital aspect of the defence of Malaysia and Singapore: the Integrated Air Defence System (IADS) located at Butterworth, under an Australian commander. This deliberate decision was a practical one, given the unspoken discomfort Malaysian and Singaporean leaders would have in having an IADS commander from either country. In November 2001, on the FPDA's 30th anniversary, the IADS was renamed the Integrated Area

Defence System, to reflect the changes in its role and functions.

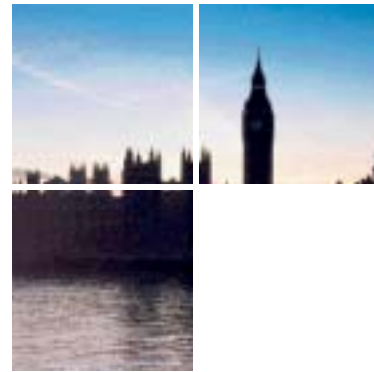
Certainly, the FPDA played a useful role in confidence-building between Malaysia and Singapore, especially in the early post-separation years when bilateral external security cooperation between the two countries (other than the unbroken internal security cooperation) was all but absent. Importantly, the creation of the IADS symbolised the indivisibility of the defence of peninsular Malaysia and Singapore. Finally, on the issue of deterrence, although leaders of the two regional countries have not pretended that the legacy of Indonesia's Confrontation had affected their security perceptions, the FPDA is best seen as providing a form of 'potential' deterrence, in which no actual enemy is identified. Some observers have referred to the 'psychological deterrence' provided by the FPDA; others note that Australian F/A-18 fighter jets based in Tindal in northern Australia are only a few hours flight time from the sub-region.

The FPDA in the New Millennium

If the several features of the FPDA proved its resilience since 1971, predicated on commonsensical 'it ain't broke, don't fix it' premises and gradual enhancement comfortable to all its members, what possible challenges to its relevance may be identified in the new millennium?

The impression should not be given that the FPDA did not have its share of structural weaknesses, political difficulties, intramural tensions and viability questions. In the first place, the external powers are not obligated to come to the defence of the two regional powers since the FPDA carries no treaty obligations. In addition, although the IADS does have a command structure, the FPDA itself does not. Since 1991, however, FPDA defence ministers have met every three years. Politically, although Indonesia was not identified as the potential threat, it is not enthusiastic about the existence of a set of defence arrangements which arose in the aftermath of Confrontation. Much

...the present Labour Government in Britain shows its interest in engagement with FPDA partners



credit could be given to the previous Suharto administration for its passive acquiescence in accepting Malaysia and Singapore's membership of the FPDA as part and parcel of the regional web of bilateral and multilateral security links outside the ASEAN framework. Brunei's 'lukewarm' interest in the FPDA could be due to sensitivity to Indonesia's possible reaction. One novel Indonesian attempt to revisit the FPDA concept arose in 1990 when former foreign minister Mochtar Kusuma-atmadja suggested in a regional journal article that the FPDA be gradually disbanded over a period of five years and a new Three-Power Defence Arrangement be created comprising only Indonesia, Malaysia and Singapore. He felt that the 'abandonment of the [FPDA] by Malaysia and Singapore would immeasurably strengthen the political and psychological basis for the continued growth of a three-power ASEAN military cooperation'. He added that Australia could participate in the proposed pact's joint exercises as a 'friendly neighbouring power'.

Problems in the political relationship between Malaysia and Singapore have also affected the FPDA. For example, Malaysia made a last-minute withdrawal from a major maritime exercise (Stardex) in 1998. Kuala Lumpur said its decision was a result of the Asian economic and financial crisis, but observers noted that it came at a time when Malaysia-Singapore relations were affected by a number of issues. However, Malaysia resumed its participation of Stardex in 1999. There is always the question of sustaining the interest of external partners in any security arrangement. The FPDA has been no exception. Britain did not take part in the air defence/maritime exercise Lima Bersatu for more than a decade and only resumed its participation since 1988. The present Labour Government in Britain shows its interest in engagement with FPDA partners, but it cannot be said that future governments -- Labour or Conservative -- will be similarly disposed. New Zealand's involvement has been comparatively modest and indeed,

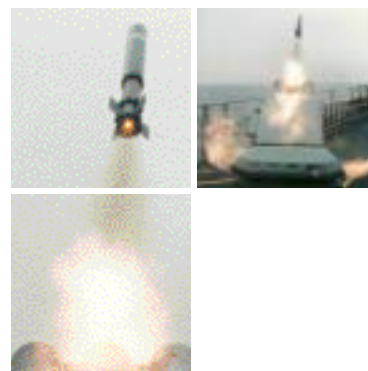
the current Government has indicated its strategic focus is on its immediate neighbourhood. Australia, on the other hand, continues to play an active role in the FPDA. Indeed, whereas during the Suharto era, when some Australian commentators had suggested that its involvement in the FPDA might be a disincentive with regards to closer Canberra-Jakarta ties, the situation today may be the opposite. The FPDA continues to provide Australia with a regional presence.

Finally, as noted earlier, the FPDA is mulling over how it can be adapted to tackle regional terrorism and other unconventional threats like sea piracy. Indeed, it may be timely to promote an 'FPDA-plus' concept. While retaining its core identity and activities, the FPDA could work with other involved actors such as the United States, the Philippines and Indonesia in anti-terrorism and anti-piracy activities.

The FPDA:

Still steady after all these years...

...the FPDA has played an important role in the stability and regional security of maritime South-east Asia



Also, the US has an ongoing annual series of naval exercises – CARAT, or Cooperation Afloat, Readiness And Training – with regional navies. CARAT could, for example, be coordinated with Flying Fish.

In summary, the FPDA has not faced any major challenge since its inception because of two principal reasons. First, its purpose and design were pragmatic, demanding not too much from its 'coalition of the willing'. Secondly, Indonesia under Suharto had

chosen to accommodate the FPDA, which in turn has always been sensitive to Jakarta, such as conducting its major maritime exercises in the South China Sea. But circumstances can change. The very fact of its flexible arrangement means that any member who has become 'less willing' can leave the FPDA, thus weakening both the indivisible defence of peninsular Malaysia and Singapore element and the so-called psychological deterrence element.

Conclusion

The FPDA has played an important role in the stability and regional security of maritime South-east Asia. Apart from the worry over regional terrorism, the major concern of regional security analysts today, is whether the two important bilateral US security treaties with Japan and South Korea will survive. Already, the trilateral ANZUS alliance has been allowed to languish, although US-Australian security cooperation is still sustained. If the FPDA were to lapse, it would be missed. Once broken, it can never be fixed.