

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

Volume III | Issue 23 | December 6, 2012

## Aligning U.S. Structures, Process, and Strategy: A U.S.-ASEAN Strategic and Economic Partnership

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*December 6, 2012*

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The transition between President Barack Obama's first and second terms is the right time to develop a U.S.-ASEAN Strategic and Economic Partnership (SEP). The move would serve to elevate and institutionalize existing U.S.-ASEAN engagements. It would also compel U.S. departments and agencies that have been compartmentalized and uncoordinated to raise their levels of engagement, share information, and align government mandates with strategic objectives.

President Obama made dual commitments with his ASEAN counterparts at the fourth U.S.-ASEAN Leaders' Meeting in Phnom Penh in November—to convert that forum into a summit, thereby indicating that the U.S. president will participate annually, and to raise the U.S.-ASEAN relationship to the “strategic level.” Creating the SEP could create a foundation for the president's Asia Pacific policy in his second term. It could lock in gains and allow the new national security, foreign policy, and economic teams to build on the progress of the past four years.

It also has the potential to address multiple issues and concerns:

1. **Build confidence in a sustained U.S. focus.** An SEP would signal to all of Asia, not only ASEAN, that the United States is backing rhetoric about ASEAN becoming the “fulcrum” of new regional architecture for

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trade and security with action—not only security and military steps, but also a coordinated and balanced engagement.

2. **Build institutions and reduce dependency on personalities.** Strong leaders will certainly succeed the personalities in key U.S. national security positions. But many U.S. allies and friends in Asia remain concerned about those new figures' points of focus and energy, and about the possibility that conflicts in other parts of the world could detract from the high-level attention to the region established during the first Obama term. That matters because if China perceives a diminishing U.S. engagement or focus on the region, it will almost certainly step up its already aggressive posture and use its economic power and geographic proximity to advance its sovereignty claims in the South China Sea.
3. **Incorporate economic diplomacy and trade.** A fair criticism of the Obama “pivot” to Asia has been that the administration’s trade policy in the region has not been comprehensive; it has not been secured through explanations to broad domestic constituencies or coordinated with broader strategic engagement. Creating an SEP as a bureaucratic coordinating mechanism led by the National Security Council (NSC) would ensure that the Departments of the Treasury and Commerce, the U.S. Trade Representative’s Office (USTR), and the export-supporting agencies of the Export-Import Bank, Overseas Private Investment Corporation, and U.S. Trade Development Agency would have seats at the table.
4. **Drive interagency coordination and high-level alignment.** An SEP would need to be led by the White House—specifically the NSC—and therefore able to elevate interagency coordination to a political level that has been sorely missing except in the weeks leading up to presidential trips to the region. This new structure would allow and provide incentives to key departments to participate in and plan for existing ASEAN-based frameworks, to engage the private sector more regularly, and to build political equity in the U.S. relationship with ASEAN.
5. **Strengthen ASEAN by encouraging investment.** A stronger and more integrated ASEAN, as outlined in the ASEAN Charter’s plans for political, economic, and cultural integration by 2015, is clearly in the United States’ strategic and economic interests. By creating an SEP, the United States would send a strong signal that it takes ASEAN



*Secretary of State Hillary Clinton speaks at the ASEAN Ministerial Meeting in July. U.S. engagement in ASEAN ministerial meetings is well-established, but the creation of a U.S.-ASEAN Strategic and Economic Partnership would allow those engagements to be better coordinated and more strategic. <http://www.flickr.com/photos/statephotos/8032787525/>*

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seriously. It would also encourage governments in the region to invest in ASEAN institutions, including the ASEAN secretariat, and to use meetings to plan for and support a substantive agenda for the annual U.S.-ASEAN Leaders' Summit.

6. **Send a timely message to China.** China's actions at the ASEAN Ministerial Meeting in July and again at the ASEAN Summit in November suggest that it is willing to weaken ASEAN in order to assert its claims in the South China Sea. China's increasingly aggressive actions in this area suggest that its national leaders cannot or will not moderate their counterproductive behavior in the near term. By creating institutional frameworks that demonstrate a serious intent and long-term commitment to building ties with ASEAN, the United States can help convince China of something it currently does not believe: that the United States is going to sustain its high-level focus in the Asia Pacific throughout the twenty-first century.
7. **Add substance to the East Asia Summit.** A strong, strategic partnership and dialogue between the United States and ASEAN would add substance to the agenda at the annual East Asia Summit (EAS). An SEP would build ASEAN's confidence and its willingness to engage in and discuss vital regional and global issues such as maritime security, nuclear nonproliferation, energy and food security, and global health.
8. **Use existing structures.** Establishing a U.S.-ASEAN SEP is not a heavy lift. In fact, the key structures are already in place. The United States and ASEAN leaders have declared that their annual meeting will now be a leaders' summit and that the relationship is strategic. The summit now requires planning and staffing that results in a more substantive and strategic agenda. Those ministerial meetings are already in place, but what would be different under an SEP is that the U.S. government would have a coordinating mechanism at the NSC. The relevant U.S. departments and agencies would also need to commit to attending key ASEAN meetings in order to enhance and promote U.S. objectives and work on alignment on key issues with their ASEAN counterparts.



*President Barack Obama participates in the U.S.-ASEAN Leaders' Meeting in November. A major goal of a U.S.-ASEAN Strategic and Economic Partnership would be to coordinate U.S. engagement and planning across government departments throughout the year in preparation for the annual summit. <http://www.flickr.com/photos/statephotos/8200888686/>*

Key ministerial meetings and channels that should be included in an SEP and provide direct input to the U.S.-ASEAN Leaders' Summit include the following:

- ASEAN Regional Forum (ARF)—the U.S. secretary of state and the ASEAN foreign ministers meet annually on the side lines of the ARF;

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- ASEAN Defense Ministers Meeting Plus (ADMM+)—the U.S. secretary of defense participates in the ADMM+ meeting currently scheduled for every two years. It is anticipated that this meeting would be accelerated to an annual meeting. The secretary of defense and ASEAN counterparts should meet on the sidelines of the ADMM+ and should plan to meet directly in off years until the forum is made annual.
- ASEAN Economic Ministers meeting (AEM)—USTR Ron Kirk attended the AEM this year, but USTRs and U.S. secretaries of commerce do not have a strong record of engagement in the AEM. That needs to change and would be a key step forward under an SEP.
- U.S. secretaries of treasury, energy, agriculture, and others should attend the annual ASEAN ministerial meetings for finance, energy, and agriculture.
- Legislative Council—a U.S.-ASEAN legislative council should be formed to encourage national governments to reach out to and share perspectives with legislators. A select group of legislators from the United States and ASEAN should meet annually to provide feedback and recommendations for the leaders.
- U.S.-ASEAN Eminent Persons Group (EPG)—The EPG should be institutionalized and provide annual input to the U.S.-ASEAN Leaders' Summit. EPG members should be required to consult with the U.S. private sector, civil society, and other institutions to provide perspectives and goals that may go beyond those of the administration.
- Youth Leaders Summit—A young leaders' track should be developed and tasked with providing input and solutions on between one and three issues annually for review by the leaders.

Creating a U.S.-ASEAN SEP will ensure that the relationship moves to the strategic level in a balanced way. It will help develop a more coordinated U.S. strategy toward ASEAN specifically and the Asia Pacific generally. Finally, it will build political equity in the ASEAN relationship in the United States. ■

## MYANMAR

- **Myanmar government takes action against copper mine protesters.** Myanmar security forces November 29 launched a raid against thousands of mine protesters in northwestern Myanmar. A number of demonstrators, including monks, were injured when their camp caught fire; the cause of the fire remains disputed. Demonstrators have demanded for months the suspension of the Chinese-backed Monywa copper mine due to land confiscations and the dumping of chemical waste in the area. Government minister Aung Min and opposition leader Aung San Suu Kyi recently warned the public about the consequences of unilaterally breaking contracts with foreign firms. The police chief of Sagaing District, where Monywa is located, apologized for the security forces' heavy-handed tactics, and the government announced the establishment of an independent commission headed by Aung San Suu Kyi to investigate the incident.
- **Thein Sein says Myanmar ready to sign nuclear “additional protocol.”** President Thein Sein announced November 21 that his government will sign an “additional protocol” with the International Atomic Energy Agency (IAEA) that will require Myanmar to declare all nuclear facilities and materials and increase the IAEA's power to monitor compliance. The agreement came amid press reports from Japan that it had seized a shipment of materials from North Korea en route to Myanmar in August that could be used for uranium enrichment or missile technology. On November 26, Naypyidaw denied the existence of a nuclear program and said it would abide by UN sanctions against North Korea.
- **Thein Sein lists long-term goals to resolve Rakhine conflict; authorities register Rohingya.** President Thein Sein said November 22 that the government plans to resolve the communal conflict between Buddhists and Muslims in Rakhine State over the long term through better education, jobs, and birth control. Authorities meanwhile have launched an effort to confirm the citizenship of disenfranchised Rohingya throughout the state. A government spokesman said November 30 that 2,000 families had been registered and none were “illegal settlers.” Rohingya and outside observers remain concerned by reports that officials are forcing those they register to sign forms listing their ethnicity as “Bengali” rather than “Rohingya.”
- **IMF upbeat about Myanmar's economic growth.** The International Monetary Fund (IMF) November 21 said it expects Myanmar's economy to grow 6.25 percent in fiscal year 2012–2013. The organization issued the





*The Parliament of the Union of Myanmar in Naypyitaw. The parliament, which plans to investigate earmarked payments for retired generals, is showing increasing independence and playing a vital role in the country's reform efforts. <http://www.flickr.com/photos/nznationalparty/8217451155/>*



*Indonesian vice president Boediono at the 2011 World Economic Forum. The former central bank governor faces an impeachment motion for his role in the 2008 Bank Century bailout. <http://www.flickr.com/photos/worldeconomicforum/5827305796>*

statement after an IMF delegation visited the country November 5–22 and met with Myanmar's finance minister, Win Shein, central bank governor Than Nyein, and representatives from the private sector. The IMF said the government of Myanmar should focus on consolidating its new exchange rate regime and achieving low and stable inflation.

- **President orders ministries to repay embezzled funds.** President Thein Sein November 20 publicly ordered 15 ministries to repay the government for funds embezzled by their staff. The country's auditor-general found that the ministries had stripped more than \$230,000 from government coffers in fiscal year 2011–2012, of which all but \$70,000 had been refunded. Meanwhile, Myanmar's parliament announced November 27 that it will launch an investigation in January into payments of \$20,000 in the national budget allocated to retired generals.

#### INDONESIA

- **Vice President Boediono faces unlikely impeachment.** A group of Indonesian lawmakers plan to impeach Vice President Boediono for his involvement in the nearly \$700 million bailout of Bank Century when he was central bank governor in 2008. Lawmakers November 29 failed to muster the 25 signatures needed to file a petition for a no-confidence motion against Boediono that would set the stage for his impeachment. Legislators are unlikely to garner the 373 votes needed to bring an impeachment movement against Boediono before the House of Representatives, where the ruling coalition that supports him holds one-third of the seats. The threat of impeachment nonetheless provides lawmakers with a bargaining chip ahead of a possible cabinet reshuffle in December or January by President Susilo Bambang Yudhoyono.
- **Case against Chevron employees highlights uncertainty in oil sector.** Indonesia's Attorney General's Office (AGO) November 26 released four Chevron employees detained on suspicion of costing the state nearly \$10 million via graft. The AGO will continue investigating allegations that state funds were misused during a project to repair soil damage caused by Chevron's oil activities in the city of Duri in Riau Province. The case is the latest in a series of actions by the Indonesian government this year that has observers concerned about regulatory uncertainty and a lack of transparency in the oil and gas sector. BPMigas, the state oil and gas regulator that ordered Chevron to undertake the cleanup operation in Duri, was declared unconstitutional November 13 and its responsibilities taken over by an interim task force, SKSPMigas.

- **Employers warn of layoffs following wage hike.** The Indonesian Employers' Association November 27 warned that at least 10,000 workers could lose their jobs due to a 44 percent increase in the minimum wage to be implemented in January. Labor- and capital-intensive companies are expected to face particular pressure, but the wage hike is unlikely to dampen Indonesia's overall positive investment outlook. Massive labor protests were held across Java in early November, calling for better enforcement of labor laws, the amendment of a ban on contract jobs, and the inclusion of variables like inflation and labor market conditions in determining the wage increase.

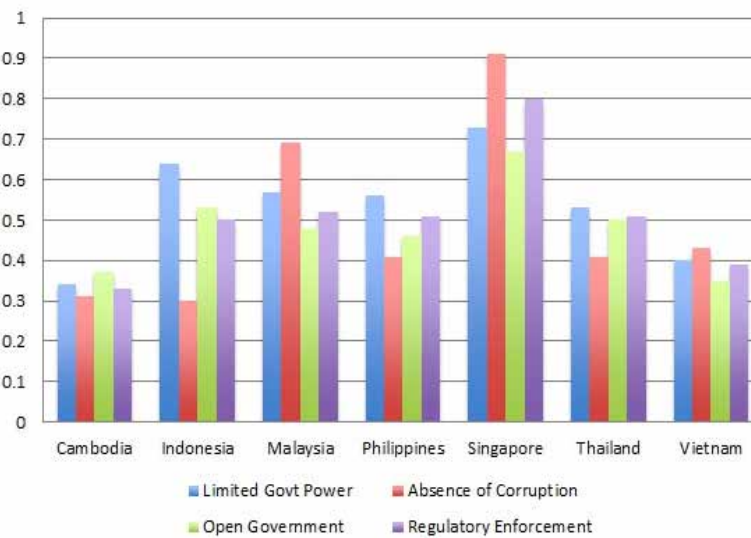
- **Indonesia ranks high in government openness, limiting of government powers.** Indonesia ranks 29th out of 97 countries in establishing limits on government power and ranks 35th in open government, or the ability of citizens to affect government decisions, according to a November 28 report by the World Justice Project. Indonesia tops the list of 23 lower-middle- income countries in both categories and ranks near the top of Asia Pacific countries. The report ranks Indonesia near the bottom of the list, however, in the categories of regulatory enforcement and absence of corruption.

- **Indonesia pushes for new climate change regime in Doha climate talks.** Indonesia called on developed nations to adopt a new climate change regime and join a trust fund for mitigation efforts during the November 26-December 5 UN Framework Convention on Climate Change in Doha, Qatar. Indonesia also helped negotiate new terms surrounding the Reducing Emissions from Deforestation and Forest Degradation initiative, in which Indonesia has been heavily involved.

**THAILAND**

- **Yingluck Shinawatra survives no-confidence vote.** Prime Minister Yingluck Shinawatra and her Pheu Thai government survived a November 28 Democrat Party-led vote of no-confidence after three days of debate. The Democrats were unable to amass enough support to challenge the Pheu Thai coalition's parliamentary majority. The opposition accused Yingluck, Deputy Prime Minister Chalerm Yoobamrung, Defense Minister Sukampol Suwannathat, and Deputy Interior Minister Chatt Kuldilok of corruption, mismanagement of the government's rice pledging scheme, and inadequate flood prevention projects. The Democrats also suggested

**Rule of Law Index Factors**



*The World Justice Project's Rule of Law Index ranks seven of the ASEAN countries on key indicators. Most telling are Indonesia's scores, many of which are high for a lower-middle-income country but remain disappointingly low in the area of corruption.*

that former prime minister Thaksin Shinawatra has undue influence over the Pheu Thai government.

- **General Boonlert Kaewprasit calls off anti-government rally.** General Boonlert Kaewprasit, leader of the anti-government group Pitak Siam, called off a November 24 rally at the Royal Plaza after only an estimated 20,000 of the expected 100,000 protestors showed up and clashed with police early in the day. The Thai government deployed 17,000 police to maintain peace and security, and invoked the Internal Security Act, which Prime Minister Yingluck Shinawatra lifted November 26. With the rally's failure, Boonlert resigned from Pitak Siam's leadership.
- **Thailand, China sign bilateral rice deal.** Chinese and Thai officials signed an agreement during the November 20–21 visit by Chinese premier Wen Jiabao that Thailand will supply China's increasing demand for rice. The deal does not include a contract on rice purchasing, but promises an opportunity for Thailand to sell off some of its huge surplus built up by the government's rice pledging scheme. The *Wall Street Journal* reported November 25 that Chinese buyers signed preliminary deals with four Thai exporters for over 330,000 tons of rice.
- **Thailand scores poorly on Pearson's global education index.** Pearson PLC, the British education and publishing group, ranked Thailand's education system 37th in a November study of 40 countries. The index aggregates cognitive skills, measured by test scores in reading, science, and math, and educational attainment, measured by literacy and graduation rates. Finland ranked first with a score of 1.26; Thailand scored -1.46—a few points higher than Indonesia, which ranked 40th at -2.03. Highly ranked countries exhibit strong cultural support for education and educators.

#### MALAYSIA

- **UMNO General Assembly focuses on elections; Najib hints at December polls.** Malaysia's prime minister and United Malays National Organization (UMNO) leader Najib Razak November 29 kicked off the party's 2012 General Assembly with a focus on the upcoming national elections. Najib called on members to defend their parliamentary seats and warned of chaos if the opposition Pakatan Rakyat coalition wins. Najib tried to reinforce his image as a moderate and voiced support for plurality in national politics as UMNO's popularity among non-Malays continues decreasing. He also hinted in a November 25 interview with *Bernama* that the general elections could be held in December, but many observers do not expect them before late February or early March at the earliest.



Malaysian prime minister Najib Razak speaks at the United Malays National Organization (UMNO) 2009 General Assembly. UMNO's recent General Assembly focused on the country's approaching general elections. <http://www.flickr.com/photos/zonesdesign/3393197272/in/set-72157615956598863>



- **Malaysian Airline stock hits record low.** Stock for Malaysian Airline System (MAS) fell 17 percent November 28 to \$0.28 a share, its lowest level since the stock began trading in 1987. The slump followed warnings from economists that the delayed redelivery of 10 ageing Boeing aircraft would have a negative economic impact on the company. MAS stock has fallen 35 percent in 2012 as the company has been hard hit by slowing global travel and fierce competition from the budget carrier AirAsia. To cut its debt and pay for new fuel-efficient planes, MAS plans to raise \$1 billion by issuing rights for existing shareholders to buy additional stock.

- **Chinese education group rallies against National Education Blueprint.** The United Chinese School Committees Association of Malaysia November 25 led thousands of people in a peaceful rally in Petaling Jaya to protest Malaysia's National Education Blueprint 2013-2015. The group says the blueprint unfairly promotes Malaysian language education over Chinese and Tamil. Participants at the rally included representatives from Tamil and Islamic schools and political parties from both the opposition and the ruling coalitions. The government responded to the protest by insisting that it encourages citizens to be fluent in three languages, and that the extra time proposed for Malay language education will apply only to weak students.

- **Australian senate passes Malaysia-Australia Free Trade Agreement.** The Australian senate November 29 approved a free trade agreement with Malaysia that will allow almost all goods to be traded duty-free between the two countries. Malaysia is Australia's third-largest ASEAN trading partner, accounting for over \$14 billion in total trade from 2011 to 2012. Some Australian senators had held up approval of the agreement over concerns about Malaysia's compliance in implementing free and fair elections, environmental laws, and labor standards.

PHILIPPINES

- **Government creates body to investigate human rights abuses.** The Philippine government November 26 announced plans to create an interagency body to investigate human rights abuses in the country. Justice Secretary Leila de Lima will chair the rights committee, which will focus primarily on extrajudicial killings, enforced disappearances, and torture. The body will conduct an inventory of alleged human rights violations and cases, including the November 29, 2009, Maguindanao massacre that left 58 people dead and that the Committee to Protect Journalists considers the deadliest attack ever against journalists.



Protesters demand action on the 2009 Maguindanao massacre. A new human rights body will investigate this and other outstanding human right violations in the Philippines. <http://www.flickr.com/photos/bikoy/4139878674/>

- **Chief government negotiator in rebel peace talks appointed to Supreme Court.** The Philippine government November 21 appointed its principal negotiator in recent peace talks with the Moro Islamic Liberation Front (MILF), Marvic Leonen, to the Supreme Court as an associate justice. Leonen played an instrumental role in forging a framework deal with the MILF that could end a decades-long, bloody conflict. President Benigno Aquino voiced concern that Leonen's transfer could derail the peace negotiations as peace panel members begin to tackle contentious issues of power and revenue sharing. Manila has not announced a replacement, but observers speculate the choice could be Miriam Coronel-Ferrer, a professor who already serves on the peace panel.
- **Philippines lowers targets for mining investments.** The Philippines' Mines and Geosciences Bureau November 22 issued heavily reduced projections for mining investments over the next four years, down from nearly \$10 billion to \$3 billion. Mines Bureau director Leo Jasareno suggested the cause is a moratorium placed on new mining projects by President Benigno Aquino earlier this year. Jasareno said he expects investments will rise by 2017, particularly once the moratorium is lifted.
- **Philippine third quarter growth beats expectations.** The government of the Philippines reported November 28 that the country's economy grew by 7.1 percent in the third quarter of 2012, vastly outperforming the previous quarter's 6 percent growth. The impressive growth rate made the Philippines the fastest growing economy in Southeast Asia and second in Asia, behind China's 7.4 percent growth. The Philippines' economic success is especially impressive given the current global economic downturn and signals a shift away from reliance on exports toward greater domestic consumption. The Philippines is expected to surpass its annual growth target of 5-6 percent and reach 6.3 percent in 2012.

#### SOUTH CHINA SEA

- **Vietnam accuses China of cutting cables.** State-owned oil company PetroVietnam has accused two Chinese fishing vessels of cutting seismic exploration cables attached to one of its survey ships, the *Binh Minh 2*, on November 30. The *Binh Minh 2* was operating in Vietnam's oil block 113, which lies in the South China Sea about 60 miles from Vietnam's coast and 70 miles from China's Hainan Island. The block is jointly owned and operated by PetroVietnam and Russia's state-owned Gazprom. China has not formally responded to the allegation, which marks the first report of cable cutting since a similar incident in May 2011 involving Chinese patrol boats and the same PetroVietnam ship.

- **China to board and search “illegal ships.”** Chinese authorities in Hainan province will be given the power to board and inspect ships they believe have “illegally” entered what China deems territorial waters under Hainan’s jurisdiction in the South China Sea, state media reported November 28. Under the new rule, which will take effect January 1, authorities will order ships to either change routes or stop sailing and be boarded. Outgoing ASEAN secretary-general Surin Pitsuwan said the move was a “very serious turn of events... [that would] increase a level of concern and a level of great anxiety among all parties.” The full text of the new rule has not been made public, and it is unclear whether it will extend to the hypothetical territorial sea of disputed features in the Spratly and Paracel Islands.

- **China sparks diplomatic row with South China Sea map in passports.** China released new passports November 22 containing a map showing disputed land and maritime areas, including China’s nine-dash line claim in the South China Sea, as Chinese territory. The passports sparked a diplomatic row with Vietnam, the Philippines, Taiwan, and India. The Philippines confirmed it will not stamp the Chinese passports, and Vietnam said it will insert a separate page for visas instead of stamping passport pages, though neither country has threatened to refuse entry to Chinese passport-holders. Claimant countries argue that stamping the Chinese passport would confer legitimacy on China’s claims. The United States criticized China’s move as politically unwise and said Washington would raise the issue with Beijing.

- **Philippines to host four-country meeting on South China Sea.** The Philippines announced November 21 it will host a four-country meeting December 12 with Vietnam, Brunei, and Malaysia to discuss territorial disputes in the South China Sea. The statement comes on the heels of ASEAN’s failure to reach a common position on handling the disputes during its annual summit November 17–20 in Phnom Penh. The Philippines and other claimants are increasingly frustrated with ASEAN’s inability to tackle the disputes, and calls to handle the tensions by establishing a grouping of the claimants apart from ASEAN have grown more frequent.

- **Urban development continues on Chinese outpost in South China Sea.** China’s state-owned China Shipbuilding Industry Corporation agreed to terms with the Sansha municipal government November 27 to undertake infrastructure, energy, and water resource projects on Woody Island in the disputed Paracel Islands. China has recently sped up development of Sansha city, China’s newly constructed outpost on Woody Island, citing the need to safeguard its sovereignty in disputed waters. Officials November



*China has placed its disputed nine-dash line claim (pictured above in red) in all of its passports, sparking anger among neighboring countries. [http://commons.wikimedia.org/wiki/File:South\\_China\\_Sea\\_claims.jpg](http://commons.wikimedia.org/wiki/File:South_China_Sea_claims.jpg)*

4 revealed plans to dedicate \$1.6 billion toward development of the city, with the ultimate goal of transforming Sansha into a fishing, tourism, and military-supply center.

## VIETNAM

- **National Assembly passes laws on confidence votes, anticorruption agency.** Vietnam's National Assembly wrapped up its month-long session November 22, passing a new law that introduces annual confidence votes for high-ranking officials, including the president, prime minister, cabinet members, and National Assembly chairperson. Those with low confidence votes for two consecutive years will be dismissed. The assembly also placed the Communist Party secretary-general in charge of the state anticorruption committee and reduced the number of state-owned conglomerates over which the prime minister has responsibility to no more than 10.
- **Prime minister expects to see inflation fall, investments rise.** Prime Minister Nguyen Tan Dung said November 28 the government plans to bring Vietnam's inflation rate down to 6 percent in 2013 from 8-10 percent in 2012. Dung is optimistic that the ongoing restructuring of banks and state-owned enterprises will lead to a rise in foreign investment in the next two years. Vietnam's central bank estimated in November that nonperforming loans accounted for 8.8 percent of total lending in the country as of June, but independent observers said the number could be much higher.
- **Vietnam accelerates regional diplomacy through state visits and defense dialogues.** Vietnam stepped up its regional diplomacy in November with several defense dialogues and state visits. Vietnamese president Truong Tan Sang visited Brunei and Myanmar from November 27 to December 1 for meetings with Brunei's Sultan Hassanal Bolkiah and Myanmar president Thein Sein. The visit followed the fifth Vietnam-Singapore Defense Policy Dialogue from November 19 to 21 and the inaugural Vietnam-Japan Strategic Defense Dialogue November 26.

## ASEAN

- **Outgoing, incoming ASEAN secretary-generals lay out priorities.** Outgoing ASEAN secretary-general Surin Pitsuwan November 27 called for the next secretary-general to be given a greater mandate to act on behalf of all member countries. Surin's replacement, Vietnamese deputy foreign

minister Le Luong Minh, was confirmed as secretary-general November 20 during the ASEAN Leaders' Summit in Phnom Penh. Minh, who will serve a five-year term, said that talks on a code of conduct for the South China Sea and implementation of a Southeast Asian nuclear-weapon-free zone will be his top policy priorities.

- **Standard & Poor's expands coverage of ASEAN region.** Standard & Poor's (S&P) ratings agency announced November 22 it will expand its coverage of the ASEAN region as economic turmoil continues in its more traditional markets. S&P's ASEAN regional rating will include an additional 120 issuers and has been specifically tailored for the region. The coverage expansion is expected to meet growing international interest in Southeast Asian capital markets, help ASEAN compete with China and India for international capital inflows, and stimulate intra-ASEAN investments.

#### SINGAPORE

- **Strike highlights strains from foreign worker influx into Singapore.** Nearly 200 China-recruited bus drivers held Singapore's first strike in three decades November 26 to protest discriminatory pay and poor living conditions by their employer, state-controlled Singapore Mass Rapid Transit (SMRT). Riot police broke up the demonstration and arrested four Chinese nationals. Singaporean law prohibits unannounced strikes, requiring at least 14 days' advance notice. SMRT president Desmond Kuek paid the drivers a visit in their dorm in an attempt to defuse the situation, but the Ministry of Manpower has confirmed that 29 of the drivers will be deported, according to a December 1 report by the Wall Street Journal. Singapore is struggling to balance its dependence on foreign workers with rising anti-foreigner sentiment.
- **Singapore annuls bankruptcy of opposition leader.** Singapore's government November 21 annulled Singapore Democratic Party leader Chee Soon Juan's bankruptcy after ex-prime ministers Lee Kuan Yew and Goh Chok Tong accepted a reduced payment of \$24,500 from a defamation suit. A court declared Chee bankrupt in 2006 when he failed to pay \$400,000 in damages after losing defamation suits against the former prime ministers. Chee said he will run in parliamentary elections in 2016, while observers warned that the government's unexpected concession is a ploy to split the opposition vote.
- **U.S. Coast Guard commander visits Singapore.** U.S. Coast Guard commandant Admiral Robert J. Papp Jr. visited Singapore from November 23 to 28 as part of Singapore's Maritime and Port Authority (MPA)



*Nearly 200 China-recruited Singapore bus drivers recently participated in Singapore's first labor strike in three decades, protesting discriminatory pay and poor living conditions. <http://www.flickr.com/photos/58286841@N05/5353980673/>*



Distinguished Visitors Program. Papp met with Transport Minister Lui Tuck Yew and officials from the MPA, the police force, and the police coast guard to discuss maritime security, marine environment protection, and the International Maritime Organization. MPA chief Lam Yi Young said the visit would help strengthen ties between the two countries' coast guards.

- **Singapore's tax system ranked among best in the world.** Singapore's tax system is among the world's best according to a [November 23 study](#) by the World Bank, International Finance Corporation, and PricewaterhouseCoopers. The "Paying Taxes 2013" report assesses total tax rate, time to comply with tax requirements, and the number of tax payments required. Singapore ranked fifth among 185 economies. The study reinforces Singapore's reputation as a business-friendly economy. It has topped the World Bank's "Doing Business" ranking for seven consecutive years.

#### MEKONG RIVER

- **Finnish firm behind Xayaburi dam report faces criticism.** Finnish firm Poyry continues to face criticism over its environmental impact assessment report giving the Lao government the green light to start construction of the Xayaburi mega-dam despite opposition from other Mekong nations. Fifteen nongovernmental organizations submitted an ethics complaint against Poyry to Finnish authorities, according to a November 22 AsiaNews report, citing a possible conflict of interest as the positive report earned the company an eight-year contract to monitor the dam's construction. Poyry has denied the accusations, saying that the study was conducted transparently.
- **Vietnam calls for investment in Mekong Delta projects.** Vietnam's government has called on foreign and domestic firms to invest in 134 projects in the Mekong Delta. The proposed projects, which will be presented at a December 6 Investment-Trade-Tourism Promotion conference in Vietnam's Tien Giang province, will focus on infrastructure development and agriculture technology. The development of industrial parks accounts for the largest proportion of proposed projects, some of which give priority to foreign investors.
- **Chinese company takes co-ownership of Cambodia's Lower Sesan 2 Dam.** China's Hydrolancang International Energy Co. Ltd. signed an agreement November 26 with Cambodia's Royal Group allowing the Chinese firm to assume co-ownership of the Lower Sesan 2 Dam project. The two



*Construction of the Xayaburi dam in Laos. The Finnish firm behind Xayaburi's impact assessment report is facing an ethics complaint for alleged conflict of interest. <http://www.flickr.com/photos/internationalrivers/7609214386/>*

companies will construct the 400-megawatt dam over a period of five years and will transfer ownership to the Cambodian government after 40 years of private operation. Located in Stung Treng province, the dam will displace about 5,000 local villagers and may deplete fish stocks in the Mekong River basin, according to a [March report in the Proceedings of the National Academy of Sciences](#).

#### BRUNEI

- **Brunei assumes ASEAN 2013 chairmanship.** Brunei succeeded Cambodia as the ASEAN chair for 2013 during a November 20 ceremony at the ASEAN Summit in Phnom Penh. Outgoing ASEAN secretary-general Surin Pitsuwan emphasized Brunei's role in steering the regional grouping toward the launch of the ASEAN Economic Community in 2015 and defusing regional tensions surrounding the disputed South China Sea. Brunei will officially begin its chairmanship in January.

#### CAMBODIA

- **Hun Sen's remarks at Preah Vihear indicate land reform unlikely.** Prime Minister Hun Sen appeared to dash hopes of land reform with an ultimatum delivered during a November 23 land titling ceremony in Preah Vihear province. He said the government will not resolve land disputes involving civil society or political parties. After widespread criticism, on November 26 Hun Sen clarified that the government will not help resolve politicized disputes. Many disputes result from economic land concessions. The Cambodia Center for Human Rights estimates at least 5 percent of land in Cambodia is in dispute.

#### LAOS

- **Coca-Cola to begin bottling operations in Laos.** Coca-Cola Company announced plans November 29 to build its first bottling facility in Laos in Vientiane province, by 2014. Thai Namthip Ltd, Coca-Cola's bottling partner in Thailand, and Laos-based PT Construction Co. will partner in the Lao Coca-Cola Bottling Co. joint venture. Coca-Cola's move into Laos is part of an effort to deepen the company's presence in Southeast Asia. Coca-Cola competitor Pepsi Co. has a strong foothold in Laos and has had a plant there for decades. Coca-Cola's announcement comes one month after the World Trade Organization accepted Laos's bid for membership. ■



*The Central Mosque in Bandar Seri Begawan, Brunei. The city will host ASEAN meetings throughout 2013 as Brunei serves as ASEAN chair. <http://www.flickr.com/photos/allpointseast/4643663183/>*

# Looking Ahead

- **Discussion on climate change and development in Thailand.** George Washington University's Sigur Center for Asian Studies and the Partnerships for International Strategies in Asia will cosponsor a discussion December 10 on climate change and development in Thailand. The event will feature Suppakorn Chinverno, a research adviser at the Southeast Asia START Regional Center. The event will be held from 12:30 p.m. to 1:45 p.m. at the Elliot School of International Affairs, Lindner Commons, 1957 E St., N.W. Please click [here](#) to RSVP.
- **Hugh White on Australia in the "Asian Century."** The CSIS Chair for Southeast Asia Studies will host Australian National University professor Hugh White December 7 to discuss Australia's role in the "Asian Century." The event will run from 10 a.m. to 11 a.m. at CSIS's B1C Conference Facility, 1800 K St., N.W. Please [e-mail the Chair for Southeast Asia Studies](#) to RSVP.
- **Discussion on China's rediscovery of Southeast Asia.** George Washington University's Elliot School of International Affairs will host a discussion December 13 by Yanan Li, a PhD candidate at Peking University, on China's rediscovery of Southeast Asia. The event will be held from 4 p.m. to 5 p.m. at the Voesar Conference Room, Elliot School of International Affairs, 1957 E St., N.W. Please [click here](#) to RSVP.
- **Trans-Pacific Partnership negotiations held in New Zealand.** The next round of the Trans-Pacific Partnership (TPP) trade negotiations began December 3 in Auckland, New Zealand, and will continue through December 12. Canada and Mexico joined the TPP negotiations for the first time, increasing the group's membership to 11 countries. The last TPP negotiating round was held in Leesburg, Virginia, in early September; differences over state-owned enterprises and intellectual property rights reportedly remained sticking points between the parties.
- **Seminar on the ASEAN Human Rights Declaration.** The East-West Center will host a seminar December 14 on the implications of the new ASEAN Human Rights Declaration. The event will feature Katherine Southwick, legal adviser for the American Bar Association Rule of Law Initiative in the Philippines, and Christina Cerna, former principal human rights specialist at the Inter-American Commission on Human Rights with the Organization of American States. The event will take place from 12 p.m. to 1:30 p.m. at the East-West Center, 1819 L St., N.W. Please click [here](#) to RSVP.

- **Discussion with Philippine Chief Justice Maria Lourdes P.A. Sereno.** The CSIS Chair for Southeast Asia Studies will host Philippine Chief Justice Maria Lourdes P.A. Sereno December 14 as part of its Banyan Tree Leadership Forum. Chief Justice Sereno will discuss how a better justice system will enhance competitiveness in the Philippines. The event will run from 1 p.m. to 2 p.m. at CSIS's B1A Conference Facility, 1800 K St., N.W. Please e-mail the [Chair for Southeast Asia Studies](#) to RSVP. ■

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

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