

SOUTHEAST ASIA BULLETIN



CSIS SOUTHEAST ASIA INITIATIVE

The CSIS Southeast Asia Initiative is a project of the International Security Program, Asia Group. CSIS launched the initiative in January 2008 to provide a venue for greater focus, examination, and analysis of Southeast Asian affairs within Washington's policy community. The initiative includes regular roundtables, conferences, studies, and forums to spotlight developments in the region. CSIS will also seek to partner with other interested organizations and individuals within and outside Washington to maximize the flow of information, analysis, and outreach on Southeast Asian affairs in the United States.

An important component of the initiative is the monthly *Southeast Asia Bulletin*, which provides a timely overview of key developments, events, and facts about the region and offers a forum for short essays by official and unofficial commentators on regional affairs.

Derek Mitchell, director, Southeast Asia Initiative, and Brian Harding, research associate, welcome your feedback on the *Southeast Asia Bulletin* at dmitchell@csis.org and bharding@csis.org respectively.

Other projects & reports from the International Security Program's Asia Division can be found at www.csis.org/isp/asia.

Feature Article

AMERICA'S PLACE IN SOUTHEAST ASIA

The Honorable Chan Heng Chee

Ambassador to the United States from the Republic of Singapore

.....

As a result of the current financial crisis, we in Asia have never seen the United States so wounded. Rightly or wrongly, it has reinforced the impression of America as a distracted power: struggling with two wars, with a single-minded focus on security, and now an understandable preoccupation with the financial crisis. We worry now that the United States has little attention to pay to Asia, particularly to Southeast Asia.

However, even before the crisis, there was talk of the United States losing its position of preeminence in the world. We are witnessing the emergence of a multipolar world. The United States will remain unchallenged militarily for many years to come, but in other aspects, particularly economic and political influence, the United States' once unassailable lead has been chipped away. Not a day goes by without the media highlighting the growth opportunities and challenges posed by China and India. The "Washington Consensus" is no longer so persuasive.

Despite this, East Asia and Southeast Asia continue to see the United States as a Pacific power with a long and deep presence in the region. The United States has been an integral part of Asia's development. U.S. technology, capital, and markets have aided in the rapid development of Asian economies, and for all its troubles, the United States has maintained a strong economic presence. U.S. total investment in ASEAN countries is about \$100 billion, which exceeds total investment in China, Hong Kong, and Taiwan combined. Today, the United States is ASEAN's second-largest trading partner and largest investor. Two-way trade amounts to \$170 billion. The fact of the matter is that Asia's economic success always had a strong correlation with that of the United States; just look at how Asian markets have followed the path of the Dow and S&P in recent months. The United States remains the market of final demand. No one country, not even China, India, Japan, and South Korea combined, has the capacity to replace the United States.

What, then, must the United States do to restore the faith of Asian nations in its commitment to the region? First, it must maintain leadership in world affairs and in the international economic system. Although the Pew Global Attitudes Project has highlighted anti-Americanism in Asia, I contend that Asian countries remain comfortable with U.S. leadership.

(continued on pg 2)

Second, in order to maintain this leadership role, it is all the more important that the United States improve its own game at home. Whether in education, innovation, or entrepreneurship, the United States remains an inspiration for the rest of the world, and it is critical that this continues.

Third, the United States must engage and pay attention to its friends and allies in the region—not only in terms of bilateral security alliances or the war on terrorism—but also within regional institutions. Some have suggested that the United States could send a very clear signal of its intention to take Southeast Asia seriously by signing on to the ASEAN Treaty of Amity and Cooperation (TAC) and, even more significantly, by meeting ASEAN’s leaders at an ASEAN-U.S. summit. I would certainly support these actions. The United States should also rethink its decision not to participate in the East Asian Summit (EAS), and I believe the nations of the region would welcome future U.S. participation in the forum.

Finally, we want a United States that understands that Asia is no longer just a follower but an able and willing partner—not to be lectured to but cooperated with. Rather than be part of a problem, Asia can actually be part of the solution. All we ask in return is that you keep your markets open for goods and investments and engage Asia as you have done with Europe. One very welcome step that the United States has taken in this regard is its full participation in the Transpacific Partnership. The United States joining the initiative will have a catalytic effect on the entire Asia-Pacific region, contributing to a greater integration and in turn pulling the global trading system along.

In the last 50 years, the United States has been the exemplar of free markets and enterprise. Circumstances might dictate that you now need to get your house in order. But once you do, I have every confidence that you will emerge stronger and once again play that crucial leadership role. And the faster you do so, the better. While you do that, though, I believe that you can also engage ASEAN and Asia. As the saying goes, America can walk and chew gum at the same time.

This article is based on remarks delivered by Ambassador Chan on September 25, 2008, at the CSIS conference “The United States and Southeast Asia: Toward a Strategy for Enhanced Engagement.”

NOVEMBER TIMELINE OF EVENTS

November 2, 2008: Malaysian deputy prime minister Najib Razak is officially named to succeed current prime minister Abdullah Ahmad Badawi as leader of the United Malays National Organisation (UMNO) party beginning in April 2009.

November 3, 2008: Burmese and Bangladeshi naval ships begin a standoff after Burma begins oil exploration in the Bay of Bengal. The ships later depart, but thousands of troops from both sides amass on their land border, and reports surface that Burmese forces had laid land mines. November 16–17 negotiations to settle the territorial dispute fail, but the troops stood down by the end of the month.

November 5, 2008: The Chinese People’s Liberation Army (PLA) Navy warship Zheng He makes a port call in Sihanoukville, Cambodia, making it the first goodwill Chinese warship to dock in Cambodia. The U.S. Navy has conducted four such visits in recent years.

November 8, 2008: Britain revokes former Thai prime minister Thaksin’s visa, prompting him to seek asylum elsewhere. Thailand’s Office of the Attorney General vows to seek extradition regardless of where Thaksin finds a home. Thaksin was sentenced to two years in jail in July after being convicted of tax fraud.

November 9, 2008: Indonesia executes Imam Samudra, Amrozi, and Mukhlas, who were convicted for their role in the 2002 Bali bombings. Family members and protesters demonstrate near the prison compound and in the hometowns of the three men. Indonesia stepped up security in Jakarta and Bali, and Australia and New Zealand warned their citizens against travel to Indonesia around the time of the executions in anticipation of retaliatory attacks (the United States did not), but the events passed relatively quietly.

November 10, 2008: Negotiations begin between Thailand and Cambodia over disputed land around Preah Vihear temple. These are the first negotiations since the armed forces of the two countries clashed on October 15. Preliminary negotiations achieve an agreement to jointly demarcate land and remove landmines. See the **August 2008 Southeast Asia Bulletin** for background.

NOVEMBER TIMELINE OF EVENTS

Continued

November 11, 2008: Fourteen democracy activists from Burma's "88 Generation" are sentenced to up to 65 years in prison for their role in the "Saffron Revolution" protests of 2007. Twenty other leaders of the movement are still on trial, and hundreds of other dissidents have been arrested this year, including monks who participated in last year's demonstrations and at least 70 members of the opposition National League for Democracy. On November 21, Zarganar, a popular comedian, is sentenced to 45 years in prison along with several of his associates.

November 14–19, 2008: Thailand holds funeral ceremonies for the late Princess Galyani Vadhana, King Bhumibol's elder sister who died in January at the age of 84. Royal custom called for the selection of an auspicious time for the funeral at least 100 days and up to a year after her death. Political demonstrations cease for the duration of her massive public funeral, which cost approximately \$9 million.

November 18, 2008: Singapore sends a 20-person military medical team to Afghanistan for a three-month deployment to support Australian and Dutch soldiers deployed in the south-central province of Oruzgan. This is the second Singaporean deployment in 2008; the first comprised six engineers.

November 19, 2008: China announces it will build an oil and gas pipeline into Burma and will begin construction in Yunnan in the first half of 2009. The project has been discussed for at least five years, but China's drive to begin new infrastructure projects in Yunnan is reportedly connected to its \$586 billion economic stimulus package announced on November 9.

November 19, 2008: Indonesia's government demands that a blogger remove suggestive cartoons about the Prophet Mohammed from its Web site, fearing mass demonstrations like those that followed the 2006 Danish cartoon incident.

November 22, 2008: Venezuelan president Hugo Chávez visits Vietnam and signs a deal creating a \$200 million joint fund for 15 cooperative projects in fields such as technology, tourism, and energy. The agreement is similar to ones that Venezuela has signed with China and Iran.

November 24, 2008: Some 18,000 opposition People's Alliance for Democracy (PAD) demonstrators march on Parliament, calling it the beginning of a "final battle" to topple the Thai government. Parliament postpones its session, and violence is averted, but the next day PAD demonstrators seize Suvarnabhumi International Airport, grounding flights and stranding thousands of passengers. The demonstrators occupied Don Muang Airport, Bangkok's other major airport, on November 27.

Note: Thailand's Constitutional Court ruled on December 2 that the People's Power Party (PPP) and two of its coalition partners had committed election fraud in the December 2007 parliamentary elections, and they were forced to disband. In addition, 60 party officials, including 24 legislators, were forced to resign and were barred from politics for five years. Among those who resigned was Prime Minister Somchai. Somchai's resignation ended the PAD's occupation of Government House and Bangkok's two major airports, which had stranded an estimated 300,000 travelers in Thailand. Deputy Prime Minister Chaowarat Chandeeerakul became caretaker prime minister until the Parliament chooses a new prime minister within 30 days. Remnants of the former PPP, which is expected to reconstitute itself under a different name, vowed to lead a new coalition government, although this result is not certain.

November 26, 2008: The fourth impeachment attempt of Philippine president Gloria Macapagal Arroyo in as many years, on charges of corruption, abuse of power, and constitutional violations, is defeated in Congress. Opposition leaders vow to attempt to impeach her again in one year when they are again constitutionally permitted.

November 30, 2008: Malaysia removes the last of its peacekeepers from the southern Philippines, completing a final withdrawal that began when peace talks between the government in Manila and the Moro Islamic Liberation Front (MILF) disintegrated. A total of 17 representatives from Brunei, Libya, and Japan remain in the Philippines but are awaiting reauthorization to act as peace monitors. (For background on the unraveling of the peace talks, see the **September 2008 Southeast Asia Bulletin**).

U.S. ENGAGEMENT IN THE REGION

November 10: President George W. Bush nominates his former National Security Council senior director for Asia Michael Green to be U.S. special coordinator and envoy on Burma, a position mandated by the 2008 Tom Lantos Block Burmese Junta's Anti-Democratic Efforts (JADE) Act (HR 3890). Although there is bipartisan support, Congress is not able to schedule a confirmation hearing on his nomination during a special "lame duck" session following the November 4 elections. It remains to be seen whether Congress will have another chance to act on this before a new Congress and new president take over in January 2009.

EVENTS TO WATCH FOR IN DECEMBER

December 15: Jakarta will host the ASEAN Foreign Ministers Meeting, which was previously scheduled to take place in Thailand.

Note: From December 13–17, Thailand was scheduled to host the 14th ASEAN Summit meeting in Bangkok. Due to the ongoing political disturbance in Thailand, the meeting was postponed until March 2009.

SOUTHEAST ASIA AT CSIS

The CSIS Southeast Asia Initiative has published a **conference report** from its major conference in September entitled "The United States and Southeast Asia: Toward a Strategy for Enhanced Engagement." Eighteen prominent Southeast Asian diplomats and scholars, and several senior U.S. government officials and other specialists, spoke at the event. Audio recording from the conference can be found [here](#).

MAJOR REGIONAL DEVELOPMENTS

APEC

Twenty-one heads of government, including President Bush and Southeast Asian leaders from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, traveled to Lima, Peru, to attend the 16th annual Asia-Pacific Economic Cooperation (APEC) forum on November 22–23. The theme of the meeting was "A New Commitment to Asia-Pacific Development," but the global financial crisis dominated the meeting. In the face of the crisis, the leaders stressed coordinated action and a continued commitment to trade liberalization, including making progress in the Doha Round of World Trade Organization (WTO) negotiations and further exploration of the potential for a Free Trade Area of the Asia-Pacific (FTAAP).

The Lima Declaration issued by the APEC leaders also addressed the forum's goals of strengthening the social dimension of globalization, reducing the gap between developed and developing member economies, and enhancing human security through efforts to combat terrorism, improve disaster risk and management, and successfully deal with climate change, energy security, and environmental degradation. (The full text of the declaration is available [here](#).) The meeting provided a timely opportunity for the APEC leaders, who represent countries that produce more than half of the world's economic output, to reinforce the message of coordinated action in the face of the global financial crisis championed at the G-20 meeting in Washington seven days earlier. The group also discussed the issue of food security.

In what was his final formal meeting associated with Asia, President Bush held official, bilateral discussions with the leaders of several countries but did not meet with any of the seven Southeast Asian leaders, nor did he use the meeting as an opportunity for a U.S.-ASEAN-7 meeting (Cambodia, Laos, and Burma are not members of APEC) as he had in past years. In his formal address, Bush affirmed what he called the "three great forces for growth: free markets, free trade, and free people." (His full remarks are available [here](#).)

Singapore takes over the chair of APEC next year and will host the leaders meeting in November 2009. During the final session of the meeting in Lima, Singapore prime minister Lee Hsien Loong discussed Singapore's priorities for its chairmanship, which included pursuing trade liberalization, enhancing the efficiency of doing business in the region, and improving transportation and logistics networks.

Piracy

As piracy off the Horn of Africa captured the world's attention, Southeast Asia announced in November that the Straits of Malacca and the surrounding waterways of maritime Southeast Asia, long a haven for pirates and raiders, have witnessed a sharp drop in piracy. According to the Malaysia-based International Maritime Bureau, only 2 incidents of piracy occurred in 2008 through September, down from 38 in 2004 and 75 in 2000.

The decrease in piracy can be traced to cooperation against this shared threat by Indonesia, Singapore, and Malaysia, and international capacity-building assistance. The three littoral states have cooperated officially under the rubric of the Malacca Straits Patrol, which they formed in 2004 to facilitate information sharing and to conduct joint patrols. In 2005, the "Eyes-in-the-Skies" initiative was launched to coordinate aerial surveillance. In 2006, an intelligence exchange group was formed and an information-sharing platform was instituted. In September 2008, Thailand joined the group.

Indonesia has been seen as a possible weak link in the group. The United States, Japan, and Australia, however, have worked together to enhance maritime surveillance capacity. The United States has provided Indonesia with 15 high-speed response boats and an important coastal radar system. Japan has also provided Indonesia with equipment, including three patrol boats, and its coast guard has organized training programs. Japan has also funded numerous conferences on regional maritime security and piracy. Australia has worked to increase port security and improve surveillance systems in Indonesian and the Philippines.

INTERNATIONAL SECURITY PROGRAM'S ASIA GROUP

Derek Mitchell, Senior Fellow and Director

Brian Harding, Research Associate

Alyson Slack, Research Associate

Lee Ridley, Research Assistant/Project Coordinator

Katherine Koleski, Intern

Nathan Eberhardt, Intern

David Szerlip, Intern

MISCELLANEOUS FACTS ABOUT APEC

- APEC's 21 member economies are Australia; Brunei; Canada; Chile; the People's Republic of China; Hong Kong, China; Indonesia; Japan; South Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Vietnam.
- APEC members account for approximately 40 percent of the world's population, 53 percent of global GDP, and 43 percent of global trade.
- At the 1994 APEC summit in Bogor, Indonesia, the leaders pledged in the so-called Bogor Declaration to achieve a free-trade zone among member economies by 2010 and developing member economies by 2020 (the goal is unlikely to be met).
- Brunei runs the highest current account surplus of APEC member economies, at 57 percent of GDP, while Vietnam runs the highest deficit, at 9.6 percent of GDP.
- To deal with Taiwan's membership in the grouping, APEC refers to its members as "member economies" rather than "member states" or "member countries."
- India has requested membership in APEC, but a continuing moratorium on new members has precluded the group's expansion since 1997.