

## Southeast Asia from the Corner of 18th &amp; K Streets

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## The U.S.-ASEAN Relationship in 2030

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Thinking about the U.S.-ASEAN relationship in 2030 is a useful exercise for testing the tenets of U.S. strategy in the region and in Asia generally. Does the United States have plans in place that will move it toward a vision—along with ASEAN, its members, and other key actors—that promotes its best interests on issues ranging from economic growth and prosperity to regional security to coping with transnational threats and disaster? And can the United States do so while promoting strong people-to-people ties, innovation, and collaboration? Are we investing in these efforts? Do we have the resources and political will to follow them through to fruition?

The answers are at our fingertips. We have the momentum and resources to make choices. This may not be the case 18 years from now, however.

### BIG EMERGING MARKET

ASEAN is already a big market for the United States. In fact, it is our fourth-largest trading partner. The United States has nearly three times the investment in ASEAN it has in China, and more than nine times the investment it has in India. However, the United States has lost relative market share in ASEAN, accounting for only 9.1 percent of trade in ASEAN in 2010, down from 20.1 percent in 1998.

By 2030, ASEAN plans to have an economy of \$6.5 trillion, the Asian Development Bank predicts the grouping will be home to more than

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700 million people, and it will be at the center of the fastest-growing region on the planet. Standard Chartered Bank predicts that, by that time, China, with an estimated \$73.5 trillion economy, will likely have overtaken the United States as the largest economy in the world. India, with a \$30 trillion economy and a population of 1.6 billion, will have more people than China and will be the world's third-largest economy. Europe's population and economic growth pale in comparison to Asia's.

ASEAN will be at the core of Asian growth. As a region with no unified military, it is the safe center—the meeting place—for Asian growth and integration. ASEAN already has free trade agreements with Australia, China, India, Japan, Korea, and New Zealand. It is the center of most Asian-based efforts to integrate economies, financial systems, and infrastructure and to promote connectivity.

China also has a set vision for economic integration in Asia and wants to lead that effort. Beijing's preferred structure is ASEAN+3, or the ten ASEAN countries along with China, Japan, and Korea. China is well under way in its efforts to drive an integration strategy through the ASEAN+3 formula and is actively promoting Chinese standards and harmonization objectives. It is even providing technical training to advance Chinese interpretations of important trading structures such as competition laws, indigenous innovation, and other regulatory infrastructure that, once in place, could create a real impediment to firms from outside the region trying to penetrate what should be an enormous and dynamic Asian market in 2030 and beyond.

By 2030, it will be possible to drive from Jakarta to Beijing or Mumbai; Myanmar could once again be one of the rising stars of Asia, wedged like a keystone between India, ASEAN, and China. It will be possible to drop containers of goods in Danang in central Vietnam and have them taken by train west through mainland Southeast Asia or by truck north to southern China.

This vision begs hard questions for the United States. We currently do not have a viable and dynamic trade-opening framework with ASEAN. We have joined the nine-nation Trans-Pacific Partnership talks, but those talks currently include only four of the ten ASEAN members. In fact, three ASEAN members—Laos, Myanmar, and Cambodia—are excluded by the TPP's rule that all members must be part of APEC.



*A 2009 joint training exercise between the Indian and U.S. militaries. India will spend trillions of dollars to modernize its military by 2030, making the strengthening of bilateral partnerships critical to avoiding conflict. <http://www.flickr.com/photos/us-pacific-command/4047371709/>*

## The U.S.-ASEAN Relationship in 2030 *(continued)*



*The Banda Aceh Highway, built through U.S.-Indonesian cooperation and officially opened in September 2011. U.S. involvement in such “hard” infrastructure projects in Asia has become increasingly rare as U.S. companies exploit their competitive advantage in “soft” infrastructure.*  
<http://www.flickr.com/photos/usembassyjakarta/6216384367/>

The United States is also no longer a central player in regional infrastructure projects as it was in the glory days when large U.S. architectural and engineering companies worked closely with forward-deployed aid and economic assistance agencies such as the U.S. Export-Import Bank. Today, U.S. companies are highly competitive in “soft” infrastructure sectors—everything from data analytics and social media to banking and financial systems—but specialize only in niche “hard” infrastructure sectors like telecommunications.

Is it time for the United States to adapt the way it does business and reassess the roles and engagement strategies of its economic agencies? Are U.S. departments and

agencies in touch with Asia and adapting their strategies to support U.S. companies as they compete in the emerging Asia? These questions need to be asked and answered by joint government and business task forces.

The United States needs a trade policy that considers its international customers, not just domestic political constituencies. Trade strategies that will be effective in Asia must address practical considerations, taking into account the requirements and cultures of countries, companies, and consumers who will buy U.S. goods and services. To build support for effective strategies, U.S. lawmakers will need to better understand Asia and better explain it to U.S. constituents.

### A SAFE AND SECURE ASIA PACIFIC

The United States is on much firmer ground when it comes to security considerations in Asia. It has been the effective guarantor of regional peace and prosperity since the end of World War II. The U.S. military is at home on the seas, in the air, and in between.

For its part, Asia has rediscovered the importance of the U.S. security presence in the region over the last several years. As China’s economic power expanded and the United States was perceived to be distracted in the Middle East, Beijing began to test how much its newfound economic

## The U.S.-ASEAN Relationship in 2030 *(continued)*

power translates into control and sovereignty over areas of strategic importance such as the South China Sea. These moves have reminded neighbors that they are not sure what kind of player China wants to be on the world stage. This has led many Asian countries to renew demands for a strong and credible U.S. presence—both as a deterrent and as a provider of public goods like humanitarian assistance and disaster relief.

By 2030, the Chinese and Indian militaries will have spent trillions of dollars upgrading their capabilities. They will have become innovators of military technology and will invest more in asymmetric capabilities such as cyber warfare. Anticipating these developments, the United States must invest in regional security frameworks, and strengthen and expand its partnerships throughout the region, in order to promote cooperation and raise the cost to states of resorting to violence.

The United States must consider its long-term security presence in the Asia Pacific and take stock of its allies, new partners, technology, and available resources. New paradigms will need to be embraced and tested. The necessary ingredient for all of this work will be a much more fundamental, detailed, and sustained understanding of the political, geostrategic, and economic realities of a rapidly changing Asia.

### PEOPLE AND INNOVATION

At the core of a successful vision for a U.S.-ASEAN relationship are people and their ideas. By 2030, the United States will have gone through five more presidential elections. The monolithic Asian leaders of the Cold War era will have been gone for two generations, and on both sides of the Pacific, personal memories of the United States' role in twentieth-century Asian wars will be the exception. In other words, a generation of U.S. leaders and their Asian colleagues who placed their lives in each other's hands in wartime and built the U.S.-Asia relationship from the ground up in peacetime will be gone or long retired.

Because of this, the United States must invest in the future now by institutionalizing engagement in ASEAN and Asia at large. What is needed is not a pivot toward Asia, but a basic and inclusive realignment of U.S. thinking toward the region based on a clear-eyed assessment



*Veterans of the Korean War lay a wreath for National POW/MIA Recognition Day. The next generation of U.S. and Asian leaders will have to find new bases for the relationship as the United States' involvement in twentieth-century Asian wars fades from living memory.*  
<http://www.flickr.com/photos/dmahawaii/5006410137/>

## The U.S.-ASEAN Relationship in 2030 *(continued)*

of national interests. There should be no question, for example, that the president will attend the East Asia Summit every year to meet the 17 other leaders of Asia-Pacific countries. Americans need to hear from their leaders why Asia is important—why Asia matters to their economic livelihoods, safety, and future way of life.

By 2030, a strong U.S.-ASEAN relationship will be based on a deep and comprehensive economic engagement that includes China, India, and the other large Asian economies. It will demand a security model that is based not on the United States' unilateral leadership, but rather on strong, viable, and collaborative relationships in which all important powers in the region have equity and responsibility for regional security and the provision of public goods.

It may be difficult to visualize that relationship today because we cannot see into an opaque Chinese military or fully know what it wants to achieve. But the Chinese people and their neighbors, along with the United States, have every interest in bringing those military leaders into the room, giving them a seat at the table, and ensuring there is at least a clear understanding of what China wants.

By 2030, a new group of leaders will define the U.S.-ASEAN relationship. They will need vision, creativity, and innovative ideas. People around the Asia Pacific will have much more information about, and access to, one another. U.S. leaders in 2030 will need to know and understand Asia, and be able and willing to explain why the region, especially our friends and allies in ASEAN, is vital to our country. ■

# The Week That Was

## MYANMAR

- **Aung San Suu Kyi enters parliament.** Opposition leader Aung San Suu Kyi and elected members of her party, the National League for Democracy (NLD), were sworn into Myanmar's parliament May 2, a month after their sweeping victory in by-elections. Suu Kyi and NLD members had initially refused to take their seats due to wording in the swearing-in oath that vowed to "safeguard" Myanmar's military-written constitution. They reached a compromise May 1, agreeing to take the oath but making it known that amending the constitution remained their primary goal.
- **EU opens office in Myanmar; World Bank, Britain to follow.** EU foreign policy chief Catherine Ashton April 28 officially opened the European Union's first Myanmar office in Yangon in a sign of the group's intention to engage the country after suspending sanctions. The World Bank announced April 26 it will open an office in Myanmar in June. The bank's experts will analyze the country's development needs and capacity to manage its budget and economy. Britain's foreign secretary William Hague announced the same day that the British government plans to open a new branch of its foreign office in Naypyidaw, the country's remote official capital, to demonstrate its intention to step up engagement with Myanmar.
- **UN chief travels to Myanmar, calls for lifting sanctions.** UN secretary general Ban Ki-moon visited Myanmar April 29 to encourage further reforms and help normalize UN operations in the country. Ban addressed the parliament during his visit, praising the "vision, leadership, and courage" of President Thein Sein. He also urged the international community to go further in lifting, suspending, or easing trade restrictions and other sanctions. Myanmar also received a visit from German foreign minister Guido Westerwelle April 29-30.
- **Vice president reportedly resigns; president considers cabinet shakeup.** President Thein Sein appears to have strengthened his position in recent weeks against those in his government less supportive of reform. Reuters reported May 5 that one of Myanmar's two vice presidents, hardliner Tin Aung Myint Oo, resigned his position May 3, citing poor health. The *Financial Times* reported April 19 that Thein Sein is considering a cabinet reshuffle to remove anti-reformists from the government. The president has also ordered an overhaul of the government's peace negotiation team after six rounds of talks with Kachin leaders failed to reach a cease-fire. The country's two negotiating teams will be combined into one, led by ethnic Shan vice president Sai Mauk Kham and including army



UN secretary general Ban Ki-moon visited Myanmar April 29 to encourage further reforms. <http://www.flickr.com/photos/worldeconomicforum/5434137734/>

chief General Min Aung Hlaing and railways minister Aung Min, who has successfully negotiated several cease-fires in the last few months.

- **Myanmar plans first census in three decades.** Myanmar April 30 announced plans to conduct its first census in 31 years by 2014. Minister of Immigration and Population Khin Yi said in a letter the census will adhere to global standards, include “all national races,” and give census workers access to all areas of the country. The United Nations will provide technical assistance and help mobilize financial support for the census.
- **Japan cancels billions in debt owed by Myanmar.** Japan waived billions of dollars in debt owed by Myanmar and agreed to restart full economic aid to the country for the first time since 1987. The debt and aid agreement was announced April 21 during Myanmar president Thein Sein’s visit to Japan. The agreement cancels more than half of the \$6.25 billion owed to Japan by Myanmar, with the rest to be repaid through a low-interest loan. Part of the waiver is conditional on further democratic reforms.

#### INDONESIA

- **Central bank to issue new bank ownership rules.** Bank Indonesia governor Darmin Nasution said April 27 that regulations limiting foreign ownership of domestic Indonesian banks will be announced in May. Current guidelines have been in effect since the aftermath of the Asian financial crisis of 1997/98 and allow foreign firms to hold a 99 percent stake. The government will review the recent purchase of outstanding shares in Indonesia’s Bank Danamon by Singapore’s DBS, which is the majority owner of Danamon, after the regulations are announced.
- **Health minister Endang Rahayu Sedyaningsih dies.** Former health minister Endang Rahayu Sedyaningsih, 57, died May 2 from lung cancer. Endang was diagnosed in October 2010 and resigned from her post last month due to failing health. Endang was appointed health minister in October 2009. Earlier in her career, she conducted research on AIDS among sex workers in Jakarta and studied the spread of bird flu.
- **Democratic Party lawmaker arrested for corruption.** Indonesia’s Corruption Eradication Commission April 27 detained Democratic Party lawmaker Angelina Sondakh for her role in a construction bid rigging scandal. The commission May 2 signaled the possibility of leniency for Angelina if she provides information on other officials involved in graft. Any plea deal may create legal complications, as Angelina already testified



*Indonesia’s former health minister, Endang Rahayu Sedyaningsih (left), died May 2 from lung cancer. Endang is pictured here with OECD secretary general Angel Gurría. <http://www.flickr.com/photos/oecd/5062105954/>*

under oath in the corruption investigation and trial of Democratic Party treasurer Muhammad Nazaruddin.

- **Indonesia's first floating storage and re-gasification unit comes online.** Indonesia recently put its first floating storage and re-gasification unit, the Nusantara Regas facility near West Java, into operation. The facility received its first shipment of liquefied natural gas April 27 from energy giant Total's Indonesian subsidiary. The Nusantara Regas facility and several other floating units planned or under construction are meant to supply gas to Indonesia's state-run electric utility more cost effectively than would seabed pipelines.
- **Papua elections set for August 14.** Indonesia's Home Ministry, the Papuan Legislative Council, and the Papuan People's Council May 1 reached an agreement to hold gubernatorial elections August 14. Papua's caretaker governor, Syamsul Arief Rivai, was appointed in July 2011 and charged with breaking a deadlock between the institutions and scheduling elections in the troubled province. Accusations of incompetence by Syamsul have been growing since July 2011 as preparations for the election have stalled.

#### PHILIPPINES

- **U.S.-Philippines look to strengthen alliance with "2 plus 2" dialogue.** The U.S. secretaries of state and defense met their Philippine counterparts April 30-May 1 in Washington, D.C., for the first "2 plus 2" U.S.-Philippines Ministerial Dialogue. Both sides reaffirmed their commitments as treaty allies, and the U.S. government agreed to nearly triple its military assistance to the Philippines to \$30 million in 2012. The United States also agreed to share "real-time" data on the South China Sea, although it also reiterated its neutrality on territorial claims in the contested area.
- **Philippine Supreme Court upholds breakup of President Aquino's family estate.** The Philippine Supreme Court April 24 upheld a November decision ordering the breakup of the family estate of President Benigno Aquino III. The court ordered the 12,000-acre sugarcane estate owned by Aquino's relatives parceled out to 6,296 registered farm workers. The farmers are represented by four different groups that are divided on how to make the land profitable.
- **MILF, Philippines agree to framework for final peace agreement.** The Philippine government and the Moro Islamic Liberation Front (MILF) have agreed to a framework for a peace agreement. The breakthrough



*A group of MILF guerrillas. A recent breakthrough in negotiations has raised hopes that the MILF and the Philippine government will reach a peace deal by the end of 2012. <http://www.flickr.com/photos/kitoy/2704303280/>*

in the negotiations came April 24 during the 27th round of exploration talks between the Philippine government and the MILF in Kuala Lumpur. Both parties stressed that outstanding issues remain, but there is new optimism that a peace agreement can be reached by the end of 2012.

- **Communist rebels step up attacks in the Philippines.** More than 14 Philippine soldiers were killed in separate attacks by Communist rebels in late April. The New People's Army, the militant wing of the Communist Party of the Philippines, killed 10 soldiers in an ambush April 29 in the northern province of Ifugao. Four more soldiers and a civilian were killed April 29 in the central province of Camarines Norte. Violence has flared recently after talks to resolve the 43-year-old Communist insurgency stalled following the government's refusal to release captured guerrillas.
- **Chinese and Philippine hackers engage in skirmishes in cyberspace.** The ongoing standoff between Philippine and Chinese ships at Scarborough Shoal in the South China Sea has spilled into cyberspace as skirmishes between Philippine and Chinese hackers disrupted websites in both countries. Chinese hackers have been blamed for defacing the website of the University of the Philippines April 20 and attacking presidential websites April 22. Philippine hackers retaliated by defacing several Chinese websites with slogans asserting Philippine ownership of Scarborough Shoal. Both governments have denied involvement in the cyber-attacks.



#### MALAYSIA

- **Bersih 3.0 protests held in Kuala Lumpur.** An umbrella group of 84 Malaysian nongovernmental organizations held the third *Bersih*, or “clean,” rally in Kuala Lumpur April 28 to demand electoral reform. Some protestors grew violent, damaging cars and property. The police received widespread criticism for their heavy-handed response, breaking up the rally with tear gas and water cannons after protestors dismantled police barricades. Estimates of the crowd ranged widely, from tens of thousands to 300,000. Rallies were also held in other cities across Malaysia and abroad.

*Tens of thousands took to the streets of Kuala Lumpur for the Bersih 3.0 rally for electoral reforms. <http://www.flickr.com/photos/horngyih/7124022183/>*

- **Malaysia introduces minimum wage legislation.** Prime Minister Najib Razak May 1 announced Malaysia's first minimum wage legislation in a televised speech. The legislation sets two different minimum salaries: \$300 a month for workers on peninsular Malaysia and \$262 a month for

those in the eastern states of Sabah and Sarawak. Najib said the minimum wage will help Malaysia reach high-income status by 2020. He did not announce a timetable for implementing the legislation.

- **U.S. trade representative drops Malaysia from intellectual property watch list.** The Office of the U.S. Trade Representative released its annual Special 301 Report May 1 listing countries that fail to protect intellectual property rights. Malaysia has been taken off the watch list in recognition of the country's significant strides in the protection and enforcement of intellectual property rights. Thailand and Indonesia remain on the U.S. priority watch list, while the Philippines, Brunei, Indonesia, and Vietnam remain on the watch list.
- **Malaysia Airlines share-swap deal with AirAsia canceled.** Khazanah Nasional, the Malaysian government's investment arm, said May 2 it was canceling a much-anticipated share-swap deal between state-owned Malaysia Airlines and the holding company of privately owned AirAsia. Internal resistance to the share-swap deal within Malaysia Airlines and the posting of record losses by the airline in February 2012 had become a distraction to the management's attempts to turn the airlines around. The agreement between the two airlines was reached in August 2011. This is the fifth time that a deal between the two has failed.
- **Australian senator misquoted denigrating Islam to sue New Straits Times.** Nick Xenophon, senator for South Australia, was incorrectly quoted by Malaysia's New Straits Times as denigrating Islam. The incident followed Xenophon's trip to Malaysia as part of an international observer group monitoring the April 28 Bersih rally. The newspaper took a parliamentary speech the senator made against Scientology in 2009 and substituted the word "Scientology" with "Islam." The paper's editor issued an apology, but Xenophon has said he plans to sue.

#### THAILAND

- **Prisoner convicted of lèse-majesté dies in prison.** Ampon Tangnoppakul, a 61-year-old grandfather convicted of lèse-majesté in November 2011, died in custody May 8. Ampon suffered from cancer and repeatedly sought parole due to his illness. He was pursuing a royal pardon at the time of his death. Ampon was found guilty of sending four text messages in 2010 insulting the king and was sentenced to 20 years in prison, despite his claims that he did not know how to send a text message.



*Farmers harvest rice in Udon Thani, Thailand. Thailand could lose its status as the number-one rice exporter if government policies continue to convince companies to move their operations to neighboring Cambodia and Vietnam. <http://www.flickr.com/photos/crowderb/81130157/>*

less rice than India and Vietnam this year because of the aftereffects of devastating floods in late 2011.

- **Thai rice companies look abroad as government pricing skews markets.** The government's current rice pricing scheme and rising costs of labor, fuel, and utilities have pushed Thai firms to look abroad for rice production. Subsidies formulated by the government of Prime Minister Yingluck Shinawatra have doubled the price of paddy rice, resulting in market distortions. Many firms have responded by moving not only plantations, but also milling and processing facilities to countries like Cambodia and Vietnam. Experts warn that if the trend continues, Thailand could permanently lose its status as the world's number-one rice exporter in the next two to five years. It is already expected to export
- **Court delays lèse-majesté ruling on webmaster until May 30.** Thailand's Criminal Court April 30 delayed its ruling on the lèse-majesté case of Prachatai news agency webmaster Chiranuch Premchaiporn until May 30. The judges cited the large amount of evidence they would need to review as the reason for the surprise decision. Chiranuch is the first person to be charged under Thailand's Computer Crimes Act for user comments posted to her website. The Computer Crimes Act says those who oversee websites can be held responsible for all user-generated content posted to them.
- **Drought hits northern Thailand, government increases rainmaking efforts.** Prime Minister Yingluck Shinawatra presided over a government meeting May 2 on ways to increase rainmaking efforts and quicker water redistribution to combat an ongoing drought in northern Thailand. The *Nation* reported that planes have flown at least 137 cloud-seeding flights since March, releasing 150 tons of chemicals that are believed to have caused 32 days of rain. Sugarcane, rice, and corn farmers have been especially affected by the drought. The government has said that daily cloud-seeding flights could continue until October if the drought persists.

- **OIC leaders to visit Thailand to discuss conflict in south.** Leaders of the Organization of Islamic Cooperation (OIC) will visit Thailand May 7-13 to receive an update on the situation in the Thai south. The delegation will meet with the foreign minister, the Southern Border Provinces Administrative Center, and Army Commander Region 4, which oversees troops in the south. Delegation members will also visit the three southern provinces. There has been an uptick in violence in the Thai south in recent months. Fourteen people were killed and more than 300 injured in April in the largest coordinated bombing incidents since 2008.

#### SOUTH CHINA SEA

- **Forum Energy reports large gas discovery near disputed Reed Bank.** The Philippines' Philex Petroleum Corp disclosed April 24 that its subsidiary Forum Energy Plc has discovered larger-than-expected natural gas resources during exploration near the disputed Reed Bank in the South China Sea. Seismic surveys at the Sampaguita gas field suggest that the field's reserves could surpass those of the Malampaya field off the coast of Palawan, currently the Philippines largest gas field. Philippine president Benigno Aquino III May 2 warned of production delays due to the ongoing territorial dispute. China claims that the area lies within its jurisdiction. Philex chairman Manuel Pangilinan said May 8 that he had traveled to Beijing and offered to jointly explore the field with China National Offshore Oil Corporation, though there was no indication that any such deal would be accepted.
- **Chinese military says U.S.-Philippine exercises risk armed conflict.** China's military mouthpiece, *China's Liberation Army Daily*, warned April 21 that joint military exercises between the United States and the Philippines April 10-27 raised the risk of armed conflict in the South China Sea. The paper accused the United States of "meddling" in the South China Sea dispute and pushing the region toward "military confrontation and resolution through armed force." It warned that U.S. intervention would have a "massive impact on regional peace and stability."
- **China sends more ships to disputed Scarborough Shoal.** The Philippine military accused China of inflaming tensions by reinforcing its vessels at Scarborough Shoal May 2 with four more surveillance ships and 10 fishing boats. The new arrivals mark the largest number of Chinese ships seen at the shoal since a standoff between Chinese and Philippine vessels began April 8. Two Philippine coast guard ships and a fisheries bureau vessel remain at the shoal but were unable to intervene as the newly arrived fishing vessels reportedly began hauling up protected coral and giant clams.



*China's military has decried the U.S.-Philippines annual joint exercises, which took place April 10-27. The exercises covered many aspects of military cooperation, including field medicine. <http://www.flickr.com/photos/usembassymanila/5612474474/>*

## VIETNAM

- **Twenty arrested for resisting Vietnamese authorities in clash over mass land evictions.** Twenty residents of Hung Yen province outside Hanoi were arrested April 25 when riot police broke up protests by around 700 farmers over forced evictions from land slated for commercial development. Residents complained that the compensation offered, about \$931 per acre according to *Tuoi Tre News*, is insufficient and that developers were granted 1,235 acres without proper negotiations. Land disputes have become a contentious issue in Vietnam as usage rights of state-owned land have begun to expire.
- **Vietnam hosts U.S. and Chinese navies.** A Chinese naval vessel arrived in Ho Chi Minh City April 23 for a three-day visit to carry out “professional exchanges to share experience and foster friendly relations,” according to Vietnamese state media. The visit coincided with the third day of joint U.S.-Vietnam noncombatant naval exchange activities in Danang, which included disaster control training aboard the guided missile destroyer *USS Chafee*.
- **Vietnamese-American activist detained for plotting to disrupt independence day celebration.** Vietnamese-American Nguyen Quoc Quan, a member of the pro-democracy group Viet Tan, was detained April 17 upon arriving in Ho Chi Minh City. He will be held for at least four months on charges of organizing terrorist activities to disrupt Vietnam’s April 30 independence day festivities. The 58-year old California resident served six months in a Vietnamese prison in 2008 for alleged terrorism.
- **Embattled Vietnamese business tycoon and National Assembly deputy holds illegal press conference.** National Assembly deputy Dang Thi Hoang Yen held an illegal press conference April 21 to address charges she made false statements on her application to run for a seat in the legislature. Yen and her brother Dang Thanh Tam, both non-Communist Party members and among the wealthiest business persons in the country, became the first business tycoons to be elected to the party-controlled National Assembly. They have come under personal attacks since being seated. Some analysts say Vietnam’s one-party Communist state has struggled to incorporate the growing class of well-connected business elite.

## CAMBODIA

- **Hun Sen issues moratorium on land seizures.** Prime Minister Hun Sen issued an immediate and indefinite moratorium on all land seizures at

a Council of Ministers' Meeting April 27. The moratorium includes land concessions that companies have already been granted but have not begun developing. The decree also says that concessions of land are to be canceled in areas where local communities currently live, even if development has already begun. How exactly the government will handle such areas remains unclear. Protests and sometimes-violent clashes over land seizures have plagued Cambodia in recent years.



Members of the 7th Fleet's "Far East Edition" rock band play a concert in Sihanoukville during the USS Blue Ridge's port visit. <http://www.flickr.com/photos/compacflt/6997623524/>

- **USS Blue Ridge concludes port visit to Sihanoukville.** The U.S. 7th Fleet's flagship, the USS *Blue Ridge*, May 5 concluded a weeklong port visit to Sihanoukville. The visit, which began April 30, was intended to enhance military ties, provide a gesture of goodwill, and discuss Cambodia's participation in Cooperation Afloat Readiness and Training (CARAT) exercises this year. Sailors visited local schoolchildren, volunteered at a university, and put on a concert by the 7th fleet band.
- **Environmental activist Chut Wutty shot.** Chut Wutty, a well-known Cambodian activist and director of the National Resource Protection Group, was shot and killed by military police April 26 while escorting two journalists in a protected forest in Koh Kong province. A military police officer was also killed during the incident. Police allegedly confronted the group at the request of logging company Timbergreen to stop them from photographing areas it was developing. A Cambodian court May 4 charged a Timbergreen security with involuntary homicide in the death of the officer.
- **Cambodia's trade up 19 percent in first quarter, but imbalance grows.** Cambodia's total trade in the first quarter of 2012 grew 19 percent year on year, from \$2.7 billion to \$3.2 billion. Imports accounted for 56 percent of the total. Supreme National Economic Council adviser Mey Kalyan attributed the trade imbalance to lower demand in Europe, the United States, and Canada, as well as increased investment in Cambodia. She warned that if the trade imbalance continues to grow it could be detrimental to the economy, and said Cambodia should seek alternative export markets like China.
- **Cambodian soldier shot near Preah Vihear temple.** Cambodian and Thai forces briefly exchanged gunfire April 30 in An Ses, about 19 miles from the Preah Vihear temple. The temple and surrounding area are claimed by both countries. Cambodian troops were sent to the area to stop illegal loggers from entering Thailand. The exchange of fire lasted about 20 minutes and resulted in one Cambodian soldier being shot in the leg.



Prime Minister Lee Hsien Loong launched his Facebook page April 20 and attracted more than 4,000 “likes” in two hours. <http://www.flickr.com/photos/worldeconomicforum/6767412277/>

## SINGAPORE

- **Singapore prime minister joins social media.** Prime Minister Lee Hsien Loong launched his Facebook page April 20 and attracted more than 4,000 “likes” in two hours. He also launched an official Twitter page the same day. Social media played a role in the ruling People’s Action Party’s narrow election win last year. The prime minister’s move was seen by some as an effort to connect with the highly wired, increasingly vocal Singaporean population. Lee’s Facebook page included personal photos from his youth and of his family.
- **Singapore announces \$80 million program to help low-wage workers.** Prime Minister Lee Hsien Loong told the Singapore labor movement May 1 the government will help low-wage workers by implementing an “Inclusive Growth Program.” The government has set aside about \$80 million for the program and plans to retrain 100,000 low-wage workers. The program is Lee’s alternative to a prominent Singaporean economist’s proposal in April to drastically increase the salaries of low-wage workers by up to 50 percent over three years.
- **United States and Singapore become Hague Abduction Convention Partners.** The 1980 Hague Abduction Convention entered into force May 1 between the United States and Singapore. The convention is the primary civil law mechanism for parents seeking the return of and access to abducted children who have been taken to other treaty partner countries. The U.S. Department of State said May 3 in a statement that it was pleased to see Singapore serving as a role model in the region on the issue of child abduction.

## ASEAN

- **ASEAN+3 agree to double Chiang Mai Initiative.** ASEAN and its “plus three” dialogue partners, Japan, China, and South Korea, announced May 2 that they have agreed to double the Chiang Mai Initiative fund from \$120 billion to \$240 billion. The grouping also plans to increase to 30 percent the portion of the fund that is delinked from the International Monetary Fund. The Chiang Mai Initiative is a currency swap arrangement established after the 1997/98 Asian financial crisis to act as a regional monetary safety net.
- **ASEAN, EU hold ministerial meeting, announce new programs.** The biannual ASEAN- European Union Ministerial Meetings were held April 27

in Brunei. Officials signed a new action plan and announced the launch of two new ASEAN-EU programs. The action plan seeks to expand areas of cooperation between the two organizations. The two new programs will dedicate \$26 million to support the process of ASEAN economic integration. The European Union is ASEAN's second-largest trading partner after China.

- **ASEAN Trading Link to launch in June.** ASEAN CEOs announced April 27 that the ASEAN Trading Link, which aims eventually to connect all of the region's stock exchanges, is on track to be launched in June. The announcement came during the 16th ASEAN Exchanges CEOs meeting in Singapore. The Malaysian and Singaporean exchanges will be the first to be linked in June. The Thai exchange will join them in August. Magnus Bocker, CEO of the Singapore exchange, said the trading link is key to breaking down barriers to cross-border trade and will provide investors with easier access to investment opportunities.

#### LAOS

- **Construction begins on Chinese casino in Laos.** Construction has begun on a Chinese-run casino on the Lao side of the Mekong River's "Golden Triangle" area. Chinese developers of the Kings Romans casino signed a 99-year lease with the Lao government to develop and run a special economic zone in a stretch of rural land spanning nearly 40 square miles. The Lao government in March banned gambling in Chinese casinos in the border town of Boten amid growing security concerns and has debated whether to allow new casinos.
- **U.S. donates \$10 million for school lunches in Laos.** The United States April 30 donated \$10 million to the World Food Program (WFP) to fund meals for more than 1,500 schools in Laos. The donation is expected to help boost childhood nutrition and education in Laos. WFP country director for Laos Eri Kudo said, "School meals have been shown to be an effective way to encourage parents to send their children—especially girls—to school." The rate of childhood stuntedness due to malnutrition is as high as 50–60 percent in rural Laos. The Lao government hopes to reduce that to 34 percent by 2015.

#### MEKONG RIVER

- **Cambodia calls for immediate halt to construction of Xayaburi dam.** Cambodia's representative to the Mekong River Commission (MRC)

demanded in a letter to his Lao counterpart in late April that construction of the Xayaburi dam be suspended immediately pending the results of an environmental impact study. Laos had agreed in December 2011 to halt construction until a study was completed, but appeared to have resumed construction in March. Cambodia, Laos, Thailand, and Vietnam have agreed to a protocol for consulting with and notifying one another about use of Mekong resources through the MRC, but the organization has no binding jurisdiction.

- **Lao authorities detain drug kingpin implicated in Chinese sailor murders.** Thai deputy prime minister Chalerm Yubumrung confirmed April 27 that Lao authorities arrested ethnic Shan drug kingpin Jai Norkham for involvement in the killing of 13 Chinese sailors on the Mekong River in Chiang Rai in October 2011. Those murders prompted greater cooperation and joint patrols along the river by China, Thailand, Myanmar, and Laos in an effort to control crime in the notorious “Golden Triangle” area.

#### TIMOR-LESTE

- **Thirty Timorese working illegally in South Korea.** Timor-Leste’s Secretariat of State for Professional Development and Employment director, Paulo Alves, said April 27 that 30 Timorese were working illegally in South Korea because they are employed at firms that do not have working agreements with the government. The 30 workers were contacted and urged to return home, but none have said they will. They entered the country legally but changed employers, resulting in their illegal status. Director Alves said he expects them to be deported.
- **Dozens arrested in Dili in May Day protests.** Protests May 1 in observance of International Workers Day turned violent in Dili, with some protestors smashing the windows of a hotel and clashing with police. Officers responded by shooting into the air and arresting several dozen protestors. Two police were attacked and injured. AFP initially reported that 84 people were arrested, but the Timor-Leste police said May 4 that the number did not exceed 60. Approximately 500 people participated in the protest to demand higher wages and better working conditions. ■

- **Carnegie Endowment discussion on Myanmar.** The Carnegie Endowment for International Peace will host a discussion May 11 entitled “Myanmar: New Hope and Grim Realities in the Land of Pagodas.” Speakers will include Tom Malinowski, Washington director for Human Rights Watch; Joseph Yun, principal deputy assistant secretary in the Bureau of East Asian and Pacific Affairs at the Department of State; and Vikram Nehru, senior associate in the Carnegie Endowment’s Asia Program. The panelists will discuss recent changes in Myanmar and the challenges ahead. The event will be held from 12:00 to 2:00 p.m. at the Carnegie Endowment, 1779 Massachusetts Ave., NW. Please RSVP [here](#).
- **ASEAN Studies Center seminar on Malaysia-Singapore relations.** The ASEAN Studies Center at American University, the East-West Center in Washington, and the Malaysia-America Society will cohost an Asia-Pacific Security Seminar May 11 on “Relations between Malaysia and Singapore.” A panel will explore the rivalry and cooperation between the two countries. Panelists will include Singapore’s ambassador to the United States, Chan Heng Chee; former U.S. ambassador to Malaysia James R. Keith; and the Institute for Strategic and International Studies Malaysia’s Muthiah Alagappa. The event will be held from 3:00 p.m. to 4:30 p.m. at the East-West Center, 1819 L St., NW, Sixth Floor Conference Room. Please RSVP [here](#).
- **John McCain to speak at CSIS on U.S. interests in Asia.** The CSIS Southeast Asia Program and Scholl Chair in International Business will host Senator John McCain May 14 as part of the Trans-Pacific Partnership Speaker Series. McCain’s speech, entitled “Defining American Interests in Asia,” will focus on the role trade plays in U.S. foreign policy and national security in the Asia Pacific. The event will begin at 9:00 a.m. in CSIS’s B1 Conference Center. Please RSVP with your name and affiliation to [externalrelations@csis.org](mailto:externalrelations@csis.org). The event will also be live webcast [here](#).
- **Talk on Asia-Pacific Economic Cooperation 2012 at CSIS.** The CSIS Simon Chair in Political Economy and the CSIS Russia and Eurasia Program will cohost a talk May 14 entitled “APEC 2012 in Vladivostok.” Ambassador Gennady Ovechko, Russia’s senior official for APEC, and Matthew P. Goodman, CSIS William E. Simon Chair for Political Economy and former White House APEC coordinator, will speak on Moscow’s plans for the Vladivostok summit in September. The event will be held from 2:00 p.m. to 3:30 p.m. at CSIS’s B1 Conference Center. Please RSVP [here](#).

# Looking Ahead

- **CSIS conference on Asia-Pacific economic integration and U.S.-Japan relations.** CSIS's Japan Chair will host the annual CSIS-Japan External Trade Organization (JETRO) Conference on Asia-Pacific Economic Integration and U.S.-Japan relations May 16. Speakers will include Congressman Jim McDermott, JETRO chairman and CEO Hiroyuki Ishige, and Shujiro Urata, professor of economics at Waseda University. The conference will be held from 9:00 a.m. to 1:30 p.m. in CSIS's B1 Conference Center. Please RSVP by May 15 [here](#).
- **Reception with Cambodian human rights activist.** Amnesty International will host a reception May 17 for Cambodian human rights activist Phouk Hong. She is a 38-year-old mother of five and a member of Cambodia's indigenous Kuy people. The Kuy live in Prey Lang forest and their way of life has come under threat since the 1990s due to increased logging and mining in the area. The reception will be from 5:30 p.m. to 6:30 p.m. at Amnesty International, 600 Pennsylvania Ave., SE. Please RSVP to Claudia Vandermade at [claudiev@gmail.com](mailto:claudiev@gmail.com) or (703) 965-1790.
- **Annual VIPs' tour of the Philippines.** The Philippine Trade and Investment Center will host the 7th Annual Ambassadors, Consuls General, and Tourism Directors Tour of the Philippines July 11-14. The theme for this year is "More Fun in the Philippines." Participants will visit the country's beautiful sites and culturally important landmarks, and will also meet President Benigno Aquino III. For more information, please contact the Philippine Department of Tourism nearest you: Chicago, (312) 782-2475 or [pdotchi@aol.com](mailto:pdotchi@aol.com); Los Angeles, (213) 487-4525 or [pdotla@aol.com](mailto:pdotla@aol.com); New York, (212) 575-7915 or [pdotny@aol.com](mailto:pdotny@aol.com); and San Francisco, (415) 956-4060 or [pdotsf@aol.com](mailto:pdotsf@aol.com). ■

## SOUTHEAST ASIA FROM THE CORNER OF 18TH & K STREETS

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