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Summits Provide Obama Venues for Addressing Asia Challenges

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Shortly after the November 4 congressional elections, President Barack Obama will head to Asia for a series of important summits at which he will have an opportunity to address some critical challenges facing the United States and the region. First will be the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting at Yanqi Lake outside Beijing on November 10-11. Next up will be the East Asia Summit (EAS) in Naypyidaw on November 13-14. Those two summits will give President Obama an opportunity to give some much-needed momentum to his administration's rebalance to Asia, which has been drowned out by crises in the Middle East and Ukraine, before he heads to the November 15-16 Group of 20 Leaders' Summit in Brisbane, Australia.

As the Trans-Pacific Partnership (TPP) talks drag on, trade and investment remain one of the most important components of Obama's rebalance to Asia still to be consummated. For much of 2014, the talks between the 12 TPP negotiating countries have been stuck largely due to Japan's inability to slash tariffs on five key agricultural products. When Obama meets Prime Minister Shinzo Abe at APEC and the EAS, he will have opportunities to discuss with the Japanese leader the courageous vision to which the latter committed his country when he brought Japan into the TPP.

Japanese negotiators often say they do not want to put their most forward-leaning market access offer on the table until they are assured that

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Secretary of State John Kerry greets Russian president Vladimir Putin at the 2013 Asia-Pacific Economic Cooperation (APEC) Economic Leaders Meeting in Bali, which President Barack Obama was forced to miss due to the partial government shutdown in Washington. Next month, the president will make up for that absence by attending this year's APEC summit near Beijing. <https://www.flickr.com/photos/statephotos/10145595975/>

Obama will get trade promotion authority from Congress. With his last election campaign behind him after November 4, the president could help remove one of Tokyo's ostensible reasons for delaying by pledging to send trade promotion legislation to the new Congress early in 2015. For Obama to snare the TPP as a signature accomplishment of his presidency, U.S. lawmakers will likely need to pass the trade bill before mid-2015 when the next presidential election cycle will kick into full gear.

The biggest security issue facing the leaders' retreat at the EAS in Myanmar will undoubtedly be the disputes in the South China Sea. The Obama administration has done a far better job investing in diplomacy and security than in economics as part of the rebalance, and its engagement on the South China Sea has been central to that.

In the last year, the U.S. government has become even more forward-leaning. Secretary of State John Kerry and other high-ranking officials have begun to consistently call on all parties to clarify what they are claiming and on what basis. Deputy Assistant Secretary of State Michael Fuchs in July issued a new recommendation for the South China Sea claimants to agree to a freeze on all escalatory activities in disputed areas, including construction and oil and gas exploration. That call was immediately taken up by the Philippines, although rejected by China.

President Obama should voice strong support for both of these initiatives, and reiterate his administration's consistent message that the South China Sea disputes must be managed and resolved according to international law and without resorting to violence. To this end, he should press the ASEAN claimants—Brunei, Malaysia, the Philippines, and Vietnam—to reach a preliminary agreement to clarify their claims, agree to a mutually acceptable definition of what waters are disputed, and halt all construction and provocative actions within that area. He should also urge those claimants to embark immediately on a concerted effort to survey the disputed Spratly Islands to protect against Chinese efforts to alter the status of rocks and low-tide elevations via reclamation work.

The ministerial-level claimants meetings between Malaysia, the Philippines, and Vietnam this year provide an ideal venue to pursue this effort, which in combination with Manila's ongoing arbitration case will put considerable

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diplomatic pressure on Beijing to come to the table and clarify its positions.

Obama should offer U.S. technical assistance in these efforts, highlighting the renewed work of the State Department's "[Limits in the Sea](#)" studies series that was restarted in early 2014 to examine the legality of coastal states' maritime claims. On September 16, the series issued new reports on the claims of Indonesia and the Philippines. The president should make explicit that the State Department intends to issue updated reports on the remaining claimant states as well, with the goal of compiling a list of outstanding areas in which the United States believes clarification is needed.

Beyond the EAS and the parallel U.S.-ASEAN Summit in Naypyidaw, Obama is also expected to have bilateral meetings with Myanmar's leaders. As during his first visit in 2012, the U.S. president will want to laud the quasi-civilian leaders for what they have achieved since they mounted political and economic reforms in 2011. But he will also want to nudge them to keep going and to address a number of critical challenges still outstanding.

For starters, Obama will need to discuss the November 2015 parliamentary elections with President Thein Sein and the other leaders he meets. For many in Washington, and particularly in Congress, the elections will be a key indicator for measuring the success of the reforms. It looks increasingly unlikely that the parliament will revise Article 59f of the constitution, which bars opposition leader Aung San Suu Kyi from becoming president because she has sons who are foreign citizens, or Article 436, which reserves for the military a quarter of the seats in the legislature. The elections will likely be less than perfect but the extent to which they are considered free and fair will determine the level of U.S. engagement in 2016 and beyond. Obama may want to offer more assistance to capacity building for political parties and the election commission in the run-up to the elections.

Second, the president should press Myanmar's leadership to restore emergency humanitarian assistance, including by Doctors Without Borders, to the Rohingya Muslims in Rakhine State in the far west. Since March, when aid workers were expelled from the state, the government has not done enough to address the humanitarian disaster facing the 140,000 Rohingya quarantined since 2012 in barbed wire-enclosed camps. It has been almost impossible for them to obtain medical treatment since the foreign medical workers were forced out.



President Barack Obama during the plenary session of the 2012 East Asia Summit (EAS) in Phnom Penh. The president will again travel to Asia for the EAS in November, this time in Naypyidaw. <https://www.flickr.com/photos/statephotos/8203423338/>

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Third, Obama will want to remind Myanmar's leaders that the international community is carefully watching the peace negotiations with the country's armed ethnic groups. Ethnic leaders were fairly optimistic about the prospects for a settlement following talks in August, but later felt the military members of the government's negotiating team rolled back some of their earlier commitments during talks in September. Without a settlement with the ethnic groups, it will be tough for the country to achieve the level of economic development its leaders are hoping for. Obama should offer the strongest diplomatic support for the peace process and pledge assistance to refugee resettlement and economic assistance once an agreement is hammered out. ■

INDONESIA

- **Red and White coalition takes legislative leadership posts.** Defeated presidential candidate Prabowo Subianto's Red and White coalition on October 8 narrowly elected Zulkifli Hasan of the National Mandate Party as speaker of the People's Consultative Assembly, which includes both houses of parliament. The coalition also swept the four deputy speaker posts, voting in members of the Golkar, Democrat, and Prosperous Justice parties, and an officially unaligned member of the upper house. The votes came six days after the coalition elected Golkar's Setya Novanto as speaker of the more influential lower house. These victories essentially give the opposition coalition a clean sweep of legislative leadership positions and could make it difficult for incoming President Joko Widodo to get his priorities considered by the parliament.
- **Markets, currency slide on uncertainty as opposition seeks to stymie Jokowi.** Indonesian stocks and currency have slumped following the October 8 failure of president-elect Joko "Jokowi" Widodo's coalition to prevent defeated candidate Prabowo Subianto's Red and White coalition from sweeping the leadership posts in the parliament. The rupiah has fallen to an eight-month low of 12,240 to the U.S. dollar as of October 15, while the country's benchmark stock index is down 6.3 percent since early September. Concerns about political gridlock have dampened investor confidence, reversing a spike in investor optimism following Jokowi's election in July.
- **Corruption eradication commission clears Jokowi of graft allegations when mayor.** Indonesia's highly respected Corruption Eradication Commission (KPK) on October 14 said it had found no evidence that president-elect Joko "Jokowi" Widodo had engaged in graft while mayor of Solo from 2005 to 2012. The KPK's findings came in response to a promise by opposition lawmakers, who hold a majority in the parliament, to investigate Jokowi's political past for any indications of corruption. Opposition lawmakers have also said they will investigate Jokowi's role in an ongoing corruption case related to the \$120 million purchase of Chinese buses by the Jakarta city government in 2014 when he was governor.
- **United Development Party national congress to decide whether to join government.** The internal council of the United Development Party (PPP) on October 14 ordered the rival camps of Secretary-General Muhammad Romahumuziy and Chairman Suryadharma Ali to reach a consensus on when to hold a national congress to decide whether to switch sides and

join president-elect Joko “Jokowi” Widodo’s cabinet. Jokowi on October 8 announced that the PPP had agreed to do so following a meeting with Romahurmuziy’s camp, but Suryadharma and his allies have said the party has reached no official decision. The PPP would add 39 seats to Jokowi’s minority coalition in the parliament, bringing it up to 247 of 560 seats.

- **U.S., Indonesia reach WTO settlement on clove cigarettes.** Washington and Jakarta agreed on October 3 that Indonesia will drop its World Trade Organization complaint over a U.S. ban on clove cigarettes, which will remain in place, in exchange for the United States’ vowing not to discriminate against other Indonesian tobacco products. The dispute began in 2009 when the United States banned the sale of flavored cigarettes, including cloves, to discourage children from smoking. Indonesia, the world’s largest producer of clove cigarettes, claimed unfair discrimination because menthol cigarettes were exempted from the ban.
- **Blue Bird taxi to raise \$400 million in IPO.** Indonesia’s Blue Bird taxi company on October 3 opened an initial public offering for 20 percent of its shares, for which the company said it expects to raise up to \$400 million. The sale is expected to be Indonesia’s largest public listing in 2014. Blue Bird is the country’s leading taxi operator, with more than 30,000 vehicles in service. Blue Bird has a reputation for clean cars and reliable drivers, relatively unique qualities in Indonesia’s taxis.



A Blue Bird taxi navigates a crowded street in Jakarta. The company plans to sell off 20 percent of its shares for about \$400 million in Indonesia’s largest stock offering of 2014. <https://www.flickr.com/photos/djou/6390371577e>

VIETNAM

- **U.S. partially lifts ban on the sale of arms to Vietnam.** U.S. secretary of state John Kerry on October 3 informed Vietnam’s visiting deputy prime minister and foreign minister Pham Binh Minh that the United States had decided to partially lift its long-standing ban on the sale of lethal weapons to Vietnam. The decision applies only to lethal maritime security and surveillance equipment. Vietnam has earmarked hundreds of millions of dollars to upgrade its maritime capability. Minh spoke at CSIS the day before meeting Kerry.
- **Samsung to build \$560 million television plant in Vietnam.** Korean manufacturing giant Samsung on October 2 announced that it will invest \$560 million to build a new television and appliances manufacturing plant in a high-tech park in Ho Chi Minh City. Samsung is capitalizing on Vietnam’s cheap labor costs to expand operations, including an earlier decision in July to invest \$1 billion in a factory for displays used in smart phones and tablets. Samsung’s exports from Vietnam will total an estimated \$20 billion in 2014.



U.S. secretary of state John Kerry greets Vietnamese deputy prime minister Pham Binh Minh during his recent visit to Washington. Kerry informed Minh that the United States had decided to relax its ban on the sale of lethal weapons to Vietnam. http://commons.wikimedia.org/wiki/File:Secretary_Kerry_with_Vietnamese_Foreign_Minister_Pham_Binh_Minh_%289196997840%29.jpg

- **Vietnam attracts increasing levels of private equity investment.** Vietnam is attracting increasing levels of private equity investment, with Mekong Capital, a home-grown private equity firm, raising a \$150 million fund to invest in the country, according to an October 1 *Wall Street Journal* report. This is Mekong Capital's fourth fund for Vietnam, which it uses to target investments of \$5 million–\$10 million. Investors are being attracted by Vietnam's young population and growing middle class. Private equity investment in Vietnam totaled approximately \$900 million from 2011 to 2013.
- **Vietnam-flagged oil tanker hijacked by pirates en route from Singapore.** Pirates on October 2 hijacked a Vietnam-flagged oil tanker en route from Singapore to Vietnam and siphoned off more than 5,000 tons of oil before releasing the ship and its crew. Two crew members suffered unspecified injuries and the tanker returned to Vietnam on October 9. Authorities have recorded 99 cases of piracy in Asia in 2014, with the siphoning of oil an increasingly common objective. This is the first time a Vietnamese ship has been robbed by pirates in the Singapore Strait.

THAILAND

- **Prayuth announces martial law will remain.** Prime Minister Prayuth Chan-ocha on October 7 announced that martial law will remain in place in Thailand until the country's situation has stabilized and political reforms are implemented. The announcement was a disappointment to the business community, especially the tourism industry, which had hoped that martial law would soon be lifted now that a nominally civilian government has been established by the ruling junta. Tourist arrivals for September were down 7 percent from the same period in 2013.
- **King undergoes gallbladder surgery.** King Bhumibol Adulyadej on October 5 underwent surgery to remove his gallbladder after tests revealed that it was swollen. The surgery came after the king came down with a fever on October 3 and was rushed from his palace in Hua Hin to Siriraj Hospital in Bangkok. His condition is reportedly improving following the surgery.
- **Thai government introduces measures to boost rice prices.** Deputy Prime Minister Priyathorn Devakula has announced a plan to bolster Thai rice prices by storing rice harvested in November and December to keep it off the market, according to an October 6 *Wall Street Journal* article. As part of the new measure, which was announced after a meeting with the National Rice Policy Committee, the government will give farmers low-interest loans to cover the approximate price they would have received for



A monument to King Bhumibol Adulyadej in Thailand. The king was rushed to a Bangkok hospital and required surgery on October 5 to remove his gallbladder. http://commons.wikimedia.org/wiki/File:King_bhumibol_monument.jpg

selling their rice, and will provide loan incentives to millers to buy lower-grade white rice and store it until prices increase.

- **Malaysia, Thailand, Indonesia consider using rubber cartel to raise slumping prices.** The International Tripartite Rubber Council, which consists of Indonesia, Malaysia, and Thailand, is considering joint action to bolster falling rubber prices, which are down 35 percent in 2014, according to an October 8 *Wall Street Journal* report. The three nations account for more than two-thirds of global rubber production. They last attempted to boost prices in 2012 by jointly limiting exports, but with limited success. Rubber futures bounced up 2 percent following the announcement that the cartel might take action

PHILIPPINES

- **President Aquino's emergency powers to include access to discretionary funds.** Senate President Franklin Drilon on October 5 told reporters that emergency powers the Congress is expected to give President Benigno Aquino to address a massive energy shortage in 2015 will include access to the Malampaya fund, a discretionary government account limited to energy-related needs. Drilon estimated that leasing power generators to cover shortages would cost at least \$90 million of the fund's \$3 billion reserves. Congress postponed granting Aquino emergency powers on September 26, saying more information was needed before determining whether they were necessary.
- **New poll shows majority oppose second term for Aquino.** Pollster Pulse Asia on October 2 released the results of a recent survey showing 62 percent of Filipinos oppose a constitutional amendment to allow President Benigno Aquino to run for a second six-year term. The survey was conducted between September 8 and 15. In spite of the negative responses to constitutional change, 70 percent of respondents admitted to having little to no knowledge about current amendment proposals. Representatives of the Aquino administration have yet to confirm whether the president is still considering a second term in office.
- **Debt growth among Philippine companies is highest in ASEAN.** Standard & Poor's Ratings Services (S&P) on October 7 released a report showing that debt among Philippine companies grew faster than in any other country in ASEAN between 2008 and 2014. Debt held by companies in the Philippines nearly tripled during that period. S&P sees no sign that Philippine companies will diverge from this path and expects their spending and therefore their debt to continue to increase. Credit quality is expected to decline in 2015 as a result.

- **U.S., Philippines conduct military exercises near South China Sea.** More than 6,000 U.S. and Philippine soldiers on October 5 launched a series of military exercises on the Philippines' Palawan Island, which borders the South China Sea. The exercises focused on boosting amphibious assault capabilities and came on the heels of another series of exercises a week earlier. While the exercises took place roughly 150 miles east of the disputed Scarborough Shoal, a feature that China seized in 2012, the United States denied that the joint exercises were directed at China.

- **U.S. Marine accused of killing transgender Filipino.** The U.S. Embassy in Manila on October 14 confirmed that a U.S. Marine is suspected in the killing of 26-year-old transgender Filipino Jeffrey "Jennifer" Laude. Local police have identified the suspect as Pfc. Joseph Scott Pemberton, 19, who is on one of his first postings abroad. Although Philippine authorities have asked the United States to turn over Pemberton, he is reportedly still in custody aboard the USS *Peleliu* docked at Subic Bay, the site of recent joint military exercises between the two countries.



U.S. and Philippine marines on October 7 participate in a joint amphibious training exercise in the Philippines. Joint exercises have been ongoing since late September and are aimed at increasing the capabilities of Philippine forces.
<https://www.flickr.com/photos/us-pacific-command/15466222896/>

MYANMAR

- **Prayuth visits Myanmar; junta says it will help restart stalled Dawei project talks.** Prime Minister Prayuth Chan-ocha of Thailand made his first official trip abroad on October 9 to visit neighboring Myanmar. His trip comes during a sensitive time, after two migrants from Myanmar were accused of murdering two British tourists on vacation in Thailand. A spokesperson for Thailand's junta said on October 2 that Thailand and Japan were also in talks to restart the multibillion dollar Dawei Special Economic Zone in southeastern Myanmar after years without significant progress.

- **Government releases more than 3,000 prisoners.** President Thein Sein on October 7 announced the release of more than 3,000 prisoners to coincide with the end of Buddhist lent. Three of those released appear to be political prisoners, while at least eight are believed to be former military intelligence officers imprisoned during the 2005 downfall and arrest of then-prime minister and long-time intelligence chief Khin Nyunt. President Thein Sein in 2013 pledged to release all political prisoners, but according to the Assistance Association for Political Prisoners, at least 75 remain in jail.

- **Myanmar tightens security after Shan bomb blasts.** Myanmar police on October 6 announced they would increase security around Naypyidaw, Yangon, and Mandalay following three bomb attacks targeting military command headquarters in eastern Shan State's Taunggyi. Two police



A sign in Myanmar warns citizens about harsh penalties for drug users and traffickers. Authorities in Myanmar recently agreed to accept training and assistance from the United States to help fight the growing problem. <https://www.flickr.com/photos/recoverling/2496623035/e>

officers were injured during the blasts. At least two additional unexploded bombs were found in the surrounding area and cleared by authorities. Shan State police said they are currently interrogating several suspects, but have not released any names.

- **U.S. to help combat narcotics trade.** Myanmar officials on October 6 agreed to an offer from the United States to assist in efforts to fight the drug trade in Myanmar. U.S. assistance will include a one-year project aimed at building capacity for local police. Colonel Min Aung, head of the Anti-Narcotic Police Force, said that while Myanmar had accepted the offer, it had not yet signed an official agreement. Myanmar is the world's second-largest producer of opium, according to a report by the U.S. Congress.

MALAYSIA

- **Search for Malaysian Airlines Flight 370 resumes with arrival of new search ship.** A new search ship, the privately owned GO Phoenix, left Perth, Australia, on October 6 to resume the search for Malaysian Airlines Flight 370 (MH370) in a remote area of the southern Indian Ocean. The ship will use special sonar equipment to sweep the southernmost end of the designated search area, indicating that investigators think MH370 went faster and farther than earlier projected before disappearing on March 8. This will make the search more difficult as the new location is in an area where the ocean is deeper and the storms are often more violent.
- **Three Malaysian banks to merge to create country's biggest financial institution.** Three government-controlled Malaysian banks on October 9 announced that they will move ahead with a merger deal to create Malaysia's biggest financial institution. The move by CIMB Group, RHB Capital, and Malaysia Building Society will help consolidate Malaysia's crowded banking sector, which includes 27 local and foreign lenders, at a time when regional integration is increasing outside competition. The new bank will be the fourth-largest in Southeast Asia and a leader in Islamic banking.
- **Petronas CEO warns that costs, red tape may derail LNG project in Canada.** Shamsul Azhar Abbas, the CEO of Malaysian state-owned oil company Petronas, threatened on October 6 to freeze a multibillion dollar liquefied natural gas (LNG) project in Canada if favorable regulatory and tax policies are not completed by the end of October. Petronas will decide in December whether to invest \$32 billion in a new LNG export facility on Canada's west coast in the province of British Columbia. The provincial government plans to announce regulatory and tax policies soon, but is

struggling to balance its twin aims of attracting new investment and raising tax revenue.

- **Human rights groups urge Malaysia not to deport Uighur migrants back to China.** Malaysian human rights groups are urging the government not to deport 155 ethnic Uyghur migrants, including 76 children, back to China after immigration authorities detained them on October 1. The human rights groups Lawyers for Liberty and Suaram say deporting the Uyghurs could put their lives at risk because they could face long jail terms and the death penalty in China. The Uyghur's homeland of Xinjiang in western China has seen rising and increasing complaints about discrimination by China's government in recent years.
- **Malaysia reduces fuel subsidy to help improve budgetary position.** Malaysia on October 2 reduced subsidies on certain types of petroleum and diesel fuel as part of an effort to balance the national budget by 2020. The subsidy cut is the second in a year and will increase the price of some fuel types by 10 percent. The government hopes to balance the budget by reducing subsidy spending, which represented 20 percent of overall government spending in 2012.
- **Malaysia releases 2015 budget plans; outlines goods and services tax.** Prime Minister Najib Razak outlined his government's 2015 budget plan in an October 10 speech to Parliament, including a new goods and services tax to take effect in April 2015. Najib announced that the list of items exempted from the controversial tax, will be expanded to include certain types of fuel, fruit, medicine, and books. Corporate and income taxes will also be cut by 1-3 percent over two years. The government forecasts economic growth of 5-6 percent in 2015.

CAMBODIA

- **Minister of labor postpones decision on garment worker wages.** Minister of Labor Ith Sam Heng on October 6 announced that Cambodia's Labor Advisory Committee will postpone until November a decision on raising the minimum wage in the garment sector. The decision had originally been expected on October 10, and six garment unions held a march on October 12 in Phnom Penh to protest the postponement. The delay comes after garment worker protests that began on September 16 demanding a raise in the minimum wage from \$100 to \$177.
- **Chevron sells stake in Cambodia's offshore oil.** U.S. oil giant Chevron on October 3 finalized the sale of its stake in Cambodia's "Block A" offshore oil and gas concession in the Gulf of Thailand to Singaporean firm



The disputed Preah Vihear temple on the Thai-Cambodian border. A September 29 skirmish near the temple left a Cambodian soldier dead. <https://www.flickr.com/photos/spiderman/6585429581/>

KrisEnergy for \$65 million. KrisEnergy now holds a 55 percent majority in the block, which contains Cambodia's only proven reserves of offshore oil.

- **Border clash between Thai and Cambodian troops.** Thai and Cambodian soldiers on September 29 clashed on the eastern side of the disputed Preah Vihear temple along the Thai-Cambodian border. The clash left one Cambodian soldier dead and followed the killing of two Cambodian villagers on September 28 near the border. The Cambodian government on October 3 sent a protest note to the Thai embassy in Phnom Penh. Thai Foreign Ministry spokesperson Russ Jalichandra said that the matter would be investigated.
- **Report finds Cambodia's outstanding credit may reach \$30 billion by 2020.** A recent report by investment firm Mekong Strategic Partners finds that Cambodia's outstanding credit balances could grow to \$30 billion by 2020. The report speculates that the number of consumer borrowers in Cambodia will rise by 97 percent between 2014 and 2020. Amid such strain, Cambodia's banks will need access to higher levels of capital than the legally mandated minimum of \$37.5 million.

SINGAPORE



A hazy sunset in Singapore on March 11, 2014. Air pollution in the city-state hit its worst level of the year on October 7 amid increasing smog produced by fires in Indonesia. <https://www.flickr.com/photos/j2meepok/13160471034>

- **Singapore faces most hazardous haze of 2014 as Indonesia struggles to stop forest fires.** Air pollution in Singapore reached its most hazardous level of 2014 on October 7 due to smog, which has since subsided thanks to wind and rain, from forest fires raging across Indonesia's western islands. Most of the fires have been deliberately lit to illegally clear land for pulp and palm oil crops. Singapore's National Environment Agency recently detected 97 fires on Sumatra and 74 on Kalimantan. Indonesia's parliament ratified a regional agreement on air pollution in September to try to help coordinate action to prevent these land clearing fires.
- **Singapore considers threat posed by Islamic State as two Singaporeans join group.** Deputy Prime Minister and Home Affairs Minister Teo Chee Hean on October 7 told Parliament that the expansion of the Islamic State in Iraq and Syria (ISIS) poses an increasing security threat to Singapore. At least two Singaporean citizens have gone to Syria to join the fighting. Teo said that there were no specific threats against Singapore but that ISIS's recruiting in Southeast Asia raises the prospect of a greater regional terrorism threat.
- **Singaporeans travel to see banned documentary in Malaysia.** About 300

Singaporeans traveled to the September 19 Freedom Film Festival in the neighboring Malaysian city of Johor Bahru to see “To Singapore, With Love,” a film about a group of political exiles who fled Singapore in the 1960s and 1970s to avoid arrest. Singaporean authorities on September 10 banned the award-winning documentary by Singaporean director Tan Pin Pin, which provoked a public statement by 40 prominent members of the city-state’s film and arts community objecting to the decision.

- **Singapore passes bill restricting online and phone gambling.** Singapore’s Parliament on October 7 passed a bill restricting online and phone gambling. Applicants for an online gambling license will now need to meet strict criteria, including being a Singapore-based non-profit and contributing to a social cause. The limited form of online gambling allowed will not include popular casino-style games or poker. The law is in line with Singapore’s strict regulations for gambling at its established casinos.

SOUTH CHINA SEA

- **U.S.-India joint statement mentions South China Sea.** President Barack Obama and his Indian counterpart, Narendra Modi, on September 30 released a joint statement following their meeting in the Oval Office in which Modi for the first time publicly addressed the South China Sea disputes. The two leaders voiced concerns about rising tensions and called on concerned parties to resolve their differences peacefully. The statement came just days after the conclusion of a border standoff between India and China.
- **Japan, ASEAN agree to strengthen maritime security cooperation.** Senior Japanese and ASEAN defense officials on October 7 agreed to strengthen maritime cooperation following the Japan-ASEAN Defense Vice-Ministerial Forum in Yokohama, Japan. In a statement released after the forum, representatives agreed to several areas of cooperation, including information sharing, humanitarian assistance and disaster relief, defense exercises, and anti-piracy efforts. Japan’s vice-minister of defense, Akira Sato, said in a statement that China’s unilateral attempts to assert territorial claims had helped make the case for further cooperation among Japan and ASEAN countries.

LAOS

- **Laos to institute new restrictions on international organizations.** The Lao government is set to institute several new measures to restrict the operations of international nongovernmental organizations (NGOs),



U.S. president Barack Obama and Indian prime minister Narendra Modi speak during Modi’s first official visit to the United States. The two leaders released a statement in which they encouraged South China Sea claimants to resolve their disagreements peacefully. http://upload.wikimedia.org/wikipedia/commons/1/16/Barack_Obama_talks_with_Narendra_Modi.jpg



A map of proposed rail lines from Kunming to Singapore. China's ambassador to Laos recently said that China is set to begin construction on the Kunming-Vientiane railway. <http://commons.wikimedia.org/wiki/File:Kunming-Singapore.png>



Acting Deputy U.S. Trade Representative Wendy Cutler speaking at the U.S.-Japan Council on March 25. Cutler traveled to Tokyo on October 10 in an effort to make progress on agricultural access issues in the Trans-Pacific Partnership. <https://www.flickr.com/photos/usjc/13450987003>

according to an October 2 Radio Free Asia report. The Ministry of Foreign Affairs proposed the new restrictions in June. They will require foreign NGOs to acquire multiple government approvals to launch projects, bring in foreign staff, and open offices in Laos. International organizations will also need to acquire annual operating permits that could take up to two months to process.

- **China renews pledge of support for Lao high-speed rail.** China's ambassador to Laos, Guan Huabing, said September 25 that China is ready to begin construction of a high-speed rail line connecting the southern Chinese city of Kunming to Vientiane. The estimated \$7.2 billion project has been delayed since 2011 due to disagreements between China and Laos over issues including financing. The planned railway would make up one section of a planned rail network linking southern China to Singapore.

TRANS-PACIFIC PARTNERSHIP

- **U.S. negotiator visits Japan for talks.** Acting Deputy U.S. Trade Representative Wendy Cutler visited Tokyo on October 10-14 to resume bilateral talks with Japan on agricultural and automotive access issues as part of the Trans-Pacific Partnership (TPP) negotiations, but failed to secure any breakthrough. The meeting was the first since talks in Washington in September broke down over Japan's offer regarding access to its agriculture market, which the United States and other TPP negotiating countries view as insufficient. The other 10 TPP members are holding back on their own offers until they see progress in the U.S.-Japan talks.
- **Australia to host next TPP ministers' meeting in late October.** Australia will host the next meeting of ministers of the 12 Trans-Pacific Partnership (TPP) negotiating countries in Sydney on October 25-27. Officials will discuss key outstanding issues such as intellectual property and state-owned enterprises, although major progress is seen as depending on a breakthrough in bilateral discussions between Japan and the United States. An informal round of negotiations will take place in Canberra on October 19-24 ahead of the ministerial meeting. The meetings are part of efforts to advance talks as far as possible before TPP heads of state meet at the Asia Pacific Economic Cooperation summit in Beijing in November.

ASEAN

- **Business survey shows opportunities, worry ahead of ASEAN Economic Community.** The Boston Consulting Group on October 7 released the results of a recent survey showing 80 percent of companies view the ASEAN Economic Community (AEC), which is set to come into effect at the

end of 2015, as a business opportunity. Despite this positive view, only 25 percent of surveyed executives felt confident that ASEAN governments would push for the reforms necessary to meet their goals. The AEC is intended to achieve a free flow of goods, capital, and labor across all 10 ASEAN countries.

TIMOR-LESTE

- **Timor-Leste not on track to achieve Millennium Development Goals.** UN Resident Coordinator for Timor-Leste Knut Østby said October 6 that Timor-Leste is not on track to achieve many of its 2015 Millennium Development Goals. His remarks were in response to a report by Timor-Leste's Ministry of Finance showing some success meeting its targets, including on gender equality and infant mortality. Østby acknowledged these achievements but said "much more needs to be done" in areas like poverty and malnutrition.
- **Australian navy visits Timor-Leste for maritime training.** The Australian navy minesweeper HMAS *Diamantina* on October 3 traveled to Timor-Leste for four days of joint training as part of Australia's bilateral Defense Cooperation Program. Members of Timor-Leste's military trained in navigation, seamanship, damage control, and engineering aboard the ship. The Defense Cooperation Program is intended to enhance Timor-Leste's ability to independently meet its own security needs.

BRUNEI

- **Brunei, Singapore conduct joint air defense exercise.** The Bruneian and Singaporean air forces on September 30 began a two-week joint air defense exercise at Rimba Air Force Base in Brunei. This is the 20th anniversary of the annual exercise, which is designed to provide practical training for pilots and develop ties between the two forces. ■



The Australian minesweeper HMAS Diamantina, which recently took part in a four-day training program for members of the Timorese military. <https://www.flickr.com/photos/41311545@N05/10097920075>



A Singaporean Air Force Northrop Grumman E-2C Hawkeye. This year marks the 20th anniversary of exercises between the air forces of Brunei and Singapore. [http://commons.wikimedia.org/wiki/File:Republic_of_Singapore_Air_Force_\(015\)_Northrop_Grumman_E-2C_Hawkeye.jpg](http://commons.wikimedia.org/wiki/File:Republic_of_Singapore_Air_Force_(015)_Northrop_Grumman_E-2C_Hawkeye.jpg)

Looking Ahead

- **Alliance 21: The Australia-United States Partnership.** The East-West Center will host Bates Gill, CEO of the United States Studies Centre at the University of Sydney, on October 17 for a special briefing on the report Alliance 21: The Australia-United States Partnership. The report looks at the future of the Australia-U.S. relationship in the areas of trade, investment, competitiveness, energy, natural resources, defense, and security. The briefing will take place from 10:30 a.m. to 12:00 p.m. in the East West Center Sixth Floor Conference Room, 1819 L St., NW. To RSVP, [click here](#).
- **Myanmar: Regressed, Stalled, or Moving Forward?** The CSIS Sumitro Chair and Global Health Policy Center will present a report briefing on October 22 highlighting the findings by a recent CSIS delegation sent to examine the progress of Myanmar's historic transition. The session will feature reflections by delegation members, a keynote from a senior administration official, and panel discussions on electoral preparations and critical health challenges. The event will be held from 3:00 p.m. to 5:00 p.m. in the CSIS Second Floor Conference Room, 1616 Rhode Island Ave., NW. To RSVP, [click here](#).
- **Annual U.S.-ASEAN-EAS symposium.** American University's ASEAN Studies Center will host its annual U.S.-ASEAN-EAS Strategic Symposium on October 23, highlighting this year's theme, "Moving Forward in Unity to a Peaceful and Prosperous Community." Speakers will include representatives from several ASEAN countries, U.S. government officials, and key figures in the academic, think-tank, business, and nongovernmental communities in the Washington area. The event will be held from 8:30 a.m. to 5:00 p.m. in the Letts Formal Lounge, 4400 Massachusetts Ave., NW. To RSVP, please e-mail Ruth Duersch at aseanstudiescenterAU@gmail.com.
- **Book Launch: Incomplete Democracies in the Asia Pacific.** The Johns Hopkins School of Advanced International Studies will hold a book launch on October 23 for *Incomplete Democracies in the Asia-Pacific: Evidence from Indonesia, Korea, the Philippines and Thailand*. Kurt Campbell, chairman and CEO of the Asia Group, will moderate a discussion with the book's editors on the state of democracy in these four Asian countries. The event will be held from 5:30 p.m. to 7:00 p.m. in the Kenney Auditorium, 1740 Massachusetts Ave., NW. To RSVP, [click here](#).
- **Asian Regional Architecture: Steps toward ASEAN Integration.** The Asia Foundation will host a talk on October 24 looking at the future of

Asian regional architecture from the perspective of Asian states. John Brandon, the Asia Foundation's director of regional cooperation, will lead a distinguished panel of experts from Malaysia, Myanmar, Singapore, Thailand, and the United States in a discussion on the challenges and opportunities for achieving regional integration in ASEAN. The event will take place from 9:00 a.m. to 11:30 a.m. For more information and to RSVP, please e-mail Ellie Matthews at elizabeth.matthews@asiafoundation.org or call 202-588-9420.

- **Kennedy Center performance by Vietnamese dance company.** The John F. Kennedy Center for the Performing Arts will host a performance on October 29 by Arabesque, a Vietnamese contemporary dance company. The youth group will perform *The Mist*, a creative work based on Vietnam's history, traditions, and aesthetics. The event will take place at 6:00 p.m. As part of the Kennedy Center's Millennium Stage performances, this show is free and open to the public and does not require a ticket. To watch the performance online, [click here](#).
- **Global Security Forum 2014.** CSIS will hold its annual Global Security Forum on November 12 with the theme "The Top Challenges Facing U.S. and Global Security." Deputy Secretary of Defense Robert Work will deliver a keynote address, and there will be a series of panel discussions throughout the day. The forum will take place from 8:00 a.m. to 3:30 p.m. at CSIS, 1616 Rhode Island Ave., NW. A detailed agenda and RSVP information are not yet available, but will follow in the coming weeks.
- **Lessons Learned One Year after Typhoon Haiyan.** The U.S.-Philippines Society and CSIS will cohost a symposium on November 18 to discuss lessons learned one year after Typhoon Haiyan devastated the Philippines. The symposium will address responses to Haiyan, lessons learned, and new ways to strengthen disaster preparedness. Participants will include Philippine and U.S. government officials, nongovernmental organizations, first responders, and climate experts. The event will be held from 1:00 p.m. to 5:00 p.m. at CSIS, 1616 Rhode Island Ave., NW. For more information, e-mail info@usphilsociety.com. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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