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Battle over Myanmar Constitution Caught Washington in its Crossfire

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Myanmar's union parliament on June 25 voted to reject five of six major amendments to the 2008, military-drafted constitution, in a decision that has critical implications for Myanmar's political landscape and puts U.S. policymakers in a delicate position.

The existing constitution gives the military an outsize influence in the legislature. Sections 436 (a) and (b) mandate that more than 75 percent of members of parliament need to give their approval to amend any parts of the constitution. This is significant since appointed military representatives hold 25 percent of parliamentary seats.

Section 59 (f), which bars anyone with foreign spouses or children from becoming president, is seen as an instrument to prevent opposition leader Aung San Suu Kyi from being eligible for Myanmar's top position because she has two British sons. Meanwhile, Section 60 (c) says that nominees for the vice-president positions, among whom a president will be picked, do not need to be elected lawmakers. This allows a military nominee to qualify for one of the three vice presidential slots or even the presidency.

Early on in Myanmar's reform process, which began in 2011, amending the constitution emerged as one of the most prominent issues in domestic politics. While they have different grievances about the constitution, Aung San Suu Kyi and the majority of ethnic political leaders regard the current constitution as undemocratic.

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Opposition leader Aung San Suu Kyi receiving her Nobel Peace Prize in Oslo, Norway, in 2012. She was awarded the Peace Prize in 1991 for her struggle for democracy in Myanmar, but was placed under house arrest in Yangon. Western governments have long considered her opinions to be central to their engagement policies with the Myanmar government. <https://www.flickr.com/photos/utenriksdept/7379899386/in/gallery-osloraadhus-72157630172831424/>

The U.S. and other Western governments, which have supported the pro-democracy movement in Myanmar for decades, also wanted to see the constitution amended to reflect the will of all its people, allow citizens to freely choose whom they want as their leader, and render Aung San Suu Kyi eligible for the presidency.

Both President Thein Sein and Commander-in-Chief Min Aung Hlaing reaffirmed on different occasions that Myanmar is not ready for a reduced military role. But an unlikely supporter of amending some of the most sensitive clauses in the constitution has been Lower House speaker Shwe Mann, who also chairs the ruling Union Solidarity and Development Party (USDP).

Because of his ambition to become president and the energy he has invested into championing the country's young legislature as a key policymaking body, Shwe Mann also wanted to see the military's influence in

parliament kept in check, despite being a former high-ranking military officer.

The constitutional amendment bills put forward in late June by the USDP—and which Aung San Suu Kyi's party, the National League for Democracy (NLD), supported—sought to bring the threshold of parliamentary approval needed to amend the constitution down to 70 percent from the current 75 percent. Loosening Section 436 is key to changing any parts of the constitution down the road.

Those seeking changes to the constitution also proposed amending Section 60 (c) to require all nominees for vice-president and president to be elected members of parliament. The proposed bills suggested removing some restrictions in Section 59 (f) that bar Aung San Suu Kyi from becoming president.

Military lawmakers strongly objected to most of these suggested amendments and flexed their muscle to vote down all but one change. Passing these would again require approval by more than 75 percent of the parliament.

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This effectively closed the door for Aung San Suu Kyi to seek the highest political office in the near future. She and her supporters once hoped that if Section 436 was amended, it would have paved the way for modifying Section 59 (f) in more far-reaching ways after the national elections on November 8.

The opposition leader has refused to commit the NLD to taking part in the elections with certainty, and the recent outcomes of the constitutional vote may give her further pause. Some of Aung San Suu Kyi's most arduous supporters within and outside the NLD have criticized her for having trusted the current government more than she should have.

The NLD's participation in the 2012 by-elections gave the government an important boost in international legitimacy, since the previous 2010 national elections, which ushered in the Thein Sein government, were regarded as widely fraudulent. While the NLD has been actively involved in the election planning process, some voices have emerged that called on Aung San Suu Kyi to boycott the elections.

Her decision will be of paramount importance to the thinking of U.S. policymakers about Myanmar. Washington recognizes that the outcome of the 2015 elections will be a make-or-break moment for Myanmar's reform process and will likely base much of its future policy toward Myanmar accordingly. U.S. officials are prepared for a less-than-perfect outcome, but the potential of an election boycott would rob the elections of any chance of being seen as credible or inclusive.

For Myanmar's fledgling democracy, uncertainty ahead of a milestone political event is likely to breed further tension or conflict. It is in the U.S. interest to coordinate with Aung San Suu Kyi, whom many U.S. leaders and lawmakers have long supported, so that the NLD sends a clear and irreversible message about its attitude toward the elections.

The failure of the parliament to pass these major amendments has also had the effect of sidelining Shwe Mann within Myanmar's traditional



Lower House speaker Shwe Mann (second from the right) meeting with EU high representative Catherine Ashton (on the left) at Myanmar's parliament building in Naypyidaw in 2013. Shwe Mann has supported changing the constitution to reduce the influence of the military in parliament, but the recent failure to pass the most sweeping changes to the existing constitution may have sidelined him within the country's entrenched military elite. <https://www.flickr.com/photos/eeas/10925299756/>

Battle over Myanmar Constitution Caught Washington in its Crossfire *(continued)*

military elite. At the onset of the reform process, the military calculated that the USDP could serve as another vehicle for its influence in parliament, in addition to the military-appointed bloc of lawmakers. Shwe Mann's attempts to push through changes that would have reduced the military's authority have alarmed the military leadership, which may eventually become convinced that it needs to act more firmly to protect its autonomy within Myanmar's new political system.

Among the country's top political leaders, Shwe Mann is believed to have the best working relationship with Aung San Suu Kyi. For some time, it was believed that she was open to forming a coalition with a future government in which Shwe Mann would serve as president, in the event that the constitution could not be changed.

It now remains to be seen whether the USDP and the military will collectively support Shwe Mann's bid to become president. After much speculation, Thein Sein announced during his recent visit to Japan that he will consider a second term, and his supporters within the USDP and ethnic groups would like him to stay on. These shifting dynamics may leave Aung San Suu Kyi more vulnerable after the elections.

While U.S. officials have often said that amending the constitution is a sovereign matter for the people of Myanmar to decide, the recent results of the constitutional votes have further complicated Washington's outlook toward Myanmar. Already a number of U.S. lawmakers have said that the elections cannot be free, fair, or credible under the current constitution. That view seems to have been reinforced now that Aung San Suu Kyi's chance to be the next president has been blocked for the foreseeable future.

If the military overplays its hand following the elections and during the process of choosing the country's next leadership team, it could harden the view among some in Washington, particularly in Congress, that the United States may need to reassess its engagement policy toward Myanmar. ■



General-secretary of the Vietnamese Communist Party Nguyen Phu Trong and U.S. vice president Joseph Biden. Biden on July 7 hosted a luncheon for Trong at the State Department, following Trong's historic meeting with President Barack Obama earlier in the day. Trong was the first Vietnamese party chief to visit the United States, as the two countries celebrate the 20th anniversary of normalization of ties this year. <https://www.flickr.com/photos/statephotos/18883780193/in/dateposted/>

VIETNAM

- **Communist Party chief Nguyen Phu Trong visits the United States.** The general-secretary of the Communist Party of Vietnam on July 7 met with President Barack Obama at the White House in a historic summit in bilateral U.S.-Vietnam relations. Trong, who holds the highest political office in Vietnam, was the first Vietnamese party chief to ever visit the United States. Trong and Obama discussed shared concerns about “recent developments in the South China Sea that have increased tensions,” the Trans-Pacific Partnership, and human rights issues. The two leaders issued a joint vision statement on the future of the U.S.-Vietnam comprehensive partnership. Hanoi released prominent dissident Le Quoc Quan early from prison ahead of Trong’s visit.
- **Airbus plans to set up manufacturing plants in Vietnam.** Airbus chief executive officer Thomas Enders on July 1 said the company plans to set up factories to produce aircraft parts and components in Vietnam. Enders was meeting with Prime Minister Nguyen Tan Dung in Hanoi to discuss boosting Airbus’s industrial partnerships in Vietnam. Private carrier VietJet has placed \$9.8 billion in plane orders from Airbus over the past two years, and flag carrier Vietnam Airlines is the first Asian customer for the latest Airbus A350 XWB wide-body jet. Enders and Dung also discussed possible cooperation in military sales and technology.
- **Navy receives fourth Russian-built Kilo-class submarine.** The Vietnamese navy on June 30 received its fourth Kilo-class submarine from Russia at the deep-sea port of Cam Ranh Bay in central Vietnam. Codenamed HQ-185 Da Nang, the extremely quiet submarine is equipped with electric engines and is designed for anti-submarine and anti-surface ship warfare. Vietnam will operate a total of six Kilo-class submarines by the end of 2015.
- **Vietnam scraps foreign ownership limits to attract investors.** The Vietnamese government on June 26 announced that foreign investors will be able to own up to 100 percent of many publicly listed Vietnamese companies, and launched a new online portal to let foreign investors review Vietnam’s investment laws. Foreign investors were previously subject to a 49 percent cap on ownership. The Ministry of Planning and Investment also announced the removal of more than 3,000 legal requirements for businesses, effective July 1. The new foreign ownership law will take effect in September.

- **World Bank approves \$45 million in additional funding to improve food safety.** The World Bank on June 27 approved \$45 million in additional funding for a project that seeks to improve livestock competitiveness and food safety in Vietnam. The project began in 2009 with \$65.3 million originally provided by the World Bank and \$13.8 million provided by Vietnam. Its goal is to increase the efficiency of small-scale livestock producers, improve food safety practices, and reduce the environmental impact of livestock production, processing, and transport.

INDONESIA

- **More than 140 confirmed dead in Air Force plane crash.** Authorities have recovered 141 bodies from the crash site of an aged Hercules C-130 military transport plane in the city of Medan in northwestern Indonesia. The plane crashed shortly after taking off on June 30. Investigators suspected that engine failure caused the plane to hit a large radio antenna before crashing. President Joko Widodo has ordered a review of Indonesia's aging military hardware, and repeated his calls for the development of an indigenous defense industry.

- **New intelligence chief seeks to expand agency, establish stricter oversight mechanisms.** Sutyoso, the newly approved chief of Indonesia's state intelligence agency, on June 30 called for an increase in the agency's annual budget, which currently stands at around \$1.8 million. Sutyoso announced after meeting with President Joko Widodo that he will focus on improving the efficiency and organizational structure of the agency. He plans to hire 1,000 new employees and provide employees with post-graduate education.

- **Law requiring rupiah-denominated business contracts comes into effect.** A new regulation that came into effect on July 1 will levy a maximum of one year in jail or a \$15,000 fine against individuals who do not use Indonesia's currency, the *rupiah*, for domestic business transactions. Indonesia's central bank hopes the law will decrease demand for the U.S. dollar and help stabilize the poorly performing rupiah. The central bank said that it has provided exemptions for strategic industries so that the economy will not be negatively affected.

- **Indonesia becomes associate member of Melanesian Spearhead Group, West Papua becomes observer.** Indonesia on June 25 became an associate member of the Melanesian Spearhead Group (MSG), an upgrade from its previous observer status, during the organization's weeklong annual summit in the Solomon Islands. The United Liberation Movement for West Papua (ULMWP), a pro-independence coalition that represents Indonesia's



Indonesian rupiah. <https://www.flickr.com/photos/adamcohn/5068372959/>

ethnically Melanesian population in West Papua, was granted observer status in the organization despite having made a bid for full membership. The MSG is an intergovernmental organization made up of member countries Fiji, Papua New Guinea, Solomon Islands, Vanuatu, and the Kanak and Socialist National Liberation Front of New Caledonia.

MYANMAR

- **Parliament votes down constitutional amendments; referendum to be held with election.** Parliament on June 25 rejected major amendments to the 2008 constitution, two of which sought to reduce the threshold needed to amend the constitution from 75 to 70 percent of parliamentary votes. Military representatives, who occupy 25 percent of seats, unanimously voted down five out of six proposed changes. This effectively ended for now opposition leader Aung San Suu Kyi's hope for changing a constitutional clause barring those with foreign spouses and children from becoming president; Aung San Suu Kyi has two British sons. The only approved amendment, which requires presidential and vice-presidential nominees to be well-acquainted with "defense" rather than "military" affairs, will be put up for a referendum during the November national elections.
- **Political parties sign code of conduct, election commission rolls out voter lists amid complaints.** Representatives from 67 political parties on June 26 signed an election code of conduct in Yangon that will commit their members to a set of ethical guidelines in the lead-up to the upcoming national elections in November. Myanmar's Union Election Commission in late June began to roll out initial voter lists, which the opposition National League for Democracy claimed were 30 to 80 percent inaccurate. The commission on June 29 said it will extend a review period to allow voters to submit corrections. The election date has been set for November 8.
- **Heavy fighting returns to Kachin State, clashes erupt in Karen State.** A Kachin Independence Army (KIA) spokesperson said that the military has deployed more troops to the northern part of Kachin State following a round of fighting with the KIA on June 24 near Hpakant Township in northern Kachin State. Heavy fighting continued in recent days, sending scores of civilians fleeing while killing and injuring others. The military also exchanged fire with the Democratic Karen Benevolent Army in eastern Myanmar on July 2, and sporadic clashes have since erupted in several locations in Karen State.
- **KFC first U.S. fast-food chain to open in Myanmar.** U.S. fast-food chain Kentucky Fried Chicken (KFC) on June 30 opened its first restaurant in



A view of Myanmar's parliament. Appointed military lawmakers, who make up 25 percent of the legislature, flexed their muscle on June 25 when they vetoed virtually all major changes to the constitution. Two of the proposed amendments sought to reduce the enshrined role of the military in parliament. <https://www.flickr.com/photos/nznationalparty/8217451155/>

Myanmar's commercial hub, Yangon, attracting long queues on its first day of operations. KFC's local partner, Yoma Strategic, said it plans to open more branches across Myanmar in the coming years. KFC is the first U.S. fast-food chain to enter Myanmar; other major U.S. brands distributed in Myanmar include Coca-Cola, Pepsi, Ford, and Chevrolet.

- **Military replaces senior air officer over stray bombs falling in China.** The government on June 29 said that it has removed Maj. Gen. Lwin Oo, a high-ranking air force officer, in response to two incidents of stray bombs falling into Chinese territory earlier this year during fighting with the Myanmar National Democratic Alliance Army. The Chinese government responded by increasing border patrols and holding live-fire land and air exercises on its border with Myanmar. Myanmar initially denied any responsibility but later apologized for the incidents.

MALAYSIA

- **Najib faces risk of criminal charges over 1MDB fund.** Malaysia's attorney-general, Abdul Gani Patail, on July 3 said that he has received documents related to allegations that troubled state investment fund 1Malaysia Development Bhd (1MDB) may have transferred almost \$700 million into Prime Minister Najib Razak's personal bank accounts, according to a July 4 *Wall Street Journal* report. Government investigators uncovered the documents while raiding the offices of three Malaysian companies linked to 1MDB. Najib has denied taking money from 1MDB. Authorities on July 7 ordered the freeze of six bank accounts connected to the investigation.
- **Fitch raises outlook on Malaysia to stable.** Credit rating agency Fitch on July 1 upgraded Malaysia's financial outlook to "stable" from "negative" in an unexpected decision that sent Malaysia's currency, the *ringgit*, and local stocks briefly surging. The agency maintained Malaysia's long-term foreign currency credit rating at A-. Fitch called a recently launched goods and services tax and fuel subsidy reforms as "supportive of fiscal finances." The ringgit hit a 16-year low on July 6 amid a probe into the alleged transfer of nearly \$700 million from state investment fund 1Malaysia Development Bhd into Prime Minister Najib Razak's accounts.
- **Malaysia jails father, son for terrorism.** Malaysia's high court on June 30 sentenced a Malaysian national who fought alongside the Islamic State in Syria to 18 years in prison for planning terror attacks aimed at installing an Islamic regime in Malaysia. His son, who also pleaded guilty to terrorism-related charges, was sentenced to 12 years. A senior counterterrorism official with the police's Special Branch said that authorities have arrested 108 suspects with links to or who expressed sympathy for the Islamic State.



Prime Minister of Malaysia Najib Razak. Najib has not denied the existence of the accounts into which state investment fund 1Malaysia Development Bhd may have misappropriated money, but he denied any allegations of corruption. <http://bit.ly/1NOCRrp>

- **Malaysia delays AIIB membership.** Malaysia has decided against becoming a founding member of the China-led Asian Infrastructure Investment Bank (AIIB), which was officially launched in Beijing on June 29. Malaysian ambassador to China Zainuddin Yahya was present at the signing ceremony. Besides Malaysia, other Asian countries that have yet to sign the bank's articles of agreement include the Philippines, South Korea, and Thailand. They have until the end of the year to decide whether to sign the AIIB's founding agreement.
- **1MDB in talks with IPIC to reduce debt.** 1Malaysia Development Bhd (1MDB), Malaysia's debt-ridden state investment fund, on June 30 said in a statement that it expects to reduce its debt by more than \$4.2 billion if its agreement with Abu Dhabi-based International Petroleum Investment Company (IPIC) is completed. Under this agreement, IPIC is set to receive some of 1MDB's assets in exchange for taking over some of its loans. There is no guarantee that the planned deal with IPIC will take place, and 1MDB is pursuing different options to reduce its total debt of about \$14 billion.

THAILAND

- **Constitutional Drafting Committee to remove controversial items from draft charter.** Thailand's Constitutional Drafting Committee on June 23 agreed to remove 10 contentious articles and amend more than 100 others in the draft charter currently being considered. The committee will remove articles establishing an open-list voting system and giving the prime minister the authority to propose important bills. But it will not remove a contentious article creating a new mixed-member proportional election system. The committee will also increase the number of lawmakers in the lower house of the parliament from 200 to 250, but will not reverse a decision to make the Senate fully appointed rather than elected.
- **Military court releases detained students but does not dismiss charges.** A Bangkok military court on July 6 agreed to release 14 student activists arrested on June 26 for holding a peaceful rally against the junta government, though they will still face trial. The government has charged them with sedition and violating the junta's ban on political gatherings of five people or more. They could face up to seven years in prison. The UN High Commissioner for Human Rights and others have strongly criticized the students' arrests and had demanded their release from custody.
- **Prayuth rejects extension of deadline on fishing rules.** Prime Minister Prayuth Chan-ocha on June 30 announced that the government would not extend a July 1 deadline for the local fishing industry to comply with new rules to combat illegal, unreported, and unregulated fishing despite



Prime Minister Prayuth Chan-ocha, who has rejected calls to extend the deadline for Thailand's fishing industry to comply with new rules to prevent illegal, unreported, and unregulated fishing. <https://www.flickr.com/photos/prachatai/16383928317/>

threats of mass protests. The government instituted the new rules, which require fishing vessels to register with the government, install monitoring systems onboard, and maintain key documents like logbooks and registration licenses, to avoid a threat from the European Union to ban seafood imports from Thailand. Prayuth said more than 80 percent of vessels remain unregistered.

- **U.S. extends GSP for 122 countries, including Thailand.** The U.S. Congress on July 29 retroactively renewed the Generalized System of Preferences (GSP) program, which grants tariff-free access to the United States for eligible goods from 122 countries and territories, including Cambodia, Indonesia, the Philippines, and Thailand. The program expired on July 31, 2013. The government will reimburse U.S. importers for tariffs they paid on eligible products since the program's expiration. Thailand's inclusion in the program remains contentious because of concerns that the country falls short on the intellectual property rights protections necessary for GSP.

PHILIPPINES

- **Philippines to increase military spending.** Philippine military leaders during the week of June 28 approved more than \$22 billion in new military spending over the next 13 years, according to military chief of plans Raul del Rosario. The funding will be earmarked for the acquisition of new submarines, fighter jets, frigates, and other systems for external defense. Only 10 percent of funds earmarked in 1995 for a planned acquisition program were spent, but President Benigno Aquino has pledged to follow through on this new modernization drive in response to Beijing's activities in the South China Sea.
- **Ombudsman suspends Makati mayor, dismisses ex-national police chief for corruption.** Ombudsman Conchita Carpio-Morales on June 30 suspended Makati City mayor Jejomar Binay Jr. and ordered that suspended Philippine National Police chief Alan Purisima and 10 other officers be dismissed from service on allegations of misconduct. Binay, son of Vice President Jejomar Binay, is suspected of corruption in relation to the construction of a Makati high school, while Purisima and his colleagues are alleged to have given preferential treatment in the allocation of a government contract. A Manila court blocked for six months the execution of a previous suspension order against Binay for separate corruption allegations.
- **Former Davao mayor Duterte says he is not running for president.** Former Davao City mayor Rodrigo Duterte on June 25 said he does not plan

to run for president in 2016, despite recent polls showing him running third, behind Senator Grace Poe and Vice President Jejomar Binay, with the support of 15 percent of voters. Duterte, 70, said he is too old and his family does not want him to run. Duterte's alleged use of extrajudicial killings to rid Davao of crime during his time in office earned him praise from many citizens but sharp criticism from human rights groups. Duterte has been campaigning across the Philippines for the establishment of a federalist form of government.

- **Vice President Binay launches United Nationalist Alliance opposition party.** Vice President Jejomar Binay on July 1 relaunched the United Nationalist Alliance (UNA) as an official opposition party under which he will contest the 2016 presidential elections. Binay delivered a speech at the launch, in which he blasted President Benigno Aquino's administration and Senator Grace Poe, his likely challenger in the elections. Binay blamed Aquino for failing to provide adequate social services, as well as for the January 25 massacre of 44 Philippine police commandos and the poor performance of the new Manila subway. The UNA was originally formed as a coalition of parties during the 2013 legislative elections.

SOUTH CHINA SEA

- **Hearing on jurisdiction opens at South China Sea tribunal.** A tribunal at the Permanent Court of Arbitration in The Hague heard arguments from Philippine lawyers on July 7 regarding the tribunal's jurisdiction in Manila's case against Beijing's South China Sea claims. The hearings will last until July 13, and the court is expected to make a preliminary ruling on whether it has jurisdiction in August or September. The Chinese government reiterated that it will not participate in the arbitration case and has not sent observers to the hearing. If it finds that it has jurisdiction, the tribunal is expected to hold another hearing on the merits of the case in November, according to Justice Antonio Carpio of the Philippine Supreme Court.
- **China completes island building at some features.** China's Ministry of Foreign Affairs on June 30 announced that China had completed reclamation work at several features in the Spratly Islands. Satellite imagery from the [Asia Maritime Transparency Initiative](#) shows that island-building work continues at Mischief Reef and Subi Reef. China's Foreign Affairs Ministry will now move on to construction of facilities to meet both civilian and military needs on those features where reclamation has been completed.



Then-Makati City mayor Jejomar Binay speaks at a meeting of political leaders in the Philippines. This week Binay relaunched the United Nationalist Alliance opposition party under which he will campaign for president in the 2016 elections. https://commons.wikimedia.org/wiki/File:Jejomar_Binay_2009.jpg



The Peace Palace in The Hague, Netherlands, where a tribunal at the Permanent Court of Arbitration is hearing arguments from the Philippines on whether the tribunal has jurisdiction in Manila's case against Beijing's South China Sea claims. https://commons.wikimedia.org/wiki/File:Peace_Palace_by_Night.jpg

- **China moves rig to waters south of Hainan.** The China National Offshore Oil Corporation on June 25 placed its Haiyang Shiyou 981 drilling rig platform in waters south of Hainan Island. Vietnamese press described the rig as being within Vietnam's claimed exclusive economic zone, though its new location is on the Chinese side of any median line between the two nations and therefore likely in undisputed waters. The rig sparked a months-long standoff between Chinese and Vietnamese ships when it was deployed in disputed waters near the Paracel Islands in May 2014.

CAMBODIA

- **Hundreds protest draft NGO law in Phnom Penh; Hun Sen, Sam Rainsy meet.** Hundreds of protestors descended on the National Assembly in Phnom Penh on June 30 to protest the Cambodian government's controversial draft nongovernmental organization law before being broken up by security forces. Meanwhile, Prime Minister Hun Sen and opposition leader Sam Rainsy met to discuss the law, with Rainsy saying his Cambodia National Rescue Party could boycott the legislative session debating the law if it is not amended. A government spokesperson said that the only changes to the draft law would be minor spelling corrections.



The Cambodia-Vietnam Friendship Monument in Phnom Penh. Cambodian villagers and a lawmaker were injured in a recent scuffle at the border with Vietnam villagers and police. https://commons.wikimedia.org/wiki/File:Cambodia%E2%80%93Vietnam_Friendship_Monument_in_Phnom_Penh.jpg

- **Indian, Cambodian navies hold joint drills.** India sent two warships to the southern port of Sihanoukville on June 23 for drills as part of its “Look East” policy, according to Indian ambassador to Cambodia Dinesh Patnaik. The destroyer INS *Ranvir* and corvette INS *Kamorta* took part in ship-docking exercises and emergency medical drills with the Cambodian navy. Patnaik said that Cambodia needed to practice warship operations. India's navy has stepped up its cooperation with Southeast Asian nations in recent years as it looks to revive the Look East policy that was first announced in the 1990s but saw little follow-through.
- **Villagers, lawmaker injured in scuffle with Vietnamese villagers and police at border.** Several Cambodian villagers, a lawmaker from the opposition Cambodia National Rescue Party (CNRP), and Vietnamese police were injured in a June 28 confrontation along a disputed section of the Cambodia-Vietnam border. The scuffle reportedly broke out when Vietnamese villagers and police attacked Cambodians, organized by the CNRP, gathered to protest alleged Vietnamese encroachments in the disputed border area. The CNRP has demanded that the Cambodian government cancel a border treaty with Vietnam and bring the border dispute to the International Court of Justice. The Cambodian government, in a reversal of its previous policy, sent a diplomatic note to Vietnam asking it to stop building roads close to the border.



Singapore plans to spend more than \$2.4 billion to modernize its aging fleet of F-16s next year. The upgrades are likely to extend the lifespan of the F-16s and make them operational over the next 20 years. https://en.wikipedia.org/wiki/Republic_of_Singapore_Air_Force#/media/File:RSAF_F-16_in_alert_fighter_taxi-ing.jpg

SINGAPORE

- **Singapore Armed Forces marks 50th anniversary, announces plans to reorganize.** Singapore's Armed Forces on July 1 held a parade to commemorate the 50th anniversary of its founding. Prime Minister Lee Hsien Loong, Defense Minister Ng Eng Hen, and former military chiefs attended the parade. Ng announced plans to introduce new unmanned systems and motorized units in the military to help Singapore tackle the challenge of hybrid warfare and manage shrinking troop numbers.
- **Singapore's GrabTaxi gets over \$200 million investment.** Southeast Asia-focused taxi-booking app GrabTaxi is set to receive over \$200 million in fresh capital in its latest fundraising effort, bringing the company's value to over \$1.5 billion, according to a July 1 *Wall Street Journal* report. The company, which started in 2012 and operates in six countries in Southeast Asia, is in competition with several regional ride-booking apps to lure users, including China's Didi Kuaidi and India's Ola and Easy Taxi.
- **Singapore to contribute \$250 million to China's infrastructure bank.** Singapore on June 29 signed the articles of agreement to become a founding member of the new Asian Infrastructure Investment Bank (AIIB) during an official launch ceremony in Beijing. Singapore also pledged to contribute \$250 million to the bank, which the Chinese government says will have a capital base of \$100 billion. Singapore's parliament will need to ratify its participation in the AIIB.

TRANS-PACIFIC PARTNERSHIP

- **President Obama signs TPA into law.** President Barack Obama on June 29 signed the 2015 Trade Promotion Authority bill into law, days after both the House and Senate voted to grant him fast-track authority and paving the way for the United States to conclude negotiations on the Trans-Pacific Partnership trade agreement with 11 other countries. Obama also signed the Trade Adjustment Assistance Act, which will offer training and benefits to U.S. workers affected by global trade agreements. The president said that the legislation "will reinforce America's leadership role in the world."
- **TPP ministers to meet in July.** Ministers from Trans-Pacific Partnership countries will meet in Hawaii on July 28-29 in hopes of finalizing negotiations on the trade deal, regardless of how much progress negotiators make in the coming weeks, according to a July 6 Inside U.S. Trade report. Outstanding issues include access to Canada's agricultural



Ministers from the 12 Trans-Pacific Partnership (TPP) countries during a meeting in Brunei Darussalam in August 2013. TPP ministers are expected to hold a final ministerial-level meeting in Hawaii on July 28-29 to wrap up negotiations on the trade agreement. <https://www.flickr.com/photos/dfait-maeci/9570999536/>



U.S. ambassador to Laos Daniel Clune (center) with Kou Chansina, chairman of the Lao commission on drug control (to the ambassador's left) and the secretary general of the Lao youth union, Dr. Vilavong Bouddakham (to the ambassador's right) at the equipment handover ceremony. http://photos.state.gov/libraries/laos/19452/images/LaoYouthUnion1_resized.jpg

market, Australia's concerns about U.S. pharmaceutical patent rules, Vietnam's ability to meet rules-of-origin requirements, and labor rights in Mexico and Vietnam, according to a July 6 *New York Times* report.

LAOS

- **Laos, Vietnam sign trade agreement.** Laos and Vietnam on June 27 signed a border trade agreement to make bilateral trade legal at all land border crossings. The agreement also included provisions to create a joint steering committee on border trade and new entry and exit controls for Lao and Vietnamese citizens crossing the border. The two governments expect the agreement will increase investment along the border and help the two countries reach the goal of \$2 billion in bilateral trade by the end of 2015.
- **World Bank to provide \$30 million for power grid improvement, \$11.6 million for poverty reduction.** The World Bank on June 23 approved the financing of \$30 million to help Laos continue its power grid improvement project and \$11.6 million for the government's poverty reduction fund. These ongoing projects have contributed toward a 76 percent increase in access to potable water and a 75 percent increase in access to electricity among the Lao population. Laos aims to graduate from the Least Developed Country status by 2020.

- **U.S. provides funding and support for antidrug campaign.** The U.S. Embassy in Vientiane and the Lao national commission on drug control on June 30 handed over \$7,500 worth of office supplies and media equipment to support an Anti-Drug Civic Awareness Campaign in Vientiane and neighboring provinces. U.S. ambassador Daniel Clune said that Lao integration into the ASEAN Economic Community will pose new challenges to the government's efforts in preventing illicit drug trade. The United States has provided over \$47 million in antinarcotics assistance to Laos since 1989.

ASEAN

- **ASEAN navies to conduct joint antipiracy operations.** ASEAN navies will conduct joint antipiracy operations in the Malacca Strait, an Indonesian Navy commander announced on July 1. ASEAN hopes the operation will apprehend the architect of a recent increase in piracy in the strait, which saw 56 incidents of piracy from January to May. The commander said that cooperation between ASEAN countries during the recent recovery of the Malaysian *Orkim Harmony* from pirates off the coast of Vietnam paved

the way for cooperation in the strait. Indonesia, Malaysia, Singapore, and Thailand have conducted coordinated, but not joint, patrols in the Malacca Strait for years.

- **ASEAN launches fund for hosts of human trafficking victims.** The ASEAN Secretariat announced during a July 2 meeting in Kuala Lumpur that the group will create a fund to aid regional countries that host the victims of human trafficking. The U.S. State Department and the UN High Commissioner for Refugees also participated in the meeting. Malaysia proposed that each ASEAN country contribute \$100,000 to the fund, and said that Singapore had already pledged \$200,000. Indonesia and Malaysia have agreed to temporarily host thousands of stranded asylum seekers from Bangladesh and western Myanmar who fell victim to human traffickers.
- **Pew survey finds Vietnam, Philippines most supportive of U.S. military rebalance; Malaysia least supportive.** An overwhelming 71 percent of citizens in the Philippines and Vietnam support an increased U.S. military presence in Asia—the highest ratio in the region—according to a Pew study released on June 23. At the other end of the spectrum, only 41 percent of Indonesians and 27 percent of Malaysians support a U.S. military rebalance to the region. The same survey found that Vietnamese consider taking a hard line on the South China Sea disputes more important than maintaining the economic relationship with China. Philippine and Indonesian citizens are split on the issue, while Malaysians strongly prefer prioritizing economic ties.
- **State Department reports highlight human rights violations in ASEAN.** The U.S. State Department released its 2014 human rights country reports on June 25, detailing human rights abuses in ASEAN countries. The reports criticized varying degrees of restrictions on freedom of expression in all ASEAN countries, including press freedoms, and decried corruption and abuse of force by police in all countries but Singapore. The reports highlighted a lack of democracy in Brunei, Laos, Thailand, and Vietnam. Country-specific issues included Myanmar's treatment of Rohingya Muslims, arbitrary suspension of the right to assemble in Cambodia, caning as punishment in Malaysia and Singapore, and extrajudicial killings in the Philippines.

MEKONG RIVER

- **Laos's Don Sahong dam project will move forward despite protests by neighbors.** Construction is ramping up at the Don Sahong dam site in southern Laos, despite protests from neighboring countries and the



international community, according to a June 30 *Phnom Penh Post* report. Cambodia, Thailand, and Vietnam have demanded the project be halted pending further studies on its environmental impact, but an access bridge and roads are being constructed while workers are filling in part of the river with sediment to expand the site. Critics say the dam threatens local tourism-dependent communities, endangered species like the Irrawaddy dolphin, and the livelihoods of communities downstream in neighboring countries. ■

A critically endangered Irrawaddy dolphin. Critics worry that the Don Sahong dam being constructed on the Mekong River in Laos threatens the species' survival. <https://www.flickr.com/photos/xile/6039307726/>

Looking Ahead

- **The Struggle for Democracy in Myanmar/Burma.** The Center for East Asia Policy Studies at the Brookings Institution will host a discussion on July 14 on Myanmar's progress over the past four years and the prospects for strengthening democratic rule following the upcoming national elections in November. Delphine Schrank, a former reporter with the *Washington Post* and author of *The Rebel of Rangoon: A Tale of Defiance and Deliverance* (Nation Books, 2015), will give opening remarks. Panelists include Brookings' Ted Piccone and Lex Rieffel, and former U.S. chargé d'affaires in Myanmar Priscilla Clapp. The event will take place from 9:30 to 11:00 a.m., at 1775 Massachusetts Ave., NW, Saul/ Zilkha Rooms. To RSVP, 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. The event will take place from 9:00 a.m. to 4:30 p.m. in the CSIS Second Floor Conference Center, 1616 Rhode Island Ave., NW. For more information and to RSVP, [click here](#).
- **Prospects for Expanding Taiwan's International Role.** The Sigur Center for Asian Studies at George Washington University will hold a roundtable discussion on July 30 on ways to expand Taiwan's international role. Speakers include Wake Forest University's Wei-chin Lee, CSIS's Bonnie Glaser, and the University of Pennsylvania's Jacques deLisle. The event will take place from 12:30 to 2:00 p.m., at 1957 E St., NW, City View Room, Seventh Floor. A luncheon will be served from 12:00 to 12:30 p.m. To RSVP, click [here](#). ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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