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## Myanmar's Military Still a Wild Card as Elections Loom

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Myanmar for months has been immersed in intense political maneuvering with the first general elections since the country's transition to civilian rule expected to take place in October or November. The spotlight has been on opposition leader Aung San Suu Kyi's inability to contest the presidency, whether President Thein Sein will contemplate another term, and the increasingly open competition among those two and the country's other top leaders—parliamentary speaker Shwe Mann and Commander-in-Chief General Min Aung Hlaing.

Equally important, however, is the way Myanmar's armed forces will behave in the lead-up to and following the polls. What Min Aung Hlaing and the military decide to do will probably be the single most decisive factor in whether Myanmar will be able to move its fledgling reform process along.

Issues surrounding the military have long been controversial in Washington. As Myanmar begins a critical year, many administration officials are convinced the United States should not pull back from its current engagement with the country. Washington has, to some extent, been prepared for a less-than-perfect outcome, provided elections take place in a sufficiently inclusive, transparent, and credible manner. Yet if the military overplays its hand, it will become difficult to convince key constituencies in Washington, especially in the U.S. Congress, that the United States should continue to pursue engagement with Myanmar for the long haul.

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## Myanmar's Military Still a Wild Card as Elections Loom (*continued*)



*A military banner in Mandalay. How Myanmar's military acts in the lead-up to and following the 2015 elections will be a decisive factor in the nation's future.*  
[https://www.flickr.com/photos/adam\\_jones/11979558975](https://www.flickr.com/photos/adam_jones/11979558975)

Recent actions by the military give grounds for concern. The armed forces have acted in ways disruptive to the cease-fire talks with ethnic armed groups. Min Aung Hlaing has reserved the military's right to intervene to restore law and order if asked by the president to do so, though he has said the military would not stage a coup. The commander-in-chief has also not shied away from conveying his discontent with both Thein Sein and Shwe Mann.

Following high hopes last August, cease-fire talks between the government and the Nationwide Ceasefire Coordinating Team, an umbrella organization representing 16 ethnic armed groups, hit an impasse. Many believe a rift between the president and the commander-in-chief has been partially responsible for the deadlock in negotiations.

Government troops on November 19 shelled a training facility of the Kachin Independence Army (KIA), which does not have a bilateral cease-fire with the military, in the deadliest attack since fighting erupted in Kachin State in 2011. Cadets from the Ta'ang National Liberation Army, another group that has not signed a cease-fire, were among those killed. The shelling was initially seen by some as an attempt by the military to pressure the Kachin and Ta'ang groups into signing the nationwide agreement.

But the attack immediately caused many ethnic armed groups to fear that the KIA might retaliate and in so doing provide the armed forces with an excuse to escalate the conflict beyond the KIA capital of Laiza. Fresh fighting broke out on January 15 outside the government-controlled state capital of Myitkyina after the KIA kidnapped a state transportation official and three police officers. The hostages have since been released, but there is no sign that smaller skirmishes or incidents will cease anytime soon.

The latest events may have proven right those who believed the military never genuinely wanted a peace deal. Sources privately say Min Aung Hlaing and Thein Sein have not been on the same page and that the military commander has sought to disrupt the peace process. Several major ethnic armed groups have lost confidence about the possibility of signing a nationwide peace deal on February 12, which is Union Day in Myanmar, as was previously discussed between the government and the Nationwide Ceasefire Coordinating Team. Meanwhile, a Kachin member of parliament has publicly accused the commander-in-chief of being behind recent clashes in Kachin State.

## Myanmar's Military Still a Wild Card as Elections Loom *(continued)*

Another area to watch is how the relationship between the armed forces and the ruling, military-backed Union Solidarity and Development Party (USDP) will evolve in the coming months. From the establishment of the civilian government in 2010, many believed a rift between the USDP, whose members have to compete to get elected, and the appointed military bloc in the parliament was inevitable. This divide has grown wider as Min Aung Hlaing has become increasingly disillusioned with Shwe Mann, whom he believes has not faithfully defended military interests in his position as speaker.

Shwe Mann has used his perch to push for discussions of national or important policy issues to be channeled through parliament, while at the same time making no secret of his presidential ambitions. Min Aung Hlaing, who will reach retirement age by the time the next government comes into office, is expected to enter politics and will likely be the appointed presidential candidate of the military representatives in parliament. If the two blocs continue to diverge, Min Aung Hlaing may eventually become convinced that it falls on him to protect the autonomy and long-term interests of the armed forces.

Finally, should Myanmar manage to hold elections in a sufficiently peaceful as well as inclusive, transparent, and credible manner, it remains to be seen how the military will respond to persistent calls by political parties and civil society to amend Article 436 of the constitution, which effectively gives military representatives the power to veto constitutional changes.

Given Myanmar's complex political landscape in the lead-up to the elections, any serious talks on constitutional amendments realistically will have to wait until 2016, regardless of what Aung San Suu Kyi may have wished. Min Aung Hlaing wasted no time in asserting his view with respect to changing the provision: Myanmar is not ready for a reduced military role in parliament. Without the military in the legislature, the general says, the country cannot move toward a strong multiparty democratic system.

At this juncture, the military holds some of the most important cards in Myanmar's future. But for all his tough talk, the commander-in-chief knows he cannot turn the clock back on the country's fledgling democracy given the monumental changes that have happened in Myanmar's civil society and economy over the past four years. ■



*Secretary of State John Kerry and Myanmar's parliamentary speaker Shwe Mann. The speaker has used his position to wield power and is a likely presidential contender following this year's elections.*  
<https://www.flickr.com/photos/statephotos/14899037345>

## INDONESIA

- **Military pulls out of AirAsia recovery effort after failing to raise wreckage.** The Indonesian military on January 27 announced that it was ending its involvement in the effort to recover bodies and wreckage from AirAsia Flight 8501, which crashed into the Java Sea on December 28. The military attempted to lift the plane's fuselage from the sea floor in the days before the announcement, but failed when wires attached to the plane snapped. The operation left 19 navy divers hospitalized for decompression sickness. Indonesia's search and rescue agency has taken over the recovery operation. Authorities have so far recovered 90 bodies, leaving 72 passengers still unaccounted for.

- **Panel recommends Jokowi ditch police chief nominee.** An independent nine-member panel, appointed by President Joko "Jokowi" Widodo, on January 28 recommended that the president withdraw his nomination of Budi Gunawan for national police chief. Jokowi has come under increasing public criticism for his refusal to ditch Budi after the Corruption Eradication Commission (KPK) named him a graft suspect due to unusual activity in his bank accounts. Meanwhile KPK deputy chief Bambang Widjojanto resigned his post after he was arrested in what most observers believed to be an act of retaliation by the police.

- **Two Australians to be executed despite international pleas.** Indonesia's attorney general on February 2 said that Australians Andrew Chan and Myuran Sukumaran, members of the "Bali Nine" drug smuggling ring, would be executed after a court rejected their latest appeal. The judicial review was their last chance to avoid death by firing squad following President Joko "Jokowi" Widodo's earlier rejection of a clemency appeal despite pleas from the Australian government. No date has been set for the executions. Indonesia on January 17 executed five foreigners for trafficking crimes amid an international outcry.

- **China, Indonesia expand economic cooperation.** Indonesian coordinating minister for the economy Sofyan Djalil and Chinese premier Li Keqiang on January 26 vowed to strengthen economic ties between their countries during a meeting in Beijing. They agreed to boost sustainable trade and Chinese investment in Indonesian infrastructure, energy, financial services, industrial estates, fisheries, and agribusiness in Sulawesi. They also signed an agreement on the development of coal-fired power plants in Indonesia.



*Students at a 2009 event sponsored by the Corruption Eradication Commission write messages against graft. The widely popular commission is locked in a struggle with Indonesia's national police after naming police chief nominee Budi Gunawan a corruption suspect. <https://www.flickr.com/photos/ikhlasulamal/3395382992/>*

## MYANMAR

- **UN criticizes Wirathu's offensive language; Médecins Sans Frontières resumes work in Rakhine.** The United Nations high commissioner for human rights on January 21 said sexist and offensive language used by Buddhist monk Wirathu toward UN special rapporteur Yanghee Lee was “utterly unacceptable.” Wirathu made the comments during a protest against Lee's January visit to Rakhine and northern Shan states, during which she criticized discrimination against Rohingya. Meanwhile, the government reportedly allowed the group Médecins Sans Frontières to resume work in Rakhine on December 17 after banning it from the state in February 2014.
- **Army warns against linking Kachin teachers' murder to troops.** The military-owned news outlet *Myawaddy* on January 28 warned against implicating government troops in the murder of two Kachin teachers who were volunteering in northern Shan State. An autopsy report has yet to be released, but Kachin activists claimed government soldiers were responsible. Meanwhile, Chinese news reports alleged the military may have detained more than 100 Chinese nationals during a raid on an illegal logging operation in northern Kachin State, where fighting broke out in January between the military and the Kachin Independence Army.
- **Government blames KIA for derailing peace talks.** Minister of Information Ye Htut on January 19 accused the Kachin Independence Army (KIA) of provoking the military with the intention to harm nationwide cease-fire negotiations. He cited the KIA's kidnapping of a Kachin State official and police officers and launching attacks in jade-mining areas under its control in January as deliberate attempts to derail the deal. Ethnic groups on January 21 said they would not sign a nationwide peace accord on Union Day, February 12, without further meetings with the government.
- **Myanmar releases prominent Rohingya political prisoner.** Authorities on January 20 released Tun Aung, a prominent Rohingya doctor and community leader who was accused of inciting riots between Rohingya Muslims and Rakhine Buddhists in 2012. Tun Aung had been sentenced to 17 years in prison in what activists described as an unfair trial. His release was partly a result of international pressure. UN special rapporteur on Myanmar Yanghee Lee met with Tun Aung during her January visit to Myanmar.



*Presidential spokesperson and information minister Ye Htut fields questions from the press following a conference in Yangon, Myanmar. Ye Htut on January 19 accused the Kachin Independence Army of deliberately derailing the nationwide peace talks. <https://www.flickr.com/photos/eastwestcenter/14097599683>*

- **Parliament to debate race and religion protection bills.** Lawmakers in the upper house of parliament on January 19 voted to debate two controversial laws drafted to protect Buddhist identity in Myanmar. The first bill, the Religious Conversion Bill, would require people who want to change their faith to obtain permission from local authorities, while the second bill, the Population Bill, would allow state and regional authorities to regulate population control in their jurisdictions. The U.S. government has said the bills may not conform to international rights standards.

#### THAILAND

- **Yingluck impeached, faces criminal charges.** The military-appointed National Legislative Assembly on January 23 voted overwhelmingly to retroactively impeach former prime minister Yingluck Shinawatra for her role in a failed rice subsidy program. The impeachment means Yingluck is banned from politics for five years. She now faces criminal charges related to her role in the program, which could result in up to 10 years in jail. The impeachment verdict was met with scattered criticism and demonstrations from Yingluck supporters, but no large protests as some observers feared.



*Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel (second from right) and U.S. chargé d'affaires W. Patrick Murphy (far right) visiting with former prime minister Yingluck Shinawatra during Russel's recent trip to Bangkok. Senior Thai officials summoned Murphy to register their disapproval of Russel's call during the trip for a rapid return to democracy. <https://www.flickr.com/photos/usembassybkk/16193641747/>*

- **U.S. assistant secretary of state pushes for government transition.** Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel visited Bangkok on January 26 and delivered a speech at Chulalongkorn University in which he praised the U.S.-Thai relationship before calling on the military government to end martial law, restore civil rights, transparently draft a new charter with public input, and hasten Thailand's return to democracy. Senior Thai officials including Prime Minister Prayuth Chan-ocha decried Russel's comments as inappropriate and summoned U.S. chargé d'affaires W. Patrick Murphy to register their disapproval.
- **Investment applications almost double in 2014.** The Thailand Board of Investment on January 26 announced that potential investors submitted nearly 3,500 applications in 2014 for investments worth \$67.2 billion—the most in 50 years, and a sharp increase from the roughly 2,200 applications worth \$34 billion submitted in 2013. The board did not report how many applications were approved and how many were actually implemented. The government recently implemented new policies to encourage investment, including fast-tracking applications, adding incentives to invest in higher-value-added sectors, and giving special benefits such as tax exemptions of up to eight years for investments in special economic zones and designated provinces.

- **Prayuth defends controversial cyber security bill.** Prime Minister Prayuth Chan-ocha on January 27 defended a proposed cyber security bill, claiming it is a necessary tool to protect national security. Critics in recent weeks have spoken out against the bill, which would grant the government vast Internet surveillance powers without court approval, including granting authorities access to private e-mails. The government has not made a draft of the bill public, but authorities have acknowledged that it will be used to monitor cases of lèse-majesté.

#### PHILIPPINES

- **Senior officials prioritize maritime security during Bilateral Strategic Dialogue.** Assistant Secretary of State Daniel Russel, Assistant Secretary of Defense David Shear, and their Philippine counterparts on January 20-21 agreed to prioritize joint military exercises focused on maritime security, domain awareness, and humanitarian assistance and disaster response. The agreement came during the fifth annual U.S.-Philippines Bilateral Strategic Dialogue in Manila. The officials also said both the United States and the Philippines should exercise “maximum restraint” in the South China Sea, while expressing concern about Chinese reclamation activities in the disputed Spratly Islands.
- **Forty-four police killed in botched raid to capture terrorist.** Philippine police on January 25 **clashed with forces** from the Bangsamoro Islamic Freedom Front (BIFF) and the Moro Islamic Liberation Front (MILF) during a raid to capture wanted terrorist Zulkifli bin Hir, known as Marwan, leaving 44 police dead and 16 wounded. At least five BIFF and MILF fighters, along with Marwan, were reportedly killed. The raid has set off a frenzy of criticism and inquiries in the Philippines, with officials and observers asking why the police entered MILF-held territory without prior coordination, in violation of a cease-fire the group signed with the government in October 2012.
- **Philippines ends 2014 with surprisingly strong economic growth.** The Philippine government on January 28 announced that the economy grew 6.9 percent in the final three months of 2014, beating most economists’ predictions, according to *BusinessWorld*. The Philippines logged 6.1 percent annual growth for 2014, missing the government’s target of 6.5 to 7.5 percent, but placing it second behind China among Asia’s non-least developed countries. Exports of goods and services expanded by 12.1 percent in 2014. The Philippine stock exchange meanwhile continued its run as one of the world’s best performing since 2008 and is up 5.5 percent so far in 2015, according to a January 27 *Wall Street Journal* report.



*(From left) U.S. ambassador Philip Goldberg, U.S. assistant secretary of defense David Shear, Philippine vice president Jejomar Binay, and U.S. assistant secretary of state Daniel Russel meet on January 20. Shear and Russel spent two days in Manila for the annual U.S.-Philippines Bilateral Strategic Dialogue. <https://www.flickr.com/photos/statephotos/15723391603/>*

- **Government rejects U.S. marine's appeal to drop murder case.** A Philippine Department of Justice panel on January 27 rejected U.S. marine Joseph Pemberton's appeal that the government drop a murder case against him. Pemberton is charged with the murder of a transgender Filipino woman, Jennifer Laude, in October 2014. His case is being closely watched in the Philippines, where many citizens are sensitive about perceived impunity for U.S. service members. Pemberton is currently being held at a Philippine military camp but is under U.S. guard.

#### VIETNAM

- **Vietnam, U.S. hold political, security, and defense dialogue.** The United States and Vietnam on January 22-23 held their seventh annual political, security, and defense dialogue in Hanoi, the largest of its kind to date. Led by Assistant Secretary of State for Political-Military Affairs Puneet Talwar, the U.S. delegation included representatives from the Departments of State, Defense, Justice, and Homeland Security. The two sides discussed bilateral and multilateral cooperation in the areas of maritime security, humanitarian assistance and disaster relief, peacekeeping operations, cybersecurity, and law enforcement.
- **VietJet Air plans \$800 million IPO, obtains \$400 million credit to acquire planes.** Vietnam's budget carrier VietJet Air on January 16 announced it plans to raise as much as \$800 million in an initial public offering later this year to acquire more planes. The carrier on January 28 obtained a \$400 million line of credit until 2020 from a Vietnamese bank to pay for Airbus planes it ordered in 2013. VietJet, which carried 6 million passengers in 2014, has committed to buying 92 planes from Airbus worth \$9 billion by 2024.
- **Vietnam's expansion of nuclear power faces setbacks.** Vietnam's Atomic Energy Agency says its plans to develop nuclear power plants are facing setbacks, according to a January 23 *Wall Street Journal* report. Developing the legal and safety frameworks is taking longer than expected, especially following the Fukushima disaster in Japan. Vietnam initially aimed to build eight nuclear power plants by 2030, but construction of the first plant was recently delayed until 2019.
- **Vietnam allows new casino, considers lifting ban on entry for Vietnamese.** Prime Minister Nguyen Tan Dung on January 23 approved a new casino on the resort island of Phu Quoc, while the government is said to be reviewing regulations that would overturn the ban on Vietnamese entering casinos. Vietnam has several casinos but they are reserved for foreigners. Proponents of lifting the ban say the move would boost tourism and



*An official from the U.S. National Nuclear Security Administration measures radioactivity for a batch of highly enriched uranium being transported from a research reactor in Vietnam. Vietnam's plans to build a network of nuclear power plants are being delayed due to legal and safety issues. <https://www.flickr.com/photos/nnsanews/9190668190>*

encourage spending at home, given that many Vietnamese already travel to Cambodia, Singapore, and Macau to gamble.

- **Vietnam's fifth Russian-built submarine to begin sea trials in May.** The Russian firm building six *Kilo*-class submarines for Vietnam announced on January 27 that the fifth completed submarine will begin sea trials in May. The first two submarines are already in Vietnam, while the third is on its way and the fourth is undergoing testing in the Baltic Sea. The delivery of the final submarine is due in 2016. The submarines are part of a broader upgrade of Vietnam's naval capability to deter Chinese assertiveness in the South China Sea.

#### MALAYSIA

- **1MDB delays loan payment again, nears deal with tycoon to help pay debt.** State-owned investment firm 1Malaysia Development Bhd (1MDB) is working to secure a loan from Malaysian tycoon Ananda Krishnan to cover a \$550 million loan payment it missed on January 31, according to a February 1 *Wall Street Journal* report. 1MDB has twice delayed the loan repayment. Creditor banks have given the fund, whose advisory board is chaired by Prime Minister Najib Razak, additional time to make the payment. The deal could see Krishnan become a major investor in 1MDB's energy business.
- **Malaysia runs into hurdles in attempt to extradite a convicted murderer from Australia.** Malaysia faces legal barriers in its efforts to extradite Sirul Azhar Umar from Australia to face the death penalty for his role in the death of a Mongolian model in 2006. Australian law prohibits extradition in cases where the person may face the death penalty. The model was allegedly having an affair with an aide to Prime Minister Najib Razak around the time of her death, and the opposition has long tried to link Najib to the case.
- **Catholic Church loses final appeal to use the term "Allah" in its Malaysian publications.** The Catholic Church lost an eight-year legal battle to use the term "Allah" to refer to God in local language publications when Malaysia's highest court on January 21 rejected its final appeal. An earlier court decision to uphold the ban on the use of the term by non-Muslims has stirred sometimes-violent protests. The case has caused controversy in Muslim-majority Malaysia, as some Islamic groups have accused the Catholic Church of using the term in an effort to convert Muslims.
- **Malaysian police raid office of satirical cartoonist.** Malaysian police on January 28 raided the office of satirical cartoonist Zulkiflee Anwar Alhaque, who often treats politically sensitive issues in his drawings. During the



*The office of Malaysian satirical cartoonist Zulkiflee Anwar Alhaque (center) was raided as part of an ongoing investigation under Malaysia's Sedition Act. <https://www.flickr.com/photos/26541172@N08/4170222817>*

raid, police confiscated a number of books depicting political stories such as opposition leader Anwar Ibrahim's imprisonment. The cartoonist, better known as Zunar, is subject to an investigation under Malaysia's controversial Sedition Act, which the government often uses to attack its opponents.

- **Senior management undergoes shake-up at AirAsia following the crash in Indonesia and growing losses.** Senior management at AirAsia is undergoing a shake-up following the tragedy involving AirAsia Indonesia Flight 8501 and two years of losses at its long-haul subsidiary, AirAsiaX, according to a January 28 *New Straits Times* report. The chief executive officer and chief financial officer of AirAsiaX are among those being replaced. AirAsia faces growing competition in Southeast Asia amid weak consumer sentiment resulting from two crashes involving Malaysia Airlines flights in 2014.
- **Malaysia declares MH370 an accident, halts search for survivors.** Malaysia's Department of Civil Aviation on January 29 officially declared the disappearance of Malaysia Airlines Flight 370 an accident and said all 239 passengers and crew had died. The declaration allows compensation payments to start. Malaysia will release an interim investigation report on March 7, a day before the one-year anniversary of the disappearance. No trace of the plane has been found during the ongoing search for it in the southern Indian Ocean.

#### TRANS-PACIFIC PARTNERSHIP

- **U.S. to push for a final deal at ministerial meeting in March.** The United States is pushing for the conclusion of the Trans-Pacific Partnership (TPP) trade agreement at a ministerial meeting in March, according to sources quoted in a January 22 *Inside U.S. Trade* report. An informal meeting of negotiators in New York from January 26 to February 1 was expected to resolve everything but the most politically sensitive issues, which will be addressed by ministers at the March meeting.

**Senior U.S. lawmaker plans to introduce a new trade promotion bill in February.** U.S. Senate Finance Committee Chairman Orrin Hatch on January 27 announced plans to introduce a bill in February that would renew Trade Promotion Authority (TPA). TPA is seen as crucial to getting the Trans-Pacific Partnership approved, as it limits Congress to a yes or no vote on the final agreement. The administration has been ramping up efforts to build support in Congress for TPA and a final TPP agreement.



*Sen. Orrin Hatch plans to introduce a Trade Promotion Authority bill in the U.S. Congress in February. Passage of the bill will facilitate the approval of a completed Trans-Pacific Partnership agreement. <https://www.flickr.com/photos/bethechangeinc/2922370852>*

- **Talks between the U.S. and Japan make progress, but leave many issues unresolved.** Acting Deputy U.S. Trade Representative Wendy Cutler on January 16 told a press conference that the United States and Japan made progress on some issues during three days of talks in Tokyo, but that many other issues remain unresolved. The talks were the first bilateral negotiations since Japanese prime minister Shinzo Abe's reelection last December. The two sides reportedly made progress on nontariff barriers in the automotive sector and market access for agricultural goods.
- **Mounting U.S. concern with currency manipulation raises another barrier to completing TPP.** Rising concern in the United States about currency manipulation, and whether it should be addressed in the Trans-Pacific Partnership (TPP), has emerged as another hurdle to President Barack Obama's efforts to get support in Congress for the TPP, according to a January 25 *Wall Street Journal* report. Some U.S. lawmakers, labor unions, and manufacturers want the TPP to include enforceable rules against countries that manipulate their currencies for trade advantages.
- **Disagreement over medical patents arises as major barrier for completing talks.** Disagreement among Trans-Pacific Partnership member countries over the length of drug patents remains a major barrier to completing trade talks as negotiators wrapped up an informal meeting on February 1. Pharmaceutical companies and a number of U.S. lawmakers want biologic drugs to have 12 years of protection from competition and imitations. Less-developed countries such as Malaysia and Vietnam, however, oppose such restrictions given their impact on healthcare costs.

#### CAMBODIA

- **U.S. assistant secretary of state rebukes Cambodia over failure to reform.** Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel said during a visit to Phnom Penh on January 27 that Cambodia's failure to push through political reforms has harmed foreign investment opportunities and the country's reputation in the international community. Russel met with Secretary of State for Foreign Affairs Ouch Borith, held a roundtable discussion with the Cambodian media, and visited the Cambodian Institute for Cooperation and Peace.
- **Seven Montagnard asylum seekers deported.** The Cambodian government on January 25 announced that it had deported seven Montagnards to Vietnam the day before. Almost 30 Montagnards have crossed the border into Cambodia in the past three months seeking asylum. An initial group that arrived in October hid in the forests of northeastern Cambodia's Ratanakkiri Province until December when



*An informal gas station near Siem Reap. Cambodia's government has begun drafting regulations to control fuel prices and prevent overcharging. <https://www.flickr.com/photos/shankaronline/7288077002/>*

the Interior Ministry and UN officials brought them to Phnom Penh for processing as refugees. The deportation comes as another group of 14 Montagnards in the same area continues to evade authorities.

- **Land activists lose appeal.** The Cambodian Court of Appeal on January 26 upheld the convictions of 11 land activists arrested in November for involvement in protests over flooding in Phnom Penh's Boeng Kak Lake neighborhood that they claimed was related to an abandoned real estate project. All the defendants received one-year sentences in November. Despite rejecting their appeal, the court reduced the sentences for nine of them.
- **Government takes step toward fuel price control legislation.** The Ministry of Mines and Energy on January 27 said it has begun drafting new regulations to control fuel prices in a bid to stop individual distributors from overcharging customers. All petroleum importers and distributors will be required to report their monthly fuel imports, sales, and stock levels. The fuel price control legislation will fit into the draft Petroleum Law set to be presented to the Council of Ministers later in 2015.

#### SOUTH CHINA SEA

- **Chinese ship rams Filipino fishing boats.** The Philippine government on February 4 sent a formal protest to Beijing over the ramming of three Philippine fishing boats by a Chinese Coast Guard ship in Scarborough Shoal five days earlier. The three fishing boats were carrying 29 fishermen. No one was injured in the incident, but the outriggers on one of the fishing boats were reportedly destroyed. Manila earlier filed a protest with Beijing over the harvesting of protected giant clams by Chinese fishermen at the disputed shoal, which the Philippine government said violated international treaties to combat the trafficking of endangered wildlife.
- **Forum Energy approved to drill in Reed Bank.** Philex Petroleum Corp. chairman Manuel Pangilinan on January 30 told the *Philippine Star* that the Philippine Department of Energy has given Forum Energy, Philex's London-listed subsidiary, permission to conduct a drilling survey in the disputed Reed Bank. Forum hopes to complete the survey in 2015. The Department of Energy ordered a halt of all exploration in the Reed Bank in 2012 amid opposition from China, but also extended Forum's exploration license until August 2016 due to the delay. Talks between Forum and China National Offshore Oil Corp. to seek a commercial deal to jointly explore fell through in 2013.

## SINGAPORE

- **Singapore launches a national cybersecurity agency.** Singapore is setting up a national cybersecurity agency and appointing a minister responsible for cybersecurity to step up efforts to crack down on cyber crime, according to a January 27 statement by the prime minister's office. Singapore has faced a number of cyber attacks in recent years, including the stealing of client data from Standard Chartered and an attack on the prime minister's official website. The announcement follows the opening of a cybercrime-focused Interpol office in Singapore last year.
- **Central bank makes surprise move to slow the currency's appreciation.** The Monetary Authority of Singapore on January 27 announced that it would intervene to boost inflation and export-led growth by slowing the rise of the Singapore dollar against a basket of currencies. The Singapore dollar fell 1.4 percent against the U.S. dollar immediately following the announcement. The decision follows a number of similar interventions by central banks in China, Europe, Canada, and India to use monetary policy tools to counter a slowing global economy.

## TIMOR-LESTE

- **Prime minister to retire early.** Prime Minister Xanana Gusmão on January 28 told his cabinet that he intends to resign in early February, with the *Sydney Morning Herald* reporting that he will step down on February 6. Gusmão, 68, began warning in January 2014 that he would soon retire despite winning a second five-year term in 2012. Former health minister and member of the opposition Fretilin party Rui Araujo is the favorite to succeed him. Gusmao won Timor's first presidential election in 2002 after having led the resistance to Indonesian occupation.

## ASEAN

- **ASEAN foreign ministers concerned about land reclamation in the South China Sea.** Malaysian foreign minister Anifah Aman on January 28 said in a statement that ASEAN foreign ministers are concerned about land reclamation actions in the South China Sea following a two-day ministerial retreat in Kota Kinabalu, Malaysia. The statement issued by Malaysia mentioned no specific countries. Philippine foreign minister Albert del Rosario warned during the retreat that ASEAN's credibility will be at stake if it fails to address the massive reclamation undertaken by China in the South China Sea.



People queue up to exchange foreign currency at the People's Park Complex in Singapore. Singapore is the latest country to use monetary policy to help counter the slowing global economy and to boost economic growth by decreasing the value of its currency. <https://www.flickr.com/photos/ronaltdanhn/3889858766>



The floating mosque in Kota Kinabalu, Malaysia. ASEAN foreign ministers on January 27-28 held a retreat in Kota Kinabalu, following which they expressed concern over Chinese land reclamation in the South China Sea. <https://www.flickr.com/photos/fudge-r/486179587>

## MEKONG RIVER

- **U.S. launches initiatives to promote Mekong sustainability.** The U.S. Agency for International Development launched a new **Sustainable Mekong Energy Initiative** during a February 2-3 meeting of the Friends of the Lower Mekong—a coordination group of major donor countries and organizations—with representatives from Cambodia, Laos, Myanmar, Thailand, and Vietnam in Pakse, Laos. The initiative will promote the use of alternative energies among Mekong countries. In addition, the U.S. Army Corps of Engineers renewed for five years its program to provide technical assistance on hydropower management to the Lower Mekong countries, and the State Department announced it will organize a business delegation to the region in 2015 to promote sustainable energy.

## LAOS

- **Progress in Lao-Thai border demarcation.** Deputy Prime Minister and Foreign Minister Thongloun Sisoulith on January 23 announced that demarcation of the land border between Thailand and Laos is 90 percent complete and should be finished by 2016. He made the statement after attending the 10th Lao-Thai Joint Border Committee Meeting with his Thai counterpart, **Tanasak Patimaprakorn**, in Vientiane. Laos and Thailand are expected to reach an agreement over water demarcation by 2018.

## APEC

- **White House supports India's "interest in joining" APEC.** The Indian and U.S. governments on January 25 released a **joint statement** during President Barack Obama's visit to Delhi in which the White House said it "welcomes India's interest in joining" the 21-country Asia-Pacific Economic Cooperation (APEC) forum. The statement is not an endorsement of India's immediate candidacy, but is the strongest indicator yet of U.S. support for one of Asia's largest economies eventually joining the grouping. Indian prime minister Narendra Modi refused an invitation to attend the November 2014 APEC summit in Beijing as an observer. ■



*The Mekong River Bridge, one of many border crossings between Laos and Thailand. The two countries expect to complete demarcation of their land border in 2016 and their water borders by 2018. <https://www.flickr.com/photos/eustaquio/3845093768/>*

- **Myanmar's Upcoming Elections and the Fate of the Reform Process.** The Sigur Center for Asian Studies at George Washington University and the School of Oriental and African Studies at the University of London will cohost a discussion on February 11 on Myanmar's 2015 national elections. George Washington's Christina Fink and Jefferson Waterman International's Douglas Jackson will offer their thoughts. The event will take place from 6:00 p.m. to 8:00 p.m. at the Elliott School of International Affairs, 1957 E St., NW, Lindner Commons, Room 602. [Click here](#) to RSVP.
- **ASEAN Economic Cooperation and the Asia-Pacific Future.** The Johns Hopkins University's School of Advanced International Studies (SAIS) will host a discussion on February 12 on ASEAN's plans to establish an economic community in 2015 and its place within wider Asia-Pacific economic integration. SAIS Europe director Michael Plummer will discuss the topic. The event will be held from 4:30 p.m. to 6:00 p.m. in the SAIS Nitze Building, 1740 Massachusetts Ave., NW. To RSVP, e-mail the [Reischauer Center for East Asia Studies](#).
- **Asia Pacific workgroup planning meeting.** The Society for International Development (SID) will host a meeting on February 26 to discuss the 2015 agenda of the SID-Washington Asia Pacific Workgroup. The brainstorming session will include remarks by Nathan Associates' Jack Andre and SIL-International's Bill Hampton. The event will take place from 12:00 p.m. to 1:30 p.m. at SID-Washington, 1101 15th St., NW, Third Floor. For more information or to RSVP, [click here](#).
- **Maritime Competition in a Mature Precision-Strike Regime.** The Center for Strategic and Budgetary Assessments (CSBA) will host a discussion on February 26 on its latest study, *Maritime Competition in a Mature Precision-Strike Regime*. The session will include remarks by CSBA president Andrew Krepinevich and Rep. James Langevin (D-RI), the ranking member of the House Armed Services Subcommittee for Intelligence, Emerging Threats and Capabilities. The event will be held from 1:00 p.m. to 2:30 p.m. in Room 210 of the Cannon House Office Building, Independence and New Jersey Aves., SE. For more information or to RSVP, [click here](#).
- **Creating Shared Value.** CSIS's Project on Prosperity and Development will host a conference on March 3 about the role of the private sector in addressing enduring socioeconomic challenges in the world's poorest countries through agricultural development. The event will take place from 8:00 a.m. to 2:00 p.m. in the Second Floor Conference Room at CSIS, 1616 Rhode Island Ave., NW. For more information or to RSVP, [click here](#). ■

## SOUTHEAST ASIA FROM SCOTT CIRCLE

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