

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

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## A Word Please, Julia: Australia's Prime Minister Visits Washington Just in Time

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When Julia Gillard settles into her seat across from U.S. president Barack Obama in the Oval Office on Monday, she should get right to the point, as a good friend would do, and remind the president that the United States should not lose focus on its effective efforts to reengage Asia while managing the historic developments in North Africa and the Middle East.

Australia has been a stalwart friend and ally of the United States and has earned the right, even taken on the mantle of responsibility, to say a frank word when needed. Now is that time.

Australians have fought shoulder to shoulder with their American brothers in every modern war; they have stood by the United States on foreign and security policy. The two countries have ensured that efforts to provide security for the Asia Pacific have a strategic anchor in the south, and they have pioneered world-class trade agreements together. Australia understands the importance of sustained, high-level U.S. focus on Asia, and it knows how important 2011 is for the development of regional security and trade architecture.

The point here is in no way to underestimate the importance of events taking place in the Middle East, but to remind Washington that this is one of the most important years for U.S.-Asia policy in decades. And while the president and his team monitor and respond to developments in Libya, Egypt, Tunisia, and other countries, Obama must remain focused on connecting the dots of a nascent U.S. strategy for Asia.

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Asia understands the importance of the transformative surge in the Middle East, but it cannot and will not accept explanations from the United States that “events in the Middle East require urgent attention, and we’ll get back to you soon.”

This is a vital year for U.S. engagement in Asia. The president is coming off a productive visit by China’s premier Hu Jintao, his team is about to bring the U.S.-Korea Free Trade Agreement to Capitol Hill for approval, and he should be looking ahead to participating in his first East Asia Summit (EAS) and third U.S.-ASEAN Leaders’ Meeting in Jakarta and hosting the annual general meeting for leaders of Asia-Pacific economies at the APEC Summit in Honolulu in November. A major deliverable for the Hawaii meeting should be at least a framework agreement for the Trans-Pacific Partnership (TPP) trade agreement.

Getting the new regional security and trade architecture in place and set in a constructive trajectory will take major leadership time and attention. That focus will be required this year – not in the future.

If Southeast Asia, Japan, Korea and others feel that U.S. bandwidth has narrowed and been substantially diverted to the Middle East, an important and perhaps irrevocable lesson will have been learned—namely, that China is the rising power whose focus on Asia will be sustained, serious, and high-level, while the focus of the United States is more likely to ebb and flow. Such a calculation on behalf of important friends and allies in a region of the world that is so strategically and economically vital would result in an unacceptable diminution of American influence and undercut U.S. national security interests.

Julia Gillard and our Australian friends know this well. She would do her country, the Asia Pacific, and her friend President Obama a great turn if she can share a convincing word about sustaining momentum and focus on Asia in 2011.

“APEC trade officials arrived from 20 economies for the start of the first Senior Officials Meeting (SOM), hosted by the United States.”

## APEC

· **Senior officials arrive in Washington.** APEC trade officials arrived from 20 economies for the start of the first Senior Officials Meeting (SOM), hosted by the United States. Officials will focus on deliverables and themes for this year’s summit to be held in Honolulu November 12-14. The second SOM will take place May 7-21 in Big Sky, Montana, where U.S. senator and chairman of the Senate Finance Committee Max Baucus (D-MT) will host the officials. The third SOM and related meetings will be held September 12-26 in San Francisco.

· **APEC executive director Muhamad Noor Yacob at CSIS.** APEC executive director Ambassador Dato’ Muhamad Noor Yacob spoke with experts at CSIS on March 4. He highlighted the APEC 2011 agenda, noting the three themes of the United States, chair of APEC this year:

1. “Getting stuff done” -- taking practical steps to implement a robust APEC agenda instead of adding new ideas that have not been acted upon, such as strengthening regional economic integration;
2. Promoting green growth and technologies;
3. Enhancing regulatory cooperation and convergence.

· **The ambassador said the Trans-Pacific Partnership trade agreement was an important foundation for moving toward APEC’s Free Trade Area of the Asia-Pacific (FTAAP),** which aims to eliminate non-tariff barriers to trade and prevent new barriers from emerging. APEC currently represents 54 percent of global gross domestic product (GDP) and 40 percent of the world’s population.

· **ABAC plans for a FTA of the Asia Pacific.** On February 18, the APEC Business Advisory Council (ABAC) met in Guangzhou, China, and outlined plans to achieve an Asia-Pacific free trade agreement (FTA). ABAC chair and Proctor & Gamble executive Deb Henretta said ABAC’s priority this year will be building pathways toward an Asia-Pacific FTA that would stimulate economic growth. The council’s other priorities include promoting regional economic integration, creating a healthy environment for small and medium enterprises, and fostering sustainable growth by increasing food and energy security. ABAC’s members will also boost efforts to enable the finance sector to support growth by increasing effectiveness and efficiencies in financial markets and capacity building. For the full ABAC summary, visit [http://www.apec2011usa.org/wp-content/uploads/2011/02/APAB\\_Guangzhou.pdf](http://www.apec2011usa.org/wp-content/uploads/2011/02/APAB_Guangzhou.pdf)

## ASEAN



*ASEAN Logo. ASEAN has played a role in mediating the Thai-Cambodian border conflict.*

- **U.S. Senate confirms new ambassador to ASEAN.** The Senate Foreign Relations confirmed David Carden as the first full-time U.S. ambassador to ASEAN on March 4. Ambassador Carden succeeds Ambassador Scot Marciel with whom he will work out of the U.S. Embassy in Jakarta. Carden, a political appointee and lawyer at the firm of Jones Day in New York, plans to make his way to Jakarta shortly after his swearing-in ceremony. When he arrives in Indonesia, he will be busy planning to support Secretary of State Hillary Clinton's participation at the ASEAN Regional Forum (ARF) and President Obama's visit to Jakarta this fall for his first East Asia Summit and third U.S.- ASEAN Leaders' Meeting.

- **ASEAN mediates Thai-Cambodian border issue.** Indonesian foreign minister Marty Natalegawa hosted negotiations between the Thai and Cambodian foreign ministers on behalf of ASEAN. Acting in Indonesia's capacity as current chair of ASEAN, Minister Marty announced that both sides would allow unarmed Indonesian observers to enforce the cease-fire. Thailand and Cambodia also agreed to hold further bilateral talks with Indonesian participation in the near future. Minister Marty noted that finding a permanent solution to the border dispute would take more time. The agreement marks a significant achievement for ASEAN. Mediating the dispute gives the organization new credibility in promoting regional peace and stability.

- **17th AEM Retreat in Laos.** The 17th ASEAN Economic Ministers' (AEM) Retreat concluded in Vientiane, Laos, on February 27, 2011. AEM chair Mari Pangestu, Indonesia's minister of trade, noted progress on the roadmap for the ASEAN Economic Community (AEC) and pledged to allocate funds for achieving the "equal development goal," which aims to narrow the development gap among ASEAN members in farm produce, investment, transportation, trade facilitation, and capacity to implement FTA commitments. The ministers agreed that ASEAN needs to perform better against internal regional integration targets, strengthen its central role in relations with partners, and achieve more practical economic integration. The officials also agreed to establish 787,000 tons of rice reserves to help stabilize food prices as worries about food security and inflation dominate the concerns of the region's leaders.

- **Citigroup report names 3 ASEAN countries to "3G" list.** On February 21, Citigroup published a report identifying the global growth generators (3G) to 2050, naming countries, regions, cities, and industries that will

dominate global growth. The report names Indonesia, the Philippines, and Vietnam as having the most promising growth prospects. It predicts Thailand will enjoy robust growth but needs to implement major new policies, including raising domestic savings and investment rates. It also acknowledges that poor policies, conflict, and natural disasters could reduce growth in some ASEAN countries. The study concludes that the prospects for broad, sustained growth in per capita incomes across the region are more favorable than ever.

## AUSTRALIA

- **Prime Minister Gillard comes to Washington, D.C.** Making her first visit to the United States since winning the elections last summer, Australia's first female prime minister, Julia Gillard, arrived on Sunday, March 6. President Obama welcomed Gillard to the White House on Monday, and both leaders pledged mutual cooperation in the Asia-Pacific region and the ongoing war in Afghanistan. Gillard stated that she was "very personally committed" to "seeing the mission done and to ensuring we play our part in training the Afghan National Army and bringing security to Afghanistan." The two leaders also discussed the uprisings in the Middle East and their shared interest in expanding trade in the Pacific region and promoting clean energy. The United States is Australia's third-largest trading partner, after China and Japan. Prime Minister Gillard was scheduled to meet Treasury Secretary Timothy Geithner, Federal Reserve Chairman Ben Bernanke, and U.S. Trade Representative Ron Kirk on Monday. On March 8, she addressed the U.S. Chamber of Commerce and met with Secretary of State Hillary Clinton and veteran Republican senator John McCain. She addressed a joint session of the U.S. Congress on March 9, to mark the 60th anniversary of the ANZUS treaty. This address makes her the first Australian leader to address the Congress since Prime Minister John Howard in 2002. She will also urge Congress members to tackle political and economic reform, even when change is unpopular. She will travel to New York to meet with UN chief Ban Ki-moon for discussions on the North Africa-Middle East crisis, developments on the Korean peninsula, Iran, East Timor and Afghanistan. On her return trip, she will stop in Honolulu to meet the commander of the U.S. Pacific Command, Admiral Robert Willard.

- **Australia moves to set carbon price.** Prime Minister Gillard announced she would introduce a fixed price on carbon, a move seen as fundamental to establishing a framework for effective and practical climate change mitigation policies. Gillard said Australia would announce the price in July 2012 along with an emissions trading scheme (ETS) with a floating price



*Prime Minister Julia Gillard, who is visiting Washington this week. flickr.com/photos/mystifyme07/4881796497/*

three to five years later. The plan would include the transport and energy sector but leave out agriculture. The Australian government's climate change adviser, Ross Garnaut, released a policy paper outlining plans and citing rural land use as a tremendous opportunity in mitigating carbon emissions. Read his paper at <http://www.garnautreview.org.au/update-2011/update-papers/up4-key-points.html>

- **No interest rate hike.** A Bloomberg survey of 27 economists concluded that the Reserve Bank of Australia (RBA) will maintain rates at 4.75 percent. The economists view inflationary pressures resulting from flooding and Cyclone Yasi to be short-term factors as the economy benefits from strong employment, an upturn in the resources sector, and cautious consumers. The survey notes that pressure for a rate hike is rising as the economy approaches full employment and grapples with rising inflation.

## SINGAPORE

- **General elections 2011.** Singapore has made changes to the boundaries of its electoral constituencies in response to “population shifts.” The changes raise the number of members of parliament (MPs) from 85 to 87 and dissolve some single member constituencies (SMCs)—constituencies with only one representative—while creating other, new ones. The opposition Workers' Party accused the ruling People's Action Party (PAP) of “gerrymandering.” In response, Senior Minister Goh Chok Tong stated that the boundary changes would actually disadvantage the PAP more than the opposition. In a significant benchmark, opposition parties are likely to contest all 87 seats. The opposition contested only 47 of 85 seats in the last general election.

- **Singapore sends rescue team to help in New Zealand earthquake.** The Singapore Civil Defense Force (SCDF) dispatched the 55-member Operation Lionheart Contingent to New Zealand to help in search-and-rescue operations in earthquake-stricken Christchurch. The Lionheart Contingent is a specialized rescue contingent kept on 24-hour standby to provide relief to disaster-stricken countries, and the New Zealand Operation is its twelfth such mission. Singapore's leaders extended their condolences to New Zealand, and President S.R. Nathan expressed his hopes that the SCDF team would make a useful contribution to relief efforts.

- **Singapore submits human rights report to the United Nations.** Singapore submitted a report on its human rights track record to the United Nations as part of a Universal Periodic Review of all UN member states. The report



*Singapore's Parliament House. Singapore is due to hold general elections this year.*  
[flickr.com/photos/zaza\\_bj/2778479766/](http://flickr.com/photos/zaza_bj/2778479766/)

places Singapore's record in context, mentioning the great strides the city-state has made in areas such as housing and education. It also defends the country's use of capital punishment and the Internal Security Act, while noting the importance of preserving social stability in the multiethnic nation. In the report, Singapore says its policies regarding human rights could change over time along with the "demands of the people."

## PHILIPPINES

- **New foreign secretary outlines priorities.** Former Philippine ambassador to the United States Albert del Rosario succeeded Alberto Romulo as the Philippines' foreign affairs secretary on March 2, 2011. Secretary Del Rosario outlined the three pillars of his country's foreign policy—namely, national security, poverty alleviation, and protection of overseas Filipinos. On national security, Del Rosario emphasized that ASEAN would be the bedrock of Philippine foreign policy; on economic policy, he stressed poverty alleviation. He will also look into forging bilateral agreements and regulations to further protect overseas Filipinos. Del Rosario says he plans to engage the Philippine Congress in crafting foreign policy. Given the new secretary's deep understanding of the United States, many analysts believe he will oversee a significant strengthening of bilateral ties. Read Secretary Del Rosario's foreign policy framework on CSIS Southeast Asia's homepage at [http://csis.org/files/publication/110307\\_phil\\_fp.pdf](http://csis.org/files/publication/110307_phil_fp.pdf).

- **Effort to impeach Ombudsman may signal crack in Arroyo's protective wall of appointments.** The House of Representatives Committee on Justice voted 21–5 on March 1, 2011, to carry out impeachment proceedings against Ombudsman Merceditas "Merci" Gutierrez. The move is significant because it may mark the beginning of President Aquino's campaign to break down the protective barrier of late-term political appointments by his predecessor, Gloria Macapagal Arroyo. The vote came after protracted arguments on whether the committee should wait for the end of the appeals process. Gutierrez revealed she does not plan to face Congress. Analysts believe Congress may next pursue Arroyo's appointees to the Supreme Court.

- **Japan-Philippines Economic Partnership Agreement.** The Philippines and Japan affirmed their commitment to the Japan-Philippines Economic Partnership Agreement (JPEPA). The agreement is an economic partnership that falls well short of the extensive provisions in other comprehensive trade agreements in the region. The Philippines is constrained from entering into such agreements by provisions in its

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constitution, and Japan has not been able to put agriculture on the negotiating table. The February 28 meeting in Tokyo was cochaired by Shigeru Nakamura, Japan's ambassador for international trade and economic affairs, and Adrian S. Cristobal Jr., Philippines undersecretary for international trade in the Department of Trade and Industry.

#### BURMA/MYANMAR

- **International Crisis Group report challenges the effectiveness of sanctions on Burma.** In its recently released report, Myanmar's Post-Election Landscape, the International Crisis Group concludes that sanctions have had counterproductive effects, caused ordinary people to suffer, and have impeded the country's development. The report also recommends that restrictions on development assistance and technical assistance should be immediately lifted and levels of aid increased. To read the full report, see <http://www.crisisgroup.org/~media/Files/asia/south-east-asia/burma-myanmar/B118%20Myanmars%20Post-Election%20Landscape.ashx>
- **Aung San Suu Kyi addresses important difference between Burma and Libya.** Aung San Suu Kyi noted a significant difference between the situations in Libya and Burma. She pointed out that the Libyan army is divided in its approach to handling the uprising against Muammar el-Qaddafi, but there are no noticeable divisions within the Burmese military. She said the junta has failed in its efforts to prevent coverage of the Middle East from reaching the Burmese public and said she is trying to set up Facebook and Twitter accounts.
- **Karen refugees petition Ban Ki-Moon.** Thousands of Karen refugees who have fled Burma to escape the ongoing fighting in the eastern Karen state now face food shortages in Thailand. Volunteers in the refugee camps report the refugees receive only two cups of rice every two weeks. In response to the food crisis, approximately 84,000 Karen people around the world have signed a petition calling on world leaders, including United Nations Secretary-General Ban Ki-Moon, to immediately stop the Burmese regime from attacking Karen civilians. Tomas Ojeas Quintana, United Nation's special rapporteur to Burma, called Burma a regional burden due to the "extraterritorial dimension" of the human rights problem.
- **Burma developing Scud missiles?** According to a news report in Japan's daily Sankei Shimbun, Burma is allegedly developing its own Scud-type missiles with North Korean assistance. The report claims that a munitions

“Volunteers in the [Karen] refugee camps report the refugees receive only two cups of rice every two weeks.”

factory located near the Burmese town of Minhla is a workplace for North Korean missile experts.

## THAILAND

- **Censure motion filed against incumbency.** As talk of elections becomes more serious, the opposition Puea Thai Party filed a censure motion against Prime Minister Abhisit Vejjajiva and nine other Democrat members of parliament including Foreign Minister Kasit Piromya, Finance Minister Korn Chatikavanij, and Deputy Minister Suthep Thaugsuban. Among the issues for debate is the government's dispersal of the "red shirt" protestors, palm oil subsidies, alleged Thaicom share manipulation, and economic mismanagement. Puea Thai leader Mingkwan Sangsuwan and 122 other MPs filed the motion. If the parliament passes a vote of no confidence, the nine cabinet ministers and the prime minister could face impeachment.

- **Seven "red shirt" leaders released from prison.** The core leaders of the antigovernment group United Front for Democracy against Dictatorship (UDD), also known as "red shirts," are on temporary release from prison on condition that they do not incite unrest or leave the country. Since their release, the seven leaders have participated in regular rallies at Democracy Monument. UDD leaders said they will hold two protests monthly.

- **Royal Thai Air Force acquires Swedish planes.** The Royal Thai Air Force held an official ceremony welcoming the arrival of six Gripen fighter jets. The Swedish-made Gripen 39 C/D planes will replace the American-made F-5A/B, which will be decommissioned. Air Chief Marshal Itthaporn Subhawong, commander of the Royal Thai Air Force, and Defense Minister Prawit Wongsuwan presided over the ceremony in the southern province of Surat Thani. Six more planes are scheduled to arrive in 2013.

## NEW ZEALAND

- **New Zealand mourns quake dead; state of emergency extended.** The death toll from the Christchurch earthquake has reached at least 240. Officials say no more survivors are likely to be found. One week after the earthquake, the nation observed two minutes of silence to mourn the departed. Flags were flown at half-mast while traffic came to a standstill. New Zealand has extended its National State of Emergency Civil Defense following the quake, with Minister John Carter saying the state of emergency was likely to remain in effect for several more weeks.



*Prime Minister Abhisit receives roses from his supporters at the Democrat Party headquarters. flickr.com/photos/thaigov/5447909807/*



*The Saab Gripen is also used by the South African, Czech, and Hungarian air forces. flickr.com/photos/54998417@N02/5307366735/*

The earthquake is expected to have a significant impact on New Zealand's economy. Individuals and organizations interested in getting involved in American efforts to support the people of Christchurch can find more information at the U.S.- New Zealand Council, <http://www.usnzcouncil.org/>. Read CSIS senior adviser Ernie Bower's first-hand account of surviving the earthquake and why the bilateral relationship will become stronger as the two countries bond and work to support Christchurch's recovery at <http://bit.ly/eKuNcG>.

- **Prime Minister Key announces rates move.** Prime Minister John Key said he expects the Reserve Bank of New Zealand to cut interest rates as the country attempts to recover from two earthquakes in less than six months.

#### CAMBODIA

- **Cambodia and the United States hold joint maritime exercise.** From February 27 to March 2, Cambodia and the United States held a maritime exercise off the Cambodian coast aimed at building capacity to deal with humanitarian disasters. The exercise consisted of a port call and community relations projects, and involved 500 troops from the Royal Cambodian Armed Forces and U.S. Marines. Following the December 2004 Indian Ocean tsunami and May 2008 Cyclone Nargis, Southeast Asian nations have worked together with the United States and other partner nations to ensure that the region is adequately prepared to respond to humanitarian disasters.

- **UNESCO begins restoration process for the Preah Vihear temple.** Koichiro Matsuura, the special envoy of the United Nations Educational, Scientific and Cultural Organization (UNESCO), said that UNESCO will send experts to evaluate the damages to the Preah Vihear temple and begin the restoration process following the Cambodian-Thai border cease-fire. Sok An, minister of the Cambodian Council of Ministers, noted that the deadly clash February 4-7 resulted in 414 mortar and artillery shells hitting the temple.

- **United Nations concerns about freedom of expression.** Surya Subedi, the United Nations special rapporteur for human rights in Cambodia, voiced concern regarding recent crackdowns on freedom of expression following a 10-day fact-finding mission to the country. Rights groups criticized the Cambodian government for launching defamation and disinformation lawsuits against critics and opposition members. In December 2010, Cambodia introduced laws that could jail or fine a person for expressing



*The Preah Vihear temple, which was damaged during the Thai-Cambodian border clashes. flickr.com/photos/garndt/295422142*

dissenting views. Surya said, “Criticism is not a crime but an exercise of freedom of conscience, an act of intelligence.”

## MALAYSIA

- **Ambassador Jones driving U.S.-Malaysia relations.** The new U.S. ambassador to Malaysia, Paul Jones, stated that his priorities for the U.S.-Malaysian relationship include enhancing educational programs, people-to-people ties, and making progress on the Trans-Pacific Partnership (TPP). Jones said the TPP is “complementary” for U.S. and Malaysian markets; as Malaysia pushes ahead with the agreement, Jones said, it will demonstrate that the country is “open for business” and will help attract foreign investment. The ambassador pointed out that U.S. companies are impressed by Malaysia’s New Economic Model and Economic Transformation Program, and that traders and investors will be watching the speed and implementation of reforms closely.

- **Barisan Nasional (BN) coalition won two by-elections.** Although the BN and the opposition Pakatan Rakyat (PR) each have 8 victories in the 16 by-elections held since the March 2008 general election, the BN has won 7 of the last 9 by-elections. In Merlimau, the coalition won with a 3,643-vote majority, which is higher than the 2,154 majority it garnered in 2008. In Kerdu, it won by 2,724 votes, also a stronger showing than its previous 1,615-vote majority win in 2008. The recent winning roll seems to demonstrate that Prime Minister Najib is re-consolidating control.

- **Malaysian ringgit emerges as “winner” in crude oil prices.** As the net energy exporter in the region, Malaysia stands to benefit from the increase in oil prices as a result of tensions in the Middle East. Crude oil, natural gas, and palm oil make up nearly 30 percent of Malaysia’s total exports. India and China are the largest buyers of these products. Still, while the rise in crude oil prices may help the ringgit, it will pressure the nation’s inflation outlook. Fuel subsidies require higher payments, increasing Malaysia’s fiscal deficit, which is already 5 percent of GDP.

## INDONESIA

- **Great Indonesia Movement Party prepares for 2014 elections.** The Great Indonesia Movement Party, also known as Gerindra, announced it has created an alliance of 10 small political parties to consolidate its power base for the 2014 general elections. The Party’s chairman is Prabowo Subianto, a former son-in-law of President Soeharto and a retired Army



*The new U.S. ambassador to Malaysia, Paul Jones, accompanying Secretary of Defense Gates [http://www.defense.gov/dodcmsshare/newsphoto/2010-11/hires\\_101109-D-7203C-001.jpg](http://www.defense.gov/dodcmsshare/newsphoto/2010-11/hires_101109-D-7203C-001.jpg)*

general who has been accused of controlling paramilitary squads used by the Indonesian Army special forces group Kopassus to torture and kill East Timorese dissidents. President Susilo Bambang Yudhoyono will not be eligible to run for a third term.

- **Indonesian island province proposes sites for nuclear power plants.** The governor of Bangka Belitung, Eko Maulana Ali, said that his province has selected two sites for nuclear power plants. He claims that most people on the island “accept the projects,” and he believes that the plants will create more jobs. Ahmand Sarwiyana, head of the National Nuclear Energy Agency, said that Bangka Belitung is safe because it is located away from the Pacific Ring of Fire and does not suffer from natural disasters such as earthquakes.

## BRUNEI DARUSSALAM

- **New U.S. ambassador to Brunei confirmed.** The Senate Foreign Relations Committee confirmed Daniel Shields, director of the State Department’s Office of Mainland Southeast Asia, as the new ambassador to Brunei Darussalam. He will be succeeding Ambassador William E. Todd who left Bandar Seri Begawan in June 2010.

- **Legislative Council proposes national budget.** Brunei’s second minister of finance, Pehin Hj Abdul Rahman Hj Ibrahim, proposed a \$4.56 billion budget for 2011/2012 during Brunei’s seventh session of the State Legislative Council (LegCo). The minister painted an alarming picture of Brunei’s dependence on oil, warning that the country would face a \$4.1 billion fiscal deficit without the resource. Meanwhile, in his opening speech, Sultan Hassanal Bolkiah urged Bruneians to stop abusing government subsidies. The sultan further said that unpaid public utilities bills were costing the government “hundreds of millions of dollars.” The session will also focus on education, unemployment, and the role of the Arabic language in schools. The two-week session provides a forum for debate and feedback on policy. It has convened annually since 2004, but the sultan appoints all 28 members—none are directly elected.

- **Brunei and Indonesia seek to boost defense ties.** Brunei will give Indonesia two patrol vessels in April for military training in an effort to boost bilateral defense ties. The decision comes in the wake of Indonesian president Susilo Bambang Yudhoyono’s visit to Brunei in late February. The countries seek to expand their military cooperation. Indonesia’s parliament has recently ratified a memorandum of understanding on defense



*Brunei’s State Legislative Council building. The State Legislative Council convened its seventh session on 1st March which will run for two weeks. flickr.com/photos/limn/3689086601/*

cooperation that Brunei and Indonesia signed in 2003, and both countries are planning to carry out joint training for their special forces.

## VIETNAM

- **Vietnam raises electricity prices.** Vietnam will raise the price of electricity by 15.28 percent. Prime Minister Nguyen Tan Dung approved the price hike, but at a lower percentage than the 18 percent proposed by the Ministry of Industry and Trade (MOIT). The increase is needed to draw much-needed investment to the electric power-generating sector. In a related step, central bank governor Nguyen Van Giau recommended reducing the government's credit growth target from the current 23 percent to 20 percent to curb inflationary pressures. Vietnamese authorities have been working to grapple with pressures on the dong, which hit a two-year high last month along with 12.17 percent inflation.
- **Vietnam dissident released on bail.** Vietnamese pro-democracy dissident Dr. Nguyen Dan Que was released on bail after being detained by authorities for calling for a revolution in Vietnam similar to the ones inspired by protests in the Middle East. Nguyen was detained on charges of allegedly attempting to overthrow the government, but authorities released him citing his poor health and cooperation with the police. He was accused of inciting the masses after posting an appeal online calling for young people to put an end to one-party rule in Vietnam. His detention is his fourth arrest over 33 years. He has spent a total of 20 years in prison for "abusing his democratic freedoms by jeopardizing the state."
- **UK ends direct development aid to Vietnam.** The United Kingdom's Department for International Development will cease operations in Vietnam after 2016, when the 2006 bilateral agreement for cooperation development between the two countries expires. The UK will also stop direct aid to 15 other countries, including China, Indonesia, and Russia. Since 1992, the UK has given Vietnam \$616 million to fund programs focused on the millennium development goals, growth, trade, governance, and climate change. UK representatives said Vietnam has "graduated" from poverty and is now considered a middle-income country by the World Bank.

## LAOS

- **Lao Party Congress coming up.** The most important political event in Laos is coming up later this month -- the ninth National Congress of the



Workers on a power line in Vietnam. Vietnam will raise electricity prices by 15.28 percent. [flickr.com/photos/majax1/5303424005/](https://www.flickr.com/photos/majax1/5303424005/)

“The new Lao prime minister, Thongsing Thammavong, made his first overseas visit as prime minister to Vietnam from February 28 to March 2.”

Lao People’s Revolutionary Party. The Party Congress will decide on the country’s leadership and key policy directions.

- **New Lao prime minister visits Vietnam.** The new Lao prime minister, Thongsing Thammavong, made his first overseas visit as prime minister to Vietnam from February 28 to March 2. Vietnamese prime minister Nguyen Tan Dung said the visit reinforced the historical friendship and special solidarity between both countries. Dung also praised Laos for its achievements in 2010, including its 7.9 percent economic growth rate and increasing role in the international arena.

- **Decision on Xayabury Dam.** The Xayabury Dam is the first of 11 hydropower dams proposed along the lower Mekong River. The Mekong Agreement, which recognizes the shared impact of the river development projects on neighboring countries, stipulates that Cambodia, Laos, Thailand and Vietnam must approve all proposals prior to construction. According to the nongovernmental organization International Rivers, the four governments may announce their positions on the dam by as early as March 2011. The dam promises to supply energy to the region, but at significant cost to the environment and surrounding communities.

#### TIMOR-LESTE

- **Prime Minister Xanana Gusmao in Washington.** Timor-Leste prime minister Xanana Gusmao was in Washington, D.C., two weeks ago. He was received by Secretary of State Hillary Clinton, who expressed U.S. support for Timor-Leste’s development as an independent state. Secretary Clinton’s remarks with Timor-Leste Prime Minister Xanana Gusmao before their meeting can be found at <http://www.state.gov/secretary/rm/2011/02/157074.htm>

#### PAPUA NEW GUINEA

- **Operation Sunset Merona wrapped up.** Papua New Guinea ended its security operation on the PNG-Indonesian border, “Operation Sunset Merona,” after six weeks. Commander Jerry Frank of the PNG Army declared the operation a success and mentioned that it had halted crimes such as illegal entry, drug trafficking, and human smuggling. The operation’s main objective was to search for and destroy illegal camps that were set up by West Papuan independence activists from neighboring Indonesia. However, PNG’s National Capital District governor Powes Parkop has criticized the operation and suggested that Indonesia was using the

PNG government to target West Papuan independence activists.

## SOUTH CHINA SEA

- **Six Vietnamese fishermen missing in South China Sea.** Six Vietnamese fishermen are missing in a disputed area of the South China Sea. The fishermen were from Quang Ngai province and had set sail in mid-December to collect seaweed from the contested Paracel Islands. Their families have not heard from them since January 23. Authorities still have no information regarding the fishermen's whereabouts but are continuing the search.
- **Philippines sent warplanes near disputed islands.** The Philippine military on March 2 deployed an OV-10 bomber plane and an Islander light aircraft at Reed Bank, near the disputed Spratly Islands. The incident reportedly occurred after two Chinese patrol boats confronted a Philippine ship exploring for oil. The Chinese boats departed by the time the Philippine airplanes reached the scene.

## MEKONG RIVER

- **Thai cabinet considers tourism cluster scheme along the Mekong River.** The Thai cabinet approved a development scheme worth \$218 million in an effort to develop Thailand's tourism industry. The deputy prime minister will propose eight development clusters with 385 projects from 2012 to 2014. The Mekong River is one of the proposed clusters and will be called "The Way of Life"; the project is expected to cover six provinces with 60 projects valued at \$20 million each.
- **Alcoa Foundation announces sustainability program on the Mekong.** The Alcoa Foundation announced a new \$7 million investment to address regional sustainability issues. Alcoa's investment will fund several initiatives, including a new partnership with the World Wildlife Fund (WWF) to ensure sustainable hydropower along the Mekong River in China and promote the theme "Reduce, Recycle, Replenish." The project will promote water security and ensure habitat protection as well as address long-term, responsible water governance, strategic conservation of important watersheds, and sustainable hydropower development. Alcoa, an aluminum producer, uses large amounts of water in its production processes.



*Chinese workers on a dam site. The Alcoa Foundation will help ensure sustainable hydropower along the Mekong River in China. flickr.com/photos/internationalrivers/3743286151/*

# Looking Ahead

- APEC Senior Officials' Meeting I (SOM I) and related meetings are under way February 27-March 12 in Washington, D.C.
- CSIS Southeast Asia Program event with Indonesia's ambassador to the United States His Excellency Dr. Dino Patti Djalal: "Moving Forward: The Future of the U.S.-Indonesia Relationship". Further details of the event will be available soon; please e-mail [SoutheastAsiaProgram@csis.org](mailto:SoutheastAsiaProgram@csis.org) with any questions.
- Launch of CSIS Southeast Asia Program study "Sustainable Energy Futures in Southeast Asia" on March 31. The CSIS Southeast Asia Program will be launching a new study on energy and related environmental policies—and future energy landscapes—in Southeast Asia's largest economies. Further details of the event will be available soon. Meanwhile, interested parties can e-mail [SoutheastAsiaProgram@csis.org](mailto:SoutheastAsiaProgram@csis.org) to find out more about the study.
- George Washington University Sigur Center Event on March 9: Remembering Indonesia's War of Independence: Identity, Politics, and Military History: <http://www.gwu.edu/~sigur/news/index.cfm#spectator>
- East-West Center in Washington Event on March 23: The Outlook for U.S.-Vietnam Relations: [http://www.eastwestcenter.org/fileadmin/resources/washington/images/events/Flyer-The\\_Outlook\\_for\\_US-Vietnam\\_Relations.pdf](http://www.eastwestcenter.org/fileadmin/resources/washington/images/events/Flyer-The_Outlook_for_US-Vietnam_Relations.pdf)

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

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