



**Regional Overview:**

**US Rebalance Continues Despite Distractions**

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It was a rough four months for the United States. Washington has struggled to convince foreign audiences that the “rebalance” is sustainable given renewed attention to the Middle East, even before the Syrian crises. Washington did demonstrate that the “pivot” is multidimensional. On the political side, Secretary of State John Kerry made a quick fly-by for the annual ASEAN Regional Forum (ARF) ministerial, while Defense Secretary Chuck Hagel came twice, for the Shangri-La Dialogue and again for the ASEAN Defense Ministers Meeting Plus (ADMM+). On the economic side, Washington continued pressing for Trans-Pacific Partnership (TPP) negotiations, while a return visit to the Korean Peninsula by *B-52s* reminded Pyongyang, among others, of the military dimension. All three aspects were further underscored during Vice President Biden’s address on Asia policy, prior to his own visit to the region in July.

It isn’t clear if North Korea got the message. Kim Jong Un has continued to follow his father’s play book: first create a crisis (nuclear and missile tests), then make lots of threats, and then launch a “smile diplomacy” campaign (this time around with Seoul) aimed at diverting attention away from the real objective, which remains Korean Peninsula denuclearization. Washington stuck to its game plan, insisting on a sign of genuine sincerity before opening a new dialogue process with Pyongyang. Much as we would like to, we also cannot overlook NSA leaker extraordinaire Edward Snowden’s swing through the region and the impact of his revelations on the US standing in the world and on US relations with China in particular.

**Kerry flies in (and out) for the ARF**

In our last report, we argued that the new US foreign policy team would not falter in its commitment to the rebalance. So far, so good! As Hillary Clinton (or was it Woody Allen?) once said “90 percent of life is just showing up.” Some were critical of Secretary Kerry’s fly-by; unlike his predecessors, who made multiple stops in Southeast Asia during ARF-related visits (when they showed up, that is), Kerry came to Brunei after some Middle East shuttle diplomacy, with a stop in India thrown in as well. His initial plans included stops in Indonesia and Vietnam, but these were cancelled due to Syria-related consultations. But clearly the ARF visit was no afterthought. Brunei is on the way to nowhere. Yet, Kerry made a concerted effort, despite having been on the road since June 21, to make it to Brunei for the annual ministerial.

The State Department’s Fact Sheet on the visit noted that the ARF holds on average 25 events annually across several key security areas – preventive diplomacy, counterterrorism and transnational crime, disaster relief, maritime security, and nonproliferation and disarmament – further pointing out that the US “is actively engaged in all of these events and is committed to

working through the ARF process to enhance peace, security, and stability in the Asia-Pacific region.” It also recognizes the ARF as “the premier regional venue for multilateral cooperation on nonproliferation and disarmament issues.”

Kerry noted that the US recognizes the history of the 21st century will be written in Asia and seeks to strengthen its economic, security, and people-to-people ties in the region: “Let me be crystal clear, I know that some people have wondered whether in the second term of the Obama administration and with a new secretary of state, we are going to continue on the path that we have been on. And the answer, I say to all of you directly, is yes. Not just yes, but we hope to increase the effort.”

As in the past, the Chairman’s Statement from the 20<sup>th</sup> ARF Ministerial supported “all efforts to bring about the denuclearization of the Korean Peninsula in a peaceful manner,” and called for “peaceful settlement of disputes through friendly consultations and negotiations,” while welcoming the “collective commitments” by China and ASEAN to effectively implement the Declaration on the Conduct of Parties in the South China Sea (DoC), while working toward a more formal code of conduct (CoC). It also “acknowledged the importance of enhancing cooperation in other regional security mechanisms,” citing in particular the need for greater coordination and cooperation between the efforts of the ARF and ADMM+.

### **Hagel on the point**

If Kerry’s visit was fleeting, the same cannot be said for the visits by Defense Secretary Chuck Hagel. Even though the rebalance is intended to reduce the burden that the US military has assumed in US engagement in Asia, Hagel has been an indefatigable advocate and a frequent presence throughout the region. He made two trips to Asia during the last four months, and he reportedly will be making four lengthy trips to the Asia-Pacific, as a matter of course, each year. His first visit took him in late May and June to Singapore for the Shangri-La Dialogue. Hagel continued the US record of high-level attendance, using the meeting to affirm the US message of engagement and to hold sidebar meetings with counterparts from other countries. This wasn’t his first time at the Dialogue: he attended and spoke at the inaugural meeting as a US senator, heading a congressional delegation.

In his remarks, Secretary Hagel again affirmed US commitment to the rebalance, noting that ties to the region are unbreakable, but need to be “renewed and reinvigorated after a decade of war in the Middle East and Central Asia.” This does not mean, however, that the rebalance is a retreat from other regions; the US remains a global power with allies, interests and responsibilities around the world.” He identified “a range of persistent and emerging threats in the region,” which include North Korea’s nuclear weapons, missile programs and continued provocations; land and sea disputes over natural resources; natural disasters, poverty, and pandemic disease; environmental degradation; illicit trafficking in people, drugs and weapons, including the proliferation of weapons of mass destruction; and disruptive activities in space and cyberspace. The US will work with partners throughout the region to tackle those threats, an effort that will include existing alliances, new partnerships, and coalitions based on common interests. He also reassured his audience that the search for new partners represented no flagging in the US determination to remain the world’s leading military power.

While Hagel underscored the US commitment to put the majority of its overseas naval and air forces in the Asia Pacific, he also highlighted US diplomatic and economic efforts, noting increased funding for diplomacy and development in Asia; new resources for regional efforts that improve water management, disaster resilience and public health; and work to foster trade and investment through regional institutions. He stressed that the US will push regional institutions to move beyond talking about cooperation to achieving “real, tangible solutions to shared problems.” To press his point, Hagel invited the ASEAN defense ministers to Hawaii in 2014 for an informal meeting – their first such get-together in the United States.

Like his predecessors, Hagel used the opportunity of the Shangri-La Dialogue to hold bilateral and trilateral side meetings. While in Singapore, he met Singapore’s prime minister, and defense ministers from Australia, Singapore, Indonesia, Malaysia, Japan, the Republic of Korea and the Philippines, as well as Brunei’s deputy defense minister. Significantly, he held a trilateral meeting with his Japan and ROK counterparts, after which they issued a joint statement calling North Korea’s nuclear and missile provocations “serious threats” and reaffirming the value of their trilateral cooperation for promoting regional and global peace and security. At a similar trilateral with the Australian and Japanese defense ministers, the third such meeting of that group, they agreed that North Korea constitutes a serious destabilizing factor for all of East Asia and discussed opportunities for strengthening trilateral cooperation. They also agreed to conduct a joint study on defense capacity building efforts in Southeast Asia and Oceania.

The secretary was back in the region three months later, on an eight-day, four-country trip that allowed him to meet every defense minister in the region. This swing took him to Malaysia, Indonesia, Brunei, and the Philippines. The big stop was in Brunei, where he attended ADMM+. The day before that meeting, he joined the ASEAN defense ministers for lunch, where they accepted his June invitation to visit the US in 2014. In sidebars, he met again with counterparts from Japan, South Korea, Vietnam, Brunei, Burma, and China. Vietnamese Defense Minister Gen. Phung Quang Thanh invited Hagel, a decorated Vietnam War veteran, to visit Vietnam in 2014, an offer that he accepted. His brief sit down with Burma’s defense minister, Lt. Gen. Wai Lwin, was the first such bilateral meeting at the defense minister level in more than 20 years.

The ADMM+ meeting would have been considered a success even without those deliverables. The meeting noted the success of the first ADMM+ humanitarian assistance/disaster relief and military medicine exercise that was held in Brunei in June, and agreed to establish an ADMM+ Expert Working Group on Humanitarian Mine Action, an addition to the existing five expert groups on maritime security, counter-terrorism, disaster management, peacekeeping operations and military medicine. The group also agreed to meet every two years rather than every three.

Hagel’s final stop on his tour was in the Philippines, where meeting government and defense leaders on the 62<sup>nd</sup> anniversary of the signing of the US-Philippines Mutual Defense Treaty, he applauded the “unbreakable alliance” between the two countries. Topping his to-do list was working on the outline of a new framework agreement that would allow US forces to operate in Philippine territory and waters on a rotational basis and to help build local capacity in maritime security. He dismissed claims that the US sought new bases in the Philippines, calling that “an

outdated Cold War mentality. Instead, we are using a new model of military-to-military cooperation befitting two great allies and friends.”

### **Economic smackdown? TPP v RCEP**

We continue to believe that the rebalance is a genuine attempt to reallocate resources within Asia, not merely between theaters. The talk about putting more emphasis on political and economic engagement isn't empty rhetoric and the time and energy devoted to trade negotiations helps make that point. Exhibit A for the US effort to broaden engagement with the region is the Trans-Pacific Partnership free trade agreement. Negotiations progressed this summer and participants insist that a deal that sets a global gold standard for trade deals can be concluded by yearend. The TPP now includes 12 countries – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam – and accounts for about 40 percent of global wealth and a third of world trade.

The big news this summer was Japan's entrance to the negotiations, despite doubts about Tokyo's commitment to the trade deal that the other partners seek. While Prime Minister Abe Shinzo surprised many with his decision early in the year to join the TPP talks, his party (and his country) remain divided on the merits. Many fear that Tokyo will be more focused on protecting certain economic sectors than pushing for the deregulation and market opening that the TPP is supposed to provide. To his credit, Abe (along with many of his economic advisors) know that economic reform is fundamental to the prime minister's mantra that “Japan is back.”

Japan became a formal member of the TPP in July, just before the conclusion of the 18<sup>th</sup> round of talks that were held July 15-25 in Malaysia. Tokyo's negotiators missed out on most of the important meetings; the sessions they did join were mostly devoted to briefings on the current state of negotiations and providing background information on accord texts. Despite its late ascension to the talks and the concerns it has, Japanese officials told Malaysian counterparts that they would not delay the talks and they too are committed to a yearend deadline.

That commitment was tested at the 19<sup>th</sup> round of negotiations, held Aug. 23-30 in Brunei. TPP ministers started off that get-together with a show of political support for the talks and tried to close some gaps on sensitive issues by providing guidance to their negotiators. Reportedly, the ministerial meeting tackled the idea of “landing zones” for more contentious issues and sequencing of some topics as negotiations reach their end stages.

Once again, the Brunei round marked progress. According to the statement released at its conclusion, the “discussions both jointly and bilaterally were successful in identifying creative and pragmatic solutions to many issues and further narrowing the remaining work.” Negotiators made progress on market access, rules of origin, investment, financial services, intellectual property, competition, government procurement, and the environment. It concluded that “the majority of issues are now at an advanced stage.”

Future discussions will be “inter-sessional” meetings that focus on issues from just one or two of the 21 working groups. As negotiators work together on specific issues, participants will be engaging bilaterally to work out details as well. The next target date is a TPP Leaders Summit

that is expected to convene in conjunction with the APEC Leaders Meeting that will be held in Bali, Indonesia in early October.

Meanwhile, negotiators for the other big Asia-Pacific trade pact, the Regional Comprehensive Economic Partnership (RCEP) met as well. RCEP consists of the ASEAN Plus Three nations (the ASEAN 10, China, Japan and South Korea) plus three free trade agreement partners (Australia, India, and New Zealand), and includes more than 3 billion people, has a combined GDP of about \$17 trillion, and accounts for about 40 percent of world trade. It is currently set to conclude at the end of 2015.

The RCEP was launched last November; the first meeting of the Trade Negotiating Committee convened in Brunei May 9-13, 2013. The statement they released included boilerplate, calling for a “modern, comprehensive, high-quality and mutually beneficial economic partnership agreement establishing an open trade and investment environment in the region to facilitate the expansion of regional trade and investment and contribute to global economic growth and development” and said that it will be designed to “boost economic growth and equitable economic development, advance economic cooperation and broaden and deepen integration in the region through the RCEP, which will build upon our existing economic linkages.”

In contrast to the TPP, the RCEP explicitly acknowledges the role of “ASEAN centrality” in the emerging regional economic architecture and notes that it will produce an agreement that entails “broader and deeper engagement with significant improvements over the existing ASEAN+1 FTAs.” That isn’t quite a gold standard, but it is progress nevertheless. The next round of RCEP negotiations is scheduled to be held Sept. 23-27 in Australia.

There is a common misperception that the TPP and RCEP are competing economic models, promoting different versions of an Asian economic order: the TPP is trans-Pacific with the US at its core, while the RCEP advances a more Asian design, one that would put China at its center. Many also believe that TPP was established as a counter to that China-centered Asian economic model, and represents an attempt to somehow contain China. Protests that this isn’t true and that TPP is open to all who qualify and have an interest have often fallen on deaf ears. More to the point, TPP predates US involvement and several countries are in both groups. Nevertheless, the charge that TPP represents some grand US design to maintain its regional pre-eminence and choke off rivals persists: why let facts get in the way of a good talking point?

### **Biden’s Asia policy address**

Vice President Joe Biden also visited Asia during July, arriving in India about a month after Secretary Kerry’s visit and then continuing on to Singapore where he not only met that nation’s leaders, but with Japanese Prime Minister Abe Shinzo as well. Prior to his departure, Biden gave a major address on Asia-Pacific policy at George Washington University on July 18. In it, he stressed the multidimensional aspects of the US rebalance to Asia. He said the policy was based on the answer to two basic questions: “We ask ourselves two things in the review of how to proceed: Where should we focus additional attention and resources that would enable us to create greater opportunity at home and generate greater growth – economic growth – around the

world? And where must we make strategic investments that are required to enhance not only our security but global stability? Both pointed to the Asia-Pacific.”

In response, Biden said, the Obama administration set about doing several things: “first of all, strengthening our alliances; deepening security partnerships and investing like never before in regional institutions to help manage disputes peacefully. He also noted that, “closer to home, our intensified engagement within the Western Hemisphere is also part – not just parallel to – our overall rebalancing policy,” pointing out that the Trans-Pacific Partnership includes five countries in the Western Hemisphere. “Our goal,” Biden argued, “is to help tie Asia-Pacific nations together – from India to the Americas – through strong alliances, institutions and partnerships.” The way forward, he said, is fairly clear: “To spark new growth, there has to be: fewer barriers at and behind our borders; protections for intellectual property to reward innovation; new commitments to make sure everyone plays by the same rules because that’s what attracts investment and jobs; as well as greater economic integration.”

Addressing Sino-US relations, Biden argued that “(W)e do not view our relationship and future relations with China in terms of conflict or the talk of inevitable conflict. We view it in terms of a healthy mix of competition and cooperation. A competition that we welcome. It’s stamped into our DNA. We like to compete. Competition is good for both of us, as long as the game is fair.” This message was, of course, underscored during the “shirt sleeve summit” between President Obama and Chinese President Xi Jinping (as discussed in detail in Bonnie Glaser’s and Jacqueline Vitella’s chapter).

Biden described North Korea’s nuclear and missile programs as “a clear and present danger to stability,” making light of Pyongyang’s call for dialogue after months of heated rhetoric – “I’ve seen this movie before. We’ve been there before.” – while asserting Washington’s desire “to engage in genuine negotiations” if the North is prepared to give up its nuclear weapons and “choose a better path for its people.” Its current “smile diplomacy” notwithstanding, thus far there is little evidence Pyongyang is willing to traverse this path.

### **North Korea: the smile offensive begins**

We mentioned in our last report that Kim Jong Un seemed to be following in his father’s footsteps, following through on his threat to conduct North Korea’s third nuclear test and increasing tensions through fiery rhetoric, including (once again) declaring the armistice null and void. Toward the end of that reporting period, again in keeping with past precedent, the North seemed to lower its voice if ever so slightly, signaling that a new charm offensive might be in the offering . . . and indeed it has been.

During a visit to Beijing in late June, North Korean First Vice Foreign Minister Kim Kye Gwan reportedly told his Chinese hosts that “the denuclearization of the Korean peninsula was the dying wish of Chairman Kim Il Sung and General Secretary Kim Jong Il,” and that “North Korea is willing to have dialogue with all sides and attend any kind of meeting, including six-party talks, and hopes to peacefully resolve the nuclear issue via negotiation.” This according to Chinese news accounts. To date, this desire to denuclearize has not been repeated in North Korean broadcasts and broadsides, at least not until Washington ends its “hostile policies”

toward Pyongyang. For its part, Washington remains unconvinced; US officials continue to call on the regime to take “concrete steps toward denuclearization” before the US would agree to a resumption of dialogue.

The North continued to wave other olive branches, however. At one point toward the end of this reporting period, Pyongyang even agreed to allow Robert King, the State Department’s special envoy on DPRK human rights, to visit North Korea, ostensibly to negotiate the release of Kenneth Bae, a tour operator and Christian missionary who was arrested in a northeastern North Korean city last November. A US citizen, Bae had been found guilty of unspecified “crimes against the State” on May 3 and sentenced to 15 years of hard labor. At the eleventh hour, however, Pyongyang withdrew its invitation to King in protest of B-52 flights over the peninsula during a ROK-US joint military exercise. This reportedly left Bae’s fate in the hands of ambassador without portfolio (or credibility) Dennis Rodman, who headed north in early September to talk basketball with his “good friend Kim.”

Some progress has been seen on the North-South front, however, as explained in more detail by Aiden Foster-Carter in his chapter. While reports that a deal has already been struck to reopen the special economic zone in Kaesong seemed premature (this did not occur until Sept. 9), the two sides had at least formed a committee to explore that possibility, pending assurances from Pyongyang that, once reopened, it would no longer be used as a political football whenever Pyongyang wanted to play games with Seoul. Excuse us for remaining skeptical. Many of our readers may be familiar with the story of Charlie Brown, Lucy, and the football. Every year Lucy promised she would hold the ball for Charlie to kick, every year he had faith that she would. And, of course, every year, at the last second, she would pull the ball away, causing Charlie to miss and come crashing to the ground. Had Lucy signed a contract with Charlie in advance, one suspects the outcome would still have been the same.

Clearly the North sees the advantage in reopening Kaesong. North Korean workers receive some \$80-90 million dollars annually in wages, much of which goes to the government and not the employees. It’s an important source of hard currency, as was the Mount Kumgang tourist resort, which Pyongyang is also seeking to reopen. Hopefully, ROK President Park Guen Hye, who has proven herself adept at playing hardball with the North, will gain some real concessions out of the process. We would suggest she begin by insisting that the DPRK start referring to the South by its official name, the Republic of Korea, rather than south (with a small “s”) Korea, as it does in its broadcasts today.

### **Syria: Sending the Wrong Signal?**

While Washington has been sending Pyongyang a clear signal as to its views regarding a resumption of dialogue, South Koreans and Japanese are increasingly worried about the signal the Obama administration may be sending to Pyongyang in the case of its threatened, but not yet realized, decision to conduct limited military strikes in response to the Assad government’s alleged use of chemical weapons against its own people. In meetings in Seoul and Tokyo recently, and in particular at a Pacific Forum CSIS trilateral conference in Seoul addressing Japanese and Korean views on the credibility of the US extended deterrent, senior participants expressed concern about Washington’s hesitancy to conduct the strike: “when a US president

draws a red line, he must be prepared to respond if it is crossed,” was the view expressed by many who wondered aloud about what message was being sent to (or received by) Pyongyang. “This is not the America we knew,” lamented one senior former Korean diplomat. While younger participants were more evenly divided about the wisdom or necessity of military action, one young Korean pointedly said “I remember when President Reagan held a press conference to announce that he had ordered the bombing of Libya, which began two hours before he spoke. Today President Obama holds a meeting to discuss his desire to conduct a strike next week if Congress will let him. What better symbol do we need of American decline?” While the differences between then and now are readily apparent and easily explained, the message is clear. Even if President Obama eventually orders the limited military strike (and we take no position here as to its need or wisdom or to the weight the administration should attach to Asian reactions), his initial hesitancy to enforce his own red line has already sent a counterproductive message as far as reassurance of allies is concerned. At the same time, it is clear that not all challenges to US credibility are equal. Our discussions also demonstrated that US policy makers must be finely attuned to the particulars of each case.

### **Crypto crisis**

Forget John Kerry, Kim Jung-un, or Bashar al-Assad. The person who most impacted US foreign policy in the last four months was a hitherto anonymous government contractor and computer systems administrator named Edward Snowden, who leaked information on super-secret US surveillance programs and then bolted for cover in a televised version of “Where’s Waldo?” While the damage that Snowden may have done to those surveillance efforts may not be as great as some fear – most terrorists likely suspected the extent of US attempts to find and identify them – the damage he has done to the US image and its credibility is impossible to overstate.

Snowden worked for several years as a computer specialist for various US intelligence agencies. Claiming that he was outraged by the scale of the programs he worked on, he downloaded a cache of 15,000-20,000 documents detailing those projects and fed them to journalists around the world. On May 20, Snowden fled to Hong Kong just as a series of articles on those spying efforts was published in several newspapers. Snowden holed up in Hong Kong for a little over a month as he contemplated his options; the prospect of Hong Kong authorities handing him over to the US government spurred him to flee again, this time to Moscow, where he camped out at Sheremetyevo Airport until he sorted out his problems. On Aug. 1, Snowden left the transit lounge after being granted temporary asylum for one year, which could be extended indefinitely on an annual basis.

No doubt, revelations of the content of code-word classified surveillance programs hurt US efforts to track terrorists. But some argue that Snowden merely confirmed what those individuals suspected about the extent of US information collection. Far more damaging are the body blows to the US image and its foreign policy. As Bonnie Glaser and Jacqueline Vitella detail in their chapter on US-China relations, Beijing was quick to make hay of the revelations, charging the US with hypocrisy for alleging that China was engaging in cyber theft of intellectual property. The distinction between economic theft and surveillance was ignored by Beijing (and many others). That defense, however, undercut US (and human rights advocates) complaints about Chinese monitoring of internet communications. Similarly, revelations that the US had installed



“back doors” in encryption software made it look guilty of the very behavior that Huawei and ZTE, two Chinese communications equipment manufacturing companies, were alleged to have done on behalf of Chinese security services.

Whatever the truth, the US *appeared* to have engaged in the monitoring of virtually all communications around the world, with relative indifference to distinctions between allies and adversaries, foreign and domestic audiences, and the restraints imposed by the US constitution. That the US would be acting this way – in some cases with the knowledge of foreign friends and allies, which was bad; and in other cases without their help, which might have been worse – and was then exposed for the entire world to see has hurt Washington and undermined its credibility. There has also been fallout in various relationships. President Obama reportedly voiced anger at China’s failure to extradite Snowden when he was in Hong Kong to senior Chinese participants at the Strategic and Economic Dialogue. They rejected the challenge. Russia’s decision to give Snowden asylum was also a factor in the decision by Obama to cancel a scheduled one-on-one meeting with Russian President Vladimir Putin prior to the St. Petersburg G20 summit (although they managed to talk informally without the usual summitry). Snowden’s revelations aren’t finished. More damage may still be done.

### **Regional Chronology** **May – August 2013**

**April 30-May 4, 2013:** Chinese Foreign Minister Wang Yi visits Thailand, Indonesia, Singapore, and Brunei. He reaffirms China’s support for ASEAN integrationist developments and expresses China’s willingness to discuss the Code of Conduct on the South China Sea.

**May 2, 2013:** US lifts a sweeping ban on visas for Myanmar officials, further easing sanctions despite the increase in ethnic violence. Nevertheless, Washington extends Myanmar’s “national emergency status” because of continued human rights problems.

**May 3, 2013:** South Korea pulls the last seven workers from Kaesong Industrial Complex.

**May 5, 2013:** North Korea seizes a Chinese fishing vessel with 16 crew members for “fishing in its territorial waters” and demands \$98,000 for its release.

**May 5-9, 2013:** South Korean President Park Geun-hye visits the US and meets President Barack Obama. Park unveils her vision for a Northeast Asian multinational coalition rooted in the ROK-US alliance and outlines a “trustpolitik” process.

**May 6, 2013:** US releases annual Pentagon report examining China’s territorial claim to the Diaoyu/Senkaku Islands. It cites China for “improperly drawn straight baseline claims” beginning in September 2012. China responds that the US should avoid taking sides.

**May 6-8, 2013:** Seventh ASEAN Defense Ministers Meeting (ADMM) is held in Brunei. They outline support networks for cyber security, climate change, and communicable diseases; agree to conduct the Humanitarian Assistance and Disaster Relief and Military Medicine Exercise in Brunei; and reiterate commitment to pursue Code of Conduct talks with China.

**May 6-10, 2013:** South Korea and the US hold joint anti-submarine warfare drills in the Yellow Sea/East Sea, which involve the *USS Nimitz*, *Los Angeles*-class submarines, *Aegis* destroyers, and *P-3C* maritime surveillance aircraft.

**May 8, 2013:** Bank of China shuts down a North Korean Foreign Trade Bank account with ties to North Korean nuclear and missile development programs.

**May 8, 2013:** Japan makes a formal complaint against the Chinese *People's Daily*, for publishing remarks that question Japan's sovereignty over the Ryukyu Islands. The Chinese government stresses that the commentary reflects outside research opinions.

**May 9, 2013:** Philippine Coast Guard fires on one of four Taiwanese fishing vessels that it claims entered its territorial waters, killing a Taiwanese fisherman. Taiwan demands a formal investigation, apology, compensation, and punishment for those responsible within 72 hours.

**May 10, 2013:** Cambodia's National Assembly ratifies a maritime transportation agreement between ASEAN and China that will expand cooperation on passenger and cargo transport. All ASEAN member states except for Indonesia have ratified the agreement.

**May 13-15:** US Special Representative for North Korea Policy Glyn Davies visits South Korea, Japan, and China. China maintains that they are implementing sanctions and Japan expresses a desire to "keep the door open" for talks with North Korea.

**May 14, 2013:** US citizen Kenneth Bae begins 15-year prison sentence in North Korea.

**May 14-18, 2013:** Prime Minister Abe Shinzo's special Cabinet adviser Iijima Isao visits Pyongyang to make progress on the "abduction issue."

**May 15, 2013:** Philippines issues an apology to Taiwan regarding the May 9 fishing boat incident. Taiwan rejects the apology as insincere and implements new sanctions against the Philippines, including a tourist "red alert" and suspension of all Philippine laborer applications.

**May 17, 2013:** The US Energy Department conditionally authorizes exports of domestically produced liquefied natural gas (LNG) from the Freeport LNG Terminal on Quintana Island, Texas to countries that do not have a Free Trade Agreement (FTA) with the United States.

**May 17-20, 2013:** Myanmar President Thein Sein visits Washington and meets President Barack Obama. Trade officials sign a bilateral trade and investment framework agreement.

**May 18-20, 2013:** North Korea fires six short-range guided missiles into the East Sea, as part of "normal military training."

**May 19-22, 2013:** Chinese Premier Li Keqiang visits India and meets Prime Minister Manmohan Singh. They sign eight documents pertaining to border and economic issues.

**May 20, 2013:** Former National Security Administration (NSA) contractor Edward Snowden arrives in Hong Kong after releasing classified documents regarding US intelligence operations.

**May 21-24, 2013:** Singapore's Prime Minister Lee Hsien Loong visits Japan and meets Japanese Prime Minister Abe. They agree to enhance bilateral economic ties.

**May 21-29, 2013:** Malaysia and US conduct 19<sup>th</sup> Indonesia *Cooperation and Readiness Afloat (CARAT)* military exercise.

**May 21, 2013:** North Korea releases held Chinese fishing boat and crew.

**May 22, 2013:** Taipei announces that the Taiwan Coast Guard will protect Taiwanese fishing boats them from "harassment by the Philippines."

**May 22, 2013:** North Korea invites South Korea to commemorate the June 15 Joint Declaration.

**May 23, 2013:** Brunei hosts 10<sup>th</sup> ASEAN Regional Forum (ARF) Security Policy Conference.

**May 24-26, 2013:** Japanese Prime Minister Abe visits Myanmar and meets President Thein Sein. Japan pledges \$498.5 million in economic development loans.

**May 27, 2013:** Nine North Korean defectors are deported from Laos back to North Korea.

**May 29, 2013:** ASEAN and China hold eighth joint meeting on the Declaration on the Conduct of Parties in the South China Sea. They agree to implement the declaration and develop maritime emergency measures.

**May 31-June 2, 2013:** Singapore hosts the 12<sup>th</sup> Shangri-La Dialogue; Institute for International Security Studies' annual Asian Security Dialogue.

**June 1, 2013:** Defense ministers of the US, Japan, and South Korea meet on the sidelines of the Shangri-La Dialogue to discuss a coordinated response to North Korea's nuclear and missile development and related provocations to discuss a coordinated response to North Korea's nuclear and missile development and related provocations.

**June 3, 2013:** Arms Trade Treaty is opened for signature at the UN; 67 countries sign the treaty.

**June 3-7, 2013:** Cambodia hosts and 20 nations participate in *Pacific Airlift Rally* to improve regional airlift cooperation and disaster relief.

**June 3-12, 2013:** Thailand and the US conduct the 19<sup>th</sup> Thailand *CARAT* military exercise.

**June 4, 2013:** US and South Korea fail to reach consensus on revising the *Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Korea Concerning Civil Uses of Atomic Energy* (123 civil nuclear agreement) to allow Seoul the right to independently enrich uranium and reprocess its spent nuclear fuel.

**June 4, 2013:** China asks Japan to cancel joint US-Japan *Dawn Blitz 2013* military exercise scheduled to start June 10, which involves a Navy/Marine amphibious assault on an island.

**June 7, 2013:** North and South Korea reopen cross-border phone line.

**June 7-8, 2013:** President Xi Jinping meets President Obama in California. They agree to working-level talks to tackle cyber security disputes. North Korea and ongoing tensions in the South and East China Sea are also discussed.

**June 11-21, 2013:** China and Russia hold joint *Cooperation 2013* military exercise designed to improve counter-terrorism efforts.

**June 12, 2013:** The Myanmar portion of the Myanmar-China natural gas pipeline is completed.

**June 13, 2013:** Philippines National Bureau of Investigation announces it will pursue criminal charges against Philippine Coast Guard members for the May 9 death of a Taiwanese fisherman.

**June 15-23, 2013:** US and Malaysia conduct 19<sup>th</sup> Malaysia *CARAT* naval exercise.

**June 17, 2013:** Cambodia and Thailand vow to maintain peace along the border and to abide by the International Court of Justice's decision on the Preah Vihear Temple territorial dispute.

**June 17-20, 2013:** Brunei hosts a military exercise focusing on humanitarian assistance, disaster relief, and military medicine conducted under the auspices of the ASEAN Defense Ministers Meeting-Plus (ADMM+). Participants include military personnel from 18 countries.

**June 19, 2013:** Philippines deploys fresh troops and supplies to its grounded ship located on the Second Thomas Shoal (Philippines: Ayungin Reef; Chinese: Ren'ai Reef) in the Spratly Islands.

**June 19-22, 2013:** China and North Korea conduct a strategic dialogue. DPRK Vice Foreign Minister Kim Kye Gwan says his government is willing to reconvene the Six-Party Talks.

**June 19-20, 2013:** Representatives from ASEAN and China meet in Vietnam for a workshop to strengthen search and rescue coordination in the South China Sea.

**June 19-21, 2013:** Vietnam's President Truong Tan Sang visits China and meets President Xi Jinping. They agree to establish a maritime hotline to handle fishing disputes in the South China Sea, to implement the Declaration on Conduct of Parties in the South China Sea, and to hold two joint patrols of the Beibu Gulf later this year.

**June 21, 2013:** China says the Philippine occupation of Ren'ai Reef violates the Declaration of Code of Conduct of Parties in the South China Sea and undermines Chinese sovereignty.

**June 23, 2013:** Edward Snowden leaves Hong Kong for Russia despite a US arrest warrant issued on charges of espionage.

**June 26, 2013:** The UN Security Council’s North Korea Sanctions Committee Panel of Experts releases its annual report; it states that North Korea deliberately transformed Chinese lumber vehicles into missile launch transporters.

**June 27-28, 2013:** Japanese Defense Minister Onodera Itsunori visits the Philippines and meets Defense Secretary Voltaire Gazmin. They agree to cooperate in defending “remote islands” and Gazmin announces that the Philippines will allow foreign allies like the US and Japan greater access to the country’s military bases.

**June 27-28, 2013:** Vietnam’s President Truong Tan Sang visits Indonesia and meets President Susilo Bambang Yudhoyono. They reaffirm their support for implementing the Declaration on the Conduct of Parties in the South China Sea and completing the Code of Conduct in the South China Sea. They also agree to coordinate joint naval patrols in their maritime territories.

**June 27-30, 2013:** South Korea’s President Park visits China and meets President Xi Jinping.

**June 27-July 2, 2013:** US and the Philippines conduct the 19<sup>th</sup> Philippine *CARAT* exercise.

**June 29-July 2, 2013:** ASEAN-related meetings including the ASEAN Foreign Ministers Meeting, the 20<sup>th</sup> ASEAN Regional Forum, and the third East Asia Summit Foreign Ministers Meeting are held in Brunei.

**July 2, 2013:** US Treasury Department adds Myanmar’s Lt. Gen. Thein Htay to its Specially Designated Nationals list, charging that he purchased weapons and materials from North Korea.

**July 3-4, 2013:** North Korean First Vice Minister Kim Kye Gwan visits Russia and meets Deputy Foreign Minister Igor Morgulov and other senior diplomats.

**July 5-11, 2013:** China and Russia conduct *Joint Sea 2013* naval exercise in the Sea of Japan. China’s Ministry of Defense describes the exercise as the People’s Liberation Army (PLA) Navy’s single biggest deployment of military force in a joint exercise.

**July 10, 2013:** South Korean court orders Japan’s Nippon Steel & Sumitomo Metal Corp. to pay \$88,000 to each of four Korean plaintiffs forcibly drafted to work for the company in 1941.

**July 10-11, 2013:** China-US Strategic and Economic Dialogue (S&ED) is held in Washington.

**July 11, 2013:** UN tribunal hearing the Philippines’ case against Chinese claims in the South China Sea is convened in The Hague, Netherlands.

**July 14-15, 2013:** Australian Prime Minister Kevin Rudd visits Port Moresby, Papua New Guinea and meets Prime Minister Peter O’Neill.

**July 15, 2013:** Panama detains a North Korean ship departing from Cuba carrying missile parts and two Soviet *MiG-21* fighter jets.

**July 15-25, 2013:** The 18<sup>th</sup> round of the Trans-Pacific Partnership free trade negotiations is held in Malaysia. Japan officially joins the negotiations.

**July 15-26, 2013:** US and Singapore conduct bilateral *CARAT 2013* military exercise.

**July 19, 2013:** Australia and Papua New Guinea sign an agreement stating any refugee arriving by boat to Australia will be sent to Manus Island to have refugee status appraised.

**July 21, 2013:** Japan's Liberal Democratic Party and its coalition partner, New Komeito, win a combined total of 135 seats in the House of Councillors, uniting a majority in both lower and upper houses behind Prime Minister Abe's "Abenomics" plan.

**July 23-27, 2013:** US Vice President Joe Biden visits Asia with stops in India and Singapore.

**July 24-26, 2013:** Vietnam's President Truong Tan Sang visits US and meets President Obama. In a joint statement they announce the establishment of a "US-Vietnam Comprehensive Partnership to provide an overarching framework for advancing the relationship."

**July 25-28, 2013:** China's Vice President Li Yuanchao visits North Korea. Li reaffirms China's commitment to a denuclearized Korean Peninsula.

**July 25-27, 2013:** Japan's Prime Minister Abe visits Southeast Asia with stops in Malaysia, Singapore and the Philippines. In the three capitals, Abe briefs his counterparts on his so-called Abenomics prescription for revitalizing the Japanese economy and discusses the perceived security threat from China. While in Singapore, he also meets US Vice President Biden.

**July 27-Aug. 15, 2013:** Russia and China participate in anti-terrorism bilateral military exercise *Peace Mission-2013* in Chelyabinsk.

**July 28, 2013:** Cambodia holds general elections. Of 123 seats being contested, Prime Minister Hun Sen's Cambodia People's Party wins 68 seats and Sam Rainsy's Cambodian National Rescue Party (CNRP) wins 55 seats.

**July 28, 2013:** The natural gas portion of the Myanmar-China Oil and Gas Pipeline begins transporting gas to China.

**July 29, 2013:** Japan rejects Russia's June proposal to commence joint development and energy projects in the Kuril Islands because of the sovereignty implications.

**July 30, 2013:** South Korean court finds Japan's Mitsubishi Heavy Industries guilty of forced wartime labor and orders it to pay 80 million won to five South Koreans taken in 1944.

**July 30-Aug. 2, 2013:** Japan, China, and South Korea hold the second round of three-way free trade agreement talks in Shanghai.

**Aug. 1, 2013:** Vietnam's Foreign Minister Pham Binh Minh visits the Philippines and meets Foreign Secretary Albert del Rosario.

**Aug. 1-6, 2013:** Chinese Foreign Minister Wang Yi attends China-ASEAN forum and visits Malaysia, Laos, and Vietnam.

**Aug. 5, 2013:** Sam Rainsy, leader of the CNRP, urges the United Nations to “referee” an investigation into the results of the July 28 Cambodian general elections, claiming massive fraud has prevented his party from assuming a majority in the Parliament.

**Aug. 7, 2013:** The US Institute for Science and International Security warns of satellite images that reveal North Korea is expanding its Yongbyon uranium enrichment facility, which is believed to hold a gas centrifuge plant.

**Aug. 7, 2013:** Philippine Justice Department announces that they recommended homicide charges against eight Filipino coastguards for the fatal shooting of a Taiwanese fisherman in disputed waters on May 9. Taiwan welcomes the move as a “constructive response.”

**Aug. 8, 2013:** The Philippines offers an official apology to the family of the Taiwanese fisherman shot on May 9.

**Aug. 12, 2013:** The 35<sup>th</sup> anniversary of the Japan-China Treaty of Peace and Friendship is affirmed by delegations, but receives no celebratory fanfare.

**Aug. 13, 2013:** United Nations Refugee Agency strongly urges the Myanmar government to hold a peace dialogue with the Rohingya and other “internally displaced persons.”

**Aug. 14, 2013:** North and South Korea reach agreement to reopen the joint Kaesong Industrial Complex and to open it up to international investors. No official date is set for the reopening.

**Aug. 15, 2013:** Three Japanese Cabinet members visit Yasukuni Shrine to honor Japan's war dead on the 68<sup>th</sup> anniversary of Japan's surrender. China and South Korea condemn the actions.

**Aug. 16-19, 2013:** Chinese Gen. Chang Wanquan visits the US and meets Defense Secretary Chuck Hagel. He says China is committed to resolving territorial disputes through dialogue, but will not “barter” away core maritime interests. He also notes that increased US involvement in regional military drills “complicates” the situation.

**Aug. 18-30, 2013:** South Korea and US conduct joint military exercise *Ulchi Freedom Guardian*. North Korea condemns the exercise as a “confrontational policy.”

**Aug. 19, 2013:** South Korea's Ambassador to Japan Lee Byung-kee meets Foreign Minister Kishida Fumio. Lee applauds Prime Minister Abe's decision not to visit the Yasukuni Shrine, but expresses dissatisfaction with his Memorial Day speech.

**Aug. 19, 2013:** Deputy foreign ministers of Japan and Russia begin preliminary negotiations regarding a formal peace treaty in the Northern Territories (Southern Kurile Islands).

**Aug. 19, 2013:** Panel of 20 experts from China and Japan meet in Toyoko to discuss bilateral crisis management concerning military stand-offs in the Diaoyu/Senkaku.

**Aug. 19, 2013:** First China-Thailand Strategic Dialogue is held in Bangkok.

**Aug. 20-21, 2013:** China's Foreign Minister Wang Yi visits Cambodia and meets Prime Minister Hun Sen.

**Aug. 22, 2013:** An operator from the Fukushima No. 1 nuclear power plant acknowledges that contaminated water has been leaking into the sea since May 2011.

**Aug. 22-23, 2013:** The US and South Korea fail to reach a resolution on renewing the 5-year Special Measure Agreement (SMA) to fund US Forces Korea (USFK).

**Aug. 22-29, 2013:** Secretary of Defense Hagel travels to Asia with stops in Malaysia, Indonesia, Brunei, and Philippines.

**Aug. 25-31, 2013:** Singapore's Prime Minister Lee Hsien Loong visits China and meets President Xi Jinping.

**Aug. 27, 2013:** United Nation's Arbitral Tribunal asks the Philippines to submit all necessary documentation concerning its territorial dispute with China by March 30, 2014.

**Aug. 27-29, 2013:** ASEAN Defense Officials Meeting (ADSOM) Retreat, ASEAN Defense Ministers Meeting (ADMM) Retreat, and ADMM Plus are held in Brunei.

**Aug. 28, 2013:** China requests Philippine President Benigno Aquino cancel his visit to the Sept. 3 Nanning Trade Expo and reschedule it for a "more conducive time."

**Aug. 28, 2013:** Japan's Nuclear Regulation Authority raises Fukushima nuclear power plant leak crisis to level three: "serious incident."

**Aug. 30, 2013:** North Korea rescinds its invitation for US Envoy Robert King to visit.