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Pritzker's June Business Mission: Anchoring U.S. Growth in Asia

ERNEST Z. BOWER

Ernest Z. Bower is senior adviser and Sumitro Chair for Southeast Asia Studies at the Center for Strategic and International Studies in Washington, D.C.

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U.S. secretary of commerce Penny Pritzker will travel to Vietnam, the Philippines, and Myanmar with American chief executive officers in early June. Her visit is important because for Asia the heart of sustained engagement and indeed the very concept of security is economics. Asia is seeking more comprehensive involvement from the United States, so the visit will be a welcome signal that the U.S. government recognizes the vital role of the American private sector in this foundational part of a future U.S.-Asia strategy.

Pritzker, whose June trip will be her third to Asia since taking office a year ago, understands the power of trade and investment based on her long experience in the private sector. She deserves credit for providing leadership in embracing America's top companies and traveling with them to Southeast Asia.

Indeed, many U.S. companies have selected Southeast Asia as the foundation for Asian growth. In fact, business strategies for Asia have begun to mirror geostrategic thinking about Asia. Southeast Asia is a logical center for pan-Asian trade and investment. Its practical and historic connections to larger neighbors such as China and India make it an ideal base for a balanced and long-term Asia strategy. Over the last two decades, international companies have moved their Asia headquarters from Tokyo and Hong Kong to Singapore and other ASEAN capitals.

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Secretary of Commerce Penny Pritzker, who will travel to Vietnam, the Philippines, and Myanmar in early June. It will be her third trip to Asia since taking office last year. <https://www.flickr.com/photos/commercegov/9370946051/>

As China has turned the screws of its regulatory regime and engaged in a state-sponsored cyber grab of foreign companies' technology and other proprietary data, and India works through how it wants to relate to foreign capital and technology, investors have sought a more politically and commercially stable base for Asian growth. ASEAN delivers that balance while maintaining privileged access to the other key markets in the world's fastest-growing region through a set of rather uneven, but still effective, trade agreements.

ASEAN has economic and trade agreements with all members of the East Asia Summit with the exception of Russia and the United States. U.S. companies invested in most of those 18 countries can, in most cases, receive preferential access to this market, which represents 56 percent of the world's population and a growing middle class eager for American products and services.

Sadly, U.S. companies have had to move ahead of their government in Asia and develop strategies that are not yet supported by a comprehensive U.S. strategy for Asia that takes America's economic interests into account. The United States' economic future depends heavily on the degree to which it comprehensively and effectively integrates with Asia's economic engine—indisputably the world's strongest and most dynamic now, and likely to remain so for the rest of the twenty-first century.

In fact, U.S. companies are the top net investor in ASEAN with total accumulated capital of \$189 billion invested by the end of 2012. U.S. companies have invested more than three times as much in Southeast Asia as in China and more than six times as much as in India. The world's top companies are looking to invest in Asia, and Southeast Asia continues to provide premier opportunities and a base from which to expand in other markets across the Indo-Pacific, including Australia, China, India, Japan, New Zealand, and Taiwan as well as in countries such as Papua New Guinea and Timor Leste that have only observer status in ASEAN.

In terms of trade, the United States has enjoyed strong growth in ASEAN. Bilateral trade increased 71 percent between 2001 and 2012, from \$137 billion to \$234 billion. However, the United States has lost relative market share in ASEAN to its competitors, including China and Japan, whose governments are more focused on engaging ASEAN as a whole, with the U.S. percentage of total trade in the ASEAN market dropping from 16.1 percent in 2000 to 8.1 percent in 2012.

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Pritzker's visit comes at a critical time in U.S. economic relations with Asia. In a forthcoming CSIS poll of thought leaders in 11 countries in the Pacific Rim, which was conducted in March-April, 56 percent of respondents said they expected their countries' most important economic partner in 10 years to be China. Only 28 percent thought it would be the United States. In several Southeast Asian countries, the numbers were even more skewed: 75 percent of Singaporeans thought China would be their most important economic partner compared to 14 percent who thought it would be the United States. In Thailand, these figures were 75 percent and 4 percent and, in Indonesia, 57 percent and 22 percent, respectively.

Unfortunately, Pritzker's portfolio focuses her narrowly on trade promotion, market access compliance, and, more recently, promoting foreign investment in the United States. The Commerce Department does not get to drive a strategic view of U.S. economic engagement in Asia as it should.

Asia is moving now to make the rules that will define how its dynamic economies integrate, and the United States must be an active participant in that discussion. To date, the U.S. plan rests on the success of the Trans-Pacific Partnership, a negotiation among 12 countries in Asia and the Americas that does not include all of the ASEAN countries or Asia's largest (China) and third-largest (India) economies.

Pritzker is taking an important step in the right direction by embracing the backbone of American economic and financial leadership in the world, U.S. companies. Asia will understand and welcome this partnership between the U.S. government and private sector. More needs to be done in this area, however, to enhance U.S. competitiveness and anchor U.S. economic vitality in growth in Asia.

To build out U.S. commercial engagement with the region beyond her trip, Secretary Pritzker should do the following:

1. Announce that she will visit the remaining ASEAN countries, accompanied by U.S. business leaders, during her term as secretary of commerce.
2. Commit to attend the ASEAN Economic Ministers Meeting annually to drive a strategic engagement dialogue that will support and complement the efforts of the Office of the United States Trade

Pritzker's June Business Mission: Anchoring U.S. Growth in Asia *(continued)*



A Ford plant under construction in Thailand in 2011; it began producing Ford Focuses the next year. The value of U.S. companies' investments in ASEAN is more than three times that in China. <https://www.flickr.com/photos/fordapa/5838610828/>

Representative as well as enlarge U.S. economic engagement to include all 10 ASEAN countries.

3. Invite her ASEAN counterparts to visit the United States for a major U.S.-ASEAN economic conference with commercial and strategic elements on the agenda. She should invite each minister to bring a CEO delegation to the conference to meet with their American counterparts.
4. Include U.S. governors in the U.S.-ASEAN economic conference and invite them to promote investment in their states as well as new trade, education, and technology cooperation opportunities. ■

THAILAND

- **Hundreds protest military coup as army clamps down.** Protests have sprung up around Bangkok and in Thailand's north and northeast since the military, led by Gen. Prayuth Chan-ocha, seized power in a May 22 coup. The protesters have generally numbered in the hundreds, combining everyday Thais critical of the coup and "Red Shirt" supporters of the ousted government. The military has banned gatherings of more than five people, cracked down on online and print media, and closely censored broadcasters. It has also demanded that nearly 300 politicians, academics, and journalists present themselves for questioning. Most of those detained, including former prime minister Yingluck Shinawatra and Red Shirt leader Jatuporn Prompan, have been released.

- **Washington condemns coup, cuts off military assistance.** Secretary of State John Kerry issued a statement condemning the coup within hours after Thailand's military seized power on May 22. Washington suspended about \$3.5 million in military assistance two days later and indicated more cuts could follow. The United States also started withdrawing assets from the ongoing Cooperation Afloat Readiness and Training exercises with the Thai navy, canceled a police training program, and pulled the plug on a planned visit to Thailand by Adm. Harry Harris, commander of the U.S. Pacific Fleet.

- **Bomb attacks kill three, injure dozens in southern Thailand.** More than a dozen grenades and bombs exploded in Thailand's southern provinces of Pattani and Narathiwat on May 24, killing 3 and injuring 73, according to the Public Health Ministry. At least four 7-11 convenience stores were targeted, as well as two gas stations and a navy patrol ship on the Pattani River. So far no one has claimed responsibility for the attacks. More than 5,000 people have been killed by insurgents in southern Thailand since 2004.

- **Political unrest slows demand for automobiles.** The Automotive Industry Club of the Federation of Thai Industries expressed concern on May 23 about plunging automotive sales in the country, citing political unrest as the cause of decreased consumer confidence and spending. Production has fallen 28 percent in recent months and sales are down 43 percent compared to the same period in 2013. The club plans to adjust its yearly forecast for auto sales sometime in June, but sales are not expected to rise above 1 million units in 2014.



Thai army chief Prayuth Chan-ocha (left) visits the Tomb of the Unknowns at Arlington National Cemetery outside of Washington in June 2013. The United States reacted swiftly to Prayuth's May 22 takeover of the Thai government, suspending \$3.5 million in military assistance and freezing joint exercises and exchanges. <https://www.flickr.com/photos/39955793@N07/9007080432/>

- **Tourism down about 400,000 in 2014.** The number of tourists visiting Thailand is down by at least 400,000 compared to the same period in 2013, when Bangkok was ranked the top tourist destination in the world, according to the MasterCard Index of Global Destination Cities. Tourism officials in Thailand are predicting a 12 percent drop in visitors in May, and the \$35 billion industry is expected to suffer more bad news as political unrest continues. One Bangkok hotel reported an immediate 20 percent drop in occupancy following the May 19 declaration of martial law.

INDONESIA

- **Coalitions, candidates crystallize ahead of July 9 presidential election.** Two presidential candidates, Joko “Jokowi” Widodo of the Indonesian Democratic Party of Struggle and Prabowo Subianto of the Great Indonesia Movement Party, crystallized their presidential tickets ahead of the May 20 deadline to register coalitions for Indonesia’s July elections. Jokowi selected popular former vice president Jusuf Kalla as his running mate, while Prabowo selected former coordinating minister for economic affairs Hatta Rajasa. Four parties joined Jokowi’s coalition and will face off against the six parties in Prabowo’s. The ruling Democrat Party remained unaligned.
- **Indonesia, Philippines reach agreement on overlapping maritime boundary.** Indonesia and the Philippines on May 23 signed a maritime border accord that ends 20 years of negotiations to delimit their overlapping exclusive economic zones. The agreement redraws borders in the Mindanao and Celebes Seas, which are critical trade routes for both countries and contain rich fisheries and possible oil and gas deposits. Presidents Susilo Bambang Yudhoyono and Benigno Aquino hailed the agreement as a model for settling maritime disputes in the region.
- **Religious minister steps down after being implicated in corruption case.** Religious Affairs Minister Suryadharma Ali resigned from his post on May 27, five days after the Indonesian Corruption Eradication Commission named him as a suspect in a \$20 million graft case involving funding for Indonesian Muslims to travel to Saudi Arabia for the annual hajj pilgrimage. Suryadharma is the highest-ranking official to be implicated in the investigation into the 2012–2013 hajj pilgrimage fund and housing facilities project. He is the head of the United Development Party, which recently formed a coalition with presidential hopeful Prabowo Subianto.
- **Constitutional Court divests itself of authority over regional elections.** The Indonesian Constitutional Court on May 19 delivered a verdict divesting itself of all authority to take on complaint cases from regional



The Indonesian Constitutional Court building in Jakarta. The court has divested itself of authority to hear complaints on regional elections. <http://commons.wikimedia.org/wiki/File:IndonesianConstitutionalCourt.jpg>

elections. The court ruled that it has authority to determine if laws issued by the government are constitutional, but not to hear complaints from regional polls. The decision comes eight months after the arrest of former chief justice Akil Mochtar for receiving bribes from local politicians involved in cases regarding local elections.

MYANMAR

- **Obama extends sanctions against Myanmar.** President Barack Obama on May 15 extended by one year the sanctions authorized by a 1997 executive order banning U.S. citizens and businesses from doing business with those involved in the repression of pro-democracy movements in Myanmar. The administration has lifted or suspended most sanctions against Myanmar since 2012, but the 1997 ban on business dealings with “specially designated nationals” and a 2008 ban on the importation of precious stones remain in place.
- **Lawmakers endorse removing military veto over constitutional amendments.** A parliamentary committee responsible for studying amendments to Myanmar’s constitution will endorse altering an article requiring 75 percent of lawmakers to approve most major amendments, according to a May 21 statement from committee member Tin Maung Oo. The article in question gives the military, which fills a quarter of the seats in the parliament, an effective veto over major charter changes. The opposition National League for Democracy and the 88 Generation Peace and Open Society group have been holding rallies across the country in recent weeks to promote constitutional reform.



World Bank president Jim Yong Kim visits the Shwedagon Pagoda in Yangon during a January trip to Myanmar. The bank on May 21 pledged \$100 million in aid to improve education in Myanmar. <http://www.flickr.com/photos/worldbank/12172863903/>

- **World Bank, Three Millennium Development Goal Fund commit about \$100 million each to Myanmar.** The World Bank on May 21 approved \$100 million in aid to improve the quality of education for about 8.2 million Myanmar schoolchildren and extend direct financial assistance to 100,000 underprivileged students. The program, which will be financed by the International Development Association and the Australian government, is the bank’s first to support education in Myanmar. The Three Millennium Development Goal Fund on the same day announced \$91 million in new assistance to help Myanmar fight HIV, tuberculosis, and malaria through 2016.
- **Two Chinese workers abducted at controversial mine.** Activists and monks on May 18 kidnapped two Chinese workers from a contentious copper mine in Monywa, central Myanmar. They released the workers the following evening after negotiations with local authorities. Residents have been protesting the Chinese-owned mine since 2012, saying they have

never been properly compensated for thousands of acres of land illegally confiscated for its expansion. A panel led by opposition leader Aung San Suu Kyi studied the mine's impact and in March 2013 recommended that the project go ahead.

- **Ethnic groups, government negotiators hold peace talks.** Negotiators from the government's Union Peacemaking Work Committee and the Nationwide Ceasefire Coordination Team (NCCT), which represents 16 ethnic armed groups in Myanmar, said they reached a new draft cease-fire agreement during May 21-23 talks in Yangon, which improved on an earlier document drawn up in early April. The two sides plan to meet again in late June to clarify the draft's language. The NCCT said that ahead of the latest negotiations, military officials agreed that any deal would be based on a federal system, a key demand of the ethnic groups.

SOUTH CHINA SEA

- **Vietnamese ship sinks following collision with Chinese vessel.** A Vietnamese fishing boat capsized and sank on May 26 following a collision with a Chinese ship about 17 nautical miles from the location of a drilling rig Beijing has placed in disputed waters in the South China Sea. Vietnam accused Chinese vessels of purposely surrounding and ramming the fishing boat, while China's Foreign Ministry said the Vietnamese ship collided with a Chinese fishing boat while trying to interfere with the drilling rig. All 10 fishermen on board were rescued by Vietnamese vessels.
- **Vietnamese, Philippine leaders jointly condemn Chinese actions in South China Sea.** Vietnamese prime minister Nguyen Tan Dung and Philippine president Benigno Aquino on May 21 jointly condemned China's recent actions in the South China Sea following a bilateral meeting on the sidelines of the World Economic Forum on East Asia in Manila. Dung said the two shared their concerns about "China's many actions that violate international law." Philippine secretary of foreign affairs Albert del Rosario said after the meeting that Vietnam is considering participating in Manila's arbitration case at The Hague against Chinese claims.
- **Philex to drill in Reed Bank with or without foreign partner.** The chairman of Philippine firm Philex Petroleum Corp said on May 21 that one of its units, Forum Energy, will start drilling two wells in at the Sampaguita gas field in Reed Bank, which is claimed by both Beijing and Manila. The Philippine government originally gave Philex permission to drill the wells in 2010. The company had been in talks with the state-owned China National Offshore Oil Corporation regarding potential joint exploration in Reed Bank, but those discussions have stalled amid growing tensions between the two countries.



Vietnam's prime minister Nguyen Tan Dung speaking at the World Economic Forum on East Asia in Manila on May 22. Dung and Philippine president Benigno Aquino jointly condemned Chinese actions in the South China Sea in a meeting on the sidelines of the forum. <https://www.flickr.com/photos/worldeconomicforum/14057052828/>



A June 2011 protest in Vietnam against Chinese activities in the South China Sea. Anti-China protests have sprung up across Vietnam since China moved an oil rig in early May into waters claimed by both countries, resulting in rioting and strained relations. <https://www.flickr.com/photos/hmoong/5799269273/>

VIETNAM

- **China sends ships to evacuate citizens.** China sent multiple ships to central Vietnam on May 17-19 to evacuate more than 3,000 Chinese workers after demonstrations against Beijing's placement of a drilling rig in disputed waters turned into anti-China riots on May 13-14. The violence destroyed many businesses believed to be owned by Chinese companies and left up to four Chinese workers dead; reports on the number killed have varied. China's Foreign Ministry on May 17 issued a warning against travel for Vietnam.
- **Vietnam moves to restore investors' confidence; Taiwan rejects compensation offer.** Deputy Minister of Planning and Investment Dang Huy Dong on May 22 offered potential incentives to restore confidence among foreign investors spooked by the destruction of foreign factories on May 13-14. The incentives include tax exemptions, faster visa approvals, and compensation for companies affected by the violence. The announcement came a day after a Taiwanese steel company whose plant in central Vietnam was the site of the worst violence rejected Hanoi's compensation offer and threatened to cancel ongoing construction unless the government provides further security assurances.
- **United States nominates new ambassador to Vietnam.** President Barack Obama on May 14 nominated **Ted Osius** as the next U.S. ambassador to Vietnam. Osius is a career member of the Foreign Service who has served in multiple postings in South and Southeast Asia, including in India, Indonesia, Thailand, and Vietnam. He was the deputy chief of mission at the U.S. Embassy in Jakarta from 2009 to 2012 and a State Department visiting fellow at CSIS from 2012 to 2013.
- **South China Sea, internal stability top National Assembly agenda.** Vietnam's National Assembly issued a public statement on May 22 condemning China's deployment of a drilling rig in the South China Sea in a rare step for the legislature, which usually restricts its public statements to the economy and domestic social issues. Lawmakers demanded that China withdraw the rig but also urged Vietnamese citizens to maintain internal stability for the sake of socioeconomic development, in a reference to recent attacks on foreign-owned businesses and Chinese workers in Vietnam.

PHILIPPINES

- **Former president Arroyo acquitted of graft charges.** The Office of the Ombudsman on May 8 dismissed corruption charges against former

president Gloria Macapagal-Arroyo relating to the misuse of a multimillion dollar fertilizer fund during her time in office from 2001 to 2010. It was the fourth corruption charge to be dismissed against Arroyo and her son due to lack of evidence, leaving the former head of state facing one more outstanding charge. Arroyo, who currently serves in the Philippine Congress, has been under hospital arrest since October 2012.

- **Typhoon Haiyan reconstruction efforts moving slowly.** National Housing Authority general manager Chito Cruz on May 14 told the Philippine Congress's joint oversight committee on public expenditures that only 50 houses have been rebuilt in communities devastated by Typhoon Haiyan in November 2013. Cruz also said the government has appropriated only about 300 of the 3,200 acres of land needed for additional homes. The joint committee also learned that the government has spent just \$85 million of the \$2.3 billion appropriated for relief efforts.
- **Philippines offers U.S. access to naval base near disputed islands.** The Philippines on May 15 suggested it will offer the United States access to a small naval base on the western island of Palawan facing the South China Sea. Armed forces chief Gen. Emmanuel Bautista said he hoped the United States would rehabilitate the Oyster Bay base, which is only 100 miles from the disputed Spratly Islands, in order to give the Philippine armed forces a stronger foothold in the South China Sea. The offer follows on the heels of the signing of the U.S.-Philippines Enhanced Defense Cooperation Agreement in early May.
- **Manila hosts World Economic Forum on East Asia.** The Philippines used the May 21-23 World Economic Forum on East Asia in Manila to highlight the so-called miracle of the country's 7 percent annual economic growth rate despite the devastating effects of Typhoon Haiyan in November 2013. The forum also set the tone for the launching of the ASEAN Economic Community in late 2015 and offered a chance for regional leaders, including Philippine president Benigno Aquino and Vietnamese prime minister Nguyen Tan Dung, to hold bilateral discussions.

MALAYSIA

- **Malaysia releases satellite data as private sector prepares to continue search for missing plane.** Malaysia on May 27 released a summary of satellite data used to track Malaysia Airlines flight 370's location during its final hours on March 8, which seemed to confirm that the plane ran out of fuel over the southern Indian Ocean. Australia, China, and Malaysia will launch a public tender at the beginning of June for a private contractor to coordinate an expanded search. An Australian naval vessel returned home



Philippine secretary of finance Cesar Purisima speaks at the World Economic Forum on East Asia on May 22 in Manila. The country used the forum as an opportunity to highlight its "miracle" 7 percent economic growth rate. <https://www.flickr.com/photos/worldeconomicforum/14263098373/>

on May 28 after completing its search of a smaller area where signals believed to be from the plane's black box were detected in early April. That leaves a Chinese vessel as the only ship currently continuing the search.

- **Najib visits China to commemorate 40th anniversary of ties .** Prime Minister Najib Razak arrived in Xian, China, on May 27 for a six-day visit to commemorate the 40th anniversary of bilateral relations. Najib met with provincial and cabinet officials in Xian and opened a halal food festival. Najib briefly interrupted his trip to attend the May 29 funeral of the late Sultan Azlan Shau of Perak in western Malaysia. He then traveled to Beijing that same day, where President Xi Jinping hosted a private dinner for him. Najib's visit has focused on China-Malaysia ties, avoiding mention of the South China Sea disputes or the search for Malaysia Airlines flight 370.
- **Special election sparks national debate on race, party affiliation.** The candidacy of Dyana Sofya, a 27-year-old lawyer, as the opposition coalition's candidate in a May 31 parliamentary by-election in western Malaysia has sparked a heated national debate on race and party in recent weeks. Dyana, a Malay Muslim, decided to run as a member of the predominately Chinese Democratic Action Party rather than the ruling United Malays National Organization (UMNO). Prominent UMNO figures, including former prime minister Mahathir Mohamad, have accused Dyana of turning her back on the party that has best protected Malay interests.
- **Najib courts Japanese investment in infrastructure, high-tech projects.** Prime Minister Najib Razak courted greater Japanese investment in infrastructure development and economic cooperation with Malaysia during a May 22-23 visit to Tokyo. Najib met with Japan's prime minister, Shinzo Abe, who expressed hopes that Japan will be chosen to build a high-speed rail line between Singapore and Kuala Lumpur. Najib also welcomed collaboration between the private sectors of both countries in green technology, water treatment, and development along the Malaysia-Thailand border.

CAMBODIA

- **Opposition gains moderately on ruling party in local elections.** The opposition Cambodia National Rescue Party (CNRP) appeared to gain some ground on the ruling Cambodian People's Party (CPP) during May 18 local elections, according to initial estimates from the two parties. The CNRP picked up an estimated 769 seats on the country's provincial, municipal, and district councils—185 more than it won in 2009 elections. But the ruling party still garnered an overwhelming majority of 2,543

seats, with the rest going the royalist Funcipec party. Only the 11,400 commune councilors who were elected by popular vote in 2012 voted in the local elections.

- **Hun Sen confirms Cambodia will accept refugees from Australia.** Prime Minister Hun Sen confirmed on May 20 that Cambodia will resettle refugees turned away from Australia. Cambodia is expected to receive millions of dollars in return for accepting the refugees, according to a May 20 *Sydney Morning Herald* article. Human rights and refugee advocates have condemned the agreement, questioning whether one of Asia's poorest countries has the capacity to ensure refugee safety.
- **Cambodia to receive \$150 million in infrastructure grants and soft loans from China.** China pledged roughly \$150 million in grants and concessional loans to Cambodia during a May 19 meeting between Prime Minister Hun Sen and Chinese president Xi Jinping in Shanghai. The money will be targeted at infrastructure development ahead of the 2023 Southeast Asia Games to be hosted by Cambodia. China is one of the largest providers of aid, military assistance, and investment in Cambodia.
- **International Trade Union Confederation ranks Cambodia among world's worst places to work.** The International Trade Union Confederation on May 19 issued a report ranking Cambodia among the world's worst places to work, highlighting poor labor rights and unfair employer practices. The report mentioned Cambodia's under-regulated garment industry, union discrimination, and brutal crackdowns on minimum wage protests. Cambodia joined neighboring Laos, Malaysia, and the Philippines in receiving a score of five, indicating no guarantee of rights.

LAOS

- **Plane crash kills several senior Lao officials.** A military plane carrying several top Lao security officials crashed in northern Laos on May 17, killing at least five passengers aboard. Deputy Prime Minister and Defense Minister Douangchay Phichit, his wife, Minister of Public Security Thongbane Sengaphon, Vientiane governor Sukhan Mahalad, and at least one other high-ranking official were killed, according to a statement from the permanent secretary of Thailand's Defense Ministry. National Assembly President Pany Yathotou was also among the 18-20 passengers on board.
- **Champasak province to shut down 226 foreign-operated shops.** The government of southwestern Laos's Champasak province plans to shut down up to 226 foreign-operated shops, according to a May 21 *Vientiane*



Cambodians riding an overcrowded romork to work. Cambodia ranked among the world's worst countries to work in because of poor labor rights and abusive employer practices. https://www.flickr.com/photos/worldbank_eastasiapacific/8631695570

Times report. Provincial authorities accuse the foreign merchants operating the shops, most of whom are Vietnamese and Chinese, of taking jobs legally reserved for Lao people. Foreigners can legally operate only businesses that are valued at more than \$124,000 and are not on the list of sectors reserved for Lao.

- **EU raises concerns over press freedom and NGO registration.** Officials from the European Union raised concerns about media controls, registration of nongovernmental organizations, and other human rights issues in Laos during a May 19–20 meeting with Lao counterparts in Belgium. EU representatives highlighted in particular the case of missing Lao agronomist and civil society leader **Sombath Somphone**.
- **Government seeks \$30 billion to keep growth on track.** The Lao government has released a draft national socioeconomic development plan that stipulates it will need \$30.6 billion between 2016 and 2020 to sustain economic growth of at least 8 percent annually, according to a May 21 *Vientiane Times* report. Authorities expect to attract 55 percent of the total needed from domestic and foreign investment, with the rest coming from state investment and foreign development assistance.

SINGAPORE

- **Singapore reclaims overall competitiveness title in Asia.** Singapore on May 22 reclaimed the lead in Asia for overall competitiveness in the 2014 International Institute for Management Development's *World Competitiveness Yearbook*. The city-state took back the lead in Asia from Hong Kong and ranks third globally behind the United States and Switzerland. The institute's rankings measure how well countries leverage their economic and human resources to increase prosperity.
- **Singapore bus sector increases competition to boost services.** The Land Transport Authority on May 21 announced plans to restructure the bus sector in Singapore to reduce costs and boost competitiveness. The overhaul will give the government ownership of all the infrastructure, buses, and fleet management systems, which can then be contracted to private operating companies. The goal is to reduce overhead and capital costs in order to increase the number of bus operators in the city-state. The restructuring will begin before 2015.



The National University of Singapore. The school moved up one slot to rank first among 300 universities across Asia. http://commons.wikimedia.org/wiki/File:Mochtar_Riady_Building,_NUS_Business_School,_National_University_of_Singapore_-_20111104.jpg

- **Ranking puts Singapore universities on top in Southeast Asia.** The National University of Singapore (NUS) and Nanyang Technological University have been ranked as the best two schools in Southeast Asia in the 2014 *Quacquarelli Symonds Rankings*. NUS was ranked first out of 300

universities in Asia. Among the top 10 universities in ASEAN, 8 improved their rankings while Thailand's Chulalongkorn University remained unchanged and the University of Indonesia dropped.

ASEAN

- **ASEAN defense ministers meet in Myanmar.** Defense chiefs from all of the ASEAN member states except Laos gathered in Naypyidaw on May 20 for the annual ASEAN Defense Ministers Meeting. The ministers agreed to set up a hotline to deal with regional crises and issued a joint statement that reaffirmed their commitment to boost defense cooperation as part of the ASEAN Community but avoided mentioning rising tensions in the South China Sea. Afterward the ministers joined their Chinese counterpart, Chang Wanquan, for an informal discussion at which the South China Sea reportedly topped the agenda.

BRUNEI

- **Brunei receives new patrol boat; signs up for first RIMPAC exercise.** Brunei on May 13 received its fourth German-made Darussalam-class offshore patrol vessel. The new ships are meant to replace the sultanate's fleet of 30-year-old fast attack craft as it quietly follows its neighbors in modernizing its maritime forces. Brunei's government also announced plans to send two of the Darussalam-class vessels to participate in the Rim of the Pacific (RIMPAC) multilateral maritime exercises in Hawaii from June 26 to August 1—the first time the country will take part in the U.S. Pacific Fleet–hosted exercises.

TRANS-PACIFIC PARTNERSHIP

- **U.S., Japanese negotiators push for progress ahead of ministerial meeting.** U.S. and Japanese negotiators held bilateral discussions in pursuit of a breakthrough ahead of May 21–22 negotiations among ministers from the 12 Trans-Pacific Partnership negotiating parties. Japan reportedly offered significant cuts to beef and pork tariffs, while the United States dropped calls for the complete elimination of tariffs by Tokyo. Negotiators said these bilateral concessions helped the 12 members of the full negotiations to make progress. Chief negotiators will meet again in July. ■



U.S. Trade Representative Michael Froman with Japan's minister of economy, trade, and industry, Toshimitsu Motegi, in August 2013. U.S. and Japanese negotiators reported progress in recent bilateral talks toward the Trans-Pacific Partnership trade agreement, but failed to make a breakthrough. http://commons.wikimedia.org/wiki/File:USTR_Froman_Greets_Japan%E2%80%99s_Trade_Minister_Motegi_%289537515062%29.jpg

Looking Ahead

- **Musical drama by the Indonesian Kids Performing Arts.** The University of the District of Columbia (UDC) will host the Indonesian Kids Performing Arts on May 31 for a performance of *Si Kabayan and Friends*. The musical drama will feature Kabayan, a popular character from Sundanese folklore. The performance will be held from 7:00 p.m. to 9:00 p.m. at the UDC Theatre of the Arts, 4200 Connecticut Ave., NW. Please [click here](#) by May 30 to purchase tickets.
- **Discussion with Under Secretary of Defense Michael Vickers.** The CSIS International Security Program will host a Military Strategy Forum June 3 with Under Secretary of Defense for Intelligence Michael Vickers. CSIS president and CEO John Hamre will introduce Secretary Vickers, and senior vice president and International Security Program director Kathleen Hicks will moderate. The forum will take place from 9:00 a.m. to 10:00 a.m. at the CSIS 2nd Floor Conference Center, 1616 Rhode Island Ave., NW. Please [click here](#) to RSVP.
- **Seminar on the roles of Japan, South Korea, and Australia in the U.S. rebalance.** The East-West Center in Washington will host a seminar June 3 on what support three of the United States' allies—Australia, Japan, and South Korea—can offer for Washington's rebalance to the Asia Pacific. The Australian Strategic Policy Institute's Hayley Channer will offer her insights, garnered from interviews in the United States and each of these allies. The event will take place from 12:30 p.m. to 1:30 p.m. at the East-West Center, 1819 L St., NW. Please [click here](#) to RSVP.
- **Discussion with former Indonesian president Habibie.** The Carnegie Endowment for International Peace will host former Indonesian president B. J. Habibie on June 4 for a discussion of the challenges and prospects for democracy in his country. Carnegie president Jessica Mathews will moderate the discussion. The event will take place from 2:00 p.m. to 3:30 p.m. at the Carnegie Endowment, 1779 Massachusetts Ave., NW. Please [click here](#) to RSVP.
- **CSIS release of Asian opinion survey findings.** CSIS will release the findings of a survey on June 5 of elite opinions across the Asia Pacific on the future regional order. The survey polled respondents from Australia, China, India, Indonesia, Japan, Singapore, South Korea, Taiwan, Thailand, and the United States. The event will include a luncheon, presentation of key findings, and a panel discussion with experts from all the CSIS Asia programs. It will take place from 12:00 p.m. to 2:00 p.m. in the CSIS Second Floor Conference Room, 1616 Rhode Island Ave., NW. Please [click here](#) to RSVP.

- **Conference on Asia, energy, and national security.** The Center for a New American Security will host its eighth annual National Security Conference on June 11. Discussion topics will include the U.S. leadership role in the Asia Pacific, the changing global energy landscape, and the future of defense technology. Speakers will include National Security Advisor Susan Rice. The event will take place from 9:00 a.m. to 5:30 p.m. at the Willard InterContinental Hotel, 4101 Pennsylvania Ave., NW. For more information and to RSVP, please [click here](#).
- **Benefit concert for the Philippines.** The John F. Kennedy Center for the Performing Arts is hosting “After the Storm: A Benefit Concert for the Philippines” on June 15. Performers will include Joshua Bell, Darren Criss, Lea Salonga, Lou Diamond Phillips, apl. de. ap., Christine Rocas, Rodell Rosel, and others. Tickets went on sale April 4 and can be bought online [here](#). The concert will take place at 8:00 p.m.
- **Seminar on cultures of the Mekong River basin.** The Smithsonian Associates will host an all-day seminar August 2 on the cultures of the Mekong basin. George Mason University’s Robert DeCaroli will present sessions on the history of Cambodia, Laos, Thailand, and Vietnam. The event will take place from 10:00 a.m. to 3:15 p.m. at the S. Dillon Ripley Center, 1100 Jefferson Dr., SW. For more information and to buy tickets, please [click here](#). ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

CSIS Sumitro Chair for Southeast Asia Studies contributors:

Ernest Z. Bower, Senior Adviser and Chair
Murray Hiebert, Senior Fellow and Deputy Director
Gregory Poling, Fellow
Phuong Nguyen, Research Associate
Nigel Cory, Researcher
Dylan Kean, Researcher
Brian Kraft, Researcher
Phan Tuan Ngoc, Researcher
Kathryn Tinker, Researcher
Duong Tran, Researcher

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