Engagement in the Indo-Pacific: The Pentagon Leads by Example

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Secretary of Defense Chuck Hagel is packing his bags to follow the well-trod path of his predecessors Robert Gates and Leon Panetta. He will leave Washington on August 22 for a stop at Pacific Command in Hawaii before continuing on to four ASEAN nations. Hagel will visit Malaysia on August 24–26, Indonesia on August 26–27, Brunei on August 28–29 for the ASEAN Defense Ministers Meeting-Plus (ADMM+), and the Philippines on August 29–30. The Pentagon takes engagement in the Indo-Pacific generally, and ASEAN specifically, very seriously.

Hagel’s itinerary is focused on countries President Barak Obama will visit in October and reveals a high level of U.S. political commitment to strengthen ASEAN as an institution and bolster U.S. linkages to it. This is foundational to the Obama administration’s strategy to introduce substance and structure into ASEAN-centric regional security architecture. It also demonstrates the Defense Department’s desire to secure commitments that the president can table during his participation in the East Asia Summit (EAS) and the first ASEAN-U.S. Summit, which replaces the U.S.-ASEAN Leaders’ Meeting, in Brunei on October 9–10, as well as with Malaysian prime minister Najib Razak and Indonesian president Susilo Bambang Yudhoyono during his upcoming visits to their countries.

At the regional level, Hagel will participate in the second ADMM+. The primary goal of the forum is to build strategic trust and habits of
cooperation among the EAS defense ministers and their militaries. The objective is to use this regional coordination, convened by ASEAN, as an easy and natural venue for defense leaders to get to know one another and share information. It also serves as a vehicle for joint exercises on counterterrorism, humanitarian assistance and disaster relief (HADR), maritime security, military medicine, and peacekeeping.

Expect Hagel and his counterparts to discuss maritime domain awareness generally and the South China Sea disputes specifically. The ASEAN foreign ministers announced on August 14 that they had reached a unified position on a binding code of conduct in the South China Sea to be negotiated with China. Those negotiations are set to kick off in September.

Hagel took engagement with ASEAN to a new level during his June speech at the Shangri La Dialogue in Singapore when he invited the ASEAN defense ministers to Hawaii in 2014—the first time for them to visit the United States as a group. He is likely to announce a date for that meeting during his time in Brunei.

The ADMM+ will likely prioritize building on the very tangible cooperation exhibited during the June 16–20 HADR and military medicine exercises in Brunei. A counterterrorism exercise will take place September 9–13 in Indonesia, and other ADMM+ joint exercises are planned this year in Sydney and the Philippines. Importantly, the June HADR exercise was the first time Chinese and U.S. marines conducted combined training, an important deliverable for ASEAN.

It is also likely that Indonesia will lead the charge for a joint ASEAN naval exercise. Indonesia explored this concept at the ASEAN Naval Chiefs Meeting in 2012, and it is likely that the timing is right to move forward and include all 18 ADMM+ members in the initiative. If that vision becomes reality, institutionalizing regional exercises could be a massive step toward building strategic trust and enhancing communications among the region’s militaries. That in itself is a major advance toward managing risk in the Indo-Pacific.

The United States is also increasingly involved in maritime security architecture in the Indo-Pacific, especially through ASEAN. The chairman’s
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Secretary of Defense Chuck Hagel speaks at the Shangri-La Dialogue in Singapore in June. Hagel has been at the forefront of U.S. cabinet-level engagement with the Indo-Pacific and continues that trend with his four-nation trip to Southeast Asia that includes attendance at the ASEAN Defense Ministers Meeting-Plus. http://www.flickr.com/photos/68842444@N03/8907992982/

statement from the July 2 ASEAN Post Ministerial Conference sessions with dialogue partners noted that the organization “welcomed the U.S. engagement in the [2012] Expanded ASEAN Maritime Forum (EAMF) and their proposal for an Expanded ASEAN Seafarer Training (EAST) program.” The United States announced it would join the Regional Cooperation Agreement on Combating Piracy during last year’s U.S.-ASEAN Leaders’ Meeting, but has still not done so. Its inclusion in a key planning meeting this year suggests that process is in full swing, and the ADMM+ would be a logical time to announce that the United States is officially joining.

Hagel’s investment in the ADMM+ process also helps to rationalize regional architecture and provides a venue to carefully align U.S. interests with partners in the region and send recommendations for action to Obama. For instance, this year’s ASEAN Regional Forum (ARF) noted continued efforts to integrate ARF and ADMM+ by having the ADMM+ Expert Working Group members take part in relevant ARF Inter-Sessional Meetings and share input/recommendations; this is still nascent but marks steps toward greater integration of regional security architecture.

In Malaysia, Hagel will have an opportunity to explore new areas of military cooperation beyond the annual Cooperation Afloat Readiness and Training (CARAT) exercises and cooperation in counternarcotics operations, security force training, security infrastructure development, and intelligence support. The United States is also cooperating to enhance Malaysia’s peacekeeping capabilities under the United Nations. Since 2010, Malaysia has played an active role in providing humanitarian aid and medical assistance in Afghanistan, despite the fact that it strongly opposed the U.S.-led war in that country.

In Indonesia, Hagel has built a good rapport with his counterpart, Purnomo Yusgiantoro. Purnomo has been an outspoken proponent for institutionalizing a U.S.-ASEAN defense ministers meeting, and he will be pleased to see that coming to fruition in Hawaii in 2014. Purnomo is on a mission to professionalize and modernize the Indonesian military, a legacy goal of President Yudhoyono.

Hagel and the U.S. government at large want to help. As part of the U.S.-Indonesia Comprehensive Partnership, the two countries launched a
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Defense Planning Dialogue to engage in information exchanges and best practices with the Indonesian defense sector. The United States has also helped with the transfer of refurbished F-16s and the initiation of foreign military sales cases for Maverick missiles, Apache helicopters, and other essential equipment to meet Indonesian defense requirements.

Regional radar systems are also being discussed, and the two countries have developed a Communications Interoperability and Security Memorandum of Agreement to promote communications interoperability and security between their militaries. Currently, there are nearly 200 established military-to-military engagements between U.S. and Indonesian armed forces each year.

In the Philippines, Hagel will advance bilateral discussions about an increased U.S. rotational presence at Subic Bay and in other parts of the country. Negotiations began in the Philippines on August 14 and will continue later this month in the United States. Hagel and the Pentagon need to be sensitive and ensure they have close alignment with not only their military counterparts but also politicians, civil society, and other key groups in the Philippines, including institutions such as the Catholic Church. The United States needs to remember that Philippine elections will take place again in 2016, and nationalist candidates could make the case that greater U.S. access is unconstitutional even though the Aquino administration maintains it is covered by the current Visiting Forces Agreement.

The one gap in Hagel’s preparation for the trip is that he has not yet nominated a candidate to be assistant secretary of defense for Asian and Pacific affairs. He is well staffed by Acting Assistant Secretary Peter Lavoy and Chief of Staff Mark Lippert, the man who held the assistant secretary position before moving into Hagel’s office, but naming a candidate to drive this strategy and follow up on his visit is a vitally important next step.

The engagement of ASEAN and the Indo-Pacific by Hagel and the Department of Defense is granular, substantive, and real. The coordination and cooperation with ASEAN and the EAS backed up by deep, rich bilateral ties set an outstanding example for Hagel’s colleagues in the cabinet. Regular, consistent, and well-staffed interaction with partners throughout the region will ensure that the Pentagon’s memo to the White House in preparation for the president’s October trip is filled with strong recommendations, deliverables, and substantive inputs to a comprehensive U.S. strategy for the region.
United States Trade Representative Michael Froman is attending the ASEAN Economic Ministers Meeting to advance trade and investment ties with ASEAN and its important dialogue partners.

Froman attends ASEAN Economic Ministers Meeting. United States Trade Representative Michael Froman joined his counterparts from the 10 ASEAN member states and their dialog partners on August 20 for the ASEAN Economic Ministers Meeting and related events in Brunei. The meetings, which end on August 24, are intended to advance economic integration within ASEAN and between the organization’s members and important partners, including the United States. Froman will discuss the ongoing Trans-Pacific Partnership free trade talks with counterparts involved in the negotiations.

Hagel on four-nation trip to Southeast Asia. U.S. defense secretary Chuck Hagel embarked on a four-nation trip to Southeast Asia on August 22. He will travel to Malaysia and Indonesia before taking part in the ASEAN Defense Ministers Meeting-Plus and related meetings in Brunei on August 28–29. There he will meet with counterparts from the 10 ASEAN members along with seven other Asia Pacific nations for discussions on military cooperation and contentious issues like the South China Sea disputes. Hagel will finish the trip with a stop in the Philippines, where the United States is currently negotiating greater rotational access for U.S. troops and vessels, before returning to Washington on August 30.

Southeast Asian markets hurting as U.S. considers unwinding stimulus. Malaysia joined fellow Asian emerging markets troubled by recent capital flight, with its stock market falling 1.9 percent and its currency, the ringgit, hitting a three-year low of 3.3039 to the U.S. dollar on August 20. Malaysia’s central bank sold off more than a billion dollars to halt the slide. In neighboring Indonesia, stocks lost 3.2 percent while the local currency continued a slide that has cost almost 10 percent of its value in 2013. Thailand’s stock index dropped 2 percent to its worst level in a year and its currency fell to its lowest level in more than 12 months. Investors are fleeing emerging markets in favor of U.S. Treasury bonds and other assets amid expectations that the U.S. Federal Reserve will tighten monetary policy in September.

Survey finds U.S. businesses optimistic about ASEAN. The U.S. Chamber of Commerce and the American Chamber of Commerce in Singapore released the results of their annual ASEAN Business Outlook Survey on August 20, which shows that U.S. businesses are optimistic about prospects in Southeast Asia despite challenges of corruption and regulation. Seventy-nine percent of the 475 U.S company senior executives
UN special rapporteur on human rights in Myanmar Tomás Ojea Quintana called for the Myanmar government to meet with persecuted Rohingya Muslims during his visit to the country. http://www.unmultimedia.org_RADIO/ENGLISH/wp-content/uploads/2013/03/Tom%C3%A1s-Ojea-Quintana.jpg

surveyed have seen their company’s trade and investment in the region expand in the past two years, while 91 percent expect it grow over the next five years.

- ASEAN Day celebrations postponed until August 23. The ASEAN Secretariat in Jakarta has postponed celebrations for the 46th ASEAN Day, which usually falls on August 8, until August 23. The holiday coincided with the end of the Muslim holy month of Ramadan, which is a widely celebrated public holiday in Brunei, Indonesia, and Malaysia. The celebration at the Secretariat on August 23 will feature a cultural performance and a book-launching ceremony with a panel discussion.

MYANMAR

- South Korean group, Myanmar tycoon win airport contracts. South Korea’s Incheon International Airport Corporation on August 11 won a $1.1 billion contract to build Myanmar’s second international airport, planned to open in Bago, outside Yangon, in 2018. A consortium led by Stephen Law, a Myanmar business tycoon sanctioned by the U.S. Treasury Department for his connections with the former military junta and illegal drug trade, won a second contract to expand the current international airport in Yangon. The government awarded the contracts in preparation for a surge of international arrivals to the country, expected to rise from about 1 million per year in 2012 to 7 million per year by 2020.

- UN envoy calls for government-Rohingya talks during Rakhine State visit. UN special rapporteur Tomás Ojea Quintana made a 10-day visit to Myanmar in early August during which he called for the government to hold talks with the persecuted Rohingya minority. Following his visit, authorities arrested a Rohingya activist in Rakhine State for posting photographs of a police crackdown. Allegations also surfaced that the government moved some Rohingya prisoners to avoid interaction with the envoy during his visit. Discrimination against Rohingya minorities continues throughout Myanmar, including a surge in violence in Rakhine State in 2012 that left 200 dead and 140,000 homeless.

- Civil society groups criticize draft associations law. Myanmar civil society groups raised concerns in mid-August about a draft associations law published in state media on July 27. The law would require all organizations to register with a central committee and would levy fines and jail terms for groups that fail to comply. NGO leaders say they acknowledge the need for a registration process but say the proposal in its current form would provide opportunities for the government to clamp down unnecessarily on opposition groups and hamper civil society.
• **China calls for Myanmar to resume controversial dam project.** Chinese ambassador to Myanmar Yang Houlan said August 13 that China hopes to restart construction on the joint Myanmar-China Myitsone dam project. Wide-scale displacement of citizens and negative environmental impacts fueled public opposition to the project, prompting President Thein Sein to suspend construction in 2011. Yang said the dam, which would provide 4,600 megawatts of electricity primarily for Chinese consumption, was critical for the development of Myanmar’s industrial and agricultural sectors.

**INDONESIA**

• **Islamic Defenders Front claims innocence in latest violent incident.** Police in Lamongan, East Java, arrested 42 members of the hardline Islamic Defenders Front (FPI) in connection with a violent attack on August 12 that left three people injured. FPI’s East Java chairman, Haidar Alhamid, said the Lamongan chapter was dissolved in 2010 and FPI was not responsible for the attack. FPI has been involved in two similar incidents recently, causing Nurul Arifin, deputy secretary general of the Golkar Party, to urge the government to disband the group permanently.

• **Finance minister says 2014 budget to focus on boosting domestic consumption.** Finance Minister Chatib Basri explained in an interview on August 14 that Indonesia’s 2014 budget will focus heavily on boosting domestic consumption in order to drive economic growth because exports will remain weak. Basri also said that Indonesia hopes to have a deficit of 1.49 percent of gross domestic product in 2014, and that 2013 economic growth is likely to end up around 6 percent, short of the government’s 6.3 percent goal.

• **Import restrictions, price manipulation blamed for record beef prices during Idul Fitri.** Beef prices rose to an unprecedented $5 per pound on August 9 as the more than 200 million Muslims in Indonesia celebrated Idul Fitri, the end of the fasting month of Ramadan. The government reacted by easing import restrictions and launched an investigation into allegations that beef importers fixed prices. Importers have pushed back, saying that the government’s strict restrictions on imports are to blame for the price rise. The rising costs of basic foods also caused inflation to rise to 8.6 percent in July.

• **Head of oil and gas regulator arrested on bribery charges.** Rudi Rabiandini, chairman of government oil and gas regulator SKK Migas, was arrested on August 16 on allegations he accepted bribes totaling more than $700,000. Rabiandini admitted on August 14 that he had accepted
A military parade at the Grand Palace in Bangkok. Prime Minister and Defense Minister Yingluck Shinawatra reportedly received a list of proposed changes to the military leadership as part of an annual reshuffle. http://www.flickr.com/photos/55301421@N00/289431230/

“gratification” but argued it was not corruption. The arrest deepened concern in the oil and gas industry, which has failed to reverse a trend of declining production. SKK Migas has suspended the tender process for all oil and natural gas sales as of August 19 as it reviews internal procedures in light of the scandal.

THAILAND

• Amnesty bill passes first of three readings. Thailand’s parliament on August 8 passed the first draft of a controversial amnesty bill that prompted antigovernment protests in Bangkok in early August. The government-backed bill passed 300 votes to 124. It would dismiss charges against those involved in political unrest between 2006 and 2011. The draft bill would not include ousted prime minister Thaksin Shinawatra, but opponents fear it could create a precedent for his return to Thailand. The bill will undergo two more readings over the next several months, when it is expected to face increased opposition.

• Yingluck pushes for a national reconciliation forum. Prime Minister Yingluck Shinawatra is pushing for a reconciliation forum on September 2 to discuss the current political divisions in Thailand. Yingluck has invited key figures from her ruling Pheu Thai and the opposition Democrat parties to participate in the discussions. International observers and foreign leaders, including former British prime minister Tony Blair, have also agreed to participate. Yingluck says that foreign leaders’ experiences with reconciliation could serve as case studies for Thailand to achieve political unity.

• Police plan to monitor users of mobile messaging application. Thai authorities announced a plan on August 13 to monitor user interactions on Line, a popular mobile messaging application. Police Major General Pisit Paoin, commander of the Technology Crime Suppression Division, says that the plan is intended to protect citizens as more criminal offenses are being perpetrated through social media networks. Line Corporation has reportedly agreed to cooperate with Thai authorities. Critics argue that the move is a violation of the law and a breach of privacy.

• Annual military reshuffle list submitted to Yingluck. Prime Minister Yingluck Shinawatra, who also serves as defense minister, reportedly received a list on August 13 of proposed personnel changes for Thailand’s annual military leadership reshuffle. Rumors have circulated that Yingluck and her brother, former prime minister Thaksin Shinawatra, object to some of the proposed changes to key positions. But Yingluck has assured the commander of the defense forces, General Tanasak Patimapragorn, that
she will not interfere with the proposed personnel shifts. The reshuffle is expected to take place in October.

MALAYSIA

- UMNO postpones upcoming party elections. The United Malays National Organization (UMNO), the leading party in Malaysia's ruling coalition, announced on August 5 that it would delay party elections from October 5 to October 19. The party said the delay is due to early-October visits by U.S. president Barack Obama and Chinese president Xi Jinping. But some opposition politicians and media outlets in Malaysia have attributed the delay to internal party disunity. They cite rumors that UMNO president and Malaysian prime minister Najib Razak has suggested forming a unity government with opposition leader Anwar Ibrahim, who has said he rejected the offer.

- Malaysia, Vietnam hit with anti-dumping duties on shrimp exports to United States. The U.S. Department of Commerce imposed anti-dumping duties on imports of shrimp from Malaysia and Vietnam on August 13. The decision came as a result of a petition by U.S. domestic shrimp producers claiming their businesses have been harmed by imports from Malaysia and Vietnam, along with other Asian producers, which unfairly subsidize production. Shrimp imports from Malaysia will be subject to tariffs of between 10.8 and 54.5 percent, while imports from Vietnam will be subject to a 7.9 percent tariff.

- Opposition efforts failing to overturn election results. Efforts by Malaysia’s opposition coalition to overturn the results of the country’s May 5 election, in which it won the popular vote but failed to win a majority of seats in Parliament, appear to have failed. A Malaysian court on August 15 threw out challenges to narrow wins by the governing coalition in two districts, as has happened to every challenge for parliamentary seats filed since the election—25 by the opposition and 21 by the ruling parties. Opposition strategist Rafizi Ramli told the Wall Street Journal on April 16 that court fines against the opposition, totaling about $920,000, are nearly triple the coalition’s budget.

- Badawi book release delayed over controversy. Comments by former prime minister Ahmad Badawi about his predecessor, Mahathir Mohamad, reported in the new book Awakening: A Critical Assessment of the Badawi Years, have sparked heated controversy, according to an August 12 Malaysia Chronicle report. In an interview for the book, Badawi accused Mahathir of pushing him to complete projects that would have bankrupted the nation. Mahathir and his supporters in Malaysia have heatedly denied
the charges, leading the book’s authors to postpone formal launch events in Malaysia and Singapore.

PHILIPPINES

- **U.S., Philippines discuss increase in troop levels.** Defense Secretary Voltaire Gazmin said on August 11 that Philippine and U.S. officials are holding talks on increasing the number of U.S. troops rotated through the Philippines. The two sides are discussing boosting U.S. troop levels, increasing the frequency of joint military exercises, and stationing equipment in the Philippines for further bilateral cooperation on humanitarian and maritime security operations, according to Gazmin. The first round of talks began on August 13 in the Philippines and a second round will be held in late August in the United States.

- **Deadly floods, typhoon batter Philippines.** Heavy monsoon rains, made worse by Tropical Storm Trami hovering off the northern coast of the Philippines, had inundated more than half of Manila as of August 20, leaving eight dead and about 200,000 displaced. The disaster comes just a week after Typhoon Utor battered the northern island of Luzon on August 12, killing eight and leaving more than 83,000 in need of assistance. Officials have noted that citizens were better prepared for and had more warning about the storms than in years past. The relatively low loss of life contrasts sharply with the 2009 flooding in Manila that killed more than 460.

- **Taipei ends sanctions on Manila.** Taiwanese foreign minister David Lin announced on August 8 that Taipei has decided to lift its sanctions imposed on the Philippines after the fatal shooting of a Taiwanese fisherman by a Philippine coast guard crew in May. The sanctions curtailed travel between Taiwan and the Philippines and affected about 41,000 Philippine migrant workers in Taiwan who were barred from its markets. Philippine investigators have recommended bringing homicide charges against eight coast guard members deemed responsible for the fisherman’s death, and Manila agreed to pay compensation to his family.

- **President condemns wave of bombings in Mindanao.** President Benigno Aquino on August 8 warned those responsible for recent bombings on the southern island of Mindanao that they will face the “full brunt, depth, and might” of the government for disturbing peace and stability. A July 26 blast that tore through a bar in Limketkai Center in Cagayan de Oro and killed eight people was the deadliest bombing in the Philippines in over two years. The Philippine government and Moro separatists are negotiating appendixes to an agreement to end a decades-long insurgency.
in Mindanao, and many analysts see the bombings as an attempt to derail that process.

VIETNAM

- **Dissidents’ jail terms halved.** The Vietnamese Supreme Court’s Court of Appeal on August 16 reduced the sentences of two dissidents convicted of distributing anti-state propaganda. The court reduced the six-year prison sentence of Nguyen Phuong Uyen to three years of house arrest and halved Dinh Nguyen Kha’s eight-year prison term to four years. U.S. president Barack Obama urged Vietnamese president Truong Tan Sang to show progress on human rights during the latter’s July 25 visit to the White House. Kha is from President Sang’s home province of Long An and Uyen’s trial took place there.

- **Defense minister visits Russia to discuss military ties.** Defense Minister Phung Quang Thanh visited Russia from August 6 to August 10 to discuss bilateral defense ties with his Russian counterpart, Sergei Shoigu. Russia has agreed to give Vietnam modern jet fighters as part of a comprehensive partnership agreement signed in 2012. Vietnam has also ordered six Kilo-class, diesel-electric submarines from Russia, the third of which will be built by the end of August.

- **Hanoi increases patrols to combat sugar smuggling.** The Vietnamese government’s anti-smuggling agency has ordered that ministries and provinces increase border patrols to stop sugar smuggling, according to an August 9 statement from the Customs Department. The agency has also ordered that the Ministry of Public Security sentence those who smuggle goods worth $48,000 or more to life imprisonment. More than 440,000 tons of sugar have been smuggled into Vietnam in the past 12 months. Vietnamese authorities seized 771 tons of smuggled sugar in 2012.

- **UN condemns resumption of death penalty.** UN High Commissioner for Human Rights spokesperson Cécile Pouilly on August 9 called the resumption of executions in Vietnam a “major setback” for the country’s human rights record. Nguyen Anh Tuan, who was charged with murder and robbery in 2010, was put to death on August 6 by lethal injection. There had been no executions in Vietnam for 18 months because the European Union banned the export of chemicals needed for lethal injections. It is unclear where the drugs used in the recent execution came from, but Vietnam did legalize domestic production in early 2013. Vietnam began using lethal injection instead of firing squads in 2011.
• **IMF says Vietnam shows signs of recovering economy.** The International Monetary Fund (IMF) said in an August 9 statement that lending has picked up modestly in Vietnam and that the country’s economy will grow slightly faster in 2013 than previously projected. The IMF claims that credit growth has grown in the export-oriented and agricultural sectors of the economy. It predicts that 2013 economic growth in Vietnam will reach 5.3 percent. The Vietnamese government earlier predicted the economy would grow by 5 percent.

**CAMBODIA**

• **Opposition rejects official declaration of CPP victory.** The opposition Cambodia National Rescue Party (CNRP) and ruling Cambodia People’s Party (CPP) remain in a tense political deadlock after the CNRP on August 12 rejected the declaration by the National Election Commission (NEC) of a CPP victory in nationwide polls. The CNRP maintains the election was fraught with irregularities, but the NEC on August 18 rejected the party’s complaints. The Constitutional Council, Cambodia’s highest court, is currently reviewing the election results and represents the CNRP’s last legal avenue. The party has threatened to boycott the parliament unless the United Nations is involved in mitigating the dispute, a proposal the CPP has rejected.

• **Troop, weapons buildup in Phnom Penh in anticipation of mass protest.** In response to opposition Cambodia National Rescue Party (CNRP) suggestions of mass protests over disputed election results, the Cambodian government in mid-August mobilized tanks, rocket launchers, and personnel in Phnom Penh. Over 1,000 troops participated in riot response exercises in Phnom Penh’s Olympic Stadium on August 17. CNRP vice president Kem Sokha said on August 15 that the CNRP was committed to resolving the dispute peacefully and would use mass protests only as a last resort.

• **Cambodia postpones U.S. military aid amid election dispute.** The U.S. State Department confirmed on August 13 that Cambodia has temporarily suspended joint military activities between the two countries following tensions surrounding Cambodia’s July 28 national elections. The United States in early August joined the opposition party and several international groups in calling for an investigation into allegations of widespread voter fraud and polling irregularities. The United States provides $70 million of military assistance per year to Cambodia, although disagreements over Cambodia’s human rights record have cooled relations in recent years.
SINGAPORE

- **Prime minister announces plans to boost social spending.** Prime Minister Lee Hsien Loong announced during his annual National Day Rally speech on August 18 that Singapore’s government will significantly boost spending on education, health care, and housing in response to citizen concerns. Among the new programs, the government will extend the national health care scheme to all citizens regardless of age, make a $20,000 grant for apartment purchases available to more middle-class Singaporeans, and institute a number of changes to make education at top schools more accessible. The new spending programs are a significant break from Singapore’s traditional emphasis on individual self-reliance and a weak social safety net.

- **Government increases annual growth projection after unexpected second quarter.** Prime Minister Lee Hsien Loong announced during his August 9 address for National Day that the government had raised its projection for Singapore’s 2013 economic growth rate from 1-3 percent to 2.5-3.5 percent. The announcement came after the economy grew by an unexpected 15.2 percent during the second quarter due largely to a sharp increase in exports to the United States. Loong also announced that the government had lowered its forecasted inflation rate from 3-4 percent to 2-3 percent.

- **Worst dengue epidemic in Singapore history claims fifth victim.** A 52-year-old man in Singapore died on August 13 due to complications from dengue fever. Officials had logged 14,363 cases in 2013 as of that date, making the current epidemic the worst in Singapore’s history. Officials from the Health Ministry said the outbreak is due largely to a decrease in the level of immunity in the population because of strict anti-dengue controls implemented in recent years. Nearby Thailand and Laos are facing even more severe, albeit not record-breaking, outbreaks. Thailand has seen 94 dengue-related deaths in 2013, up from 32 in the same period in 2012, and Laos has seen 76 deaths, up from just 3 in 2012.

- **Civil servants required to declare visits to casinos.** Deputy Prime Minister Teo Chee Hean said on August 11 that any civil servants desiring to visit either of Singapore’s two casinos would now have to declare those visits in addition to paying the already-established tax for entry. The new casino rules follow a series of corruption charges levied against government officials in the past year and a half, although the effectiveness of the measures remains to be seen.
SOUTH CHINA SEA

- **ASEAN agrees to united front on code of conduct.** A Thai Foreign Ministry spokesman said on August 14 that foreign ministers of all 10 ASEAN states have decided to “speak with one voice” while seeking an “early conclusion of a code of conduct” on the South China Sea disputes. The ministers reached this consensus after a two-day informal preparatory meeting at Hua Hin, Thailand. The ministers will discuss the issue informally with Chinese officials in Beijing on August 28-30 and are tentatively scheduled to launch formal negotiations on a code of conduct in Suzhou, China, on September 14-15.

- **Philippines acquires French vessel for maritime patrols.** Philippine coast guard chief Rear Admiral Rodolfo Isorena said on August 3 that Manila is purchasing a French navy vessel in an effort to boost its offshore maritime patrols. The patrol ship, *La Tapageuse*, is 180 feet long, costs around $7.97 million, and will be armed with an antiaircraft gun, an antiaircraft cannon, and two machine guns. The vessel, which is scheduled to arrive in the Philippines by April 2014, will be a major contribution to search and rescue operations and the Philippine coast guard fleet, according to Admiral Isorena.

TRANS-PACIFIC PARTNERSHIP

- **Malaysian cost-benefit studies may delay agreement.** Malaysia’s cabinet announced on August 15 that the government has initiated two cost-benefit studies of the Trans-Pacific Partnership (TPP) in response to growing domestic criticism of the agreement, including by opposition leader Anwar Ibrahim. One study is focused on whether the TPP is in Malaysia’s national interest and the other on its impact on small and medium-sized businesses. The cabinet also announced that it would not be bound by a fixed timeline on TPP negotiations, despite commitments by the United States and others to reach an agreement by the end of 2013. The next round of TPP talks begins in Brunei on August 23.

LAOS

- **Government pledges to expand vocational school enrollment amid labor shortage.** Officials from the Ministry of Education and Sports said on August 6 that state-run vocational schools will increase enrollment from 14,000 to 15,000 students this year in response to a skilled labor shortage in the country. The move is part of the government’s plan to boost skilled labor ahead of the 2015 ASEAN Economic Community, a scheme to integrate the economies of Southeast Asia. The Ministry of Information said in March that Laos would add only 55,000 laborers to the workforce.
each year, well below the estimated 500,000 skilled workers the country will need by 2015.

- **World Bank signs $31 million grant for forest preservation.** The World Bank on August 8 signed a $31 million grant with the Lao government to help preserve the country’s forests. The project aims to stem forest cover loss, restore deforested areas, and reduce emissions from deforestation. Promoting sustainable forestry is one of the key components of the World Bank’s Country Partnership Strategy 2012–2016 for Laos. While the agriculture-forestry sector has accounted for roughly 30 percent of the country’s gross domestic product in recent years, environmental groups cite ongoing declines in forest cover and quality.

**TIMOR-LESTE**

- **U.S. Naval Mobile Construction Battalion to assist in critical construction projects.** U.S. Naval Mobile Construction Battalion 3 began a six-month deployment in Timor-Leste on August 9, where it will provide assistance with humanitarian construction projects and seek to strengthen relations between the United States and Timor-Leste. The battalion will assist in the rehabilitation of two primary schools, repair three community medical centers, help with the construction of a rock jetty for the Timorese Maritime Police Unit, and provide technical assistance in a number of other areas.

**BRUNEI**

- **Brunei looks to improve digital connectivity in underserved areas.** Brunei expects to see improvements to digital connectivity in the country’s rural areas after it signed an agreement with Singapore and Malaysia on June 19 to align their bandwidth with the Asia Pacific Telecommunity’s 700-megahertz band plan. The move increases broadband coverage and significantly reduces the cost of building and maintaining mobile networks across the country. Brunei ranks 135th out of 144 countries for overall affordability of telecommunication services, according to the World Economic Forum’s Global Information Technology Report 2013.
• **A discussion on what China’s economic rise means to the United States.** The Wilson Center will host former undersecretary of Commerce Frank Lavin on August 27 to discuss China’s rapid emergence as a major economic and political force. Lavin will argue that China’s continued growth in power and affluence will bring challenges to the United States, but it will not start a new Cold War. The event will be held from 2:30 p.m. to 4:00 p.m. at 1300 Pennsylvania Ave., NW, 5th floor. Click [here](#) to RSVP.

• **A discussion of Myanmar’s new capital.** The East-West Center in Washington will host a discussion September 6 titled “Naypyitaw: A Home for Myanmar’s Unexpected Democracy.” Nicholas Farrelly, research fellow at Australia National University, and David Steinberg, distinguished professor emeritus at Georgetown University, will discuss the bizarre construction and services of Myanmar’s recently built capital. The event will take place from 10:30 a.m. to 12:00 p.m. at 1819 L Street, NW, sixth floor. Please [RSVP here](#) by September 5.

• **CSIS conference on Asian security and economic architecture.** The CSIS Scholl Chair in International Business, Simon Chair in Political Economy, and Sumitro Chair for Southeast Asia Studies will cohost a conference September 12 on evolving security and economic architecture in the Asia Pacific. The conference will provide an important platform for U.S. and Asian policymakers, business executives, and academics to discuss the challenges and opportunities facing the region as President Barack Obama prepares to attend the East Asia Summit in Brunei and the Asia Pacific Economic Cooperation summit in Bali in October. Registration for this event is not yet open, but more details will follow.

• **Hanoi’s road to the Vietnam War.** The Wilson Center will host a panel on September 25 to explore the internal debates and other elements that shaped Hanoi’s strategy in the decade preceding U.S. military intervention in Vietnam. The panel will feature Pierre Asselin, associate professor of history at Hawaii Pacific University in Honolulu; Shawn F. McHale, associate professor of history and international affairs at George Washington University; and John Prados, head of the National Security Archive’s Vietnam and Intelligence Documentation Projects. The event will be held from 3:30 p.m. to 5:00 p.m. at 1300 Pennsylvania Ave., NW, 6th floor. Click [here](#) to RSVP.