

Southeast Asia from the Corner of 18th & K Streets

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Hillary Clinton's Asia Sojourn

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Like the character in novelist Elizabeth Gilbert's best seller "Eat, Pray, Love," U.S. Secretary of State Hillary Clinton will travel this week from Europe (though Greece will have to stand in for Italy in this narrative) through India to Bali. But Clinton is not traveling to find herself. She is in search of viable strategic partners and will aim to remind friends that the United States is indeed Asia-focused and committed to sustaining its leadership in the region.

As partners assess U.S. power, Secretary Clinton not only plays a strong hand, but at the same time is assessing the capabilities of our partners in Asia.

Soul-searching is not exclusive to Americans, who are watching with horror as their politicians play Russian roulette with U.S. fiscal well-being. Indeed, Indians, Japanese, and even the Chinese are going through various levels of introspection and anxiety. India has been rocked by high-level corruption scandals and appears to be taking decisions about its security at a tactical—certainly not strategic—level.

Japan's government is teetering on the sharp knife of no-confidence as the nation strives to recover from natural disasters that further exposed economic stagnation and weakened governance. China is heading toward a leadership transition that is nearly as opaque as papal selection, apparently forcing leaders to focus on survival and domestic political maneuvering that has left the military to develop its own regional

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foreign policy and violate China's own national security objectives, including not having bad relations with its immediate neighbors.

In spite of the dangerous partisan bloodletting dominating Washington, Clinton continues to act strategically, working to institutionalize important American relationships in the Asia Pacific. She is trying to lay the foundation for advancing the country's interests in the coming decades.

Notably, Clinton has decided that Southeast Asia, specifically ASEAN, will serve as the fulcrum for a long-term Asia strategy. That is not to say that ASEAN—anchored by its largest member country, Indonesia—is more strategically important than India, China, or Japan, but it is the focal point where the most important geostrategic chess games of the twenty-first century will be played. At times like this, it appears that the secretary of state is the only U.S. cabinet member, except perhaps Treasury Secretary Timothy Geithner, who understands this fact.

Clinton will be laying the foundation this week for a challenging series of meetings in November for President Obama. Her role is to set the table with substantive initiatives that Obama can point to when he starts his November in Cannes, France, for the G20, then moves to Honolulu to host the Asia Pacific Economic Cooperation (APEC) leaders, visits a yet-to-be-named Asian country (or two), and finally arrives in Indonesia for the East Asia Summit (EAS) and the U.S.-ASEAN Leaders Meeting.

Watch Clinton's time in Bali closely for hints about what is to come. She will lay out a U.S.-ASEAN work plan that focuses on joint efforts in trade capacity building (to help bring new countries into the Trans-Pacific Partnership), education, sustainable development (particularly around the Lower Mekong Initiative), green energy, and last, but certainly not least, maritime security. She will weave the same threads into the EAS foreign ministers' meeting, with more emphasis there on transparency, governance, and cooperative efforts related to humanitarian assistance and disaster relief.

President Obama will need to use the political capital required to get his administration and the Congress to help him advance U.S. interests in Asia this fall. Congress and the administration need to address the fiscal situation, position trade as a key element of economic recovery (by passing the U.S.-Korea free trade agreement at a minimum), and refocus U.S. strategic resources toward Asia.

Hillary Clinton's Asia Sojourn *(continued)*

The outlines of a plan for November will be to focus APEC on economics—promoting economic recovery, trade, innovation, and regulatory alignment in Asia—and to use the EAS to address the political and security environment—emphasizing the need for more transparency, cooperation, and a law-based approach to ensuring peace and prosperity on the seas in Asia.

The secretary should also reaffirm in the strongest way possible, America's commitment to human rights and democracy. People throughout Asia are seeking empowerment and the delivery of public goods from their governments, as can be seen in recent elections, demonstrations, and statements by civil society leaders around the Asia Pacific. This is a theme that the United States embodies and should emphasize. It is an intrinsic source of inspiration that other great powers can't buy with foreign reserves or muscle with overwhelming numbers.

Clinton is on an important journey. She will find many challenges and inspirations along the way. She has many of the tools to exercise strategic American power for the good of the Asia Pacific, but she will need help from allies and partners as well as from the White House, her fellow cabinet members, and the U.S. Congress.

This commentary was published earlier on the CSIS Asia Policy Blog, cogitASIA. Be sure to [visit the blog](#), and subscribe via [email](#) or [RSS](#), to ensure you receive the most up-to-the-minute analysis of developments from the region.

The Week That Was



Gita Wirjawan, the chairman of the Indonesian Investment Coordinating Board, spoke at CSIS's prestigious Banyan Tree Leadership Forum on July 7. Screenshot from the CSIS Asia Policy blog, cogitASIA, where you can view [the speech in its entirety](#).

Guided missile destroyer USS John S. McCain at Danang, Vietnam. Three U.S. Navy ships arrived in Danang on July 15 for seven days of joint training. www.flickr.com/photos/us7thfleet/4904300507/



INDONESIA

- **South Korea and Indonesia to negotiate trade agreement.** South Korea and Indonesia agreed to launch talks in November on a bilateral free trade deal. On July 7, the two countries held the first round of feasibility talks in Jakarta on a Comprehensive Economic Partnership Agreement (CEPA). Bilateral trade between the two countries reached \$22.9 billion in 2010, with South Korean exports to Indonesia totaling \$8.9 billion.
- **Gita Wirjawan speaks at CSIS Banyan Tree Leadership Forum.** The chairman of Indonesia Investment Coordinating Board (BKPM) Gita Wirjawan gave a speech on July 7 on Indonesia's economic outlook and investment climate at CSIS's Banyan Tree Leadership Forum. Gita outlined business opportunities and challenges in Indonesia and explained how U.S. investors can make successful long-term investments and manage risks in the country. The video of the forum can be found [here](#).
- **Papuan workers in Freeport end strike.** About 8,000 workers from Freeport-McMoran Copper & Gold's Indonesian unit organized a strike July 4-12, demanding wage increases from \$1.50 to \$3.00 per hour. Union chief Sudiro said the workers ended the strike after Freeport's management agreed to reinstate six fired labor leaders and reopen negotiations on July 20 about wages and benefits. Freeport's Jakarta-based spokesman Ramdani Sirait said the strike did not have a major impact on production.
- **Democratic Party will dismiss graft suspect Nazaruddin.** The Indonesia Democratic Party will officially dismiss from party membership fugitive lawmaker and graft suspect Muhammad Nazaruddin, who is still at large. Nazaruddin was fired as the party's treasurer for his alleged links to graft surrounding construction projects for the Southeast Asia Games in November 2010. Inspector General Sutarman, chief of the national police, said that the police have been coordinating with Interpol to locate Nazaruddin, who fled to Singapore on May 23, one day before he was issued a travel ban.

VIETNAM

- **U.S. and Vietnamese navies begin joint training exercises.** Three warships from the U.S. Seventh Fleet arrived in the port of Danang on July 15 for seven days of joint training in "non-combatant events and skills exchanges." The visit is meant to celebrate the sixteenth anniversary of diplomatic relations between the United States and Vietnam. Some

fear the exercise's timing could rile tempers in Beijing because it might be interpreted by some in China as demonstrating U.S. support for a competing claimant in the South China Sea. However, the United States insists the exercises were scheduled before the latest uptick in tensions.

- **Vietnam takes first step toward a competitive power market.** Vietnam initiated a pilot program on July 1 that allows some power generating companies to sell electricity to state-owned utility Electricity of Vietnam Corporation at market prices. The program affects 48 power plants and is the first step in creating a competitive domestic power market by 2022. Demand has outstripped electricity supply by 3 percent over the last five years, and the government hopes that higher prices will lead companies to boost production.

- **WTO rules in favor of Vietnam in antidumping case.** The World Trade Organization ruled on July 11 that U.S. antidumping tariffs against Vietnamese shrimp violate provisions of the GATT and the Anti-Dumping Agreement. The European Union, China, India, Japan, and Mexico, among others, declared an interest in Vietnam's case. In January 2011, the United States promised to alter the way it calculates tariffs on shrimp, but the U.S. International Trade Commission in March extended the tariffs for five years on shrimp from Vietnam and several other countries.

Puea Thai candidate for prime minister Yingluck Shinawatra holds a campaign rally. Puea Thai and the Democrat Party have each filed petitions to disband the other. www.flickr.com/photos/ratchaprasong2/5892304853/



- **Vietnam puts an end to weekly anti-China demonstrations.** After allowing protests for five consecutive weeks, police in Hanoi broke up anti-China demonstrations on July 10. As they approached the Chinese embassy, approximately 12 protesters, reporters, and cameramen were arrested and held for several hours. The move seems intended to ease tensions with China over disputes in the South China Sea after representatives of the two countries met in Beijing on June 25 and vowed to seek a peaceful resolution of their differences.

THAILAND

- **Puea Thai and Democrats seek each other's disbanding.** Puea Thai Party filed a petition on July 14 asking the Election Commission to dissolve the Democrat and Bhumjaithai parties one week after the Democrats asked the commission to do the same to Puea Thai. The latest petition is based on a "blue flag" sale of low-priced products organized by the two parties on June 26, the day of advanced voting, at the city hall of Samut Prakan.

- **Abhisit is likely to be reelected party leader.** Acting secretary general of the Democrat Party Suthep Thaugsuban dismissed speculation on July 10 of an intra-party rift and confirmed that the party will likely elect outgoing prime minister Abhisit Vejjajiva to a second term as party leader. The statement counters rumors that a number of Democrats are demanding a major restructuring of the party after its recent electoral defeat.
- **ICJ creates demilitarized zone around disputed temple.** The International Court of Justice (ICJ) ruled on July 18 that Thai and Cambodian troops must withdraw from areas around the disputed Preah Vihear temple. The ICJ established a “provisional demilitarized zone” around the temple in which neutral observers will monitor the ceasefire. Both Thailand and Cambodia agreed to abide by the ruling, with Thailand’s Foreign Minister Kasit Piromya expressing satisfaction that “the withdrawal of troops is applicable to both Cambodia and Thailand.”

MALAYSIA

- **Malaysia will investigate accusations of police brutality against Bersih protesters.** Home Minister Hishammudin Hussein said the government will investigate claims of police brutality following the death of an alleged bystander during the Bersih 2.0 rally on July 9. During the demonstration, riot police fired tear gas, used water cannons, and reportedly arrested 1,667 people, all of whom were released by the next day. The rally, which was organized by a coalition of nongovernmental groups calling for electoral reform, was deemed illegal because it lacked official permission.
- **Malaysia’s population will reach 35 million by 2020.** Women, Family and Community Development Minister Seri Shahrizat Abdul Jalil announced on July 11 that the country’s population is expected to reach 35 million by 2020. She explained that this projection is based on the younger generation’s tendency to have larger families. In addition, the portion of the population over 60 years of age will rise from 9.9 to 15 percent by 2030.
- **Malaysia postpones registration of illegal foreign workers.** Home Minister Hishammudin Hussein said on July 11 that the plan to register illegal foreign workers has been postponed indefinitely. The registration had been scheduled to begin on July 11 and was aimed at granting amnesty to an estimated 2 million illegal foreign workers who were willing to register their fingerprints and biometric data with the government. The minister cited technical issues and national security concerns for the



A group of Bersih demonstrators march in Kuala Lumpur. Police broke up the much-anticipated Bersih 2.0 rally on July 9, detaining 1,667 protesters. www.flickr.com/photos/youzicase/1960529338/

delay and said that officials first needed to register the estimated 1.9 million legal foreign workers in the country.

- **Malaysia and the Vatican establish diplomatic relations.** Prime Minister Najib Razak met with Pope Benedict XVI at his summer residence outside Rome on July 18 and agreed to establish diplomatic relations between Malaysia and the Vatican. Najib was accompanied by a multi-faith delegation, including Malaysia's Archbishop Murphy Nicholas Xavier Paklam. The meeting was aimed at improving the government's ties with its Christian minorities after a series of recent incidents, including church bombings, have strained interfaith relations in the country.

BURMA

- **Burma prevents NGOs from assisting Kachin refugees.** The Burmese government is reportedly forcing local NGOs to sign pledges not to assist refugees fleeing heavy fighting in Kachin State and threatening to deregister those that do not comply. Since fighting between government forces and the Kachin Independence Army (KIA) began on June 15, the number of refugees has mushroomed to roughly 17,000 in Laiza, the KIA headquarters. The blocking of assistance comes as government troops renewed their assault on Kachin forces at Momauk Township on July 10, despite ongoing cease-fire talks.

- **More than 20 U.S. groups call for greater pressure on Burma.** A group of prominent NGOs, think tanks, and unions sent President Obama a letter on July 7 urging greater pressure on Burma to institute democratic reforms. The letter, signed by 22 organizations including Freedom House, Human Rights Watch, and the AFL-CIO, calls for stricter financial sanctions against Burma's leaders and a commission of inquiry into human rights abuses in the country. For the full text of the letter, [click here](#).

Prime Minister Thein Sein of Burma addresses the United Nations. Reports from Burma indicate he may be sidelined by factional competition in the new Parliament. www.flickr.com/photos/un_photo/3969229504/



- **Reports suggest Thein Sein may be sidelined by power struggle between former generals.** Burma's new civilian government's first vice president and the speaker of the lower house of Parliament, both of whom outranked the new president, Thein Sein, during military rule, are reportedly butting heads and building competing political factions within the government. Vice President Tin Aung Myint Oo was the junta's fourth-ranking general, while his rival, Shwe Mann, now the speaker of Parliament, was a favorite of senior general Than Shwe and served as the junta's number three leader. Concern is rising that their rivalry could undermine the fragile new government.

- **A second Burmese diplomat defects to the United States.** Soe Aung, first secretary at the Burmese Embassy in Washington, D.C., wrote a letter to the State Department on July 13 requesting asylum in the United States. He and his family had been asked to report to the embassy to be escorted back to Burma for questioning in the defection of former deputy chief of mission Kyaw Win on July 4. Instead, Soe Aung chose to defect as well.

SOUTH CHINA SEA

- **Chinese soldiers harass a Vietnamese fishing vessel.** A border official in Vietnam's Quang Ngai province reported on July 14 that a Chinese navy ship chased a Vietnamese fishing boat on July 5 before dispatching a speedboat with 10 armed soldiers. The soldiers allegedly boarded the vessel near the contested Paracel Islands, beat the captain and threatened the crew, seized one ton of fish, and drove the ship from the area.

- **China asks the United States to halt joint naval exercises with South China Sea claimants.** During a news briefing on July 11 with U.S. Adm. Mike Mullen, outgoing chairman of the Joint Chiefs of Staff, Gen. Chen Bingde, chief of the General Staff of the People's Liberation Army, called the U.S.-Philippines CARAT joint naval exercises that began on June 28 "extremely inappropriate" and called for U.S. forces to halt joint exercises with China's South China Sea neighbors. Shortly after, three U.S. ships began previously scheduled "joint activities" with Vietnam's military on July 15. That exercise will end on July 21.

- **Philippines and China agree to "safeguard peace" in the South China Sea.** After meeting Philippine foreign affairs secretary Alberto del Rosario in Beijing on July 7 and 8, Chinese foreign minister Yang Jiechi said that China and the Philippines will make "joint efforts to safeguard peace and stability" in the South China Sea based on the 2002 Declaration of Conduct (DOC) in the South China Sea. The positive outcome of the meeting may lead to a visit by President Benigno Aquino III to China later this year.

- **Indonesia proposes guidelines for cooperation in the South China Sea.** Indonesia proposed guidelines on July 12 for cooperation between China and Southeast Asian claimants to the Spratly Islands, according to sources in ASEAN. The guidelines call for cooperation in marine environmental protection, search and rescue operations, and combating transnational crime, with implementation and funding of the joint activities to be decided by consensus among all parties. Indonesia hopes the proposal will be discussed during the ASEAN-China Senior Officials' Meeting in Bali on July 21.



Philippine Navy personnel in Manila Bay during joint exercises with the United States. China has urged the United States to halt such joint training with other South China Sea claimants. flickr.com/photos/48426646@N03/4550364520/

General Chen Bingde's Unsolicited Counsel

By Bonnie Glaser, Senior Fellow in the Freeman Chair in China Studies

The South Korean press reports that Chinese Chief of the PLA General Staff Chen Bingde had some nasty words to say about the United States to South Korea's Defense Minister Kim Kwan-jin. Chen reportedly told Kim that the U.S. orders other countries around and doesn't listen to the views of other countries. With journalists present, he accused the U.S. of acting like a hegemonic power that seeks to dominate other countries. And then he said to Kim that South Korea "must have felt the same way" despite having an alliance with the U.S., but "finds it difficult to be as frank with the U.S. as it would like."

Such an attempt by China to drive a wedge between the U.S. and its Asian allies is not new. The Chinese regard U.S. alliances in the region as remnants of the Cold War that are outdated and frequently call for these alliances to be disbanded. Beijing has every right to voice its concerns about the United States to its neighbors. But suggesting that South Korea shares Chinese concerns yet remains silent because of U.S. dominance and intimidation is inappropriate as well as insulting. Seoul has compelling reasons to maintain a close security alliance with the U.S. and at the same time continue to develop its relations with China, its largest trading partner.... *(continued)*

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PHILIPPINES

- **Suspected Abu Syyaf gunmen abduct two Americans.** Unidentified gunmen kidnapped three people, including two U.S. citizens, from a home in the southern Philippines on July 12. The hostages were reportedly brought to the Abu Syyaf stronghold of Basilan, although the group has not claimed responsibility or issued a ransom demand. The Moro Islamic Liberation Front (MILF), which some are blaming for the kidnapping, denied involvement and volunteered resources and personnel to support the investigation.
- **Philippine government forecasts 5 percent growth for 2011.** President Aquino said last week he expects the Philippine economy to grow at a "conservative" 5 percent this year because of weakened foreign investment and the crises in Japan and the Middle East. Economic forecasters had previously expected growth of 7-8 percent. Overall, foreign investment has

fallen 15 percent this year due to sluggish growth in the United States and uncertainty over European debt.

- **Fugitive election supervisor alleges massive fraud in 2004 election.**

Lintang Hasim Bedol, who faces six months' imprisonment for electoral fraud, briefly emerged from hiding to allege that massive fraud in the 2004 elections was the principal cause of former president Gloria Macapagal-Arroyo's victory. There have been widespread allegations of fraud in the 2004 elections, and Bedol said he would testify if investigations were reopened. Bedol has been in hiding since a colleague was assassinated in 2007, shortly after a fire at the Commission on Elections headquarters destroyed a substantial body of evidence supporting his allegations.

AUSTRALIA

- **Australia gives carbon tax the go-ahead.** The Australian government has unveiled a proposal to tax its heaviest carbon dioxide emitters beginning in July 2012. The plan would make Australia the first nation to put a price on carbon. About A\$10 billion of the anticipated revenue will be funneled into energy efficiency and renewable energy projects. Prime Minister Gillard has staked her political future on the success of the tax, which the majority of Australians oppose.

- **Australia finalizes its Malaysia refugee deal.** The Australian government has reportedly finalized its controversial refugee swap agreement with Malaysia, which will be signed later this month. According to the Australian government, 800 boat arrivals would be sent to Malaysia, with the aim of deterring people smugglers from sending boats to Australian territory. The deal has stirred controversy on concerns about human rights and maritime security.

NEW ZEALAND

- **Insurance freeze is "crippling" Christchurch recovery.** Skyrocketing insurance costs are crippling Christchurch's post-earthquake recovery and urgent government intervention is needed, a city business leader says. Canterbury Employers' Chamber of Commerce chief executive Peter Townsend said recently that insurance costs, which have quadrupled in some cases, are hampering new business growth in the earthquake-torn city. As Christchurch struggles to recover from record-breaking earthquakes, local and national governments are having difficulty convincing investors and insurance companies to reinvest in the city.



Demonstrators protest the detention of child refugees in Melbourne. Australia's refugee swap agreement with Malaysia has drawn criticism over potential abuses, including of children seeking asylum. flickr.com/photos/takver/5581806540/

ASEAN

- **ASEAN holds its first military exercise in Singapore and Indonesia.** Singapore Armed Forces and the Indonesian National Defense Forces cohosted the inaugural ASEAN Militaries' Humanitarian Assistance and Disaster Relief Table Top Exercise in Singapore and West Java on July 12-14. More than 100 personnel from the military forces of ASEAN countries participated in the exercise, which consisted of workshops, a helicopter evacuation simulation, the distribution of relief packages, and a medical civic-action program. Analysts say the exercise could enhance ASEAN military cooperation and preparedness for humanitarian and disaster relief.
- **ASEAN representatives meet with the Japanese Chambers of Commerce.** Leaders from the Japanese business community and the Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA) met with ASEAN trade ministers in Kuala Lumpur, Malaysia, on July 8 to discuss the opportunities and challenges of the ASEAN single market initiative. FJCCIA urged ASEAN to focus on areas such as intellectual property rights; railway, maritime, and air transportation; the reduction of import duties; and the simplification of customs clearance and procedures.

SINGAPORE

- **Singapore invests in green energy.** The Singapore National Research Foundation plans to invest approximately \$160 million in clean energy. The funding, to be spread over the next five years, will go toward research in solar energy, efficient power grids, and green buildings and will help start-up companies in the sector. These funds will bring Singapore's total budget for clean energy projects to about \$580 million.

LAOS

- **Casualties from UXO accidents drop significantly.** The number of yearly unexploded ordinance (UXO) accidents in Laos has dropped from approximately 300 to 117 over the last two years. Laos still suffers the greatest UXO problem in the world, with 25 percent of villages affected. On June 27, the government unveiled a new 10-year plan to clear land of UXO in the 42 poorest districts. The clearing will be performed by UXO Lao and funded by the UN Development Program.

A UXO Lao team during a minesweeping operation. The number of UXO accidents in Laos has dropped by more than half in the last two years. flickr.com/photos/oxfam/5168222451/



- **Laos's prime minister visits Burma.** Prime Minister Thongsing Thammavong of Laos made an official visit to Burma from July 11 to 13. During the trip, he issued a joint statement with President Thein Sein of Burma pledging closer economic and political cooperation between the two countries. The leaders vowed to seek funding for a new bridge over the Mekong River linking Burma with Vietnam by way of Laos.

- **Laos's first private airline will fly soon.** Phongsavanh Airlines, Laos' first privately owned airline, announced on July 7 that it will begin operations in September. Initially, the airline will fly only from Vientiane to Bangkok, but it is preparing routes to Hanoi and Siem Riep. These routes will put the company in direct competition with state-owned Lao Airlines. According to its spokesperson, Phongsavanh Airlines aims to become a "premium low-cost airline" for travel within the ASEAN region.

CAMBODIA

- **Cambodia opens stock market without stocks.** Cambodia inaugurated its new stock exchange, the Cambodia Securities Exchange (CSX), on July 11, but no trading occurred due to the absence of any listed companies. Officials seemed uncertain whether any company would be listed by the end of the year, the latest date for the much-delayed start of operations. The CSX is a joint venture between the Cambodian government and Korea Exchange, which also helps run Laos's exchange.

BRUNEI

- **Sultan celebrates 65th birthday.** Brunei celebrated the 65th birthday of its sultan, Hassanal Bolkiah, on July 15 with a military parade and a banquet. Several foreign dignitaries, including Singapore's minister of national development Khaw Boon Wah, Sarawak chief minister Taib Mahmud, and Philippine secretary of finance Cesar V. Purisima, attended the ceremonies. Sultan Hassanal Bolkiah has ruled the oil-rich state since 1968.

- **Singapore's foreign minister visits Brunei.** Singapore's foreign minister K. Shanmugam made his introductory visit to Brunei July 11-12. Shanmugam, who is also Singapore's law minister, met with Sultan Hassanal Bolkiah, Foreign Minister Prince Mohamed Bolkiah, and Speaker of the State Legislative Council Pehin Isa Ibrahim.



Brunei's Sultan Hassanal Bolkiah celebrated his 65th birthday on July 15. flickr.com/photos/syaphotography/2346558587/



Opposition lawmaker Julie Bishop visited PNG to investigate Australian aid programs. commons.wikimedia.org/wiki/File:JulieBishop.jpg

PAPUA NEW GUINEA

- **PNG is open to new regional fishing treaty.** Papua New Guinea's fishing authorities said they are open to renegotiating the South Pacific Tuna Treaty with the United States after withdrawing from it several months ago. There is widespread resentment of the treaty in Papua New Guinea, through which U.S. fishermen gain unlimited access to PNG fisheries in exchange for a few million dollars in aid projects.
- **Australian opposition politician visits PNG detention site.** Opposition foreign affairs spokeswoman Julie Bishop earlier this month visited PNG on a fact-finding mission to investigate Australian aid funding and the possible reopening of the Manus Island Detention Center. The Australian opposition is looking to reorganize the country's aid programs in PNG and reopen Manus Island as an alternative to facilities in Malaysia.
- **PNG opposition backs legal challenge to acting prime minister Abal's appointment.** Opposition leader Belden Namah has reiterated his party's support of a judicial review of the legality of acting prime minister Sam Abal's appointment. The case, due in court this week, accuses former governor general Sir Paulias Matane of illegally appointing Sam Abal and Attorney General Sir Arnold Amet.

TIMOR-LESTE

- **ADB predicts strong economic growth in Timor-Leste.** The Asia Development Bank (ADB) reported on July 18 that Timor-Leste and Papua New Guinea are expected to grow 8.5 percent and 10 percent this year, thanks to high global oil prices. Both countries had strong economic growth last year as well, but the ADB warns that rising inflation poses a threat to regional economic stability in the months ahead.

EAS

- **Indonesian academic warns against using East Asia Summit to advance U.S. policy.** Indonesian researcher Maria Monica Wihardja has warned the United States against bringing hard security issues to the table at the East Asia Summit (EAS) in Bali in November 2011. According to Wihardja, China is not willing to discuss issues like freedom of navigation and the avoidance of hegemonic dominance over the South China Sea at the EAS. Such views may limit the U.S. use of multilateral institutions like the EAS in favor of bilateral initiatives.

MEKONG RIVER

- **Senator Webb pushes for sustainable development of the Mekong River.** Sen. Jim Webb, chair of the U.S. Senate East Asian and Pacific Affairs Subcommittee, introduced a resolution on July 7 calling for the protection of the Mekong River Basin and for the postponement of mainstream dam construction along the river. He emphasized the “strategic interest in preserving the health and well-being of more than 60 million people who depend on the Mekong River.” The resolution also calls on Burma and China to improve cooperation with the Mekong River Commission.

Looking Ahead



Prime Minister John Key of New Zealand will discuss the U.S.-New Zealand partnership at Blair House in Washington, DC, on July 22. [flickr.com/photos/nznationalparty/4436776740/](https://www.flickr.com/photos/nznationalparty/4436776740/)

- **New Zealand prime minister will discuss U.S.-NZ transpacific partnership.** CSIS announced that Prime Minister John Key of New Zealand will attend a roundtable discussion on the future of the U.S.-New Zealand partnership at Blair House in Washington, D.C., on July 22. Issues to be discussed include security arrangements in the Pacific and ways to enhance relations between the two nations. Former national security advisor Gen. Brent Scowcroft will chair the discussion.
- **ARF will meet in Bali.** The 18th ASEAN Regional Forum (ARF) will meet in Bali from July 16 to 23 and will cover a range of issues including the recent controversy in the South China Sea. Secretary of State Hillary Clinton will attend the ASEAN Post-Ministerial Conference on July 22 and will host the fourth Lower Mekong Initiative discussion with the foreign ministers of Cambodia, Laos, Thailand, and Vietnam. She will also meet with representatives of East Asia Summit (EAS) countries to prepare for the EAS in November.

SOUTHEAST ASIA FROM THE CORNER OF 18TH & K STREETS

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