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Moving toward a New Normal: U.S.-Vietnam Relations at 20

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September 18, 2014

Vietnam's deputy prime minister and foreign minister, Pham Binh Minh, will visit Washington in early October for consultations with Secretary of State John Kerry. Their meetings will provide a venue for adding more concrete components and depth to the comprehensive partnership announced when President Truong Tan Sang visited the Oval Office in July 2013.

Next year the United States and Vietnam will celebrate the 20th anniversary of their normalization of relations in 1995 following a long war and years of acrimony. Conditions today are right for leaders in both countries to take specific steps to fully normalize relations. Doing so will require trust and mutual respect. A strong foundation for such cooperation has already been established.

Since normalizing relations, the United States and Vietnam have established embassies in each other's capitals and signed a bilateral trade agreement, Washington supported Vietnam's membership in the World Trade Organization, leaders have exchanged visits, and the two militaries have expanded security cooperation.

The United States supported Vietnam's membership in the 12-nation Trans-Pacific Partnership (TPP) trade negotiations and the two governments

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President Truong Tan Sang speaks at CSIS during his July 2013 trip to Washington. During the trip, Sang and President Barack Obama announced the U.S.-Vietnam Comprehensive Partnership, which has created a foundation for a new level of bilateral engagement. https://www.flickr.com/photos/csis_er/9569988661/

have negotiated an agreement for peaceful nuclear energy cooperation, known as a 123 agreement.

Today U.S. policymakers view Vietnam as a promising partner in the Asia Pacific. In a dynamic and rapidly transforming region, Washington and Hanoi increasingly share common geopolitical, security, and economic interests. The two governments have a mutual concern in safeguarding the freedom of navigation and commerce in the South China Sea, preventing the use of force in territorial disputes, and ensuring the peaceful resolution of maritime disputes.

Bilateral trade and investment ties have blossomed since the United States lifted its trade sanctions in 1994. By 2013, two-way trade had reached \$25 billion. The United States today is Vietnam's largest export market and seventh-largest foreign investor.

The two countries hold two annual dialogues at the vice-ministerial level to find ways to boost cooperation in defense and security. Officials meet regularly to discuss human rights issues, one of the thorniest irritants in bilateral relations. And Washington and Hanoi have begun to work together to address legacies of the Vietnam War, including the impact of dioxin contamination from use of Agent Orange and the removal of unexploded ordnance remaining in Vietnam's soil.

To be sure, Hanoi's concerns about neighboring China play a critical role in Vietnam's calculus about how far and how fast to move in improving ties with Washington. But China's increasing assertiveness in the South China Sea in recent years has convinced some Vietnamese leaders that they need to bolster their ties with the United States to safeguard their strategic interests. At the same time, Vietnamese questions about the depth and seriousness of the U.S. rebalance to Asia have kept Hanoi from moving too quickly with Washington, particularly in the area of military cooperation.

Nonetheless, bilateral relations between Vietnam and the United States are promising even though they are still nascent and not without challenges. By working together over the past two decades, Vietnam and the United States have begun to establish a certain level of trust and understanding, making it possible for them to look beyond the past and toward the future.

Both the United States and Vietnam have strong national interests in taking their relationship to a new and deeper level as they prepare to

Moving toward a New Normal: U.S.-Vietnam Relations at 20 *(continued)*

celebrate the anniversary of diplomatic ties. Top leaders in both countries will need to instruct their governments to take the necessary steps to see to fruition the key recommendations suggested below, including engaging principal stakeholders in both countries and building support within their respective governance structures.

The United States and Vietnam should:

1. Make a commitment for President Barack Obama to visit Vietnam in 2015 to celebrate the 20th anniversary of normalization of relations, perhaps when he travels to Southeast Asia for annual economic and security summits in nearby Malaysia and the Philippines in November.
2. Discuss what steps the U.S. government expects from Vietnam in order to ease and eventually remove the U.S. ban on lethal weapons sales to Vietnam.
3. Expand the scope of U.S.-Vietnam naval engagement, including joint humanitarian and disaster relief exercises, emphasizing interoperability, and access for U.S. ships for maintenance and repair.
4. Mount a regular dialogue between U.S. government agencies and Vietnam's Ministry of Public Security on human rights issues in an effort to find ways to ensure the release of political prisoners. Hanoi should allow additional visits by international human rights groups.
5. Work with partners to complete and ratify a high-standard TPP trade agreement and work within the East Asia Summit to articulate the next steps for regional economic integration through a Free Trade Area of the Asia Pacific.
6. Work to lift Vietnam's designation as a nonmarket economy in the spirit of the bilateral improvement of relations.
7. Complete the cleanup of dioxin contamination in Danang by 2016 and commit to a realistic timetable to clean up dioxin at the former Bien Hoa airbase.
8. Establish an annual U.S.-Vietnam Strategic Dialogue at the track-1.5 level to develop ideas for deepening bilateral ties.



Vietnamese sailors and personnel from the USS Chung-Hoon play volleyball during the U.S. destroyer's 2013 port visit to Danang for the U.S.-Vietnam Naval Exchange Activity. As the 20th anniversary of relations approaches, Washington and Hanoi should look to expand the scope of naval engagement and access for U.S. ships. <https://www.flickr.com/photos/usnavy/8683135223/>

Moving toward a New Normal: U.S.-Vietnam Relations at 20 *(continued)*

A timetable for achieving these initiatives could be hammered out when Deputy Prime Minister Minh visits in October with the goal of having most of them under way by the time President Obama visits Hanoi, hopefully next year.

(Many of the recommendations in this commentary are expanded in *A New Era in U.S.-Vietnam Relations: Deepening Ties Two Decades after Normalization* (CSIS/Rowman & Littlefield, June 2014). It can be accessed at http://csis.org/files/publication/140609_Hiebert_USVietnamRelations_Web.pdf.) ■



A European Parliament delegation meets with Union Election Commission chairman Tin Aye, who recently announced the cancellation of planned by-elections for 35 open seats in Myanmar's parliament. https://www.flickr.com/photos/european_parliament/6941328375/

MYANMAR

- **Election commission cancels by-elections.** The Union Election Commission on September 7 canceled planned by-elections to fill 35 open seats in Myanmar's parliament, saying the polls would be too costly and distracting at a time when the government is preparing to host the ASEAN and East Asia Summit leaders' meetings in November. Most opposition parties responded negatively to the news, though opposition leader Aung San Suu Kyi voiced support for the decision. Commission chairman Tin Aye confirmed that general elections will be held in November 2015.
- **Japan provides nearly \$600 million for development projects.** Myanmar's Ministry of Finance on September 7 announced plans to use nearly \$600 million of Japanese loans to fund four massive development projects around the country. Japanese ambassador Tateshi Higuchi and Myanmar deputy finance minister Lin Aung signed an agreement for the loans two days earlier. The funds will be used to upgrade a railroad from Yangon to Mandalay, improve water supply in Yangon, develop infrastructure in the Thilawa port, and improve irrigation projects in western Bago.
- **Médecins Sans Frontières reaches agreement with Health Ministry.** Myanmar's Ministry of Health on September 9 announced that it had reached an agreement with aid group Médecins Sans Frontières (MSF) laying out guidelines for the latter's operations in the country and paving the way for it to reenter the western state of Rakhine. The government ordered the organization to leave the state in February amid protests by the local Buddhist community, which claimed the group's services favored Muslim Rohingya. The deal comes nearly two months after the Rakhine State government said it had invited MSF to resume operations in the region. MSF is still waiting for Naypyidaw to give it the final go-ahead to return to Rakhine.
- **Military undergoes major leadership changes.** Commander-in-Chief Senior Gen. Min Aung Hlaing on September 8 ordered a reshuffle of top military posts in preparation for his expected retirement in May 2015, according to the *Myanmar Times*. At least five generals were shifted around, including Lt. Gen. Mya Tun Oo, who was promoted to full general and given the posts of chief of military security and chief of the Bureau of Special Operations in the capital. He is widely expected to succeed Min Aung Hlaing as commander-in-chief in 2015, when rumors suggest the latter might seek the presidency.

- **Curfew lifted in Rakhine capital.** State authorities on September 11 lifted a curfew in Rakhine State's capital, Sittwe, acknowledging reduced tensions between Buddhist and Muslim groups. The curfew had been in place since June 2012 following violent clashes that left nearly 200 dead, mostly Muslim Rohingya. Most aid agencies have already resumed limited operations in Sittwe. The United Nations estimates that as many as 140,000 Rohingya still live in refugee camps more than two years after being driven from their homes.

INDONESIA

- **State energy firm raises liquefied natural gas prices.** State energy provider Pertamina on September 10 announced a hike in the price of non-subsidized liquefied natural gas to \$0.35 a pound from \$0.30. The company said it plans a similar increase every six months until the price reaches market level in January 2016. Pertamina is undergoing a change in management and is attempting to become more competitive.

- **Lawmakers seek to eliminate direct local elections.** Lawmakers from the Democratic, Gerindra, Golkar, National Mandate, and United Development parties are debating legislation to replace the current process of direct election of governors and mayors with a system based on voting by regional legislators, according to a September 6 *Jakarta Post* article. They hope to pass the legislation before the current legislative term expires on September 30. The proposed change is opposed by incoming president Joko Widodo and his Indonesian Democratic Party of Struggle-led coalition, as well as by a majority of Indonesians according to recent polls.



A woman examines a ballot paper during the Bandung mayoral election in June 2013. Indonesian lawmakers are moving to replace direct elections of local officials with a process of selection by regional legislators. <https://www.flickr.com/photos/ikhlasulamal/9326217859>

- **Internal struggle for leadership of United Development Party.** An internal struggle for leadership of Indonesia's oldest Islamic party, the United Development Party (PPP), escalated on September 17 when supporters of ousted party chairman Suryadharma Ali refused to allow party leaders to access PPP offices. Party officials removed Suryadharma, who is being investigated for corruption, from office on September 10, but the ousted leader has refused to recognize that decision. The change in leadership is widely seen as the first step in the party's defection to the coalition of president-elect Joko Widodo.

- **Indonesia ratifies regional treaty to prevent spread of smog.** Indonesian lawmakers on September 16 ratified a long-delayed regional treaty on air pollution that Indonesia and other members of ASEAN originally signed in 2002. The treaty requires signatories to coordinate in preventing the use of fire to clear land. Indonesia has been under increasing pressure from Malaysia and Singapore since 2013 to do more to prevent smog.

that affects neighboring states. Even as it ratified the treaty, Indonesia's National Disaster Management Agency announced that fires burning in Sumatra have caused smog to drift over Malaysia and Singapore.

THAILAND

- **Amnesty issues report on rights abuses in Thailand.** Amnesty International released a report on September 11 documenting alleged rights abuses by Thailand's ruling junta since the country's May military coup. The report finds that the human rights situation in Thailand has degraded significantly, with vague and wide-ranging restrictions placed on freedom of expression and association; hundreds of politicians, activists, and writers detained without charges; and scattered reports of torture. Prime Minister Prayuth Chan-ocha responded to the report by denying the allegations of torture.
- **Separatists say general rumored to lead peace negotiations is problematic.** A spokesperson for the separatist National Revolutionary Front in southern Thailand has warned that Gen. Akanit Muansawat, a close associate of Prime Minister Prayuth Chan-ocha, would be an unacceptable choice to lead new peace negotiations, according to a September 8 *Bangkok Post* article. The newspaper reported that Akanit has been tapped to lead a new round of talks between separatists and the government. He has previously referred to Patani separatists as "Muslim bandits" and voiced opposition to the peace process.
- **Attorney general refuses to indict Yingluck over rice-pledging scheme.** The Office of the Attorney General said September 4 that there was insufficient evidence to indict former prime minister Yingluck Shinawatra on charges of dereliction of duty for failing to prevent massive state losses and corruption associated with her government's failed rice-pledging scheme. The attorney general said the National Anti-Corruption Commission, which had brought the case, failed to provide evidence that Yingluck had the power to stop the scheme or that she failed to act after being notified by the graft agency of its failing and failed to bring forth witnesses to the alleged corruption.
- **Thailand reportedly detaining thousands of migrant children in poor conditions.** Human Rights Watch issued a report on September 2 documenting evidence that Thailand has placed thousands of migrant children in immigration centers where many are being held indefinitely. The report finds that children in the centers face squalid conditions and lack access to sufficient nutrition, education, and exercise. Refugees and asylum seekers in these centers face the difficult decision to remain and



Yingluck Shinawatra speaking at the World Economic Forum in 2012. Thailand's attorney general has decided not to indict Yingluck for dereliction of duty, citing insufficient evidence. <https://www.flickr.com/photos/worldeconomicforum/6772290375/>

possibly be resettled, or pay for repatriation to their countries of origin where many could face persecution.

- **Cabinet leaves martial law in place.** Thailand's newly appointed cabinet met for the first time on September 9 and decided that martial law will remain in effect across the country for the time being. The government justified the decision on the grounds that groups both within Thailand and abroad that are opposed to the junta continue to campaign against it. The government has raised the possibility that martial law could be lifted sooner in certain areas, such as tourist hot spots, where authorities are concerned it could hurt the economy.

PHILIPPINES



Vice President Jejomar Binay speaking at CSIS in May. Binay is accused of receiving kickbacks for awarding overpriced contracts while serving as mayor of Makati City. https://www.flickr.com/photos/csis_er/13958238578/

- **Vice President Binay accused of rigging contracts during time as mayor.** Members of a Philippine Senate subcommittee investigating the alleged overpricing of a Makati City government building submitted a formal invitation on September 11 for Vice President Jejomar Binay to attend a public hearing and answer questions about his time as the city's mayor. Binay is accused of receiving kickbacks for awarding overpriced contracts for the construction of a parking garage and other city projects. The Senate has refused to issue a formal subpoena for Binay, who is expected to run for president in 2016, so he is under no legal obligation to attend the hearing.
- **Aquino submits draft Bangsamoro law to Congress.** President Benigno Aquino on September 10 submitted to Congress a final draft of the proposed law to create a Bangsamoro autonomous region on the Philippines' southern island of Mindanao. The bill's submission had been delayed for months because of disagreements with the Moro Islamic Liberation Front over changes the government has made to the draft since the two sides signed a peace deal in March. The government still hopes Congress will pass the bill into law by the end of 2014.
- **Military modernization plans face \$470 million shortfall.** Congresswoman Ashley Acedillo on September 9 urged Philippine lawmakers to increase the military's budget to avoid a \$470 million shortfall. Acedillo warned the House of Representatives Appropriations Committee that a decision by the Department of Budget and Management to underfund the armed forces will interfere with plans to modernize the Philippine military. President Benigno Aquino in 2011 renewed an existing military modernization law for 15 years and pledged \$1.7 billion in funding over the first 5 years.

- **Exports continue to expand.** The Philippine Statistical Authority on September 9 reported a 12.4 percent increase in overall merchandise exports in July compared to the same period in 2013. The top exports remain electronics, which contributed \$2 billion, or 38 percent, of total exports, followed by machinery and transportation equipment. The top export destination for the Philippines remains Japan, accounting for 22 percent of its export market. The United States and China take the next two spots at 14.7 percent and 12.8 percent, respectively.

VIETNAM

- **Deputy prime minister Ninh, USTR Froman meet in Washington.** Deputy Prime Minister Vu Van Ninh and a delegation of Vietnamese economic officials held talks with United States Trade Representative (USTR) Michael Froman on September 15 during a visit to Washington. The two discussed remaining hurdles to completing the Trans-Pacific Partnership trade agreement, which USTR has said it still hopes to complete by the end of 2014. Vietnam is particularly interested in gaining increased market access to the U.S. apparel and footwear market and seeking exemptions for restrictions against state-owned enterprises in the TPP. Ninh met with U.S. business representatives on September 16 during his visit.
- **Vietnamese, Vatican officials seek to improve strained relations.** Vietnamese officials and representatives of the Vatican met in Hanoi on September 10-11 to discuss how to improve relations and potentially reestablish full diplomatic ties. Relations between the two countries were cut when northern Vietnam defeated the south in 1975. The delegation from the Vatican also met with local bishops in Hanoi and Ho Chi Minh City, during which time they discussed safeguarding religious freedom. Pope Francis called for the re-establishment of relations with Vietnam, home to 6 million Catholics, during an August visit to South Korea.
- **Vietnam begins work on new petrochemical refinery complex.** Construction began on a \$3.2 billion oil and petrochemical refinery complex in the central province of Phu Yen on September 9. The project, which is being funded by UK-based Technostar Management and Russia's Telloil, is the third of its kind in Vietnam and will produce 8 million tons of petrochemicals a year. Meanwhile, Thailand's state-owned energy firm PTT is considering building a \$20 billion refinery and petrochemical plant in central Vietnam by 2021, according to Thanh Nien News.
- **Vietnam, India sign seven agreements; release joint statement on South China Sea.** Vietnamese and Indian officials signed seven agreements on September 15 during a four-day visit to Vietnam by Indian president



Oil rigs operate off the coast of Vung Tau in southern Vietnam. India and Vietnam recently agreed to step up cooperation in oil and gas exploration. http://commons.wikimedia.org/wiki/File:An_oil_rig_offshore_Vungtau.jpg

Pranab Mukherjee. These included an agreement to step up cooperation in oil and gas exploration and development in Vietnam, and a \$100 million line of credit from India to Vietnam for defense purchases. Mukherjee and his Vietnamese counterpart, Truong Tan Sang, also issued a joint communiqué calling for freedom of navigation in the South China Sea and urging claimants to abide by the ASEAN-China Declaration of Conduct for Parties in the South China Sea.

- **Vietnam, United States to resume intercountry adoptions.** The U.S. Embassy in Hanoi announced on September 12 that Vietnam and the United States will resume intercountry adoptions after a six-year hiatus. Adoptions were banned in 2008 due to allegations of baby-selling and children being offered for adoption without parental consent. A UN report in 2009 confirmed those allegations. Adoptions will resume once Vietnam authorizes U.S.-based adoption service providers to represent American parents.

MALAYSIA

- **Malaysia reportedly offers to let U.S. surveillance aircraft operate from eastern Malaysia.** U.S. chief of naval operations Adm. Jonathan Greenert said on September 15 that Malaysia has offered to allow U.S. Navy P-88A Poseidon surveillance aircraft to operate from a base in eastern Malaysia. The base in question is likely a Royal Malaysian Air Force base on the island of Labuan in the South China Sea, which the United States has previously used for military exercises. Malaysian officials have not confirmed the offer, and Defense Minister Hishamuddin Hussein said only that Malaysia will not allow U.S. fighter jets to operate from its territory.
- **Investigators report confirms MH17 hit by projectile.** Dutch investigators released a preliminary report September 9 confirming that Malaysia Airlines Flight 17 was brought down over eastern Ukraine by “high-energy objects,” consistent with previous reports that the plane crashed on July 17 after being hit by an anti-aircraft missile. The report did not assign blame for who shot down the plane, though European and U.S. officials have said that Ukrainian separatists were responsible, with either direct or indirect Russian assistance. The Dutch analysis relied on the plane’s cockpit recorders and radio and radar communications, as well as the findings of a Malaysian team that managed to visit the crash site.
- **Opposition party breaks with coalition position on new Selangor state leader.** The Pan-Malaysian Islamic Party (PAS), one of three members of Malaysia’s opposition coalition, broke with its partners on September 5, announcing that it had nominated three as-yet-unnamed candidates to

replace Khalid Ibrahim as chief minister of western Malaysia's Selangor State. The People's Justice Party (PKR) and Democratic Action Party confirmed that they each nominated only PKR president Wan Azizah Wan Ismail as planned, despite the sultan of Selangor's demand that they each nominate more candidates. PAS said that it nominated two PKR members and one of its own. The months-long drama surrounding Khalid's ouster has severely strained the opposition coalition.

- **Malaysia fights deadly outbreak of a deadly strain of dengue.** Malaysia is fighting a deadly outbreak of dengue, which as of August 30 had killed 131 people and infected more than 68,000. The number of deaths from dengue in the country so far in 2014 is four times that recorded in the same period in 2013. Researchers are blaming a more virulent strain of the disease and perfect weather conditions for mosquito breeding for the deadliness of the current outbreak. The densely populated state of Selangor, which surrounds Kuala Lumpur, has been hit particularly hard.
- **Malaysia likely to defer listing of state-owned power assets.** Malaysia's state-owned investment firm 1Malaysia Development will likely delay until 2015 an initial public offering of its power assets, which was expected to raise \$3 billion in 2014, according to a September 8 *Wall Street Journal* report. 1Malaysia Development is delaying the listing, which was being rushed to help pay off a nearly \$2 billion loan due in November, because it has decided to negotiate a new loan to pay off some of that debt. The listing would have been the largest in Southeast Asia in 2014.

SOUTH CHINA SEA

- **Alleged harassment of fishermen near Paracels renews Vietnam-China tensions.** The Vietnamese government on September 10 accused the crews of unidentified Chinese boats of harassing Vietnamese fishermen near the disputed Paracel Islands and seizing property on three separate occasions in August. Chinese Foreign Ministry spokesperson Hua Chunying denied the claim, citing one occasion where Chinese authorities confiscated explosives from a Vietnamese boat that had entered China's territorial waters. Tensions are already high following China's recent decision to expand cruise ship visits to the Paracels.
- **China admits reclamation work in Spratlys.** Chinese Foreign Ministry spokesperson Hua Chunying on September 9 admitted that China had engaged in reclamation projects in the Spratly Islands. An aerial reconnaissance mission conducted by the Philippine military in August documented extensive reclamation and construction on Johnson South, Gaven, Chigua, and Calderon reefs. Those four are among several features



Malaysian health minister S. Subramaniam speaks at the 2013 ASEAN Dengue Day in Malaysia. The country is currently fighting a particularly virulent strain of dengue that had claimed 131 lives by the end of August. <https://www.flickr.com/photos/sanofi-pasteur/9400425756>

the Philippines has asked a UN arbitral tribunal to rule do not qualify as islands under international law. The Chinese spokesperson insisted the projects are meant to improve living and working conditions for Chinese personnel stationed on the features.

- **WWF highlights environmental challenges in South China Sea.** The World Wildlife Fund on September 9 launched a new book, *In Pursuit of Prosperity: U.S. Foreign Policy in an Era of Natural Resource Scarcity*, at CSIS. The book, published by Routledge, highlights the intersection of environmental and security concerns in the decades ahead across nine countries and regions and includes a chapter on the South China Sea by CSIS's Murray Hiebert and Gregory Poling.
- **New book takes a comprehensive look at the South China Sea disputes.** Yale University Press on September 11 published the e-book version of longtime BBC reporter Bill Hayton's *The South China Sea: The Struggle for Power in Asia*. The book provides a highly readable yet comprehensive look at the history of the South China Sea, the underlying causes of the current disputes, and the veracity of competing claims. It will be available in hardcover on October 28.

SINGAPORE

- **Singapore bans documentary about Singaporeans living in political exile.** Singapore's media regulator on September 10 banned a documentary about political exiles from the city-state. The documentary, "To Singapore, with Love," features interviews with former activists and student leaders who fled Singapore between the 1960s and 1980s. The movie was banned on national security grounds as some of the exiles were members of the Communist Party of Malaya, which sought to overthrow the governments of both Malaysia and Singapore. Film festivals in Dubai, Germany, South Korea, and the United States have shown the documentary.
- **Restrictions on hiring foreign workers expected to heighten skilled labor shortages.** Singaporean employers have not yet seen negative effects from the August 1 introduction of tighter restrictions on companies hiring foreign workers, but many recruiters expect them to exacerbate the city-state's shortage of skilled workers in certain technical sectors, according to a September 10 *Financial Review* report. The new worker-visa regime requires any company with more than 25 people that wants to hire a foreign worker at a monthly salary below \$10,300 to provide evidence it gave qualified Singaporeans a chance to apply first. That is close to the average salary for a mid-level professional in many technical fields in the city-state.

- **Singapore to match Malaysia's toll increase on causeway between the two countries.** Singapore's Land Transport Authority said September 12 that it will increase tolls on its side of the causeway linking Malaysia and Singapore in order to match an August 1 increase by Malaysia to \$3.80 for those entering Johor from Singapore and \$2.70 for those heading the other direction. Singapore claims it was not consulted before Malaysia increased its tolls. Singapore's increase will take effect on October 1. If it matches Malaysia's earlier increase, the roughly 400,000 workers who cross the causeway each day will pay five times more for a roundtrip than they did before August.

CAMBODIA

- **Draft election law expected by end of September.** Ruling and opposition party officials negotiating a new election law for Cambodia anticipate completing a draft by the end of September, according to a September 8 report by Radio Free Asia's Khmer service. The new law will implement reforms to which the government agreed in July as part of a deal to end the opposition's nearly yearlong boycott of Parliament. These include a new selection process to ensure a more independent National Election Committee.
- **Transparency International bashes integrity, independence of Cambodian institutions.** Transparency International released a report on September 9 alleging that Cambodian institutions are lacking integrity and independence. The report alleged that the judiciary and law enforcement were the two areas most affected. Transparency reports that laws meant to protect public institutions from corruption and interference are not enforced. The chairman of Cambodia's anti-corruption unit, Om Yinteng, rejected the report's claims, calling them "unacceptable."
- **Hun Sen threatens to oust new National Assembly vice president.** Prime Minister Hun Sen on September 10 warned National Assembly vice president Kem Sokha to cease public criticism of the government or face removal from office. The threat stemmed from recent speeches by Sokha in which he said he would use his new position to unseat corrupt government ministers. He was one of several opposition politicians elevated to leadership positions in Parliament as part of a July deal to end the opposition's boycott of the legislature.
- **USAID launches \$16 million nutrition, hygiene, and sanitation project in Cambodia.** The U.S. Agency for International Development (USAID) on September 8 launched a \$16 million "Integrated Nutrition, Hygiene, and Sanitation" program in Cambodia. USAID will work with local and national



One of the road connections between Singapore and Malaysia. Singapore plans to soon match a toll increase introduced by Malaysia, likely raising the cost of travel over the causeway five-fold. <https://www.flickr.com/photos/crazyegg95/11605938>



Karl Inderfurth, former Wadhvani Chair in U.S.-India Policy Studies at CSIS, speaks at the launch of the CSIS report *Enhancing India-ASEAN Connectivity*. India and ASEAN recently signed a free trade agreement in services and investments. https://www.flickr.com/photos/csis_er/8952208490/

authorities to promote food quality and security, improve access to sanitation facilities, and meet the healthcare needs of pregnant women and children under the age of two. The program is expected to benefit approximately 500,000 Cambodians in rural areas.

ASEAN

- **ASEAN-India sign FTA in services and investments.** India and ASEAN on September 8 signed a free trade agreement (FTA) in services and investments. The agreement is expected to further liberalize the free flow of skilled labor between India and ASEAN countries while creating more mutually beneficial investment opportunities. A prior FTA signed in 2011 covered trade in goods. According to Sidharth Birla, president of the Federation of Indian Chambers of Commerce and Industry, India's healthcare, accountancy, telecommunications, and information technology industries have the most to gain from greater access to the ASEAN market.

TRANS-PACIFIC PARTNERSHIP

- **Japan and U.S. intensify bilateral talks on agricultural, automotive issues.** Japanese and U.S. officials claimed to have made progress on key agriculture and automotive issues during bilateral Trans-Pacific Partnership (TPP) negotiations in early September. Japan's lead agriculture negotiator met with U.S. officials on the margins of the September 1-10 TPP negotiating round in Hanoi while Japanese officials held three days of automotive talks in Washington. The TPP negotiations are being held up by the continuing reluctance of the Japanese government to open five sensitive areas of agriculture to foreign imports ahead of parliamentary elections in April 2015.

LAOS

- **Lao government allocates fund for child, maternal health.** The Lao government on September 9 announced that it had allocated \$1.6 million to provide free hospital treatment for children and cover the costs of in-hospital childbirth during the 2014-15 fiscal year. The effort is part of a government strategy to reduce maternal and child mortality rates in line with Laos's 2015 Millennium Development Goals. The funds were originally intended to cover the entire country, but will instead be utilized in poorer areas where the prevalence of women giving birth outside of hospitals has led to high mortality rates.
- **Government halts efforts to extract alabaster.** Prime Minister Thongsing Thammavong announced on September 5 a halt to a flurry of recently launched surveys of alabaster, mainly used as an ornamental stone, on

southeastern Laos's Phoukanghong Mountain to allow the government to better assess its value. More than 100 firms have expressed interest in exploiting the estimated 250,000 metric tons of easily accessible alabaster deposits, which were discovered in August. Nearly 50 firms have already signed agreements to conduct feasibility studies and, if viable, begin extraction.

TIMOR-LESTE

- **Timor-Leste, Australia postpone spying case.** Dili and Canberra filed a joint letter on September 1 asking the International Court of Justice to postpone their case at the tribunal “to enable them to seek an amicable settlement.” Timor-Leste filed the case against Australia in an attempt to have a 2004 agreement on natural gas revenue sharing in the Timor Sea invalidated due to spying allegations. Dili accused Canberra of spying on Timorese officials during negotiations on the deal.

MEKONG RIVER

- **Thai officials issue warning about rising water levels.** Thai authorities on September 8 warned that water levels in the Mekong and Chao Phraya rivers risk reaching dangerous levels as the flood season has pushed upstream dams to capacity. The Jinghong dam in China's Yunnan Province in particular is expected to soon begin discharging a huge amount of water into the Mekong. Authorities are erecting flood barriers and are taking other preparations to mitigate flood damage.

BRUNEI

- **Australian Football League reassesses Royal Brunei Airlines sponsorship.** The Australian Football League (AFL) said September 10 that it is reviewing a recent sponsorship deal with state-owned Royal Brunei Airlines amid criticism of the sultanate's tough anti-homosexuality laws. Brunei introduced *hudud*—severe Islamic criminal law—in May, causing rare domestic criticism and an international backlash, including calls for boycotts of Bruneian assets abroad. The AFL denied having knowledge of the law when it announced the deal in July. ■

Looking Ahead

- **The Films of Pen-ek Ratanaruang.** The Smithsonian's Freer Gallery of Art is currently hosting a film series from September 13 to 28 titled "Dreams, Hallucinations, and Nightmares: The Films of Pen-ek Ratanaruang." The gallery will screen seven films by the acclaimed Thai director, including his most famous work, "Last Life in the Universe." The showings will take place at 1050 Independence Ave., SW. Tickets are free and available on a first come-first serve basis. To see a film calendar and locations and to RSVP, [click here](#).
- **Carnegie Endowment open house.** The Carnegie Endowment for International Peace will host an open house on September 23 for faculty and students interested in public policy and international relations. The open house will feature a conversation with Tom Carver, vice president for communications and strategy, and scholars Karim Sadjadpour and George Perkovich. The talks will be followed by a reception. The event will take place from 5:00 p.m. to 7:00 p.m. at 1779 Massachusetts Ave., NW. To RSVP, [click here](#).
- **Asian architecture conference at CSIS.** The CSIS Scholl Chair in International Business and the Sumitro Chair for Southeast Asia Studies will cohost their second annual conference October 3 on regional architecture in the Asia Pacific region. Panel discussions will cover economic, energy, and security issues, and the roles of ASEAN, the Asia-Pacific Economic Cooperation (APEC) forum, and the East Asia Summit. The event will take place from 9:00 a.m. to 2:30 p.m. in the CSIS Second Floor Conference Room, 1616 Rhode Island Ave., NW. Registration is not yet open, but more details will follow.
- **Outlook for the Brisbane G20 Summit.** The CSIS Simon Chair in Political Economy will host a conference on October 8 to preview the upcoming Group of 20 (G20) Summit in Brisbane, Australia, in November. Speakers will include senior officials and private experts from Australia, the United States, and Turkey, which will host the G20 in 2015. Australia will be hosting the G20 Summit during a pivotal time for the global economy and international financial system. More details will follow. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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