Congress Must Ratify Trade Deals Soonest

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In Asia, particularly Southeast Asia, a forward-deployed trade policy is a core element of a robust foreign policy. Assessments of U.S. power and the United States’ commitment to the region need speedy approval of the free trade agreements (FTAs) with South Korea, Columbia, and Panama when Congress reconvenes in September. This not only would help create momentum for economic recovery and more high-quality American jobs at home, but could be the first step in reversing the widespread perception in ASEAN that the United States is falling behind its competitors in trade and investment in the region.

On political and security relations, Southeast Asian governments generally give the United States high marks for its efforts to boost ties with the region during the past few years. Several Asian countries, including Indonesia, were on the itinerary of Secretary of State Hillary Clinton’s first trip overseas and she has encouraged ASEAN with her forward-leaning Lower Mekong Initiative and comments about protecting the freedom of navigation in the disputed South China Sea.

President Barack Obama has had two summits with his ASEAN counterparts, and Washington has acceded to ASEAN’s Treaty of Amity, joined the East Asia Summit (EAS), which has ASEAN at its core, and sent an ambassador to ASEAN based in Jakarta.

But on trade and investment, the United States is ceding too much leadership to China, Japan, Korea, and India, according to several
Southeast Asian leaders; that is what those leaders told a delegation of commissioners advising CSIS on relations with ASEAN who visited the region in July. The ASEAN leaders said the United States needs to step up its commercial engagement with the region to prevent “a line down the middle of the Pacific” that could undercut a narrative of vigorous U.S. engagement and hobble the long-term economic role of U.S. corporations.

It is critical for Congress to pass the three existing FTAs in September. These agreements were essentially completed more than three years ago. Congress must act to signal that the United States intends to remain fully engaged globally on trade and investment ahead of four critical summits in which the president will participate in November. Without those FTA deals in hand, the U.S. commitment to trade will be severely questioned when Obama attends the G20 summit in Cannes, hosts the Asia Pacific Economic Cooperation (APEC) leaders in Hawaii, and participates in his first EAS and third ASEAN leaders’ summit in Bali.

A continued congressional stalemate over the trade agreements will also hamper serious progress on the cutting-edge Trans-Pacific Partnership (TPP) agreement on trade liberalization, which includes four ASEAN countries (Brunei, Malaysia, Singapore, Vietnam), the United States, and four other partners and will allow other Asian countries to join over time. Officials of the countries involved in the agreement say the lack of progress on the existing agreements in Washington undercuts the market-opening offers U.S. negotiators bring to the table out of concern that these could alienate a constituency in Congress needed to ensure support of three FTAs under consideration.

To be sure, U.S. trade with and investment in ASEAN remains impressive. In 2010, ASEAN ranked as the United States’ fifth-largest trading partner with two-way trade reaching $178 billion, up 132 percent over the previous decade. With less than half of China’s population, ASEAN managed to attract almost the same volume of U.S. exports, which are conservatively estimated to sustain about 269,000 relatively high-paying American jobs. Further, U.S. foreign direct investment stock in ASEAN reached $153.3 billion in 2008 (the last year for which cumulative figures are available), $74.1 billion more than to Japan and $107.6 billion more than to China.

Despite this strong foundation, U.S. trade and investment could have been even harder. Over the past two decades, the American share of Asia’s international trade has declined by 9 percent. In part this is due to the fact that production supply chains for electronics have
mushroomed in Asia in recent years as ASEAN’s more developed economies have provided components to assembly plants in China. This phenomenon has been stimulated by the Asian economic integration fueled by the explosion of FTAs between Asian countries—from a mere 6 to 70— in the past 15 years. The United States, meanwhile, has only two FTAs in the region—with Singapore and Australia.

Passage of the three existing FTAs and progress on the TPP are critical ahead of the four November summits and the beginning of what looks to be a divisive presidential campaign next year. By approving the FTAs, Congress will give TPP negotiators a boost so that they can try to deliver the broad outlines of an ambitious agreement before the APEC summit and thereby take another step to strengthen U.S. exports to the dynamic Asia-Pacific markets.

Congress had been expected to pass the trade deals in early August before it left Washington for a recess, but these plans were derailed by months of brinksmanship in the showdown over raising the government’s debt ceiling. In recent weeks, congressional leaders have said they reached a bipartisan agreement that will allow them to renew funding for a job-retraining program and pass the three trade agreements when they return to Washington.

If the United States hopes to continue to be a major power in the Pacific, Congress and the White House need to work together to ink the three existing agreements quickly and move to substantially complete the TPP over the next few months. These deals will open markets, create more high-paying jobs, and help convince ASEAN that the United States is competing in the region not only politically and strategically, but commercially as well.
NOTE TO OUR READERS:

Pacific Partners Newsletter FORTHCOMING END OF AUGUST

Following CSIS’s announcement of its new Pacific Partners Initiative, news about Australia, New Zealand, and the Pacific Island countries will be reported in our new Pacific Partners newsletter. The inaugural edition will be published at the end of August. For those wishing to track Pacific policy issues and trends on a regular basis, please join CSIS’s Pacific Partners Facebook here and follow us on Twitter @CSISPacPartners.

ASEAN

- **ASEAN economic ministers meet in Indonesia.** The 43rd ASEAN Economic Ministers meetings were held in Manado, Indonesia, August 10-14. The ministers discussed their countries’ progress on achieving economic integration by 2015 under the ASEAN Economic Community blueprint and the ASEAN Framework Agreement on Services (AFAS), which aims to remove obstacles to services industries in the region. The ministers agreed that the global financial turmoil coupled with rising food and commodity prices posed challenges to economic growth this year. They projected regional increases of 5.7 percent to 6.4 percent in 2011, down from 7.5 percent last year.

  The ministers met with their foreign dialogue partners, including China, Japan, Australia, and the United States, on the margins of the ASEAN meeting. With Deputy U.S. Trade Representative Demitrios Marantis, the ministers discussed the U.S.-ASEAN Trade and Investment Framework Agreement and ways to strengthen trade and investment relations with the United States. With China, the ASEAN ministers agreed to utilize a bilateral currency swap arrangement to facilitate the use of Chinese and ASEAN currencies for trading.

- **CSIS’s U.S.-ASEAN Strategy Commission visits Singapore and Philippines.** Five commissioners of CSIS’s U.S.-ASEAN Strategy Commission, led by Maurice (“Hank”) Greenberg, visited Singapore on July 15-16, and six members visited Manila July 17-19. The objective of the visit was to explore with Southeast Asian leaders their ideas and recommendations for deepening U.S. strategic engagement with Southeast Asia.

  In Singapore, the commissioners met Prime Minister Lee Hsien Loong and Lee Kuan Yew as well as a deputy prime minister and the ministers...
of foreign affairs and defense. In Manila, the delegation had meetings with President Benigno Aquino, the vice president, and the secretaries of finance, trade, transport and communications, and defense.

The CSIS Commission will provide ideas to U.S. policymakers in the administration and Congress ahead of a series of important meetings in November, including the U.S.-hosted APEC Leaders’ Summit, the first East Asia Summit to be attended by a U.S. president, and the third U.S.-ASEAN Leaders’ Summit.

GLOBAL EQUITY MARKETS VOLATILITY

- **Southeast Asian stock markets volatile due to Europe, U.S. crises.** Southeast Asian stock markets shared in the fluctuations of the global market in the week following the United States’ August 5 credit rating downgrade and amidst the Eurozone’s continuing debt crisis. Asian markets rallied on August 12, however, after the U.S. Treasury announced interest rates will remain close to zero, and they rose further on August 15 amid the announcement of better-than-expected GDP growth in Japan and retail sales in the United States, as well as cautious optimism about August 16 talks between France and Germany to tackle Europe’s debt crisis.

PEOPLE ON THE MOVE

- **U.S. Senate confirmed David Shear and Derek Mitchell.** The Senate confirmed David Shear as the new U.S. ambassador to Vietnam on August 2. Senators Marco Rubio and Mary Landrieu withdrew their holds on the confirmation after Shear laid out his plans to expedite the cases of 16 U.S. families whose adoptions of Vietnamese children hang in limbo. Derek Mitchell was also confirmed as the first U.S. special envoy to Burma. The position, which holds a rank equivalent to ambassador, had been vacant since its creation by the JADE Act sponsored by the late congressman Tom Lantos (Democrat of California) in 2008.

- **Pentagon appoints new Asia team.** Reports indicate that Peter Lavoy, a South Asia expert and former Pentagon and National Security Council official, will succeed Derek Mitchell as principal deputy assistant secretary for East Asia and the Pacific at the Department of Defense. Sources confirm the White House will name former national security advisor to President Barack Obama Mark Lippert as the nominee for assistant secretary for East Asia and the Pacific, filling a post vacated by Chip Gregson in May this year. Lippert would need to be confirmed by the Senate.
· **NSC and State name new officials.** Colin Willett replaced Desmond Walton as director for Southeast Asia at the National Security Council in June. Ms. Willett has an intelligence background. Mr. Walton will move to the U.S. Embassy in Thailand and be associated with the Joint United States Military Advisory Group (JUSMAG).

The State Department’s Jim Loi was promoted to deputy assistant secretary for Australia, New Zealand, and the Pacific Islands in July. He was formerly a special assistant to Assistant Secretary of State for East Asia and the Pacific Kurt Campbell. Loi will coordinate the largest-ever U.S. delegation to the Pacific Islands Forum (PIF) in Auckland September 6–8, 2011. Deputy Secretary of State Thomas Nides will lead the U.S. delegation.

**THAILAND**

· **Yingluck Shinawatra announces new cabinet.** Yingluck Shinawatra, the sister of ousted Prime Minister Thaksin Shinawatra, formally became Thailand’s first female premier on August 8. Yingluck announced a new 35-member cabinet lineup in which her Puea Thai Party got 29 positions while coalition parties got 4 posts. The remaining two positions went to outsiders. None of the ministers come from the “Red Shirt” movement, whose support during the campaign was critical for Yingluck’s election.

CSIS senior adviser Ernie Bower and Thailand researcher Rizal Siddik analyzed the new cabinet lineup and outlined issues it will need to manage. These include the political crisis that could be created when and if Thaksin attempts to return to Thailand, the health of the king, judicial and constitutional challenges by establishment political forces, the military’s next moves, and actions by hard-line “Yellow Shirts” opposed to Yingluck’s government. Read Bower and Siddik’s “Critical Questions” here.

· **Thailand’s new finance minister to push populist policies.** Finance Minister Thirachai Phuvanatnaranubala said that he will push ahead with the government’s populist policies, despite warnings that they will cause inflation. He argued that raising the minimum wage from approximately $7 to $10 a day will increase domestic demand and decrease Thailand’s reliance on exports. He also claimed that any resulting inflation would be temporary. Paying for those policies while balancing the budget will be a challenge for the new economic team.

· **Germany releases Thai prince’s impounded jet.** German authorities released Crown Prince Vajiralongkorn’s jet after the Thai government
issued a $54 million bank guarantee. Germany seized the plane due to a dispute between the Thai government and a German construction company that accused the government of not paying $42.4 million for a road construction project more than 20 years ago.

PHILIPPINES

• **Aquino promises peace with MILF rebels by 2016.** At a secret meeting in Tokyo on August 4, President Benigno Aquino and Moro Islamic Liberation Front (MILF) chair Al Haj Murad Ibrahim promised to implement a peace agreement before 2016. The talks represented the first time a Philippine president has met with the MILF chair since negotiations began 14 years ago. MILF, which had formerly called for an independent Muslim state in the southern Philippines, says it has given up its plan for secession from the Philippines.

• **Gloria and Mike Arroyo placed on immigration watch list.** Former president Gloria Arroyo and husband Miguel “Mike” Arroyo have been put on an immigration watch list pending corruption charges surrounding helicopter sales to the Philippine police. Mike Arroyo allegedly sold five helicopters to the police in violation of an order to purchase only new units. The couple is required to notify the Department of Justice every time they leave the country; however, the ban may be temporarily lifted in order for Mrs. Arroyo to undergo spinal surgery outside the Philippines.

• **U.S. Senate files resolution urging continued support of the Philippines.** In celebration of the 60th anniversary of the U.S.-Philippines Mutual Defense Treaty, Senators Richard Lugar, John Kerry, and James Inhofe on August 2 sponsored a resolution reaffirming the Philippines’ importance as one of the United States’ major partners in Asia. The resolution, which was referred to the Committee on Foreign Relations, calls for enhancing the bilateral relationship in the areas of maritime security, communications, economics, and cultural exchange. The full text of the resolution is available here.

BURMA

• **Aung San Suu Kyi commemorates 1988 uprising and begins tour of country.** Opposition leader Aung San Suu Kyi took part in a ceremony at a Rangoon monastery on August 8 to commemorate the 23rd anniversary of the 1988 uprising against the Burmese junta. During the ceremony, Suu Kyi voiced opposition to Burma’s nominally civilian government and urged
unity among opposition forces. She also began a trip to the countryside by visiting a town north of Rangoon on August 14. The government did not immediately respond to either event. When Suu Kyi attempted to travel through the country after her earlier release in 2002, her motorcade was attacked and she was placed back under house arrest.

- **Women senators decry use of rape against ethnic minorities.** Thirteen members of the Senate Women’s Caucus on Burma sent a letter to Secretary of State Hillary Clinton on August 10 urging the administration to condemn the Burmese army’s use of rape as a weapon of war. The letter cites figures from the Kachin Women’s Organization of Thailand and the Shan Women’s Action Network showing ongoing government-sponsored rape of civilians in ethnic minority villages. The senators also called for the establishment of an international Commission of Inquiry.

- **Burmese government and NGOs disagree about dam’s effects.** The Burmese government said on August 9 that the controversial Myitsone dam will not affect the flow of the Irrawaddy River or the livelihoods of those downstream. Various NGOs argue that the dam will submerge important settlements in the vicinity, especially among the Kachin minority, and harm fishing and agriculture downstream. The Kachin Independence Army’s deputy military chief, Gun Maw, said that the KIA opposes the project but has no need to attack it since ongoing fighting in the area will likely halt construction.

- **Burma seeks help on foreign exchange reform.** Burmese officials have requested IMF help to overhaul the country’s foreign exchange system, local media reported on August 8. The official exchange rate is set at 6 kyat per dollar, but the currency trades on the black market at 755 per dollar. The IMF announced that a team will be sent to evaluate the situation in October. On August 10, the United States said Burma would have to agree to IMF conditions before any help would be provided.

**South China Sea**

- **China announces first aircraft carrier.** China announced on July 27 that it had successfully refitted a Soviet-era aircraft carrier. The announcement came only a few weeks after China formally approved new guidelines with members of ASEAN promoting peaceful resolution of disputes in the South China Sea. The guidelines do not include any binding rules, but are seen as a diplomatic effort to demonstrate willingness to further engage in discussion on enforceable guidelines. Chinese Defense
Ministry spokesman Geng Yangsheng denied any connection between the announcement of the carrier and the territorial disputes, saying that there would be no change in China’s national defense policy. Days later, on August 14, Vietnamese officials boarded the USS George Washington, an American aircraft carrier transiting the South China Sea.

- **Aquino meets China’s vice minister and reaffirms China visit.** On August 13, President Benigno Aquino of the Philippines met with China’s Vice Foreign Minister Liu Zhenmin in Manila and reaffirmed his plans to visit China. Plans for the visit come amid indications that China would unveil a five-year development plan for the Philippines, including significant new loans for infrastructure. Aquino is expected to visit Beijing, Shanghai, and Xiamen from August 31 to September 2.

- **Peter Dutton speaks at Manila conference.** Peter Dutton, who directs the China Maritime Studies Institute at the U.S. Naval War College in Providence, Rhode Island, spoke in July at a conference in Manila on the South China Sea. He shared his insights on China’s intentions and the new agreement on guidelines to move toward a Code of Conduct for resolving disputes in the South China Sea in a “DIALOG” interview with CSIS senior adviser Ernie Bower. Click here to listen to Dutton’s views.

**VIETNAM**

- **National Assembly’s powers to be reformed.** Vietnam’s new National Assembly chairman Nguyen Sinh Hung told reporters on August 7 that the legislature will be reformed to give lawmakers more supervisory powers over both provincial and central government decisions. Hung suggested that lawmakers meet with fellow committee members monthly instead of only at the legislature’s twice-yearly sessions.

- **Prime Minister Dung’s new cabinet.** Prime Minister Nguyen Tan Dung announced his new cabinet lineup in the first week of August. The streamlined structure suggested a renewed commitment to efficiency and bureaucratic reforms. CSIS senior adviser Ernie Bower’s analysis of the new ministers and their impact on Vietnam’s economic and foreign policy can be found on our Asia policy blog called cogitASIA, which is excerpted below.
Vietnam’s Cabinet: Three Key Ministers Reveal Policy Directions

By Ernie Bower

A look at three key ministers elected by the Vietnamese National Assembly last week—Phung Quang Thanh at Defense, Vuong Dinh Hue at Finance, and Pham Binh Minh at Foreign Affairs—reveals the pillars of Vietnam’s core policies going forward.

Incumbent minister of defense General Phung Quang Thanh, 63, received the highest vote total in the National Assembly with a resounding 97.4 percent. Support for General Thanh underlines an institutional deference to the armed forces and a national resolve to take a strong stand on sovereignty issues in disputes with China in the South China Sea. Advancing defense and security ties with the Association of Southeast Asian Nations (ASEAN) and enhancing those linkages with the United States will be priorities. Last week Vietnam announced groundbreaking on a U.S. naval research facility, the first new American military facility in Vietnam since the war.

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- **Surging gold prices cause dong depreciation.** Gold prices in Vietnam climbed 10 percent in the first two weeks of August, causing the dong to depreciate by 0.3 percent to 20,802 to the dollar by August 9. Inflation continued to accelerate, reaching 22.16 percent in July. New central bank governor Nguyen Van Binh pledged on August 4 to maintain the government’s tight monetary policy to curb inflation.

- **Catholics in Vinh demonstrate against abuses.** More than 5,000 Catholics marched through the city of Vinh on August 7 to protest cases of alleged mistreatment by local authorities. The protesters denounced a decision on July 27 to build a memorial park on land seized from the Cau Ram parish during the Vietnam War, rather than return it to the church. Demonstrators also protested the arrest, without a warrant, of eight college students and laypeople between July 30 and August 3.
MALAYSIA

• **Anwar trial opening delayed for second time.** Malaysian opposition leader Anwar Ibrahim’s sodomy trial is set for August 22 after being postponed for a second time on August 15. Anwar’s co-counsel requested the postponement in order to give his defense team time to interview six remaining witnesses. The team attempted to question Prime Minister Najib Razak and his wife on August 12 as potential witnesses, but the couple refused to testify.

• **AirAsia and Malaysia Airlines agree to share swap agreement.** AirAsia, a Malaysian low-cost airline, will take a 20 percent share of Malaysia Airlines (MAS), while Khazanah Nasional, Malaysia’s state investment arm, which owns 70 percent of MAS, will take a 10 percent stake in AirAsia. Under the agreement, MAS will focus on the premium market and let AirAsia control low-cost routes. Analysts expect the deal to aid MAS, which has struggled to make profits, and to allow AirAsia access to international routes.

• **Najib compares Bersih 2.0 rally to UK riots.** Prime Minister Najib Razak on August 12 justified his government’s crackdown during the July 9 Bersih 2.0 Rally by comparing it with the UK government’s actions against London rioters. He said that there were no guarantees street demonstrations would remain peaceful and regretted that organizers did not accept the government’s offer to hold the rally in a stadium. Najib also announced on August 15 that the parliament will establish a bipartisan electoral reform committee, a key demand of Bersih protestors, before the next general election.

CAMBODIA

• **World Bank stops funds to Cambodia over land evictions.** On August 9, the World Bank halted loans to Cambodia until the government helps the residents of an area in Phnom Penh who are facing eviction. The area is the site of a luxury real estate project led by China’s Inner Mongolia Erdos Hongjun Investment Corp. Land ownership is a major problem in Cambodia, as legal documents were destroyed under the Khmer Rouge regime.

• **Thailand and Cambodia agree to talk on troop withdrawal from disputed temple.** Thailand and Cambodia agreed to hold talks discussing troop withdrawals from the area around the disputed Preah Vihear Temple. Both sides will attend a Regional Border Committee meeting on August 23–24 in Thailand’s Nakhon Ratchasima province. Thai-Cambodia relations have
improved since the Puea Thai Party won the elections last month. Thaksin Shinawatra, brother of Prime Minister Yingluck Shinawatra of Thailand, is an economic adviser to Prime Minister Hun Sen of Cambodia.

- **Cambodia advised to stop sending maids to Malaysia.** Tenagita, a Malaysian workers’ rights group, urged Cambodia to stop sending maids to Malaysia due to rising numbers of abuse cases. A Cambodian maid was recently found dead in Malaysia, and Malaysian police rescued another allegedly abused maid last month. Tenagita said that there are more than 50,000 Cambodian maids in Malaysia, many of whom arrived after Indonesia stopped sending maids in 2009 due to a reported pattern of abuses.

**SINGAPORE**

- **Presidential elections set for late August.** Singapore’s presidential elections are set for August 27. The incumbent, S. R. Nathan, will not stand for reelection. Several candidates, including former Deputy Prime Minister Tony Tan and former People’s Action Party (PAP) Member of Parliament Tan Cheng Bok, have declared their intention to run. The polls will be the first since 1993 that are contested. In the previous two elections, Nathan ran unopposed.

**BRUNEI**

- **Minister of Foreign Affairs Lim Jock Seng visits Washington.** On August 5, Brunei’s second minister of foreign affairs and trade, Pehin Lim Jock Seng, visited Washington, where he met with Secretary of State Hillary Clinton. The minister was accompanied by Minister of Energy Pehin Muhammad Yasmin Umar. The visit focused on Brunei-U.S. cooperation, particularly in the energy sector. See the full statement [here](#).

- **Brunei enacts new anti-terror law.** On August 1, the Attorney General’s Chamber introduced the Anti-Terrorism Order (ATO) 2011, which covers gaps in Brunei’s existing laws and enhances sanctions for terrorism-related offenses, which international observers earlier had deemed “too low.” The act punishes perpetrators of terrorist acts as well as membership in, financing of, and assistance to terrorist groups.

**INDONESIA**

- **Graft suspect Nazaruddin arrested in Colombia.** Former Democratic Party treasurer and graft suspect Muhammad Nazaruddin was arrested
in Cartagena, Colombia, on August 8. Nazaruddin, who had been on the run since May, faces accusations over graft worth hundreds of thousands of dollars concerning projects to do with the Southeast Asian Games athletes’ village.

- **Bank Indonesia’s response to U.S. credit rating downgrade.** Bank Indonesia predicted that the U.S. credit rating downgrade by Standard & Poor’s would have little effect on Indonesia. The bank’s deputy governor, Hartadi Sarwono, said that Indonesia’s economy remained resilient as the bank “could manage the fluctuations well.” Economists said the downgrade could be a “blessing in disguise” for Indonesia as global investors would now turn to investing in emerging countries.

- **Exxon selling assets in Indonesia.** Exxon Mobil Corp. will sell natural gas assets in Indonesia that are at the center of an Indonesian human-rights lawsuit against the company. The assets include the Arun and North Sumatra Offshore fields, both off the coast of Aceh. The lawsuit is being brought by a group of Acehnese villagers who allege that Indonesian soldiers, serving as Exxon’s security forces, were liable for human rights abuses against them during 1999-2001.

**Mekong Delta**

- **Greater Mekong commerce ministers discuss economic cooperation.** Commerce ministers from Burma, Cambodia, China, Laos, Thailand, and Vietnam met in Phnom Penh on August 4 for the 17th Ministerial Conference of the six Greater Mekong Subregion (GMS) countries. The conference aimed to finalize the new GMS Strategic Framework for 2012-2022 before submitting it to their leaders for endorsement at the Fourth GMS Summit in Burma in December. The plan aims for an “economic corridor” linking GMS countries and investment in urban and rural areas alike.

**Laos**

- **President Choummaly visits Vietnam.** Lao People’s Revolutionary Party general secretary and state president Choummaly Sayasone made an official visit to Vietnam August 8-10. The trip, Choummaly’s first abroad since Laos’s National Assembly elections on April 30, came at the invitation of Vietnam’s Communist Party general secretary Nguyen Phu Trong and the country’s new president, Truong Tan Sang. During his visit, Choummaly praised Vietnam’s economic growth and rising influence in the region, and reaffirmed the two nations’ “special relationship.”
Laos buys two jets originally built for Libya. Lao Airlines has signed a Memorandum of Understanding to buy two A320s from Airbus. The planes were originally intended for Libya’s Afriqiyah Airlines, which suspended operations after NATO established a no-fly zone over the country on March 19. The planes will provide direct flights between Vientiane and Singapore starting November 1. The government hopes the direct flights will reduce Laos’s reliance on Thailand as a transit point for travelers to and from the country.

APEC

APEC releases Investment Report for 2010. On August 2, the APEC Policy Support Unit released a report on foreign direct investment (FDI) trends in APEC. FDI flows into APEC economies amounted to $627 billion, an increase of 32 percent from 2009. Several APEC economies have encouraged investment liberalization and facilitation, which was the main reason behind the rebound. You can read the full report here.
• **Banyan Tree Leadership Forum featuring Sri Mulyani Indrawati.** On September 30, CSIS will host World Bank managing director Sri Mulyani Indrawati for a policy speech on trends in governance, finance, and trade in Southeast Asia. Sri Mulyani, one of three managing directors at the World Bank, was formerly Indonesia's finance minister. The speech is part of the Banyan Tree Leadership Forum series. The forum is the premier Washington venue for Southeast Asian and U.S. leaders to share their views on vital issues affecting regional and bilateral relations. Please contact southeastasiaprogram@csis.org to find out more.

• **PIF to be held in Auckland on September 6-9.** Leaders from Australia, New Zealand, and 14 Pacific Island countries will meet in Auckland, New Zealand, on September 6–9 for the 42nd Pacific Islands Forum (PIF) Leaders’ Meeting. The PIF provides a setting for leaders to discuss political, economic, and developmental challenges to the region. Among the topics leaders are expected to consider this year is how Pacific Island nations can deal with the unique threat posed by climate change.

• **AUSMIN to be held in San Francisco on September 15.** The annual Australia-United States Ministerial (AUSMIN) will convene in San Francisco on September 15. This year’s meeting is of particular significance because it will mark the 60th anniversary of the ANZUS (Australia, New Zealand, United States) Treaty. The United States is considering increasing its military presence in Australian defense facilities, and these plans could be revealed at the San Francisco meeting.

• **APEC SOM III and related meetings to be held in San Francisco.** The third APEC Senior Officials Meeting (SOM III) will be held in San Francisco from September 11 to September 26. The meetings will involve working group and committee meetings, public-private forums, and a high-level meeting of transport and energy ministers. The SOM meetings, which are the main meetings of APEC aside from the APEC summit in November, will be attended by 1,000-1,500 delegates from APEC member economies.

• **The Cloister and SAIS book launch with Thant Myint-U.** On September 28, Thant Myint-U, a Burmese writer and historian, will speak at a Cloister briefing at CSIS. The next day, Thant will launch his new book, *Where China Meets India: Burma and the New Crossroads of Asia*, at the Johns Hopkins School of Advanced International Studies. The book launch will take place at the Bernstein-Offit Building, Room 500, 1717 Massachusetts Ave., N.W., Washington, D.C., from 5:30 to 7:30 p.m. Further details will be available soon.
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