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Najib's Political Battles Pose a Challenge to his Foreign Policy Agenda

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Challenges at home suggest Malaysian prime minister Najib Razak could face an uphill battle in pursuing his foreign policy goals in the year ahead. The long-simmering battle between Najib and former prime minister Mahathir Mohamad has erupted into a public spat that must have Najib looking over his shoulder given Mahathir's role in ousting his predecessor, Abdullah Badawi.

As a result Najib finds himself flanked on the right by Perkasa, the equivalent of the Tea Party within his ruling United Malays National Organization (UMNO), and on the left by the opposition coalition led by former deputy prime minister Anwar Ibrahim. No move Najib makes will please all Malaysians, and perhaps not even many, in this constrained environment.

The public mudslinging between Najib and Mahathir could weaken and distract the prime minister even as 2015 presents opportunities for Malaysia to make its mark on the international stage. Malaysia's ruling party generally hides internal conflict from public view. But the escalation in political maneuvering between two of the party's key leaders has changed this dynamic.

Old corruption charges have been rehashed against Daim Zainuddin, an outspoken critic of Najib. Daim is an UMNO insider, financial powerbroker,

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and two-time finance minister under Mahathir. He is seen as a proxy for the former prime minister and, to real insiders, may even be the one pulling the strings on his former boss. The government-controlled media took the unusual step of covering the case against Daim in detail, which some interpreted as a coordinated political attack and which prompted proxies on both sides to take the fight to the Internet.



Former prime minister of Malaysia Mahathir Mohamad, whose disagreements with current prime minister Najib Razak have evolved into a rare public mudslinging match. <https://www.flickr.com/photos/syedazidi/3667984838/>

The split between Najib and Mahathir burst into the open when the latter, now 89, publicly withdrew his support for Najib in an August 2014 blog. Mahathir blamed Najib for the ruling coalition's poor showing in the 2013 national elections, attacked him for his efforts in 2011 to abolish the draconian Internal Security Act, and criticized his earlier plans to scale back the affirmative action program that provides special privileges for the country's Malay majority. On all these issues, Mahathir has strong support from UMNO's most conservative wing.

The bitter dispute between the two men and their respective camps appears to have picked up in earnest after a dinner between them in December did not go well. A thorny issue reportedly discussed at the meeting was the sovereign fund 1Malaysia Development Bhd., which has been plagued by charges of mismanagement and corruption and is reportedly suffering from billions of ringgit in nonperforming loans. Najib is chair of the fund's advisory board.

Mahathir retains significant public and political influence in Malaysia as an elder statesman, particularly among conservative Malays. His profile stems from enduring public popularity, especially among older members of society who are nostalgic about his 22 years in power. Mahathir's political influence within UMNO has loomed large over his successors since he stepped down in 2003. He leveraged this influence to undermine and ultimately remove his anointed successor, Abdullah, in 2009. Then-deputy prime minister Najib stepped up to become prime minister. He most certainly sees the possibility of history repeating itself.

And Malaysia's economy is not going to provide any respite for Najib. The sharp drop in oil prices has created some stiff headwinds for Malaysia's economy. Oil and gas exports account for a fifth of the country's exports and a third of government revenue. It was therefore little surprise that Najib on January 20 announced \$1.5 billion in spending cuts and said Malaysia's economic growth has been revised down from 6 percent to between 4.5 and 5.5 percent for 2015.

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Under withering attacks from Mahathir and party conservatives, Najib has backed off many of his earlier political and economic reform plans. In recent months, his government has been criticized by the United States and human rights organizations for repeatedly using the colonial-era Sedition Act against critics. Anwar Ibrahim is awaiting a court verdict on another round of sodomy charges that could once again see him sent to prison. The verdict, expected in the next few weeks, would undoubtedly lead to further criticism from the international community.

Najib's domestic challenges could pose risks for his foreign policy goals in 2015. This year is shaping up as an important one for Malaysia given its chairmanship of ASEAN and its non-permanent seat on the UN Security Council. As ASEAN chair, Malaysia can be expected to play a key role in pressing the grouping to take steps to complete regional economic integration, keep tensions in the disputed South China Sea under control, and explore ways to bolster the role of the East Asia Summit.

Negotiators of the 12-nation Trans-Pacific Partnership (TPP), which Malaysia joined in 2010, are scrambling to complete the trade agreement by March. But for Malaysia to get to the finish line will require some tough decisions by Najib and his cabinet in such areas as state-owned enterprises, pharmaceuticals, and investor dispute mechanisms. Even before his latest broadsides against Najib, Mahathir, who oversaw Malaysia's earlier transformation into an industrial powerhouse, had sharply criticized the TPP as an attempt by foreign powers to colonize Malaysia. Anwar and the opposition have also sought to foil Najib's reform efforts.

The coming months could provide an opportunity for Malaysia and the United States to put more substance into the comprehensive partnership they announced last April when President Barack Obama visited Malaysia. But the visit marked only the beginning of the process, which requires more work by both sides to achieve deeper ties, including such things as stepped up cabinet-level exchanges, more military cooperation and intelligence sharing, and closer economic ties.



U.S. president Barack Obama speaks with Malaysian prime minister Najib Razak during an April 2014 visit to Kuala Lumpur. The two leaders announced the elevation of the U.S.-Malaysia relationship to a comprehensive partnership, but Najib's domestic struggles could complicate efforts to build on that foundation in 2015. <https://www.flickr.com/photos/whitehouse/14330407312/>

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Najib's golf outing with Obama in early January showed the depth of personal comradery between the two leaders, which could help them achieve greater depth to the comprehensive partnership before Obama visits again in November. However, the sharp criticism Najib received for golfing in Hawaii while parts of Malaysia faced terrible flooding highlights some of the challenges he could face in the months ahead as he seeks to deepen the country's regional and global foreign policy opportunities.

The United States will need to make some tough decisions in the coming months about how to engage Najib and Malaysia. The country is a vital partner and a key to strengthening ASEAN. The White House will face pressure from various advocacy groups to limit or curtail engagement and there will be congressional pressure during the TPP approval process. The administration will have to step carefully but be guided by the strategic need to support political and economic reform in Malaysia. For his part, Najib will need to harden his resolve to pursue that reform. ■

Biweekly Update

INDONESIA

- **Jokowi delays National Police chief appointment amid outcry.** President Joko “Jokowi” Widodo on January 16 indefinitely delayed his appointment of Budi Gunawan as Indonesia’s next National Police chief in the face of widespread criticism. The Corruption Eradication Commission on January 12 said it is investigating Budi for corruption over irregularities in his bank account. Jokowi has nevertheless refused to withdraw Budi’s nomination for the position, and the House of Representatives approved his appointment two days after the commission’s announcement.
- **Divers retrieve AirAsia black boxes, locate fuselage.** Indonesia’s search and rescue agency said January 14 that it had located the fuselage of AirAsia Flight 8501, which crashed into the Java Sea on December 28, killing all 162 passengers and crew. Searchers a day earlier recovered the second of the flight’s two black boxes, which are expected to shed light on the cause of the crash. Divers have so far had difficulty reaching the fuselage due to rough seas, and authorities are considering trying to raise it from the sea floor using a crane.
- **Lawmakers approve return to direct local elections.** Indonesia’s House of Representatives on January 20 ratified a government regulation restoring the direct election of district heads, mayors, and governors. The House in September passed a law abolishing those elections in favor of having local legislatures appoint regional leaders. Then-president Susilo Bambang Yudhoyono issued a regulation called a *perppu*, akin to an executive action in the United States, to overturn that law in the face of a massive public outcry, but it required lawmakers’ approval to take effect.

Delegations from U.S. Pacific Command and Indonesia’s armed forces during the annual U.S.-Indonesia Bilateral Defense Discussions in 2014. With the signing of a new defense agreement, the United States will provide more support in developing Indonesia’s defense strategy.
<https://www.flickr.com/photos/us-pacific-command/15596531529>



- **Indonesia, United States sign defense agreement.** Indonesian and U.S. defense officials on January 7 signed an agreement allowing the latter to assist Indonesia’s Ministry of Defense in formulating strategies to enhance the performance of the Indonesian military from 2015 to 2019. Defense Ministry Secretary General Lt. Gen. Ediwan Prabowo said Indonesia plans to pursue substantial institutional reforms with the help of this partnership with the United States, which is being conducted through the Defense Institution Reform Initiative. He also said the ministry will encourage more personnel from all branches of the Indonesian military to join the program.

- **Revised budget includes \$12 billion boost for infrastructure spending.** President Joko “Jokowi” Widodo on January 9 presented lawmakers with Indonesia’s 2015 state budget, which includes \$12 billion in additional funding for growth-generating infrastructure projects—more than double the allocation for 2014. Key ministries including public works and public housing, transportation, and agriculture will receive large sums to support projects that are expected to contribute to sustained growth, such as a plan to bolster Indonesia’s network of marine highways. The new spending has been made possible by a substantial reduction in fuel subsidies.
- **Megawati holds onto PDI-P leadership for another five years.** Former president Megawati Sukarnoputri on January 10 announced that she has been reappointed as chairwoman of the Indonesian Democratic Party of Struggle (PDI-P) through 2020. She has led the party since 1999. PDI-P is the party of President Joko “Jokowi” Widodo and currently controls a plurality of 109 out of 560 seats in the House of Representatives. Megawati wields enormous influence in the party, and how much of a role she plays in Jokowi’s administration is a subject of much speculation.

MYANMAR

- **U.S., Myanmar hold second human rights dialogue.** Assistant Secretary of State for Democracy, Human Rights, and Labor Tom Malinowski on January 14 led a delegation of senior U.S. officials to Naypyidaw for a two-day bilateral dialogue on human rights issues. Malinowski also visited Yangon and Kachin State, where he met with civil society representatives and religious leaders. The two sides discussed Myanmar’s democratic reforms, media freedom, land and labor rights, and the need for the government to allow access for humanitarian assistance in conflict areas.
- **Fresh fighting breaks out in Kachin State.** Fighting broke out on January 15 between government troops and the Kachin Independence Army (KIA) in an area northwest of Myitkyina, the capital of Kachin State, after the rebel group kidnapped a state transportation official and three police officers. About 1,000 displaced local residents tried to go into hiding but were blocked at heavily armed choke points set up by the Myanmar army in anticipation of possible artillery shelling. The KIA has since released the official and police officers.
- **UN rapporteur visits Rakhine, Shan states.** UN special rapporteur on Myanmar Yanghee Lee paid a visit to Rakhine and northern Shan states from January 7 to 16 to assess the situation of religious and ethnic minorities in Myanmar. Lee, whose arrival prompted protests by those objecting to her use of the word “Rohingya” for the Muslim ethnic



A camp for internally displaced persons in Kachin State. The ongoing conflict between the military and Kachin Independence Army (KIA) has displaced more than 90,000 people in Kachin State. <https://www.flickr.com/photos/69583224@N05/12127048385>

minority that self-identifies as such, called for ways to build trust between Buddhist and Muslim communities and promote the rule of law in Rakhine. Lee will submit her findings to the UN Human Rights Council in April.

- **President holds talks with ethnic armed groups, hopes for quick cease-fire.** President Thein Sein and Commander-in-Chief Gen. Min Aung Hlaing on January 5 held separate meetings with ethnic armed groups in Naypyidaw amid hopes that all sides could reach a nationwide cease-fire accord in February. Representatives of several groups, including the Kachin Independence Organization, were not present at the meetings. Thein Sein has urged ethnic leaders to sign a nationwide peace deal on February 12, which is Union Day, and move forward to a political dialogue.
- **Court sentences hotel bomber to death.** A Myanmar court on January 8 sentenced Saw Tun Tun, an ethnic Karen, to death for planting a bomb at a hotel in Yangon in 2013 that killed two people. The man who reportedly paid Saw Tun Tun to carry out the bombing still remains at large. Authorities alleged the blast was linked to hardliners within the Karen National Union, an ethnic armed group that had signed a cease-fire agreement with the government.
- **Yangon archbishop named cardinal.** Pope Francis on January 4 appointed Charles Maung Bo, the Catholic archbishop of Yangon since 2003, to be Myanmar's first Roman Catholic cardinal. The Catholic Church has long been active in Myanmar, where Catholics number around 800,000. Bo, who warned of the rise of religious intolerance in the Buddhist-majority country, said he will use his new position to speak for the voiceless. He will be officially installed at the Vatican on February 14.

PHILIPPINES

- **Philippines to purchase two U.S. C-130s.** The Philippine military on January 9 signed an agreement with the U.S. Navy to purchase two used C-130 cargo planes as part of a \$2 billion, five-year military upgrade plan. The U.S. State Department said it will provide about \$20 million in foreign military financing to help Manila pay for the planes as part of a \$50 million assistance package announced in 2014. The new planes will be delivered in early 2016 and will bring the Philippines' total complement of C-130s to five,
- **Millions turn out to see Pope during visit.** Six million Filipinos gathered in Manila's Rizal Park and along the streets leading to it on January 18 to hear Pope Francis give the final mass of his five-day visit to the predominately Catholic country. Throughout his visit, Francis decried corruption and called on the Philippines to tackle poverty. But he ruffled



some feathers by delivering a strong pro-life message that was seen as bolstering the arguments of Filipino bishops against the country's 2012 Reproductive Health Law. The pontiff also visited Tacloban, which was devastated by November 2013's Typhoon Haiyan.

- **World Bank says Philippines can end poverty in a generation.** The World Bank on January 14 issued a report saying that the Philippines can eliminate poverty within a generation if it can maintain the robust economic growth of recent years. The bank said that the country created more than a million jobs between October 2013 and October 2014, and found that real incomes among the bottom 20 percent of Filipinos grew faster than those of the rest of the population. The bank expects the Philippine economy to grow 6.5 percent in 2015.
- **Chinese tourism to Philippines down 50 percent amid travel advisory.** Data from the Philippine Department of Tourism shows that the number of Chinese tourists to the Philippines fell to less than 20,000 in October 2014, half the number in the same period a year earlier, according to a January 13 *Business Mirror* article. Monthly tourist arrivals plummeted 25 percent from September to October following a travel advisory issued by the Chinese government warning citizens against visiting the Philippines. Despite the drop in Chinese tourists, overall foreign tourist arrivals to the Philippines for the first 10 months of 2014 increased 2 percent year-on-year.

THAILAND

- **Impeachment proceedings continue against Yingluck, parliamentary leaders.** A second round of impeachment hearings began against former Senate president Nikhom Wairatpanich and House speaker Somsak Kiatsuranont on January 15 and against former prime minister Yingluck Shinawatra on January 16. Yingluck refused to attend her hearing, sending her legal team to answer questions about her role in a controversial rice subsidy. The junta-appointed National Legislative Assembly is expected to issue a verdict in her case on January 23. Observers worry that if Yingluck is impeached, it could lead to a new round of street demonstrations and unrest.
- **Constitution Drafting Committee starts work, recognizes third gender.** The junta-appointed Constitution Drafting Committee (CDC) on January 14 began work on Thailand's new charter. The committee has invited the public to witness the drafting process, although it is not expected to incorporate much outside input. CDC spokesperson Kamnoon Sittisamarn on January 15 said that the new charter will include legal recognition of transgender Thais as a third gender. Kamnoon explained that society

had “advanced” and that all sexual identities need to be guaranteed equal treatment and protection under the law.

- **Government creates subcommittee to handle lèse-majesté.** Justice Minister Gen. Paiboon Koomchaya on January 9 created a subcommittee to expedite cases against lèse-majesté offenders living abroad. The subcommittee will draw on resources from various government institutions and ministries. To overcome current jurisdictional limitations, Paiboon announced the government will pursue a “four scopes” approach against suspects abroad: law enforcement, foreign affairs engagement, social media information campaigns, and promoting understanding of the legal process in other countries.
- **Prayuth pushes government to improve trafficking record ahead of U.S. report.** Prime Minister Prayuth Chan-ocha on January 6 said that his government will work to improve human trafficking protection in 23 areas to earn an upgrade from its Tier 3 status, the lowest ranking, in the U.S. State Department’s annual *Trafficking in Persons Report*. Thailand has until March 31 to prove it deserves to be moved out of Tier 3. Prayuth’s efforts already face difficulties as authorities on January 12 discovered 98 Rohingya from Myanmar, of which 42 were children, being trafficked across southern Thailand. A January 15 government proposal to send prisoners to work on fishing vessels also drew international condemnation.
- **Thai, Cambodian officials meet to discuss border issues.** Thai foreign minister Tanasak Patimapragorn and his Cambodian counterpart, Hor Namhong, met on January 15-16 for the annual Joint Commission for Bilateral Cooperation between Cambodia and Thailand to discuss issues along their shared border. The meeting came after a series of recent spats between the two countries, including a mobilization of troops by both sides near the disputed Preah Vihear temple and the burning to death of two Cambodian nationals by Thai soldiers.

VIETNAM

- **Communist Party Central Committee holds confidence vote, discusses personnel issues.** The Central Committee of the Communist Party of Vietnam on January 12 wrapped up a weeklong session during which its roughly 200 members cast a confidence vote on members of the Politburo and Secretariat and discussed personnel issues in preparation for the 12th party congress in 2016. The Central Committee also vetted candidates who are slated to join the Politburo next year. Other issues high on the agenda included the approval of policy priorities in Vietnam’s socioeconomic development and management of the press for the 2016–2020 period.



The Preah Vihear temple, which remains disputed between Thailand and Cambodia and has seen multiple incidents of violence since 2008. The two countries’ foreign ministers met recently to discuss border security issues. <https://www.flickr.com/photos/spiderman/6585429607/>

- **Transport minister publicly criticizes Chinese firm for unsafe practices.** Vietnam's transport minister on January 8 criticized a representative of a Chinese firm for the firm's poor safety record on an elevated railway project in Hanoi. A scaffolding collapse in early January nearly killed a taxi driver and his passengers and an earlier incident involving a crane collapse left one person dead. The repeated delays in completing the project, which was funded by a loan from China, are estimated to have cost Vietnam \$300 million.
- **Vietnam freezes accounts of major conglomerate as part of fraud investigation.** Vietnamese police on January 7 ordered the freezing of bank accounts associated with a conglomerate owned by one of Vietnam's richest men, Ha Van Tham, who is under investigation for fraud. The conglomerate, Ocean Group, is listed on the Vietnamese stock exchange and has interests in real estate, banking, securities, retail, media, and hotels. The government has pledged to increase oversight of the financial sector to prevent major banking fraud scandals in the future.
- **Vietnam to merge banks as part of efforts to consolidate and clean up banking system.** Vietnam's central bank may consider six to eight major bank mergers in 2015 as part of its efforts to clean up the country's struggling banking sector, according to a January 12 Reuters report. Vietnam has about 42 banks, some of which have struggled with bad debts. The central bank has also relaxed foreign ownership requirements in domestic banks and set up asset management companies to manage bad debts.



A staged photo in Ho Chi Minh City in support of lesbian, gay, bisexual, and transgender (LGBT) rights as part of a 2012 campaign. Vietnam has become a leader for LGBT rights in Asia with its recent repeal of a ban on gay marriage. <https://www.flickr.com/photos/freedomhousedc/8654459393/>

- **Vietnam abolishes same-sex marriage ban.** Vietnam on January 1 implemented a new marriage law that abolished a previous ban on same-sex marriages. While same-sex marriages can now take place, the government does not officially recognize them or provide legal protections in case of disputes. The move makes Vietnam a leader on lesbian and gay rights in Southeast Asia. Vietnam also allowed gay rights organizations to be established and let a gay pride event take place in Hanoi in 2014.

MALAYSIA

- **Malaysia cuts spending, growth forecast as oil revenues fall.** Prime Minister Najib Razak on January 20 announced that the government will cut spending by \$1.5 billion and lower its projection for Malaysia's economic growth rate for 2015 due to sharply lower oil prices. The drop in oil prices has hit Malaysia hard given that about a third of the

government's budget comes from oil and gas revenues. The main cuts in spending will affect funding for state-owned companies and travel for government officials. Malaysia's economy is now forecast to grow by 4.5 to 5.5 percent in 2015, down from an earlier projection of 6 percent.

- **Police succeed in preventing Islamic State supporters from transiting Malaysia.** Malaysian police on January 12 told *The Star* that a crackdown has dealt a severe blow to Islamic State supporters from Indonesia who sought to use Malaysia as a transit point on their way to join the group in Syria. An Islamic State recruiter posted a warning urging Indonesians to avoid Malaysia or risk being arrested. Malaysian police arrested 12 Indonesians transiting Malaysia on their way to Syria in December.
- **Malaysian court upholds death sentences for police involved in Mongolian model's murder.** Malaysia's High Court on January 13 upheld death sentences for two former police officers for the 2006 murder of a Mongolian model allegedly involved in an affair with a close associate of Prime Minister Najib Razak. The opposition has long tried to link the murder to Najib but he denied having any involvement with either the case or the victim. The two officers were once on Najib's security team.
- **Malaysian banks call off \$20 billion merger.** Three of Malaysia's largest banks on January 13 called off a planned \$20 billion merger due to a deteriorating economy, falling share prices, and a lack of potential cost savings. The merger between CIMB Group, RHB Capital, and Malaysia Banking Society would have created Malaysia's largest bank and Southeast Asia's fourth-largest bank. Falling oil prices have hit Malaysia's economy hard, raising concerns about the government's budget as well as the stock market's performance.
- **Floods across Southeast Asia lead to surge in palm oil and rubber prices.** Floods across Southeast Asia are threatening palm oil and rubber production, leading to a surge in prices for the two commodities, according to a January 11 *Wall Street Journal* report. The floods have hit Malaysia as well as Thailand and Indonesia. Prices of palm oil and rubber have increased by 10 and 5.7 percent, respectively, in the past three weeks, making up for a significant slump in prices in 2014.
- **Malaysian court convicts political activist of sedition.** A Malaysian court on January 9 convicted political activist Hishamuddin Rais of sedition for urging people to hold street demonstrations to topple the government following parliamentary elections in 2013. Hishamuddin was fined \$1,400. The opposition claimed the 2013 elections were fraudulent and responded



An advertisement for CIMB Group. A merger plan between CIMB and two other Malaysian banks has been called off due to weak economic and stock market conditions. <https://www.flickr.com/photos/isriya/4416412891>

by holding protests. The Malaysian government has been criticized for using the Sedition Act to target political opponents, as over a dozen opposition politicians, activists, and academics have been charged with sedition in the past year.

CAMBODIA

- **Tribunal resumes proceedings against former Khmer Rouge leaders.** The UN-backed Extraordinary Chambers in the Courts of Cambodia restarted proceedings the week of January 5 in the case against former Khmer Rouge head of state Khieu Sampan and chief ideologist Nuon Chea. The two are charged with genocide and other crimes. The tribunal postponed proceedings in November as defense lawyers protested bias on the part of the judges, who convicted the pair of crimes against humanity in an earlier case. Proceedings were temporarily halted again when Khieu Sampan became dizzy and suffered from high blood pressure, but the tribunal resumed on January 15.
- **Cambodian, Australian officials arrive in Nauru for meeting on refugee relocation.** Cambodian and Australian officials on January 12 arrived in Nauru for a meeting with refugees at an Australian-run detention facility to educate them on the situation in Cambodia in the hopes of convincing some to resettle there. Refugee reaction to the resettlement plan reached between Australia and Cambodia in 2014 has been overwhelmingly negative with many staging hunger strikes and engaging in self-harm. The plan to resettle an initial group by the end of 2014 failed as no refugees volunteered.
- **Ruling party proposes limits for campaign rallies.** The ruling Cambodian People's Party on January 9 proposed a two-day limit to campaign rallies during elections at a meeting to discuss electoral reforms. Deputy Prime Minister Bin Chhin cited reduced traffic congestion and improved social order to support the proposal. The opposition Cambodia National Rescue Party (CNRP) criticized the proposal, with CNRP working team leader Kuy Bunroeun saying that there was no reason to change the existing campaign law. The two sides have been engaged in a heated debate over electoral reform since Cambodia's highly contested 2013 national elections.
- **Lawyers walk out of hearing after CNRP lawmakers ejected from court.** Lawyers for 11 members of the opposition Cambodia National Rescue Party (CNRP) facing charges of insurrection walked out of the Phnom Penh Municipal Court in protest on January 8 after judges ejected three CNRP lawmakers from the proceedings. The three lawmakers are among 39 plaintiffs facing insurrection charges for their involvement in a July 15



Tents at the Nauru detention facility for Australia-bound asylum seekers. Cambodian and Australian officials recently visited the facility to convince refugees to accept resettlement in Cambodia under a deal reached between Canberra and Phnom Penh. [http://commons.wikimedia.org/wiki/File:Nauru_Regional_processing_facility_\(7983319037\).jpg](http://commons.wikimedia.org/wiki/File:Nauru Regional_processing_facility_(7983319037).jpg)

demonstration, but are not currently on trial. As a result of the walkout the trial has been postponed with no date set to resume.

SINGAPORE

- **Singapore toughens anticorruption measures.** Prime Minister Lee Hsien Loong on January 13 outlined new measures designed to toughen the government's anticorruption fight. Singapore's antigrant agency will get more staff, and an anonymous hotline will be set up for the public to report corruption complaints. A number of high-profile corruption cases in recent years involving senior officials have dampened Singapore's reputation. Transparency International ranked Singapore seventh in its 2014 Corruption Perceptions Index, down two places since 2012.
- **U.S. Navy commander pleads guilty to accepting bribes from Singapore-based defense contractor.** A U.S. Navy commander on January 7 pleaded guilty to bribery charges in connection with a corruption scandal involving a Singapore-based defense contractor that provided services for U.S. ships making port visits in Asia. The commander provided classified information on U.S. ship schedules in exchange for travel, money, and the services of prostitutes. The commander is the fifth of seven defendants charged in the case and the highest-ranking Navy officer to plead guilty so far.
- **Singapore business confidence drops; rise in interest rates to hit real estate market.** Singapore's Business Optimism Index dropped to its lowest level in two years, the Singapore Credit Commercial Bureau reported on January 12, while a sudden jump in interest rates threatens to further weaken the real estate market. Concerns over global political stability and weak regional demand for exports were chief reasons for the fall in optimism. The interest rate rise will push up mortgage costs and likely help the government reduce cost-of-living pressures by keeping property prices down.

TRANS-PACIFIC PARTNERSHIP

- **Negotiators to meet in late January as U.S. seeks to conclude talks in early 2015.** Trans-Pacific Partnership (TPP) negotiators plan to hold the next round of talks in New York from January 26 to February 1, after which ministers are expected to meet in early March. A senior administration official has said the United States aims to complete negotiations in early 2015, according to a January 8 Inside U.S. Trade report. Negotiators are expected to focus on state-owned enterprises, intellectual property, rules of origin, and financial services in the upcoming talks.



Glenn Defense Marine Asia, which services U.S. Navy ships in Asia, is involved in a corruption investigation that has involved a number of U.S. Navy personnel. <https://www.flickr.com/photos/thienziewung/8072798971>



National Economic Council director Jeff Zients will head the White House-based team to build support in Congress for a Trade Promotion Authority bill. <https://www.flickr.com/photos/usdagov/14730626611>



President Choummaly Sayasone, who recently issued an annual pardon freeing 171 prisoners and reducing the sentences of many more. <https://www.flickr.com/photos/oxfam/5168819726/>

- **U.S., Japan resume discussions on agricultural market access and auto trade.** Acting Deputy U.S. Trade Representative Wendy Cutler on January 13 resumed talks with Japanese Trans-Pacific Partnership (TPP) negotiators for the first time since Japanese prime minister Shinzo Abe's reelection in December. The United States says progress has been made on some of the most sensitive products but that sticking points remain on issues such as autos, rice, and dairy. Other TPP members said the lack of progress between Japan and the United States has held up negotiations in other areas.
- **White House sets up team to push for congressional approval of Trade Promotion Authority.** President Barack Obama has set up a team of senior officials responsible for building congressional support for Trade Promotion Authority (TPA) that would facilitate the passage of a completed Trans-Pacific Partnership (TPP) agreement, according to a January 15 Inside U.S. Trade report. A TPA bill would allow a simple yes or no vote in Congress. The lack of TPA has raised doubts among some TPP countries that the Obama administration will be able to fulfill promises made during negotiations.

LAOS

- **President pardons prisoners.** Director General of the Police Department of Prisons and Rehabilitation Col. Savaeng Phomaly on January 8 organized a ceremony in Vientiane to commemorate a presidential decree pardoning prisoners. The decree is an annual occurrence used to mark Laos's December 2 National Day. Savaeng revealed that 171 prisoners were freed under the decree and 167 prisoners had their sentences reduced. Another 22 prisoners with life sentences had their terms commuted to 20 years.
- **Tourism up 10 percent in 2014.** Saly Phimphinitth, director-general of the Tourism Marketing Department within the Ministry of Information, Culture, and Tourism, expects the final tally of tourists who visited Laos in 2014 to hit 4 million, approximately 10 percent more than 2013's 3.7 million, according to a January 10 *Vientiane Times* article. The Tourism Marketing Department hopes that visitors in 2015 will number 4.2 million.

- **United States to give \$6.5 million for people with disabilities.** The U.S. Embassy in Laos on January 9 announced two new initiatives that will provide a total of \$6.5 million in aid to assist disabled persons in Laos. In the first initiative, the U.S. Agency for International Development (USAID) awarded a three-year, \$5 million grant from the Senator Patrick Leahy War Victims Fund to World Education Laos. The second initiative

involved a three-year extension of USAID support worth \$1.5 million to the Cooperative Orthotic Prosthetic Enterprise.

ASEAN

- **Maritime piracy in Asia rises to 75 percent of global total.** Asia accounted for 75 percent of maritime piracy acts worldwide in 2014, according to a report by the International Maritime Bureau released on January 14. There were 183 actual and attempted attacks in Asia last year, the highest number since 2006. Most of the attacks are low-level theft from cargo ships and tankers. Experts are proposing a greater presence of naval and coast guard patrols from the Malacca Strait to the South China Sea to combat piracy incidents.

BRUNEI

- **Brunei bans future public Christmas celebrations.** The Ministry of Religious Affairs on January 8 announced an official ban on all future public Christmas celebrations. A December 27 ministry statement said that public Christmas celebrations were “propagations of religions other than Islam” and are not permitted under Brunei’s shari’a law. Officials decided to take down Christmas decorations and eventually ban the festivities after seeing several locals wearing Santa Claus costumes.

TIMOR-LESTE

- **Foreign minister says Timor-Leste wants more investment from Indonesia.** Foreign Minister Jose Luis Guterres on January 12 said that Timor-Leste’s government would like to increase investment from the “more advanced” private sector in neighboring Indonesia. Guterres highlighted oil and gas, energy, infrastructure, and small and medium-sized enterprises as areas where Timor-Leste could benefit from Indonesian investment. He also said his country hopes to strengthen bilateral cooperation with the government of Indonesia’s new president, Joko “Jokowi” Widodo. ■



A Singapore-registered Maersk Group tanker. The majority of maritime robberies in Asia take place in the waters near Singapore and the Malacca Strait. <https://www.flickr.com/photos/time-to-look/14572687451>



Christmas decorations in Brunei. The sultanate has banned public Christmas celebrations in the future, declaring them illegal under shari'a law. <https://www.flickr.com/photos/jhiggs/3013858>

Looking Ahead

- **Burma 2015: The Make or Break Moment for Democratization.** The International Forum for Democratic Studies at the National Endowment for Democracy (NED) will host a discussion January 22 on Myanmar's 2015 national elections. Reagan-Fascell Democracy Fellow Zin Mar Aung, a former political prisoner in Myanmar, will give a presentation, followed by comments from the NED's John Knaus. The event will take place from 3:00 p.m. to 4:30 p.m. at 1025 F St., NW, Suite 800. [Click here](#) to RSVP or watch the [livestream here](#).
- **Conference on mega-regional trade agreements.** American University's School of International Service (SIS) and Washington College of Law will cohost a conference on January 26 on the challenges posed by trade and investment treaties including the Trans-Pacific Partnership. The conference will include a luncheon keynote and two panel discussions—one providing an overview of mega-regional trade agreements and the other on issues they present in key sectors. The event will take place from 9:15 a.m. to 2:30 p.m. in the SIS Founder's Room, 4400 Massachusetts Ave., NW, and will be live-streamed. To RSVP, e-mail singlemarket@american.edu.
- **Annual Asia Pacific Forecast at CSIS.** CSIS will host its annual Asia Pacific Forecast event on January 29, looking at the trends that will shape the region in 2015. Speakers will include senior scholars from all of CSIS's Asia programs. The event will take place from 8:00 a.m. to 12:00 p.m., including a continental breakfast, at CSIS, 1616 Rhode Island Ave., NW. Please [click here](#) to register.
- **Assessing Governance Reform and Myanmar's Changing Society.** The Asia Foundation will host a discussion on February 4 on governance reform and social transformation in Myanmar. The Asia Foundation's Matthew Arnold and Kim N. B. Ninh and the Metta Development Foundation's Sai Sam Kham and Ting Maung Than will discuss the findings of their recent opinion poll, *Myanmar 2014: Civic Knowledge and Values in a Changing Society*. That panel will be followed by a luncheon discussion with David Steinberg, editor of the forthcoming *Myanmar: The Dynamics of an Evolving Polity*. To RSVP, e-mail Ellie Matthews at elizabeth.matthews@asiafoundation.org. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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