ASEAN Going for Nuclear Power

ERNEST BOWER

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Anyone near the corner of 18th & K Streets today would immediately align themselves with remarks attributed to Singaporean leader Lee Kuan Yew regarding air conditioning’s role as the breakthrough technology that helped transform Southeast Asia’s post-colonial commodity-dominated economies into some of the world’s fastest-growing financial and industrial markets. In addition to enabling ASEAN leaders’ economic plans to be realized, nuclear power can play a significant role providing electricity for running those air conditioners. Adopting safe new-generation nuclear power plants should be a major area for U.S.-ASEAN cooperation. It is an effort that supports our mutual economic and national security interests.

There is no operational nuclear power plant in ASEAN today. However, of the 10 member nations comprising ASEAN, all except Brunei and Laos have active plans for adding nuclear power into the electricity generating mix. In terms of scale, Vietnam has the most aggressive nuclear power ambitions. It recently announced plans to build eight plants by 2030, producing 15,000 to 16,000 megawatts (MW) of electricity. Indonesia plans to have four nuclear plants producing 6,000 MW by 2025. Thailand has plans to develop two nuclear plants to generate 2,000 MW by 2022. Singapore, which generates the majority of its power from increasingly scarce gas, has a feasibility plan for nuclear power under way. Other countries are developing similar plans.

Nuclear power is an important option for ASEAN, whose electricity demand is estimated by the International Energy Association (IEA) to increase 76 percent between 2007 and 2030 at an average annual rate of 3.3 percent growth, compared to an estimated 2.5 percent annual growth in demand in the rest of the world over the same period. Meeting the ASEAN countries’ electricity demand will require investing more than $1.1 trillion in the next 25 years.
ASEAN Going for Nuclear Power (continued)

Contemplation of nuclear energy for ASEAN countries is not new, but today, with growing demand for imported fossil fuels and concerns over the environment, it is much more serious. ASEAN nations are bound by the Treaty on the Southeast Asia Nuclear Weapon-Free Zone signed in Bangkok, opened for signature on December 15, 1995, and entered into force on March 28, 1997. The treaty states that there will be no prejudice toward the peaceful use of nuclear energy (Article 4). It also states that prior to embarking on nuclear programs, political buy-in is needed from the International Atomic Energy Agency (IAEA) and from other ASEAN nations.

Nuclear nonproliferation concerns and safeguards will be very important as ASEAN proceeds in developing its nuclear power capabilities. Only one ASEAN country, Burma/Myanmar, is alleged to be developing any plans for nuclear weapons. Those allegations are being investigated by the IAEA and are denied by Burma’s military leaders.

Under the Nuclear Non-Proliferation Treaty (NPT), the IAEA established safeguard standards suitable for application to both simple nuclear activities and to complex nuclear fuel cycles, i.e., a system applicable to reactors and to conversion, enrichment, fabrication, and reprocessing plants that produce and process reactor fuel. Under IAEA guidelines, when a safeguards agreement enters into force, a state has an obligation to declare to the IAEA all nuclear material and facilities subject to safeguards under the agreement. The state must update this information and declare all new nuclear materials and facilities that subsequently become subject to the terms of the agreement. (Source: Treaty on the Non-Proliferation of Nuclear Weapons entered into force on March 5, 1970, as amended and date signed).

The IAEA has clear accountancy and monitoring rules for tracking declared nuclear material. To be effective, this system requires a high level of confidence, trust, and transparency. These are guidelines ASEAN governments would have every interest in following, but strong engagement from the international community would be helpful. In fact, there is already a strong alliance between the United States and Japan in the new nuclear power plant designs.
ASEAN Going for Nuclear Power *(continued)*

ASEAN nations must also negotiate bilateral civil nuclear cooperation agreements with the nuclear supplier countries (including the United States, Japan, France, Russia, Canada, and Australia, among others) before they can receive nuclear reactors, fuel, equipment, services, and technology. Some ASEAN countries already have such agreements in place. As part of this process, ASEAN countries will need to demonstrate their commitment to maintaining international standards of nuclear safety, security, and nonproliferation.

Given the Obama administration’s interest in building international partnerships and consensus on nuclear nonproliferation and climate change, and the president’s commitment to engage ASEAN at new and substantive levels, the nuclear energy field seems a logical area for immediate and expanded cooperation. This engagement is also consistent with the Obama administration’s goal of doubling U.S. exports in the next five years. American companies are among the world’s leaders in various aspects of nuclear power from design/build to energy-related services, but face stiff competition from France, Russia, and Japan. Further, the president has capable leaders to lead this effort. Dr. Stephen Chu, the U.S. secretary of energy, has a strong technical background and mandate to work on related issues. President Obama could initiate this process in the broader context of U.S.-ASEAN energy cooperation, which could include a wide range of issues from renewable energy to energy conservation. One format for such cooperation could be a U.S.-ASEAN Energy Bilateral that would be a step toward the U.S. energy secretary participating in the annual ASEAN Ministers for Energy Meeting (AMEM).

As the mercury rises inside the beltway, U.S. policymakers would be wise to take the opportunity to stay indoors, hydrate aggressively, and open a new chapter of U.S.-ASEAN cooperation on nuclear power. The initiative would serve both ASEAN’s and America’s economic and national security requirements.

*(CSIS Southeast Asia has more detailed information on ASEAN countries’ nuclear plans and intends to conduct more focused programming and research on this sector. Interested parties should reach Ms. Ai Ghee Ong, Research Associate, CSIS Southeast Asia Program, at aong@csis.org).*
PHILIPPINES

- **Benigno Aquino, 15th president of the Philippines.** On Wednesday, June 30, Benigno ‘Noynoy’ Aquino III was sworn in as the fifteenth president of the Philippines. More than 500,000 people attended the inauguration with yellow flags and traditional Filipino barong shirts. Aquino was elected under a strong mandate to fight the poverty and rampant corruption that were left from the previous administration. He is the son of Benigno and Corazon Aquino, who are revered in the Philippines for overthrowing Ferdinand Marcos. U.S. Trade Representative (USTR) Ron Kirk and U.S. Ambassador to the Philippines Harry Thomas led a U.S. presidential delegation to the inauguration.

- **List of Aquino’s cabinet officials released.** The list of cabinet officials appointed by President Aquino was released last Tuesday, June 29. The roster includes a combination of seasoned government officials and some from the private sector. Aquino’s appointments are based primarily on policy priorities, which include strengthening governance and reducing poverty. Aquino said that he will temporarily serve as the secretary of a Department of the Interior and Local Government (DILG). Although all cabinet positions are subject to congressional confirmation in the Philippines, all of President Aquino’s team took their oaths the day after the inauguration. Key positions include Cesar Purisima as finance secretary, Alberto Romulo remaining as foreign secretary, and Leila de Lima as justice secretary. Purisima is a former finance secretary who left Gloria Arroyo’s administration as part of the Hyatt 10 group who defected over objections related to electoral fraud and corruption allegations. Purisima is a tough-minded former accountant who has vowed to fight corruption. Romulo’s extension as foreign secretary signals continuity in Philippine foreign policy, and de Lima has a reputation as a clean and serious bureaucrat determined to be the sharp edge of the sword in cutting out corrupt judges and contracts. The appointments have collectively given hope to Filipinos, international partners, and investors.

- **Philippines begin modernizing the Armed Forces of the Philippines (AFP).** Voltaire Gazmin, the new secretary of defense, indicated he will begin investigating the problems regarding the modernization program of the AFP. This program first started with the passage of the Armed Forces of the Philippines Modernization Act in 1995: it is worth P350 billion (approximately US$7.5 billion), funded through government appropriations. After 15 years of delay, Gazmin will now look to clear up the procurement progress, add transparency needed to bring in international partners, and begin acquiring military equipment necessary for the country’s defense.
INDONESIA

- **Ambassador Scot Marciel nominated as U.S. ambassador to Indonesia.** President Obama nominated Scot Marciel, a career member of the Senior Foreign Service and current U.S. ambassador to ASEAN as well as deputy assistant secretary for Southeast Asia, as the next U.S. ambassador to Indonesia. If confirmed by the U.S. Senate Foreign Relations Committee, Ambassador Marciel will succeed his colleague Cameron Hume, who has been nominated to serve as head of the U.S. Mission in Afghanistan. Indonesia has also named a new ambassador to the United States. He is Dino Patti Djalal, 45-years-old and currently the presidential spokesman in Jakarta. Ambassador Dino is very familiar with the United States, having served many years in the Indonesian Embassy in Washington, D.C., and having grown up and gone to school in the United States, Canada, and the UK.

- **President Yudhoyono in Turkey.** President Susilo Bambang Yudhoyono arrived in Ankara on June 28, 2010, for a three-day working visit. This was the first visit to Turkey by an Indonesian president in 25 years and signifies a significant connection between leaders of nations with large Islamic populations. During his stay in Turkey, Yudhoyono held bilateral meetings with President Abdullah Gul, Prime Minister Recep Tayyip Erdogan, and Speaker of the Parliament Mehmet Ali Sahin. Yudhoyono also made a speech at the Turkish Parliament and attended an Indonesia-Turkey business forum.

- **Indonesia cooperates with international agencies to curb narcotics smuggling.** Facing the fact that narcotics smuggling activities in the country had increased 300 percent in the past six years, the head of the police anti-narcotics task force (BNN), Inspector General Gories Mere, said that Indonesia would seek help from international agencies to help eradicate smuggling. The meeting initiated by BNN and its South Korean counterpart was attended by representatives from the Philippines, Cambodia, Malaysia, Vietnam, Laos, and other countries.

BURMA/ MYANMAR

- **IAEA to investigate alleged nuclear program in Burma.** The International Atomic Energy Agency (IAEA) is investigating the Democratic Voice of Burma (DVB) report on Burma’s nuclear program. The report is cowritten by former IAEA director Robert Kelley, based on evidence submitted by Sain Thein Wein, a Burmese military engineer who defected to Thailand. The IAEA is requesting explanation from the Burmese
government about the intent and use of what appear to be tools and parts generally used in manufacturing nuclear weapons.

• **United States extends sanctions on Burma, again.** On June 31, the U.S. Senate Finance Committee voted 22-1 to extend sanctions on Burma for another year. Renewal of this ban has occurred every year since it was first passed under the Burmese Freedom and Democracy Act in 2003. The senators believe the ban is necessary to force the Burmese junta to end its human rights abuses. They indicated the sanctions will be lifted only when the country starts taking significant steps toward democratic reforms.

• **EU cancels scheduled visit to meet Aung San Suu Kyi.** The European Union (EU) canceled a scheduled high-level visit in late June to meet Burmese pro-democracy leader and prisoner Aung San Suu Kyi. The EU reportedly canceled the visit due to the ruling junta’s refusal to allow the European delegation access to Suu Kyi. According to an EU regional delegation spokeswoman, such a high-level meeting would not take place during Spain’s presidency of the EU.

**THAILAND**

• **Thaksin’s lawyer in Washington.** It was reported that former prime minister Thaksin’s lawyer, Noppadon Pattama, a former Thai foreign minister, arrived in Washington on Wednesday last week for a meeting planned to soften the image of the Red Shirt protest movement. Noppadon said he met high-level U.S. administrative and legislative officials but declined to reveal their names. His visit came two weeks after Prime Minister Abhisit dispatched special envoy Kiat Sittheeamorn to Washington, D.C., where he spoke at CSIS and met senior officials. He made the case for the Royal Thai Government’s (RTG) reconciliation plan. On Thursday, July 1, the U.S. House of Representatives voted 411-4 to in favor of a resolution to support the RTG’s roadmap, urging that Thailand’s political crisis be resolved peacefully and through democratic means.

• **Bangkok governor says include Thaksin in reconciliation.** The outspoken and charismatic Bangkok governor M. R. Sukhumbhand Paribatra, a leading member of the Democrat Party and part of the royal family, said that charging former prime minister Thaksin with terrorism could make achieving reconciliation more difficult. “I’m not certain the government can succeed with reconciliation as society is so deeply divided,” he told the Foreign Correspondents’ Club of Thailand on Tuesday, July 6. He suggested finding ways to include Thaksin in the peacemaking process to heal the wounds of division and focus on educational efforts.
• **Army on high alert for violence during Bangkok by-election.** First Army Chief Kanit Sapitak has placed his troops on high alert after intelligence reports suggested violence could erupt in the lead-up to the by-election in Bangkok’s Constituency 6 on July 25. “The Centre for the Resolution of the Emergency Situation (CRES) has stressed there must be no incidents and our best efforts will be made to prevent any,” the commander said.

• **Thai-Burma border demarcation talks set to resume.** On July 1, Thailand’s Foreign Ministry held a public hearing on boundary demarcation in preparation for the resumption of border negotiations with Burma. Of the 2,401-kilometer boundary with Burma, only 60 kms have been demarcated by the Thailand-Burma Joint Boundary Committee (JBC). The last JBC meeting was in 2005. Thailand was also seen to be taking steps to heal recent wounds with its neighbor to the east, Cambodia. Cambodia agreed to extradite two people suspected for bombings in Bangkok.

• **Thailand raises GDP forecast.** Local Thai bank Kasikornbank has revised its forecast for Thai economic growth this year to a range of 4 percent to 6 percent, due to the rapid recovery and a localized impact from Red Shirts protest. The Thai Khem Kaeng (Strong Thailand) stimulus program is another positive factor that has supported growth. The stimulus program covers public investment mainly in infrastructure such as transportation, water, and energy, as well as extra funding for health, education, and tourism. However, the economic recovery would also increase inflationary pressure. The prices of commodities have continued to increase, especially for key products such as fuel and steel. The bank predicts core inflation will rise to more than 3 percent in the second quarter next year.

**VIETNAM**

• **15th anniversary of normalization of Vietnam-U.S. relations.** On the occasion of the fifteenth anniversary of the normalization of relations between the United States and Vietnam, U.S. Ambassador Michael Michalak said the United States expects to increase military cooperation with Vietnam, which “has grown fantastically,” and boost cooperation in areas such as peacekeeping operations, humanitarian assistance and disaster relief, maritime security, counterterrorism and counternarcotics, border security, and nonproliferation. Trade relations have also improved significantly. The United States is the largest export market for Vietnamese goods. Since 1995, two-way trade between Vietnam and the United States has increased by more than 3,300 percent to US$15.4 billion in 2009, with the deficit of US$10-12 billion on the U.S. side.
• **UN starts $5 million Agent Orange cleanup in Vietnam.** The project will focus on dioxin contamination at Bien Hoa airport on the outskirts of southern Ho Chi Minh City. The airport is one of three former American air bases where U.S. forces mixed, stored, and loaded the defoliant onto planes for spraying missions during the Vietnam War to destroy jungle hideouts of enemy forces.

• **World Bank approves $456 million developmental credit lines for Vietnam.** The loans will be used to further develop university education, support poverty reduction efforts, invest in capability building for government agencies, and boost the renewable energy sector. The latest loans will bring total World Bank lending to Vietnam in the fiscal year ending June 30 to $2.13 billion.

CAMBODIA

• **Verdict of Khmer Rouge prison chief Duch will be broadcast live** across Cambodia later this month. The tribunal spokesman Reach Sambath said that the broadcast will offer victims of the regime an opportunity to be involved with the justice process. During his trial, Kaing Guek Eav, or Duch, acknowledged responsibility and begged forgiveness for the torture and execution of more than 15,000 people at the Tuol Sleng prison. Khmer Rouge leader Pol Pot died in 1998, and the joint trial of four other senior leaders is expected to begin in 2011.

• **Japan invested $2.26 million dollars for cash-strapped Khmer Rouge tribunal** on July 2, just weeks before the court rules on its first case. Japan had already provided around $56 million to the court since 2006. The money is to be used to pay staff salaries, which have been unpaid since April. The latest donation is helpful but remains far short of the $85 million that the tribunal administrators say they need to complete the trials in 2010 and 2011.

• **Cambodia ratifies ASEAN-China Economic Cooperation Framework Agreement.** On July 1, Cambodia tightened its friendship with China by ratifying the ASEAN-China Economic Cooperation Framework Agreement. The agreement came into effect this year, on January 1. Cambodian government officials believe that the agreement will benefit both ASEAN members and Chinese investors, facilitating the exchange of goods between the two.
LAOS

• **Four U.S. senators travel to Vietnam and Laos.** Four Democrat senators, Al Franken (Minnesota), Tom Harkin (Iowa), Bernie Sanders (Vermont), and Jeff Merkley (Oregon), are traveling to Vietnam and Laos this week. In Vietnam, they will be discussing environmental remediation of Agent Orange with Vietnamese government officials, along with education initiatives, labor issues, and trade relations. Senator Franken has also been working on the repatriation of Hmong asylum seekers from Thailand to Laos, and has called for international access to Hmong returnees.

• **General elections next year?** State media report that Lao legislators were told to prepare for a general election, expected in early 2011. Laos has been under a communist system since December 1975. The last polls were held in 2006, whereby the Revolutionary People’s Party and a handful of independents were permitted to run for parliamentary seats.

SINGAPORE

• **Myanmar-Singapore bilateral trade reached $1.86 billion** in the 2009-2010 fiscal year, which ended in March. This was less, however, than the $1.91 billion trade of the previous fiscal year. Myanmar’s foreign trade is mainly with Asian countries, which account for 90 percent of its total trade. The trade with ASEAN countries accounts for 51.3 percent of its total trade.

• **Singapore back to A1 rating.** Singapore regained the top ranking after Coface (an international credit insurance and credit management services group) upgraded the country’s risk ratings from A2+ to A1, making the country one of the safest places for doing business in the world. Trade and Industry Minister Lim Hng Kiang added that Singapore’s plans to be a major hub for commodity derivatives trading and risk management are also on track.

MALAYSIA

• **Trade with China surges.** Malaysia’s exports to China in the first five months of this year rose by 82.2 percent to US$19.1 billion compared with the same period last year.

• **Opposition leader Datuk Seri Anwar Ibrahim regrets using terms “Zionist aggression.”** and sought to clarify this to U.S. friends during his trip to Washington, D.C., last week. While in Washington, he delivered a
talk on “Islam and Democracy in Southeast Asia” at the Woodrow Wilson International Center for Scholars. It was reported that many of Anwar’s friends, among them former diplomat and ex-World Bank chief Paul Wolfowitz, were inclined to give him a break, stating that “what Anwar did was wrong but considering that he’s literally fighting for his life physically as well as politically, one should cut him some slack.”

BRUNEI

• Nationwide celebration for the Sultan’s 64th birthday. The sultan of Brunei, His Majesty Hassanal Bolkiah, began a nationwide celebration for his sixty-fourth birthday last week. The ceremony started with the hoisting of a large national flag in the capital by 64 flag-bearers. Currently, the sultan serves as the nation’s Yang Di-Pertuan, or head of state, with full executive authority including emergency powers. His designated successor is his eldest son, Al-Muhtadee Billah.

NEW ZEALAND

• NZ-India Free Trade Agreement moves on to the second round. According to New Zealand’s Ministry of Foreign Affairs and Trade, the second round of talks on free trade with India is scheduled for this August in New Delhi. The first round of negotiations took place earlier this year in April at Wellington. Now, moving forward, the two countries will begin inserting substance and details into the agreement. According to Rupert Holborow, New Zealand’s High Commissioner to India, trade can increase four times to US$4 billion in 10 years under the FTA.

AUSTRALIA

• New prime minister Julia Gillard rolls back mining “super tax.” Though it will cost the federal government over A$4 billion, Prime Minister Gillard has scaled back the highly unpopular mining tax proposed by her predecessor, Kevin Rudd. Gillard indicated to international partners that Australia’s foreign policy and national security plans would remain consistent as she takes the reins of power in Canberra.

• Vietnam National Assembly (NA) delegation visit to Australia. A delegation led by Deputy Chairman Uong Chu Luu visited Australia June 23–28 to strengthen bilateral ties and deepen communications. The delegation met with the president of the Senate John Hogg, and the Deputy Speaker of the House of Representatives Bruce Scott and worked with several Australian parliamentary agencies. During meetings, both
parties reviewed the recent developments in Vietnamese and Australian ties on judicial issues, the supervisory role of parliament and its committees, judicial reforms, and preventing crime and corruption, especially after a comprehensive partnership was agreed upon during Party General Secretary Nong Duc Manh’s visit to Australia in September 2009.

ASEAN

**U.S. Secretary of State Hillary Clinton to attend ASEAN Regional Forum (ARF) meeting in Vietnam later this month**, said U.S. Ambassador to Vietnam Michael Michalak on Tuesday. Vietnam will host the forth-third ASEAN Ministerial Meeting (AMM), Post Ministerial Conferences (PMC), and the seventeenth ASEAN Regional Forum (ARF) in the Vietnamese capital city of Hanoi from July 19 to July 23. Besides the ARF meeting, Ambassador Michalak said that Secretary Clinton will engage in a series of bilateral programs such as the fifteenth anniversary of normalization of U.S.-Vietnam diplomatic relations and discussion about Vietnam’s progress in international integration. Secretary Clinton has maintained her perfect attendance record for ASEAN meetings, setting her apart from her predecessors at Foggy Bottom and sending an important message to ASEAN partners.

SOUTH CHINA SEA

**China begins military drills in South China Sea.** On June 31, the Chinese Navy began a six-day military drill in the South China Sea. The Chinese People’s Liberation Army (PLA) claimed that all vessels except for those involved in the drills would be prohibited from entering the waters. Some analysts believe that the drills are linked to U.S.-South Korean exercises that will begin in July.

**China and Vietnam agree to deal with maritime territorial issues.** The decision was made during the fourth meeting of the China-Vietnam steering committee on cooperation, cochaired by State Councilor Dai Bingguo of China and Deputy Prime Minister and Foreign Minister Pham Gia Khiem of Vietnam. Khiem reaffirmed that Vietnam was willing to work with China to properly handle the sea issues in light of the overall situation of bilateral relations and the friendship between the two peoples, as well as the need to maintain stability.
MEKONG RIVER

- **The Mekong River Commission delays projects due to environmental concerns.** The Mekong River Commission (MRC) held a two-day workshop in Ho Chi Minh City June 29–June 30 to discuss environmental risks posed by the construction of the Mekong dams. There were reported plans to build 12 hydropower dams in the lower Delta region, but officials have spoken out against the plans on the grounds that the development threatens living conditions near the basin, including impacts on agriculture and fisheries. The workshop was attended by representatives from the six members of the MRC (Cambodia, China, Laos, Myanmar, Thailand, and Vietnam). By the end of the workshop, the countries decided that they will continue to exchange hydrological data and reach agreements before implementing any projects.

REGIONAL COOPERATION

- **Thailand, Laos, Vietnam to jointly develop tourism industries.** Thailand, Laos, and Vietnam signed a memorandum of understanding to intensify efforts to improve the tourism industries located in Quang Tri province in Vietnam, Savanakhet province in Laos, and Mukdahan province in Thailand. The signing was held on June 26 as part of the East-West Economic Corridor Forum. Cooperation in promotion, investment in a chain of restaurants and souvenirs, and new tourism programs has boosted the total number of visitors.

- **The Rim of the Pacific 2010 military exercise, or RIMPAC 2010,** launched on June 23, as ships, aircraft, and military personnel from 14 nations poured into Pearl Harbor, Hawaii, to participate. On June 28, the U.S. Navy’s Pacific Fleet hosted units and personnel from Australia, Canada, Chile, Columbia, France, Indonesia, Japan, Malaysia, the Netherlands, Peru, the Republic of Korea, Singapore, Thailand, and the United States. The exercise seeks to demonstrate “a commitment to working with global partners in guarding the sea lanes of commerce and communication, protecting national interests abroad and ensuring freedom of navigation exercise that prepares forces to be interoperable and ready for a wide range of potential operations,” according to the U.S. Navy. RIMPAC, the world’s largest multinational maritime war games, will continue through August 1 in the waters surrounding Hawaii.”
• **CSIS Southeast Asia Program Debriefing with Robert Scher**, Deputy Assistant Secretary of Defense for South and Southeast Asia. Mr. Scher will debrief on his recent trips to Indonesia, Singapore, and Vietnam where he led U.S. teams for bilateral defense and security dialogues and participated in the Shangri-la Dialogue and the ASEAN Regional Forum (ARF) Security Policy Conference. This dialogue is off the record and by invitation only. The event will take place on Friday, July 9. For more details and to obtain an invitation, please email Southeastasiaprogram@csis.org.

• **ASEAN Defense Senior Officials’ Meeting (ADSOM)** opened in Vietnam’s central highland city of Da Lat on July 2.

• Foreign ministers of 26 Asia-Pacific nations are scheduled to meet in Hanoi on July 23 for an annual meeting of the **ASEAN Regional Forum (ARF)**.

• **Swiss president** Doris Leuthard is on a four-day visit (July 6-10) to Jakarta, Indonesia.

• **Bangkok’s Constituency by-election** will be held on July 25, while the advance voting will be held on July 17 and 18.