



DANIEL K. INOUE ASIA-PACIFIC CENTER FOR SECURITY STUDIES

COVID-19

Maritime Security

The Way Ahead

(Malaysian Alumni Association)

Prof. Ethan Allen
Prof. Miemie Winn Byrd
Prof. John Hemmings
Prof. Dave McElyea
Prof. Jim McMullin
Prof. Elina Noor
Prof. Wade Turvold

May 14, 2020



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Chief, Admissions Tom Patykula

- Introduction and Remarks
 - Distinguished Alumni, Mr. Rozainor Bin Ramli, Senior Project Coordinator, National Institute of Public Administration (INTAN)
 - Remarks from U.S. Embassy Kuala Lumpur, CAPT Zeff Khan, U.S. Navy, Senior Defense Official/Defense Attaché
- Alumni, John Carver, DKI APCSS's 25th Anniversary
- Connect
 - Exchange contact information in the Zoom chat room
 - Stay for the Social hour after the event
 - Use our Alumni Division to connect with Faculty and other Alumni



Administrative Reminders

- Mute microphones and turn off video when not speaking
- Transparency, Mutual Respect, and Inclusion (TMI)
- Non-attribution policy
- Session will be recorded
- Presentation slides on APCSSLink
- Type full name on chat window for attendance credit
- Post-event survey



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Agenda

- 1000-1005 Welcome and introduction
- 1005-1010 Ground rules
- 1010-1015 Coronavirus Disease (COVID-19)
- 1015-1022 Economic Recovery from the Pandemic
- 1022-1030 Maritime Security
- 1030-1059 Group Discussion
- 1059-1100 Closing Remarks and Announcements
- 1100- 1200 Virtual Social Hour for Alumni and Friends

Note: Times listed are for Malaysia. For Hawaii, the event is from 1600 to 1700



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Coronavirus Disease (COVID-19)

Ethan Allen

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COVID-19 Status Update

Things we know about COVID-19

- **Caused by a coronavirus, SARS-CoV-2**
- **Gene sequence; protein coat & binding spike structures**
- **Spreads easily and rapidly from person to person**
- **People can carry and shed virus with no symptoms**
- **Virus shed in aerosols from breath (and bodily fluids)**
- **Impacts respiratory system, blood clotting, and more**
- **Effects differ among demographics**



COVID-19 Mortality Rate

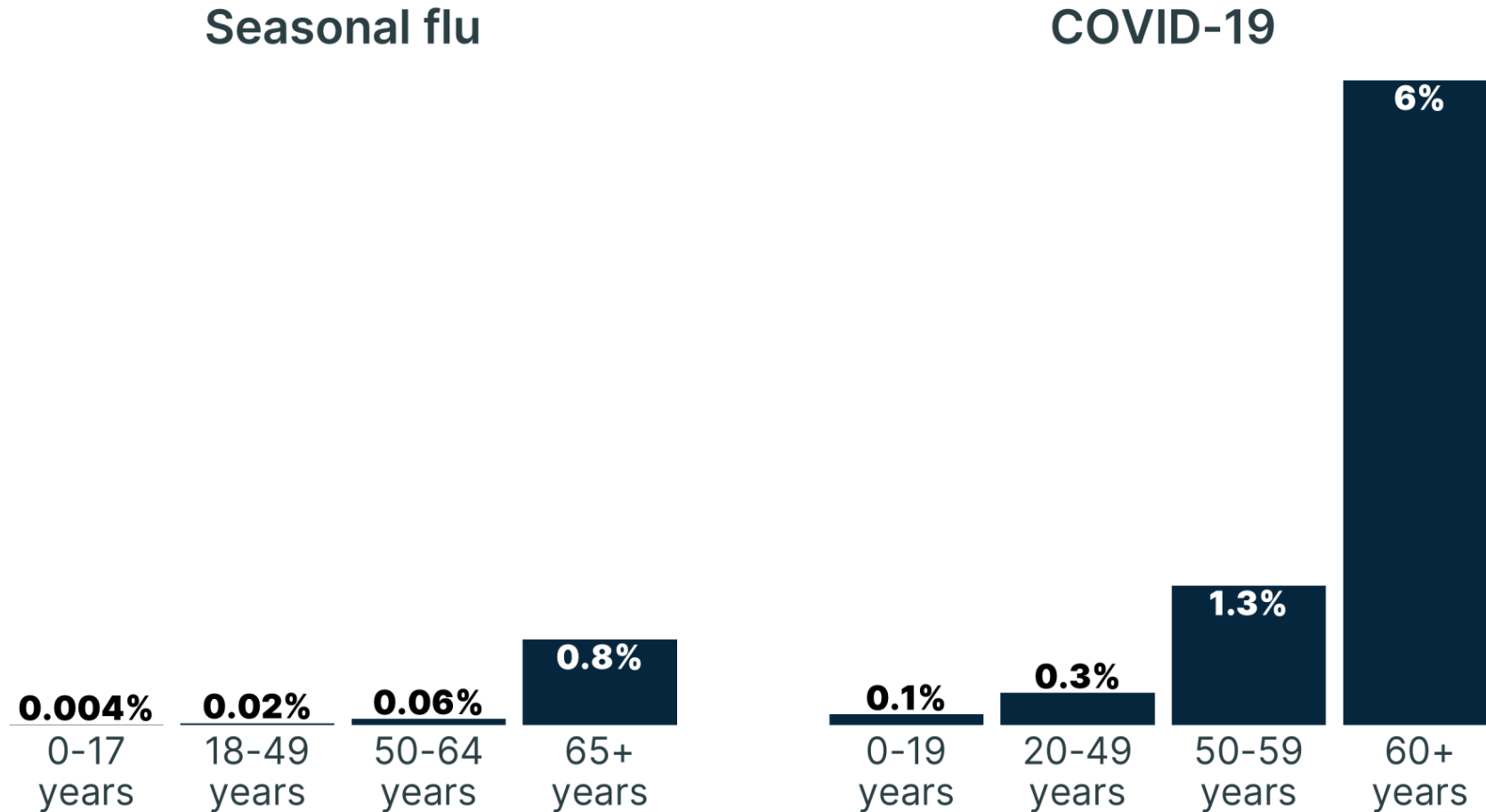
- | Diagnosed cases | Deaths | Mortality Rate* |
|----------------------------|---------------|------------------------|
| • Malaysia: 6,742 | 109 | 1.6% |
| • United States: 1,354,504 | 80,900 | 6.0% |
- **Perspective – Mortality Rates from other diseases:**
 - SARS - 14%
 - 1918 Influenza - 2.5% (killed 50M globally)
 - Seasonal influenza - <0.1%

* Johns Hopkins University retrieved May 12, 2020 from <https://coronavirus.jhu.edu/map.html>



Deadliness of COVID-19 vs. the seasonal flu

Chart compares COVID-19 mortality rate from China with seasonal flu mortality in the United States by age group.



Source: Novel Coronavirus Pneumonia Emergency Response Epidemiology Team, "Viral surveillances: the epidemiological characteristics of an outbreak of 2019 novel coronavirus diseases (COVID-19)— China, 2020," *China CDC Weekly*; U.S. Centers for Disease Control and Prevention. Via Our World in Data.

Graphic by David H. Montgomery | MPR News



Things we don't know about COVID-19

- **Actual infection rate** – likely ~50% higher than reported
- **True mortality rate** – under-reported; varies widely
- **How to treat it effectively** – Remdesivir reduces hospital stay length
- **How to cure it** – no proven effective treatment
- **How to prevent it** – no vaccine widely available for 18+ months
- **If or how effective or long-lasting immunity will develop**
- **Why effects differ so widely among demographics**
- **When it will be brought under control** – depends on international cooperation and evidence-based decision making



To reduce the spread of COVID-19

- Widespread, accurate, and reliable **testing** is needed
 - for the virus itself, to detect active infections
 - for antibodies to the virus, to determine who has been exposed to it
- **Tracing contacts** of infected persons can stop outbreaks
- Wearing **masks** when around others and in confined public spaces (e.g., elevators) is effective
- **Isolation** by quarantining and/or social distancing can help



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Economic Recovery from the Pandemic

Miemie Winn Byrd
Dave McElyea

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Economics Impact of COVID-19 Crisis

The global pandemic is affecting a broad swath of international economic and trade activities:

- services (professional & real estate)
- retail & whole sales trade
- financial markets
- travel, tourism, & hospitality
- medical supplies
- consumer electronics
- energy
- transportation
- food
- other global value chains

Efforts to reduce social interaction to contain the spread of the virus are disrupting the daily lives of people and adding to the economic costs.

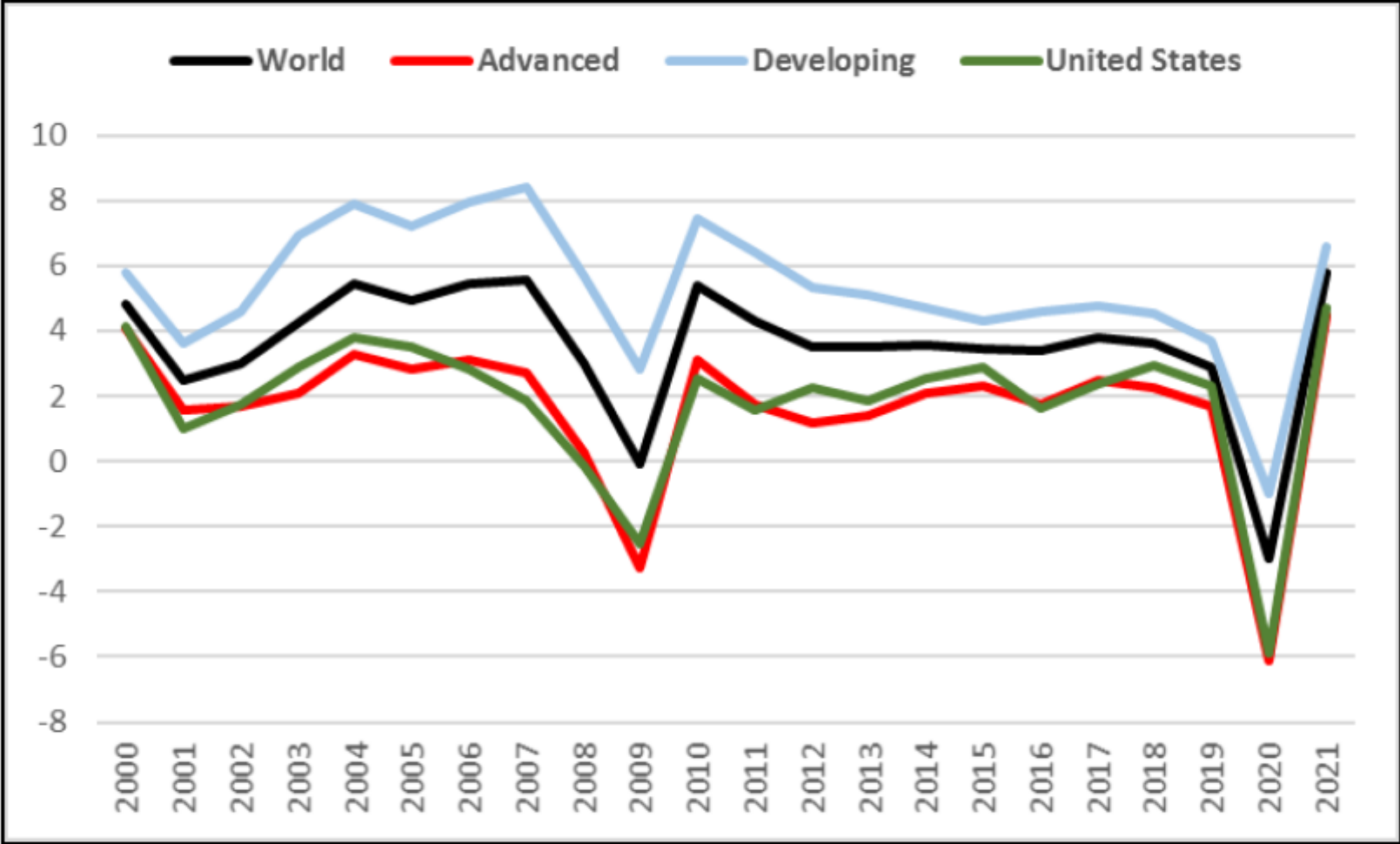
Global trade volume is expected to fall by 13 - 32% in 2020.

The health and economic crises have a particularly negative impact on the economies of developing countries -- constrained by limited financial resources and overloaded health systems.

Increased rates of unemployment and rising level of poverty could trigger widespread social unrest .

Preliminary Forecasts

Figure 2. Gross Domestic Product, Percent Change



Best case scenario:

V-shape

Worst case scenario:

L-shape

Most likely scenario:

U-shape

Source: World Economic Outlook, International Monetary Fund, April 14, 2020.

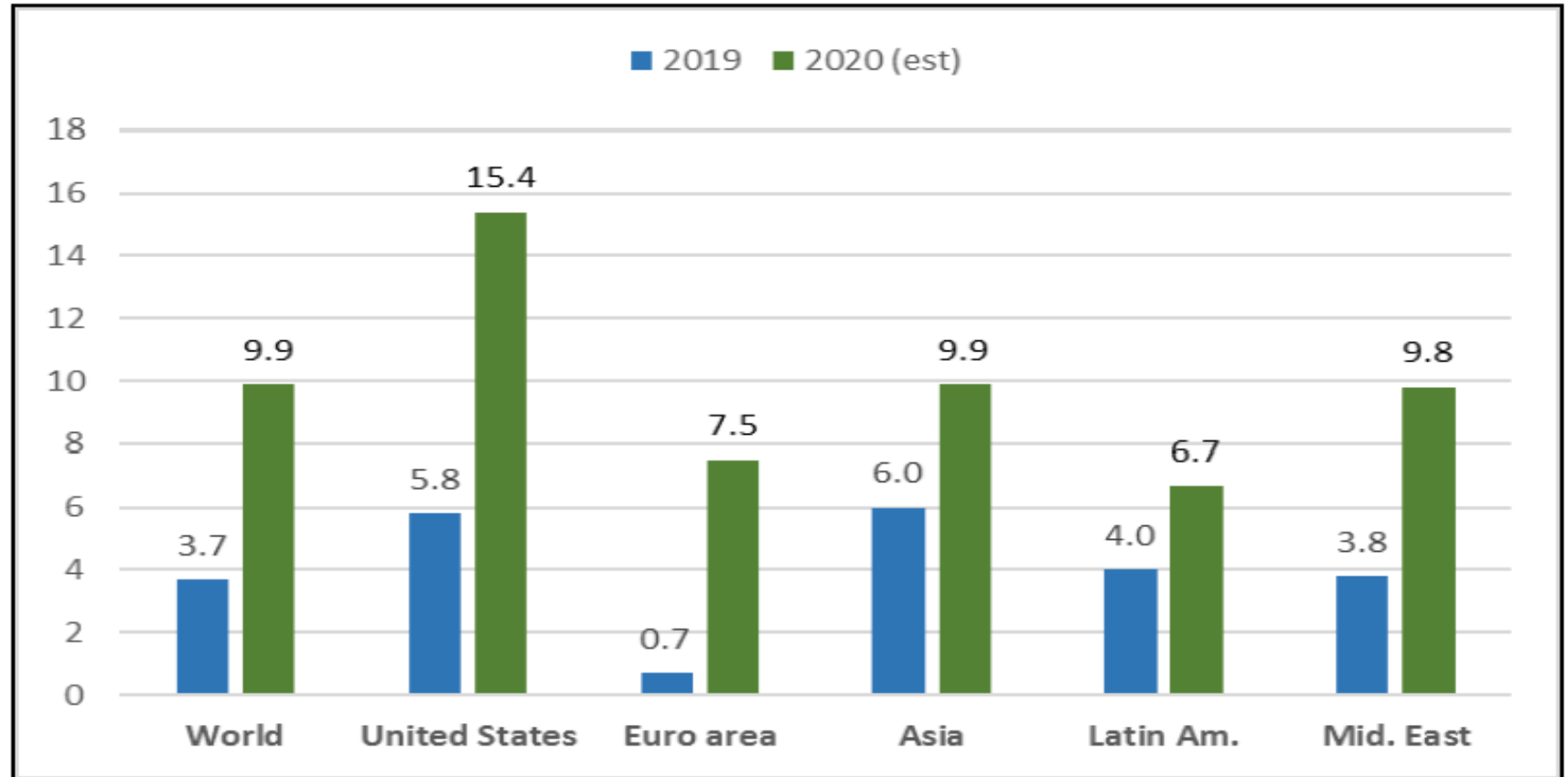
Note: Data for 2020 and 2021 are estimates.



Countries' public debt increased as governments rolled out stimulus packages to keep liquidity in the markets and to sustain economic activities

Possibility of debt crisis if currencies start to depreciate against USD\$.

Figure 1. IMF Projected Government Fiscal Balances Relative to GDP
In percent shares of Gross Domestic Product



Source: *Fiscal Monitor*, International Monetary Fund, April 14, 2020.

Note: Data for 2020 are estimates.

Table 2. WTO Forecast: Merchandise Trade Volume and Real GDP 2018-2021

Annual percent change

	Historical		Optimistic scenario		Pessimistic scenario	
	2018	2019	2020	2021	2020	2021
Real GDP at market exchange rates	2.9	2.3	-2.5	7.4	-8.8	5.9
North America	2.8	2.2	-3.3	7.2	-9.0	5.1
South and Central America	0.6	0.1	-4.3	6.5	-11	4.8
Europe	2.1	1.3	-3.5	6.6	-10.8	5.4
Asia	4.2	3.9	-0.7	8.7	-7.1	7.4
Other regions	2.1	1.7	-1.5	6.0	-6.7	5.2

Source: *Trade Set to Plunge as COVID-19 Pandemic Upends Global Economy*, World Trade Organization, April 8, 2020.

Note: Data for 2020 and 2021 are projections; GDP projections are based on scenarios simulated with the WTO Global Trade Model.



Multilateral Relief Funds

FUND	AMOUNT
IMF Catastrophe Containment & Relief Trust (CCRT)	\$50 Billion
IMF Rapid Financing Instrument for Low Income Countries	\$40 Billion
World Bank's relief fund for developing countries	\$12 Billion
Asian Development Bank's relief fund for developing countries in Asia	\$4 Million



Key Opportunities & Threats

Opportunities:

1. Increased level of digitization
2. Increased cooperation between government & private sector
3. Increased regional cooperation
4. New/closer market (60% of humanity)
5. Innovative business models
6. Leverage young labor force

Threats:

1. Unknown peak creating high uncertainty for investment
2. Widening of digital divide
3. Increased cronyism
4. Uncoordinated formulation of economic policies
5. Debt crisis if currencies devalue against dollar
6. Increased rift between US & China
7. US Election Outcome



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Maritime Security

John Hemmings
Wade Turvold

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- **Ways in which the geostrategic competition between the PRC and the US has accelerated over the course of the Covid-19 Crisis**
 - Supply Chain Security
 - Influence and Framing
 - International Institutions (WHO, etc)
 - Health Aid Diplomacy
 - Origins Investigation
 - Vaccine Race
 - Model Competition
 - Quad Health Cooperation
 - BRI and Covid-19
 - Maritime Security



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Impact in the Region – Maritime Security



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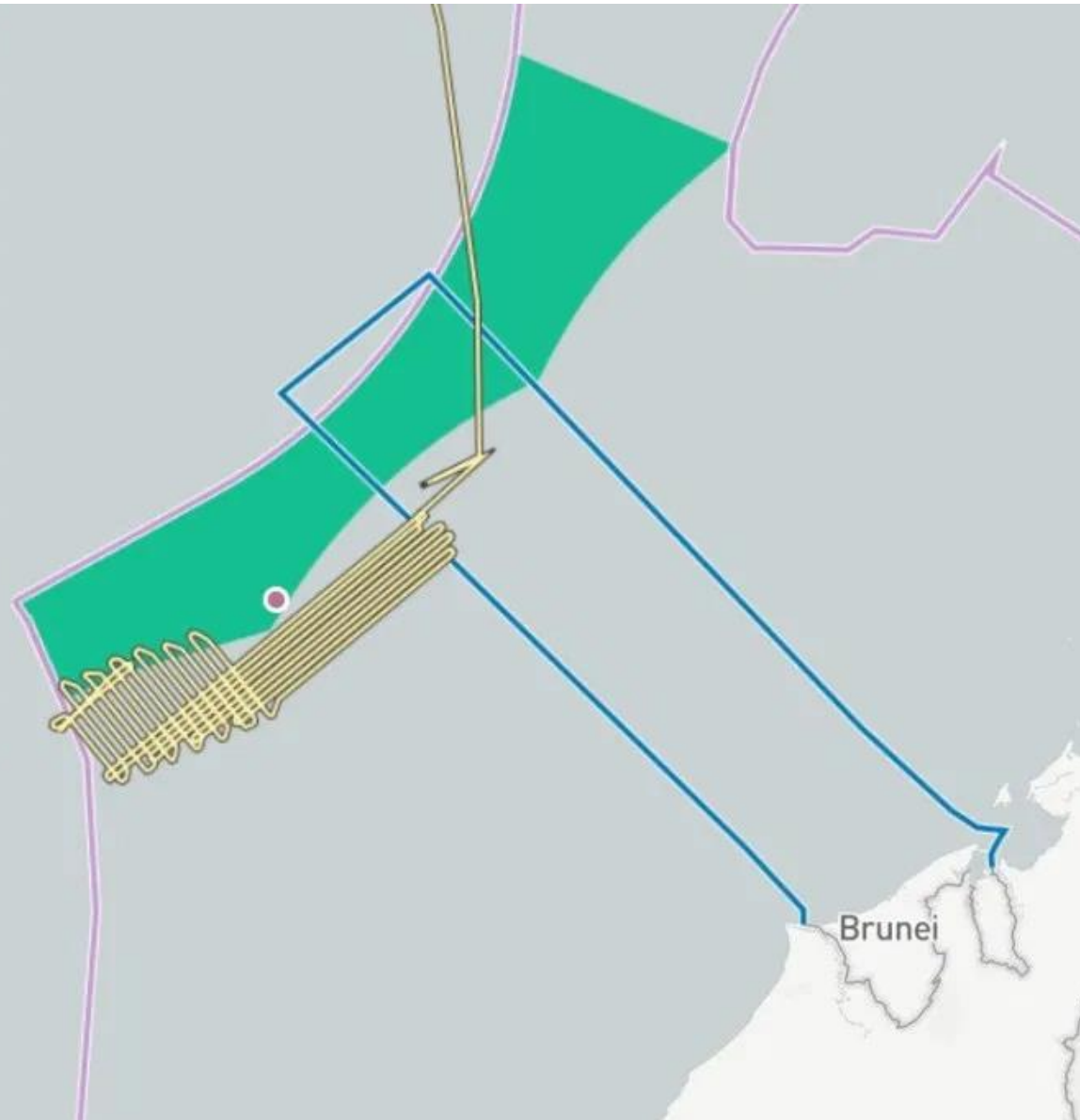


Impact in the Region – Maritime Security

Haiyang Dizhi 8 Survey

April 13-28, 2020

-  Haiyang Dizhi 8
-  West Capella
-  Malaysia-Vietnam Joint Defined Area
-  Malaysia continental shelf claim
-  Brunei continental shelf claim





Impact in the Region – Maritime Security





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Impact in the Region – Maritime Security

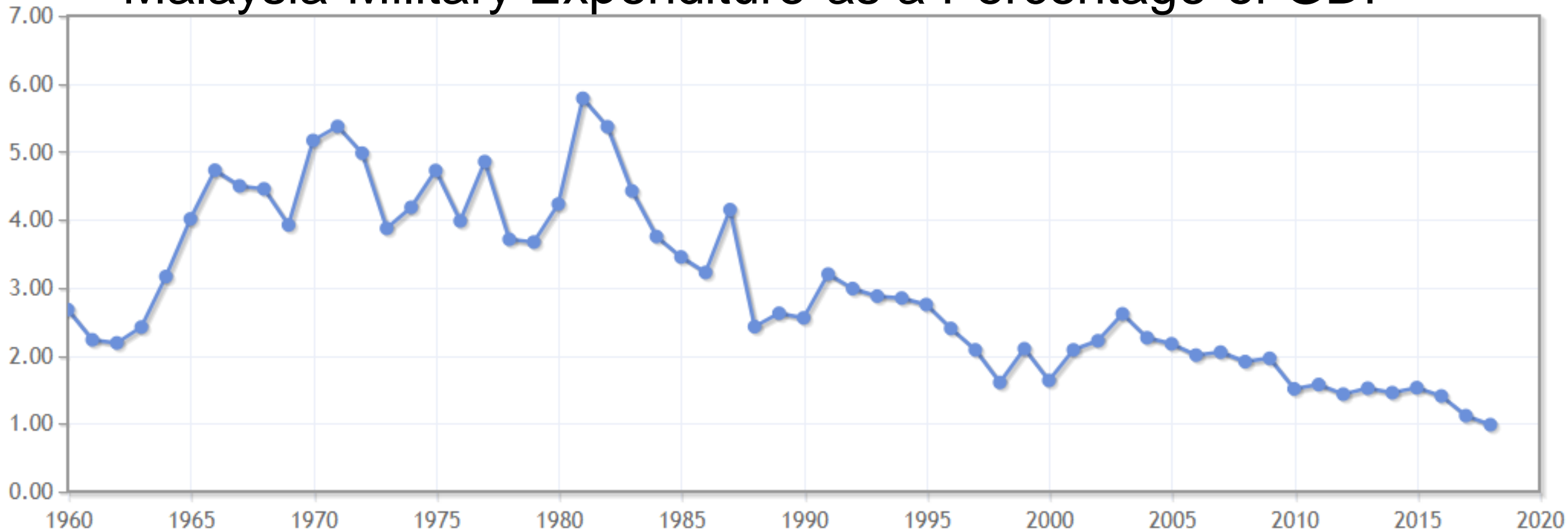




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Impact in the Region – Maritime Security

Malaysia Military Expenditure as a Percentage of GDP



Source: IndexMundi



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Discussion

Elina Noor

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Announcements

- Event Survey

Webinar Survey: Please take a few moments, after the webinar concludes, to complete the brief survey at the link below. Your response will assist us towards improving our engagement program.

[https://www.surveymonkey.com/r/Malaysian Alumni Engagement-MARSEC](https://www.surveymonkey.com/r/Malaysian_Alumni_Engagement-MARSEC)

- Upcoming Events
- Alumni Network
- 25th Anniversary
- Social Hour – time to Connect with one another

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Social Hour

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