

Southeast Asia from Scott Circle

Volume VI | Issue 11 | May 28, 2015

Enhanced Defense Cooperation Agreement: Manila's Most Credible Deterrent to China

ERNEST Z. BOWER

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

May 28, 2015

The Philippines' most credible deterrent to China's stepped-up unilateral actions in the South China Sea is under the pen of Maria Lourdes Sereno, the chief justice of the Philippine Supreme Court. Sereno has been tasked with writing the decision of the court on whether the U.S.-Philippines Enhanced Defense Cooperation Agreement (EDCA), which would involve stationing American troops, planes, and ships in the country on a rotating basis, is constitutional. The agreement would also help the Philippines boost its maritime security through closer cooperation with the U.S. military.

Philippine defense secretary Voltaire Gazmin and U.S. ambassador to the Philippines Philip Goldberg signed the EDCA last April, shortly before President Barack Obama arrived for a state visit to the Philippines. The administration of President Benigno Aquino III has insisted that the EDCA is an executive agreement that merely raises the scope of, and therefore falls within legal boundaries of, the two countries' 1951 Mutual Defense Treaty. However, a group of Philippine lawmakers, academics, activists, and former lawmakers have charged that the agreement amounts to a treaty and will require separate ratification by the Philippine senate.

Filipinos have become increasingly concerned about China's continuing reclamation in the disputed waters of the Spratly Islands and the threats those actions pose to the Philippines' sovereign interests. Still, many have not connected the dots on the urgent need to move ahead with the EDCA,

Inside This Issue

BIWEEKLY UPDATE

- Indonesia, Malaysia agree to temporarily take in boat people
- Deputy Secretary of State Blinken visits Vietnam, Indonesia, Myanmar
- Thailand's election now expected in late 2016
- Anti-Money Laundering Committee Council freezes Binay's bank accounts

LOOKING AHEAD

- Discussion with Bandung mayor Ridwan Kamil
- The growing strategic importance of the Bay of Bengal
- Fifth annual South China Sea Conference at CSIS

Enhanced Defense Cooperation Agreement: Manila's Most Credible Deterrent to China *(continued)*



President Barack Obama holds a joint press conference in Manila with Philippine president Benigno Aquino III during his visit to the Philippines in April 2014. <https://www.flickr.com/photos/statephotos/14047612712/>

preferably before Obama visits the Philippines to attend this year's Asia Pacific Economic Cooperation Leaders' Summit in November.

The EDCA has languished in the docket for nearly a year. A survey conducted by the independent pollster Social Weather Stations and commissioned by the Philippine Department of Foreign Affairs in February 2014 shows that an overwhelming 81 percent of Filipinos surveyed support Aquino's decision to seek legal clarity on China's claims in the South China Sea at the United Nations' Permanent Court of Arbitration in The Hague. Eighty percent surveyed also believe that Manila should request the assistance of other countries to balance China's growing military muscle in the disputed sea.

As China continues to destroy the reefs around waters controlled by the Philippines and dredges sand to turn rocks into islands with military features, including runways, ports, and landing areas, Filipino anxiety has rightly risen. If voters understand more clearly the link between the Supreme Court's inaction and the inability to establish an enduring and credible deterrent to China's efforts to change facts on the seas, there will be more voices asking the court to issue a ruling as early as possible.

The Supreme Court is now expected to rule on the constitutionality of the EDCA in July, and Gazmin said on May 26, prior to his meeting with U.S. defense secretary Ashton Carter in Hawaii, that he expects a favorable verdict.

Aquino will likely leave behind a strong legacy of working to protect the sovereignty of the Philippines. But he and his team must act with urgency to follow through on the EDCA to strengthen the Philippines' national defense and increase the capability of the armed forces to deal with external security threats, ranging from territorial disputes to natural disasters.

Philippine citizens should speak out with a nation-unifying sense of urgency to encourage the court to make its decision so that the Aquino administration can move ahead with necessary actions to enact the EDCA.

If the EDCA is in place before Obama arrives in November, one can expect a historic visit with a robust set of deliverables focused on strong U.S.

Enhanced Defense Cooperation Agreement: Manila's Most Credible Deterrent to China *(continued)*

investments in enhancing Philippine defense capabilities at eight military facilities across the Philippines over the next 10 years. These investments will be fueled by funds that Senator John McCain, chair of the Senate Armed Services Committee, has asked to be earmarked for enhanced U.S. defense spending in Asia. In addition, passing the EDCA will provide a platform for other countries interested in supporting the Philippines, such as Japan and Australia, to invest in increased defense and maritime awareness capabilities alongside the Philippine and the U.S. militaries.

This scenario will also potentially pave the way for Obama to visit areas outside of Manila during his trip, where he can meet with local leaders who will benefit from planned infrastructure investments under the EDCA and beefed-up local capacity to respond to natural disasters and provide home-grown humanitarian assistance to people in need.

Equally important, passing the EDCA will allow the two governments to move on to address the next pressing issue in U.S.-Philippines relations—what many Filipinos see as the lack of clarity in the U.S. commitment to the Philippines under the Mutual Defense Treaty. Obama, who declared last year in Manila that the United States has an “ironclad” commitment to the Philippines, will be more likely to clarify the scope of U.S. commitment if Washington perceives a strong commitment to partnership from Manila. Such a pledge could reasonably extend the United States’ commitment to come to the defense of Philippine forces as well as ships and aircraft that are attacked in disputed waters.

However, if the Supreme Court does not move expeditiously on the EDCA and the agreement is not in place before Obama’s visit, the White House will have to ask whether the Philippines is serious about implementing its treaty alliance with the United States. Obama will also be more constrained in his ability to talk about potential U.S. investments in the Philippines’ defense modernization efforts, thereby sending signals to Beijing of Manila’s uncertainty even as Filipinos will be preparing to head into a national transition that will elect a new president to replace Aquino in May 2016.

The national interests of the Philippines depend on the actions of Justice Sereno. She has the opportunity to lead the Supreme Court in contributing to Aquino’s efforts to defend Philippine sovereignty and strengthen the country’s national defense capabilities and international security partnerships for generations to come. ■



The USS Green Bay conducts amphibious operations in the South China Sea during the 2015 Balikatan exercise, an annual drill between U.S. and Philippine armed forces. This year’s Balikatan exercise is the largest to date. <https://www.flickr.com/photos/usnavy/17244894601/>

MYANMAR

- **NLD spokesperson says Rohingya entitled to human rights as government brushes off blame for boat people crisis.** A spokesperson for the opposition National League for Democracy on May 18 said Muslim Rohingyas who live in western Myanmar are entitled to human rights and urged the government to give them a chance to obtain citizenship. Thousands of Rohingya, who face persecution in Myanmar, have fled by boat in recent weeks to try to reach neighboring countries, causing a crisis in the region's seas. U.S. deputy secretary of state Antony Blinken during a visit on May 21 called on Myanmar to work with regional partners to address the situation, and the U.S. government said it is willing to take in some Rohingya refugees. Naypyidaw has blamed the exodus on human traffickers who preyed on the impoverished group.



President Barack Obama rings a bell at the Shwedagon Pagoda in Yangon during his first visit to Myanmar in November 2012. Obama on May 15 extended his authority to maintain sanctions against Myanmar for another year, a decision that the National Security Council said will give the U.S. government the flexibility necessary to sanction bad actors and prevent stalling of the reform process. <https://www.flickr.com/photos/whitehouse/8248705592/in/album-72157632181564328/>

- **Obama renews authority to maintain sanctions; U.S. reiterates concern over race and religion protection bills.** President Barack Obama on May 15 notified the U.S. Congress that he was renewing his authority to maintain sanctions against Myanmar for another year. Obama cited ongoing conflicts and human rights abuses in ethnic minority areas, particularly in western Myanmar's Rakhine State, as causes for concern. The State Department on May 19 expressed concern that the population control bill, which President Thein Sein has signed into law, as well as three other race and religion protection bills, could lead to further marginalization of minority groups in Myanmar.

- **Thein Sein pushes for political dialogue with ethnic groups before election.** President Thein Sein on May 18 met with nearly 130 leaders of ethnic political parties to discuss the nationwide cease-fire process, the upcoming national elections in November, and the problem of land disputes in Myanmar. Thein Sein said that his government wants to begin political dialogue with ethnic stakeholders before the election, a position that the military has not supported. The government hopes to sign a nationwide cease-fire agreement with ethnic armed groups in May.

- **Military blames Kokang rebels for artillery fire in China; martial law extended in Kokang region.** Commander-in-Chief Min Aung Hlaing on May 18 told Chinese ambassador to Myanmar Yang Houlan that the Myanmar National Democratic Alliance Army, also known as the Kokang, was responsible for artillery fire on May 14 along the China-Myanmar border that injured five people in Yunnan Province. Meanwhile, presidential spokesperson Ye Htut said the same day that an investigation into who

caused the shelling was still under way. Parliament on May 15 extended martial law for another 90 days in the Kokang region, where fighting has raged since February.

- **Court sentences Letpadaung copper mine activists to four years in prison.** A court on May 15 sentenced six activists who protested in front of the Chinese Embassy last year to four years and four months in prison with hard labor. The activists were demanding an investigation into the shooting death of a protester during a police crackdown last December on local farmers who objected to the environmental impact and expansion of the Letpadaung copper mine, a Chinese-backed project in northwestern Myanmar. They had previously been charged with violating the peaceful assembly act.

INDONESIA

- **Indonesia, Malaysia agree to temporarily take in boat people.** The foreign ministries of Indonesia and Malaysia on May 20 agreed to provide up to a year of humanitarian assistance and shelter for as many as 7,000 Bangladeshi and Rohingya migrants left adrift in Southeast Asian waters. Both countries refused for days to allow migrants' boats to reach their shores, saying they could not take in any more after rescuing about 1,600 and letting hundreds more come ashore the week before. Indonesia's and Malaysia's navies have since joined the search for stranded boat people in the region's waters. Thailand has agreed to create a transit area for migrants but will not allow them to stay in Thailand.
- **Supreme Court declares Bakrie leader of Golkar.** An Indonesian court on May 18 ruled that Aburizal Bakrie was the legitimate leader of the Golkar party, overturning a March decision by Law and Human Rights Minister Yasonna Laoly in favor of Bakrie's rival, Agung Laksono. Golkar has been split since members who were disgruntled by Bakrie's decision as party chair to align with losing presidential candidate Prabowo Subianto in the 2014 election held their own party convention and selected Agung as chair. Bakrie plans to keep Golkar in the opposition. Agung had said he would bring the party into President Joko Widodo's coalition.
- **Indonesia sinks Chinese fishing boat.** Indonesian authorities on May 20 blew up 41 empty boats, including a large Chinese vessel, which had engaged in illegal fishing in Indonesia's waters. President Joko Widodo's government has launched a tough campaign to combat illegal fishing by neighboring states, the centerpiece of which has been the policy of sinking boats, but this was the first time a Chinese vessel was destroyed. China's Foreign Ministry on May 21 voiced "serious concern" about the incident.

- **World Bank offers \$11 billion for infrastructure projects.** World Bank president Jim Yong Kim on May 20 offered Indonesia up to \$11 billion in loans over three to four years to fund roads, seaports, and improvements to the Indonesian workforce. President Joko Widodo has committed to invest over \$400 billion in infrastructure projects over the next five years. He secured \$63 billion from Chinese companies and another \$9 billion from Japanese companies during a March trip to Beijing and Tokyo.
- **WTO to examine U.S., New Zealand complaints against Indonesian agricultural import restrictions.** The World Trade Organization (WTO) on May 20 agreed to create a panel of experts to study complaints filed by the United States and New Zealand against Indonesian restrictions on the import of agricultural products. U.S. and New Zealand authorities insist that Indonesian restrictions on fruits, vegetables, beef, and poultry violate WTO rules. The panel, which will likely take several months to reach a decision, could authorize retaliatory trade measures if it finds in favor of the United States and New Zealand.

ASEAN

- **Regional states to gather for summit on boat people.** More than 20 nations and international organization have said they will attend a May 29 summit in Bangkok that the Thai government is hosting in the hopes of coming up with a regional response to the crisis of asylum seekers fleeing Bangladesh and Myanmar's Rakhine State. Malaysian authorities on May 24 discovered a series of graves in abandoned camps along the Thailand-Malaysia border containing the remains of hundreds of Rohingya Muslims. Myanmar previously threatened to boycott the meeting if the issue of its treatment of the Rohingya minority was on the agenda, but has since said it will attend.

VIETNAM

- **Deputy Secretary of State Blinken visits Vietnam, Indonesia, Myanmar.** Deputy Secretary of State Antony Blinken visited Vietnam from May 16 to 19, where he met with senior Vietnamese officials and civil society representatives. Blinken said at a press conference in Ho Chi Minh City that the upcoming visit to the United States of the head of the Vietnamese Communist Party will help create a common vision for future U.S.-Vietnam relations. Blinken on May 20 visited Indonesia, where he discussed preparations for President Joko Widodo's first visit to the United States later this year and called on Southeast Asian countries to act jointly to assist Rohingya refugees fleeing Myanmar.

- **Vietnam and India sign five-year defense agreement.** Vietnamese defense minister Phung Quang Thanh and his Indian counterpart, Manohar Parrikar, on May 25 signed a five-year joint vision statement on bilateral defense cooperation during Thanh's visit to New Delhi. During Thanh's visit, the Indian and Vietnamese coast guards also signed a memorandum of understanding to advance cooperation, according to the Vietnamese government. The two countries have sought to strengthen their defense ties, especially in the maritime sector, in the wake of China's growing assertiveness in the South China Sea.
- **Vietnam shops for U.S. military hardware in bid to diversify defense assets.** Senior Vietnamese military officers on April 22 met with more than a dozen U.S. defense contractors in Hanoi, including Boeing, BAE Systems, and Lockheed Martin, in a meeting organized by the U.S. Embassy in Hanoi as Vietnam looks to beef up its maritime defenses. U.S. defense contractors have sought to engage Vietnam following the partial easing of the U.S. ban on the sale of lethal weapons to Hanoi last October. Vietnam's military spending reached \$4.3 billion in 2014, an increase of 128 percent since 2005.
- **Vietnam, China discuss border defense cooperation.** Senior Vietnamese and Chinese defense officials held their second border exchange at the ministerial level along the shared China-Vietnam border from May 15 to 18. The two countries' border guards conducted a joint patrol on the Vietnamese side of the Hekou border crossing and held talks on security issues in Mengzi City in Yunnan Province. The exchange was an effort to build confidence amid rising tensions in the South China Sea.
- **Government cracks down on activists.** Authorities on May 18 briefly detained prominent blogger Dung Mai at the Hanoi airport after he returned from a workshop on citizen journalism in Singapore, according to a *Radio Free Asia* report. Meanwhile, plainclothes police officers on May 19 assaulted outspoken anti-China activist Nguyen Chi Tuyen in Hanoi during a weeklong U.S.-Vietnam human rights dialogue. The government has not made new arrests of bloggers since January but continues to intimidate individuals with dissenting opinions.



The Vietnam-China border crossing viewed from Lao Cai Province, Vietnam. http://commons.wikimedia.org/wiki/File:Border_crossing_at_Lao_Cai.png

THAILAND

- **Cabinet agrees to charter referendum; election now expected in late 2016.** Thailand's cabinet and the National Council for Peace and Order on May 19 agreed to hold a national referendum on the draft charter. The referendum is tentatively scheduled for January 16, 2016, pending approval by the junta-appointed National Legislative Assembly. The government also said the



Former prime minister Yingluck Shinawatra, who pleaded not guilty to negligence charges related to her government's costly rice-pledging scheme. Yingluck faces up to 10 years in prison if convicted. https://commons.wikimedia.org/wiki/File:9139ri-Yingluck_Shinawatra.jpg

referendum would further delay elections for a return to civilian rule until August or September 2016 at the earliest.

- **Yingluck pleads not guilty.** Former prime minister Yingluck Shinawatra on May 19 pleaded not guilty to charges of negligence concerning her government's rice-pledging scheme that allegedly cost Thailand approximately \$18 billion. The Supreme Court's Criminal Division for Political Office Holders released Yingluck on nearly \$900,000 bail but banned her from leaving the country without the court's permission. Yingluck could face up to 10 years in prison if convicted.
- **Civil Aviation Department to be restructured following Japanese ban.** Transport Minister Prajin Juntong on May 20 said that the cabinet had approved the restructuring of Thailand's Civil Aviation Department into two new organizations in the wake of Japan's decision to ban new chartered flights from Thailand. The National Civil Aviation Institute will act as an independent regulator, while the Airport Department will be responsible for airport management. Japan banned new charter flights from Thailand because of the Thai aviation industries' failure to meet international standards.
- **Government restarting talks with insurgents in southern Thailand.** Thai authorities on May 12 confirmed that the government is seeking to restart peace talks with insurgents in southern Thailand. Defense Minister Prawit Wongsuwan said previous talks were unsuccessful because insurgent negotiators were not "genuine" representatives of rebel groups and that the government is looking into alternatives. Talks are expected to begin in June, with Malaysia continuing to act as the facilitator and with the expressed aim of reducing violence in the region.

PHILIPPINES

- **House of Representatives debates amended Bangsamoro law.** The House of Representatives ad hoc committee deliberating the Bangsamoro Basic Law, aimed at ending decades of conflict between the Moro Islamic Liberation Front (MILF) and government forces in the southern Philippines, opened debate on a new working draft on May 18. The new draft reintroduced six sections removed from a previous draft. The most controversial provision, which would allow neighboring districts to join the autonomous Bangsamoro region via a plebiscite, was reintroduced but reworded to allow only two opportunities for such votes, 5 and 10 years after the law is enacted. MILF chief negotiator Mohagher Iqbal said he is 90 percent satisfied with the new draft.

- **Rubber slipper factory fire kills more than 70 workers.** A fire broke out on May 13 at a Kentex Manufacturing Corporation slipper factory north of Manila, killing 72 workers in one of the deadliest industrial blazes in Philippine history. The fire started when welders accidentally ignited chemicals used in the production process. Workers fled to the second floor but were prevented from escaping by iron grills covering windows. A spokesperson for President Benigno Aquino said Kentex was compliant with occupational safety requirements as of a September 2014 inspection despite not having a sprinkler system installed.



The fire at a Kentex Manufacturing Corporation factory in a Manila suburb that left 72 workers dead. It was one of the deadliest industrial fires in Philippine history. "KENTEX3" by Microtexnano - Own work. Licensed under CC BY-SA 4.0 via Wikimedia Commons. http://en.wikipedia.org/wiki/Kentex_slipper_factory_fire#/media/File:KENTEX3.jpg

- **Anti-Money Laundering Council freezes vice president's bank accounts.** The Philippine Court of Appeals on May 11 granted a petition by the country's Anti-Money Laundering Council for a six-month freeze on 242 bank accounts, investments, and insurance policies belonging to Vice President Jejomar Binay, members of his family, and close associates. The council is investigating Binay and his associates regarding alleged irregularities in the construction of a Makati City Hall parking structure during the vice president's term as mayor.

- **Moro Islamic Liberation Front moves to register political party for elections.** United Bangsamoro Justice Party (UBJP) secretary-general Naguib Sinarimbo on May 7 filed the party's application for accreditation with the Philippine Commission on Elections. The party, which the Moro Islamic Liberation Front established in 2014, expects to take part in elections in the envisioned Bangsamoro autonomous region in 2016. The UBJP has party members throughout Mindanao, including Maguindanao, Lanao del Sur, and the Autonomous Region in Muslim Mindanao.

- **House of Representatives approves three economic measures.** The Philippine House of Representatives on May 19 approved three priority economic bills that the government hopes to enact into law before the Congress adjourns in June. Lawmakers approved the Philippine Competition Act, which was first introduced in 1987 and seeks to control monopolies and unfair trade practices. Lawmakers also passed the Philippine Archipelagic Sea Lanes act, which opens routes for foreign sea and air vessels through local waters, and revisions to the national Cabotage Law to allow foreign companies to ship goods from port to port within the Philippines rather than relying on local partners.

MALAYSIA

- **Najib says he has support of UMNO Supreme Council, BN can win in next election.** Prime Minister Najib Razak on May 11 said the Supreme Council of the ruling United Malay National Organization (UMNO) has

expressed united support for him, amid efforts by Najib's opponents to force him to resign over mismanagement of state investment fund 1 Malaysia Development Bhd. Najib also denied rumors of a split between him and Deputy Prime Minister Muhyiddin Yassin and said that the ruling Barisan Nasional coalition can win the next general election if UMNO fully supports him.

- **Investigation committee begins 1MDB probe, Mahathir calls for independent body.** The Public Accounts Committee, a parliamentary committee tasked with investigating the troubled state investment fund 1 Malaysia Development Bhd (1MDB), on May 19 began summoning key government officials for questioning. The committee, which consists of eight lawmakers from the ruling coalition and five from the opposition, will conduct its probe separately from the attorney general's office, which is expected to release a report on 1MDB in the coming months. Former prime minister Mahathir Mohamad recently said he wants a body other than the attorney general's office to handle the investigation.

- **Opposition party DAP sets up own shadow cabinet, PAS threatens to cut ties.** The opposition Democratic Action Party (DAP) on May 19 established its own shadow cabinet despite an earlier proposal by newly appointed opposition leader Wan Azizah Wan Ismail that the three parties in the opposition coalition form a joint shadow cabinet. DAP chief Lim Guan Eng refuted Wan Azizah's call on grounds that he has lost confidence in opposition partner Abdul Hadi Awang, who heads the Pan-Malaysian Islamic Party (PAS). Hadi Awang on May 22 responded that he was ready to sever all ties with DAP following Lim's announcement.

- **Najib unveils \$72 billion economic stimulus in 11th Malaysia Plan.** Prime Minister Najib Razak on May 21 tabled a \$72 billion economic stimulus package as part of Malaysia's next five-year plan in an effort to revive a slowing economy amid a drop in global oil prices. The 11th Malaysia Plan aims to boost economic growth by 5 to 6 percent annually by creating high-paying jobs and attracting investment in sectors such as public infrastructure and green technology. Parliament is set to debate the plan for six days starting on May 25.



A view of downtown Kuala Lumpur, Malaysia's capital. Prime Minister Najib Razak hopes that the 11th Malaysia Plan will help Malaysia achieve the status of a high-income country by 2020. Najib has unveiled a \$72 billion economic package as part of the plan. <https://www.flickr.com/photos/warzauwynn/3752244302/>

CAMBODIA

- **U.S. ambassador urges careful consideration of draft NGO law.** U.S. ambassador to Cambodia William Todd on May 17 urged the Cambodian government in a letter to consider the effect that a draft law to regulate nongovernmental organizations (NGOs) would have on Cambodia's international image if it were passed. The ambassador called on the

government to release the draft law for public comments, as civil society leaders have expressed concern that such legislation may be used to curtail dissent. Foreign Affairs Minister Hor Namhong described Todd's letter as "extremely insolent."

- **Hun Sen threatens to strip Kem Sokha of his role in the National Assembly.** Prime Minister Hun Sen on May 19 threatened to strip Kem Sokha, deputy president of the opposition Cambodia National Rescue Party, of his role as deputy speaker of the National Assembly in response to a speech Sokha made the day before accusing the ruling Cambodian People's Party of trying to divide the opposition. Hun Sen and opposition leader Sam Rainsy earlier agreed to refrain from harsh criticism of each other as part of a new "culture of dialogue."
- **CNRP-affiliated television station will be allowed on air by end of 2015.** Opposition leader Sam Rainsy, during a visit to the United States on May 14, told *Radio Free Asia* that the government has allowed a television station affiliated with the Cambodia National Rescue Party to begin broadcasting by the end of the year. A private company will run the channel, which will also allow other political parties and nongovernmental organizations to use its airtime. Nearly all television stations operating in Cambodia are under the control of the government or ruling party.
- **Senate commission investigates land disputes in 11 provinces.** A Senate commission on May 19 launched an inquiry into land disputes in 11 provinces, based on data provided by local rights group Licadho. A report released by the group in March and denounced by the government states that over 8,100 square miles in land concessions have been made, primarily to foreign-owned companies. The probe was welcomed by local residents, who have often been inadequately compensated for and forcibly required to vacate their land to make way for dam construction or extractive mining operations.

SINGAPORE

- **Singapore hosts Asia maritime defense exposition.** Singapore hosted Asia's largest maritime defense trade fair, the International Maritime Defense Exhibition and Conference, from May 19 to 21 at the Changi Exhibition Center. Defense Minister Ng Eng Hen said in his opening remarks that the region's waters face increasing risks from territorial disputes, the threat of maritime terrorism, and piracy and sea robbery. Ng called on littoral countries in Asia to embrace greater multilateral cooperation to reduce miscalculations at sea and build capacity to respond to these challenges.



Cambodian minister of foreign affairs Hor Namhong. Hor Namhong called U.S. ambassador to Cambodia William Todd's request for the Cambodian government to release a draft law regulating nongovernmental organizations for public comments "extremely insolent." https://www.flickr.com/photos/un_photo/3962426357/in/photolist-



Cmdr. Joseph Torres (right), commanding officer of the USS Mustin, gives Prime Minister Lee Hsien Loong of Singapore (center) a tour of the ship. The destroyer was in Singapore to participate in the city-state's International Maritime Defense Exhibition. <https://www.flickr.com/photos/navalsurfaceforces/17288257283/>

- **China infrastructure bank founding members hold three-day meeting in Singapore.** Founding members of the China-backed Asian Infrastructure Investment Bank met in Singapore from May 20 to 22 to discuss operational policies for establishing the bank. Negotiators from founding member countries finalized the Articles of Agreement for the bank and agreed to sign it by the end of June in Beijing. Negotiators also discussed capital allocation for the bank based on the gross domestic product of member countries.
- **Opposition politician applies to establish political party.** Goh Meng Seng, a former member of the opposition National Solidarity Party and Workers' Party, on May 15 applied to register a new political party, the People's Power Party. Goh said that his party will push for a governance structure that balances social, cultural, political, and economic tenets, and seek to address what he described as the ruling People's Action Party's restriction of freedom of expression online.
- **Singapore customs seize over 4 tons of illegal ivory destined for Vietnam.** Authorities on May 19 seized a shipment of over 4 tons of illegal ivory from Kenya that was being transited through Singapore en route to Vietnam. The shipment, declared as tea leaves, was valued at \$6 million and was the second-largest seizure of illegal ivory in the city-state since 2002. Customs officials also discovered rhino horn and canine teeth as part of the shipment.

SOUTH CHINA SEA

- **Senior U.S. officials urge China to reduce tensions, clarify reclamation.** Secretary of State John Kerry on May 16 expressed concern during a meeting with his Chinese counterpart, Wang Yi, in Beijing that China should do more to reduce tensions in the South China Sea and seek diplomatic solutions to the disputes. Kerry also raised the South China Sea in discussions with Chinese president Xi Jinping. Three days later, Vice Chief of Naval Operations Adm. Michelle Howard in a visit to Singapore called on China to clarify the purpose of its reclamation activities and offered U.S. support for Southeast Asian states taking a unified stance on the disputes.
- **Pentagon debates freedom of navigation operations near reclaimed features.** The Pentagon is considering "freedom of navigation" operations near some of China's reclaimed features in the South China Sea, according to unnamed officials cited in a May 12 [Wall Street Journal article](#). Assistant Secretary of Defense David Shear said during a Senate Foreign Relations Committee hearing the next day that he could not discuss potential

operations. The proposed operations would likely involve a Navy ship transiting within 12 nautical miles of reclaimed features that were originally submerged, such as Mischief Reef and Subi Reef, to assert that as artificial islands they are **not entitled to a territorial sea**.

- **U.S. naval vessel on patrol meets Chinese military vessels in South China Sea.** The littoral combat ship USS *Fort Worth* on May 13 completed a weeklong patrol of the South China Sea, including near the disputed Spratly Islands, during which the U.S. Navy said it encountered several Chinese warships and was trailed at least once by a Chinese frigate. The *Fort Worth*, which is on a rotational deployment to Singapore, used agreed-upon codes for unplanned encounters with the Chinese vessels.
- **China reinstates annual moratorium on fishing in part of South China Sea.** China on May 16 reinstated its annual ban on fishing in areas of the South China Sea north of the 12th parallel. The ban runs through August 1 and covers disputed waters around the Paracel Islands as well as part of a joint fishing area in the Gulf of Tonkin that Beijing and Hanoi agreed upon in 2000. Vietnam's government strongly objected to the unilateral ban, which each year leads to sometimes-violent clashes between Chinese authorities and Vietnamese fishermen.

TRANS-PACIFIC PARTNERSHIP

- **Senate approves TPA, “fast-track” battle moves to House.** The U.S. Senate on May 22 voted to renew Trade Promotion Authority (TPA) for three years with the option of extending it for another three years, paving the way for President Barack Obama to conclude negotiations on the Trans-Pacific Partnership trade agreement with 11 other countries. The bill includes amendments that call on the U.S. government to prevent countries from manipulating exchange rates and take into account a potential trade partner's record on religious freedom. Obama called on the House of Representatives to pass TPA as soon as possible.
- **Chief negotiators meet in Guam, TPP ministerial dependent on “fast-track” authority.** Chief negotiators from the 12 Trans-Pacific Partnership (TPP) countries met in Guam from May 14 to 28 to discuss the remaining outstanding issues in the trade talks, including intellectual property, state-owned enterprises, market access, rules of origin for textiles, and the environment, according to a May 14 *Inside U.S. Trade* report. TPP countries initially planned to hold the final ministerial meeting in late May, but had to delay the meeting until after passage of the Trade Promotion Authority bill.



The littoral combat ship USS Fort Worth making a turn in the Pacific Ocean. The Fort Worth is currently on a 16-month rotational deployment to Singapore as part of the U.S. Navy's rebalance to the Asia Pacific. <https://www.flickr.com/photos/usnavy/15736998060/>



Secretary of State John Kerry speaking at a Boeing plant near Seattle, Washington. His speech was part of President Obama's campaign to build domestic support for the Trans-Pacific Partnership, a trade agreement that will bolster U.S. economic standing in the Asia Pacific. <https://www.flickr.com/photos/statephotos/17868831891/in/album-72157652820494501/>



U.S. Ambassador to Laos Daniel Clune. http://commons.wikimedia.org/wiki/File:Ambassador_Daniel_Clune.jpg

- **Secretary of State makes case for “fast-track” during speech at Boeing plant.** Secretary of State John Kerry on May 19 urged the U.S. Congress to give President Barack Obama fast-track authority during a speech at a Boeing plant near Seattle, Washington, as the U.S. government seeks to conclude negotiations on the Trans-Pacific Partnership (TPP) trade agreement. Kerry said the United States cannot grow its economy without selling to foreign markets and assured the audience that the TPP will set the highest standards to protect workers and the environment. The House of Representatives is expected to introduce its version of the Trade Promotion Authority (TPA) bill in the coming weeks following the Senate's approval of TPA.

LAOS

- **U.S. ambassador holds weeklong anticorruption workshop with Lao government.** U.S. ambassador to Laos Daniel Clune on May 18 launched a weeklong workshop in Vang Vieng, north of the capital of Vientiane, on best investigative practices and combatting money laundering with Laos's anticorruption agency, the Government Inspection and Anti-Corruption Authority, and the American Bar Association. Clune said that the U.S. government is ready to support the work of the agency in any way it can. Laos ranked 145 out of 174 on Transparency International's Corruption Perceptions Index in 2014.
- **ADB study finds that poverty has decreased, inequality has risen.** A study by the Asian Development Bank (ADB) released on May 19 found that inequality has increased in Laos even as market-oriented reforms have led to strong economic growth in recent years. Study coauthors Jayant Menon and Peter Warr estimate that the rate of absolute poverty dropped from 46 percent to 23 percent between 1993 and 2013 while the Gini coefficient—an index used to measure social inequality—increased from 0.31 to 0.36 over the same period.

BRUNEI

- **Government imposes midnight ban on shops, restaurants.** The municipal department of Bandar Seri Begawan on May 14 issued a circular, effective immediately, ordering all shops and restaurants to close at midnight, according to a May 15 *Brunei Times* report. The midnight ban will be applied nationwide and also apply to street vendors. Businesses that are found violating the ban can risk being suspended or having their licenses revoked. ■

Looking Ahead

- **Discussion with Bandung mayor Ridwan Kamil.** The CSIS Sumitro Chair for Southeast Asia Studies will host a discussion with Ridwan Kamil, mayor of the city of Bandung, Indonesia, on June 1 as part of the Derwin Pereira Indonesia Initiative at CSIS. Ridwan will discuss how cooperation can be enhanced between municipal and local governments in Indonesia. To RSVP, e-mail the [Sumitro Chair](#).
- **Combatting Extremism’s Contagion.** The U.S. Institute of Peace and the FP Group will host the next installment of the PeaceGame exercise on June 2 addressing the global rise of radical groups and violent extremism. Participants will work together through a range of complex challenges surrounding the recruitment and the return of foreign fighters. The event will take place from 8:30 a.m. to 5:15 p.m. at the U.S. Institute of Peace, 2301 Constitution Ave., NW. To RSVP, [click here](#).
- **The Growing Strategic Importance of the Bay of Bengal.** The East-West Center will host a discussion on the economic and strategic rise of the Bay of Bengal region on June 4 with Dr. David Brewster, a distinguished research fellow with the University of Melbourne. The event will take place from 12:00 p.m. to 1:30 p.m. at 1819 L St., NW, 6th floor. A light luncheon will be served. To RSVP, [click here](#).
- **Philippine Design, Textiles, and Fashion.** The U.S.-Philippines Society will host a gala evening on June 11 featuring the creative works of Patis Tesoro to celebrate Philippine design, textiles, and fashion. The event will begin at 7:00 p.m. at the Ronald Reagan Building and International Trade Center, 1300 Pennsylvania Ave., NW. To buy tickets, [click here](#).
- **Fifth Annual South China Sea Conference at CSIS.** The Sumitro Chair for Southeast Asia Studies will host CSIS’s fifth annual, full-day South China Sea conference on July 21. The conference will provide opportunities for in-depth discussion and analysis of U.S. and Asian policy options and feature speakers from throughout the region. Topics of discussion include China’s massive reclamation work in the Spratly Islands and the pending hearing in the Philippine’s arbitration case against China. The event will take place from 9:00 a.m. to 4:30 p.m. at 1616 Rhode Island Ave., NW, 2nd floor conference center. To RSVP, e-mail the [Sumitro Chair](#). ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

CSIS Sumitro Chair for Southeast Asia Studies contributors:

Ernest Z. Bower, Senior Adviser and Chair
Murray Hiebert, Senior Fellow and Deputy Director
Gregory Poling, Fellow
Phuong Nguyen, Research Associate
Nigel Cory, Researcher
Daniel Goldman, Researcher
John Ziegler, Researcher

For more details on our programs and to follow CSIS with real-time updates, follow the CSIS Chair for Southeast Asia Studies:



On Facebook at <http://www.facebook.com/CSISSoutheastAsia>



On Twitter at [@SoutheastAsiaDC](https://twitter.com/SoutheastAsiaDC).



On our blog, [cogitASIA](http://cogitASIA.com) at <http://cogitASIA.com>

Thank you for your interest in U.S. policy in Southeast Asia and the CSIS Sumitro Chair for Southeast Asia Studies. Join the conversation!

This newsletter is published by the Sumitro Chair for Southeast Asia Studies at the Center for Strategic and International Studies (CSIS) in Washington, D.C., a private, tax-exempt institution focusing on international public policy issues. CSIS's research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

© 2015 by the Center for Strategic and International Studies. All rights reserved.