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### Aquino's Legacy Secure but Philippines' Challenges Remain

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President Benigno Aquino used his final State of the Nation Address on July 27 to cement his legacy of anticorruption efforts and track record of revamping the once-sluggish Philippine economy. While Aquino has played a leading role in steering the Philippines in the right direction over the past five years, his term will end in 2016—as Philippine presidents are constitutionally constrained to a six-year term. Nonetheless, the Philippines still faces daunting challenges ahead, including in its internal and external security, defense modernization drive, and economic reform agenda.

U.S.-Philippine relations have been revitalized in recent years thanks in no small part to Aquino's domestic achievements. The United States therefore has an interest in seeing the next Philippine administration sustain the progress and advance the reform efforts that have begun under Aquino. He still has another 10 months in office, but as campaigning for the upcoming presidential elections, which will take place in May 2016, intensifies, his government's ability to tackle a number of outstanding policy challenges has been more constrained.

Chief among these challenges is the need to pass the draft Bangsamoro Basic Law (BBL), which has stalled in the Philippine Congress since early this year. The BBL would implement a peace agreement signed between

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*Presidents Barack Obama and Benigno Aquino hold a joint press conference in Manila during Obama's visit to the Philippines in April 2014. Obama is expected to come to the Philippines again in November to attend this year's Asia Pacific Economic Cooperation Leaders' Summit, by which time many in Washington hope that the Philippine Supreme Court will have issued a ruling on the bilateral Enhanced Defense Cooperation Agreement. <https://www.flickr.com/photos/statephotos/14047612712/in/album-72157644195647516/>*

the Aquino government and the rebel Moro Islamic Liberation Front, which would establish an autonomous political entity, called the Bangsamoro, and end a decades-old insurgency in the southern Philippines. The legislation, which had been deliberated by lawmakers since 2014, became highly controversial following a clash in Mamasapano in January between Philippine police commandos and Muslim insurgents in Mindanao, which led to the deaths of 44 Philippine commandos.

In his address, Aquino asked Congress to pass the BBL within its remaining term, but did not touch on the controversy surrounding the Mamasapano clash. The incident left an enormous stain on the Aquino administration's

otherwise-positive record with the public. If Aquino fails to secure passage of the draft legislation in the next month or two, chances are the BBL will not be picked up again in the lead-up to the elections. Peace in Mindanao is vital not only because it would lead to much-needed development dollars for the region, but also because it would free up resources for Manila to redirect toward its greater security challenges in the South China Sea.

Aquino also trumpeted his government's defense modernization program over the past five years, which has been more ambitious than under any previous administration, though implementation has been disappointingly slow. Manila has nonetheless recognized a need to upgrade its maritime security capabilities in the face of growing Chinese assertiveness in the South China Sea.

But Aquino failed to mention the Enhanced Defense Cooperation Agreement (EDCA), which Manila signed with Washington in April 2014 and would allow the rotation of U.S. forces and equipment through Philippine bases and greater capacity building for the Philippines armed forces. The EDCA is currently awaiting a ruling from the Philippine Supreme Court on its constitutionality and whether it requires ratification by the Philippine Senate.

Many in Washington and Manila hope that the EDCA ruling can take place before U.S. president Barack Obama visits the Philippines in November for the Asia-Pacific Economic Cooperation summit, but there is a risk

## Aquino's Legacy Secure but Philippines' Challenges Remain *(continued)*

that prolonged debates on the agreement in the Philippine Senate might delay the ruling further.

Many Filipinos, as well as foreign analysts, have begun to ask whether the Philippines in the post-Aquino era. The president in response has laid out a “righteous path” for his successors to follow if the Philippines hopes to sustain its economic success of recent years. This includes, among other things, continuing anticorruption efforts, strengthening the business environment, attracting more foreign investment, and increased investment in infrastructure.

Beyond 2016, the health of the Philippine economy will depend largely on how well future leaders can bolster the country's institutions and whether they can secure the confidence of foreign investors.

The Aquino administration's anticorruption drive and governance reforms have led to record levels of foreign direct investment, which reached \$6.2 billion in 2014, up from a mere \$1 billion in 2011. But that amount is still minuscule compared to the level of foreign investment attracted by the administration's Southeast Asian neighbors.

Another substantial barrier to growth in the Philippines is a constitutional clause that restricts foreign ownership, which the Aquino government attempted to amend but to no avail.

Aquino is right to be proud of the Philippines' achievements under his leadership. Yet it will be up to the next government to handle major challenges that cannot be addressed during the remainder of Aquino's term. In this context, Aquino's recent endorsement of Interior Secretary Mar Roxas to be his successor has attracted much attention. Aquino has publicly said that only Roxas can continue to lead the Philippines on a “righteous path.”

But Roxas, who stepped aside in 2010 to make way for Aquino to run for president on the Liberal Party ticket, has polled well behind other leading



*Pedestrians walking on Ayala Avenue in Makati City, the Philippines' financial center. Under President Benigno Aquino, the Philippine economy has been one of the world's fastest-growing, and many have begun to wonder whether Aquino's reform agenda will continue beyond 2016, when his term ends. <https://www.flickr.com/photos/hellofoto/6427275237/>*

## Aquino's Legacy Secure but Philippines' Challenges Remain *(continued)*

presidential contenders, including Vice President Jejomar Binay and Senator Grace Poe. While Aquino was very popular among voters, Roxas has been seen as part of the political elite and out of touch with the majority of Filipinos.

On the other hand, Poe, who also pledged to continue the anticorruption drive, has polled extremely well and may consider an independent run. She has dominated opinion polls in recent months, leading Binay, who continues to be hurt by graft allegations, by double digits.

Aquino has arguably done more than any previous Philippine president to advance the Philippines' economy and reform its institutions. But his final State of the Nation Address shows that the answers to the Philippines' toughest policy challenges may still be elusive. The Philippines' foreign partners, and the United States in particular, will want to see these issues addressed to know that Manila is committed to staying on the "righteous path." ■





*U.S. secretary of state John Kerry walks with Chinese foreign minister Wang Yi before the East Asia Summit foreign ministers meeting, held on the sidelines of the ASEAN Foreign Ministers Meeting. Kerry and Wang had a bilateral discussion that the secretary of state described as a “good meeting.” <https://www.flickr.com/photos/statephotos/20148073809/>*

## ASEAN

- **ASEAN foreign ministers meet ahead of ARF.** ASEAN foreign ministers met in Kuala Lumpur on August 4 ahead of the ASEAN Regional Forum two days later. Despite calls from Chinese officials not to address the issue, Malaysia’s foreign minister Anifah Aman, who hosted the meeting, and prime minister Najib Razak called on ASEAN to play a more active role in resolving the South China Sea disputes and other regional security issues. The ministers also discussed progress toward the ASEAN Economic Community, which is scheduled to come into effect at the end of the year.
- **Kerry, Wang discuss South China Sea with each other and ASEAN ministers.** U.S. secretary of state John Kerry and Chinese foreign minister Wang Yi on August 5 had a blunt discussion on the South China Sea in what Kerry described as a “good meeting” on the sidelines of the ASEAN Foreign Ministers Meeting in Kuala Lumpur. Kerry then met with his ASEAN counterparts, reiterating a U.S. proposal to freeze escalatory activities in the South China Sea and pledging U.S. aid to help Myanmar recover from recent floods. Wang also met with the ASEAN ministers, calling on outside powers to keep out of the South China Sea dispute and saying China and ASEAN should redouble efforts to reach a code of conduct.
- **Five ASEAN countries agree to share information on smog producers.** Representatives from Brunei, Indonesia, Malaysia, Singapore, and Thailand agreed on July 28 to identify owners of plantations where smog-causing fires start, but Indonesia blocked Singapore’s longstanding request to publish maps of which companies own which tracts of land. Fires on the Indonesian island of Sumatra each year spread smog throughout Southeast Asia, especially Malaysia and Singapore.
- **Chinese tourist arrivals down across most of Southeast Asia.** Just 1.5 million Chinese tourists visited Southeast Asia in the first three months of 2015, down from 1.9 million during the same period in 2014, according to a July 26 *Financial Times* report. The trend is expected to continue across the region, except in Thailand where Chinese tourist numbers are actually up. Many Chinese tourists are apprehensive about visiting the region after the disappearance of Malaysia Airlines flight 370 and the crash of AirAsia flight QZ8501, along with anti-Chinese violence in Vietnam and perceived anti-China sentiment in the region.

## MYANMAR

- **Flooding continues to cause casualties.** Recent flooding and landslides in 11 of Myanmar's 14 states and regions have caused 47 deaths and affected more than 210,000 people as of August 4. The United Nations expects the official death toll to rise as rescue workers struggle to reach remote areas. Water from severely flooded areas in the country's north and west are now flowing downriver, threatening the more populated areas in the Irrawaddy River valley. Myanmar's government has appealed for international aid, and U.S. secretary of state John Kerry on August 5 pledged U.S. assistance.
- **Almost 7,000 prisoners released in amnesty.** Myanmar on July 30 released nearly 7,000 prisoners in one of the country's largest amnesties ever. Those released included more than 200 foreigners, 153 of whom were Chinese citizens recently sentenced to life in prison for illegal logging; 9 former military-intelligence officers; and a small number of political prisoners. Activists and officials have not yet determined how many of Myanmar 138 political prisoners were released. There are another 448 people awaiting trial for political crimes.
- **Peace talks on hold until August after two days of inconclusive meetings.** High-level officials from the government and ethnic armed groups on July 24 ended two days of negotiations in Yangon on a national cease-fire without reaching a deal. Negotiators signed a draft cease-fire agreement on March 31 but have not finalized a deal. Peace talks will resume in early August with the aim of resolving remaining issues. The next four months will be the last chance for negotiations with the current government.
- **Only one member of 88 Generation to run under NLD banner.** Aung San Suu Kyi's opposition National League for Democracy (NLD) has placed only one member of the 88 Generation group of former student leaders—Ko Ko Gyi—on its list of candidates for the November elections, which must be finalized by August 14. Twelve prominent 88 Generation members had agreed in mid-July to run under the NLD banner. The apparent snub has led to speculation that some 88 Generation members might now run as independents and compete against the NLD.
- **Second annual report on Transparency in Myanmar Businesses released.** Tycoon Serge Pun jumped from third to first in the second annual Transparency in Myanmar Businesses rankings, which were released on July 21 by the Myanmar Center for Responsible Business. The report aims to promote greater transparency among Myanmar companies, as cronyism and corruption remain significant problems in the country's business sector.



*Ko Ko Gyi (center) and other members of the 88 Generation group of former student leaders. The National League for Democracy has included Ko Ko Gyi on its list of candidates for the November elections, but rejected 11 other 88 Generation members who sought to run under the party's banner. <https://www.flickr.com/photos/bdcburma/6056272158/>*

- **Myanmar, Thailand sign visa-exemption agreement.** Myanmar and Thailand on July 29 signed a visa-exemption agreement that will allow citizens of each country to visit the other for up to 14 days without a visa. The agreement is intended to strengthen bilateral ties and boost tourism between Myanmar and Thailand. Myanmar on the same day opened a consulate-general in Chiang Mai. Myanmar and Thailand have pledged to boost bilateral trade to \$12 billion in 2017 from \$8.2 billion today.

## PHILIPPINES

- **Aquino delivers final State of the Nation Address.** President Benigno Aquino on July 27 delivered his final State of the Nation Address, highlighting his administration's achievements and calling on the Philippine Congress to pass his priority legislation. Those priorities include his proposed \$65.7 billion 2016 budget, the Bangsamoro Basic Law that would create a new autonomous region in predominantly Muslim parts of the country's south, and an antipolitical dynasty law. In a nod to his anticorruption drive, Aquino also called on his successor to continue his administration's "straight path" approach to governance.
- **Congress limits recesses to work on key priorities during fall legislative session.** Philippine congressional leaders on July 23 agreed to limit recesses taken in the fall in order to pass key priorities such as the 2016 budget, a Freedom of Information bill, and the Bangsamoro Basic Law before the end of the year. Senate president Franklin Drilon and House speaker Feliciano Belmonte Jr. identified at least six priority bills and said that Congress would work until the end of the year, excepting a three-week October holiday break.
- **Aquino endorses Roxas for 2016 presidential candidate.** President Benigno Aquino on July 31 endorsed Interior Secretary Mar Roxas's bid for president in 2016 in a speech to members of the ruling Liberal Party. Aquino held several meetings in recent weeks with Roxas and independent senator Grace Poe in an apparent effort to decide which should be his party's standard-bearer and attempt to urge them onto a single ticket. Recent polls show Poe leading all other presidential contenders, including former front-runner Vice President Jejomar Binay, by double digits. Roxas trails in third or fourth place, depending on the poll.
- **Nightclub explosion in Mindanao kills one, injures nine.** A bombing at a nightclub in the city of Zamboanga, on the southern tip of Mindanao, on July 23 killed a bartender and injured nine employees. Officials remain unsure about who placed the bomb at the club, called Manly Massage Parlor. The Abu Sayyaf group, which has pledged allegiance to the Islamic

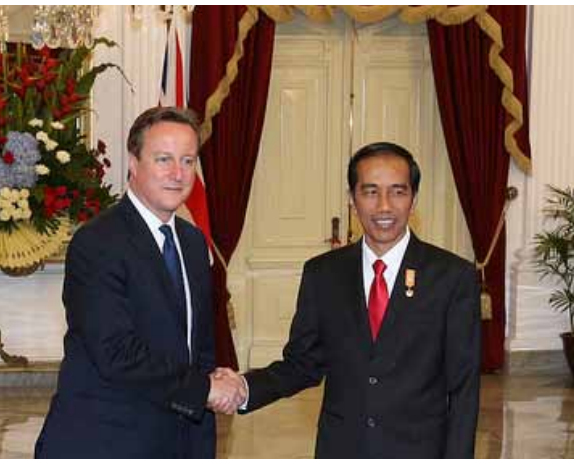


*Interior Secretary Mar Roxas (left) gives a briefing following Typhoon Mario in September 2014. President Benigno Aquino has endorsed Roxas as the ruling Liberal Party's flag bearer in the 2016 elections. <https://www.flickr.com/photos/ilocosnorte/15132272487/>*

State in Iraq and Syria, has set off bombs in Zamboanga in the past, including an attack in January that killed 1 and injured 48.

## INDONESIA

- **Anticorruption body seeks 11-year sentence for former legislator in oil and gas graft case.** Prosecutors from the Corruption Eradication Commission, known as the KPK, on July 27 requested an 11-year prison sentence for Sutan Bhatoegana, a senior politician from the Democratic Party. The KPK detained Sutan in January and accused him of having received \$344,000 in bribes in exchange for expediting deliberations on the budget of the Energy and Mineral Resources Ministry in 2013. His case is part of the graft trial involving Rudi Rubiandini, a former head of Indonesia's upstream oil and gas taskforce SKKMigas.



UK prime minister David Cameron shakes hands with Indonesia president Joko Widodo during his July visit to Jakarta. <https://www.flickr.com/photos/number10gov/20075784535/in/photolist-q5Fped-q70ao7-vD1qqq-qVkcx6-wA2Dj8>

- **UK prime minister visits Indonesia, looks to invest \$1.5 billion.** UK prime minister David Cameron pledged to invest over \$1.5 billion in Indonesia infrastructure projects during his visit to Jakarta July 27–28. Cameron brought with him representatives from more than 30 UK businesses. The United Kingdom is currently Indonesia's fifth-largest foreign investor. Cameron also visited Malaysia, Singapore, and Vietnam. He pledged \$778 million in infrastructure loans for Vietnam and discussed ways to boost bilateral trade and combat the trafficking of Vietnamese nationals into the United Kingdom.

- **Indonesia considers tightening laws against terrorism.** President Joko Widodo on July 26 **told** the *Straits Times* that his government plans to give authorities more power to take preventive measures against terror suspects. Widodo made the announcement a month after Afief Abdul Madjid, a radical cleric who trained with Islamic State in Syria, was given a sentence of four years in jail—or half of what prosecutors sought—for funding a terrorist training camp in the province of Aceh. Indonesia currently outlaws individuals who run terrorist organizations, but not those who pledge support to or join those groups.

- **Indonesia increases tax on imported goods; tin export regulations come into effect.** The Indonesian government on July 23 raised import tariffs on more than 1,000 items in a bid to protect domestic producers, while economists warned that the latest round of protectionist measures will result in excessive bureaucracy and weaken foreign investment. A new regulation that came into effect on August 1 in an effort to crack down on illegal mining requires tin smelters to hold licenses certifying that the tin they process comes from government-approved mines.



- **Study says protectionist policies under Jokowi will harm prospects for growth.** The Lowy Institute on July 30 released a [report](#) titled *Trade Protectionism in Indonesia: Bad Times and Bad Policy*, which highlights a continuing trend toward non-tariff barriers to trade under the government of President Joko Widodo. Indonesian economists Arianto Patunru and Sjamsu Rahardja, who authored the report, recommend that Indonesia do away with interventionist policies and focus on regulatory reforms and infrastructure development.
- **Registration for regional elections extended due to candidate shortage; some regions may postpone elections.** The Election Commission had registered only 63 pairs of candidates across nine provinces by July 28, the close of the registration period for the upcoming regional elections expected in December. The commission initially expected more than 500 pairs of candidates to register, and said that elections in six regions with only one pair of candidates may not take place until 2017. Several districts extended their registration periods until August 3. Candidates for this year's regional elections must be approved by their parties' central governing boards, as opposed to their parties' regional boards as in previous years.

#### VIETNAM

- **Chairman of PetroVietnam arrested on allegations of fraud.** Police on July 21 arrested Nguyen Xuan Son, the chairman of state-owned oil and gas company PetroVietnam, on allegations of fraud while he was general manager of Ocean Commercial Bank from 2008 to 2010. Authorities arrested several Ocean Bank executives in 2014 for lending fraud. The central bank in April acquired Ocean Bank in an ongoing campaign to restructure Vietnam's banking system.
- **Floods outside Hanoi kill 17.** The heaviest rains in 40 years have resulted in landslides and severe flooding in northeastern Quang Ninh Province, killing 17 people since July 26. Floods have isolated many residential areas and submerged nearly 3,000 houses, causing over \$68 million in damages. Authorities also dispatched a navy ship to Co To Island in Ha Long Bay to evacuate 1,500 tourists who were stranded offshore due to the suspension of commercial maritime traffic.
- **Coast Guard launches new high-speed patrol vessel.** The Vietnamese Coast Guard on July 27 launched a high-speed patrol boat, which was built by government-owned Hong Ha Shipbuilding in the city of Haiphong. The vessel is the fifth of its kind the government has commissioned from the company and will patrol Vietnam's southernmost waters. Vietnam



*The headquarters of Vietnam's central bank in Hanoi. The central bank now holds a majority share in Ocean Bank, following its takeover of the troubled bank in April. <https://www.flickr.com/photos/79893993@N00/2096886217>*

launched two new coast guard ships in Da Nang last month, as it continues to expand its coast guard in light of rising tensions in the disputed South China Sea.

- **Navy launches two new Kilo-class submarines; Russian destroyer visits Danang.** The Vietnamese navy on August 1 received two more Kilo-class submarines from Russia at the port of Cam Ranh Bay. The diesel-powered submarines are part of an order of six submarines that Vietnam purchased from Russia in 2009. A Russian navy destroyer, the *Admiral Panteleyev*, made a port call at Danang from July 31 to August 2.
- **U.S., Vietnam conduct first peacekeeping training session.** U.S. and Vietnamese officials conducted a joint peacekeeping training workshop from July 27 to 31 in Hanoi. U.S. ambassador to Vietnam Ted Osius said at the event that the United States will help Vietnam establish a national peacekeeping center and provide training for Vietnamese officers to take part in UN peacekeeping. Washington and Hanoi agreed to step up peacekeeping cooperation during the visit of Vietnamese Communist Party secretary general Nguyen Phu Trong to the United States in July.

#### MALAYSIA

- **Najib sacks deputy, attorney general, and four ministers in cabinet reshuffle.** Prime Minister Najib Razak on July 28 sacked Deputy Prime Minister Muhyiddin Yassin, who has been critical of Najib's handling of the scandal surrounding state investment fund 1Malaysia Development Bhd (1MDB), and replaced him with Home Minister Ahmad Zahid Hamidi, a conservative politician within the ruling United Malays National Organization. Najib also terminated Attorney-General Abdul Gani Patail, who was leading an investigation into 1MDB, and four other ministers in an effort to create a more unified team.
- **Malaysia orders suspension of two publications.** The Malaysian government ordered the suspension of the *Edge Weekly* and the *Edge Financial Daily* for three months beginning July 27. The two publications have reported extensively on corruption allegations involving Malaysia's state investment fund 1Malaysia Development Bhd, which the Home Ministry deemed to be prejudicial to "public and national interest." The Edge Media Group, which owns both publications, said that it intends to challenge the suspension in court.
- **Piece of MH370 washes up in western Indian Ocean.** Malaysian prime minister Najib Razak on August 5 confirmed that a piece of an airplane wing that washed up on the French island of Réunion in the western Indian

Ocean on July 29 belonged to missing Malaysia Airlines flight MH370. French officials leading the investigation into the debris were more circumspect, saying only that the piece was likely from MH370. The flight disappeared in March 2014 while en route from Kuala Lumpur to Beijing. Réunion is thousands of miles to the west of a large area of Indian Ocean in which Australian authorities have been searching for the plane.

- **U.S. upgrades Malaysia from lowest tier in annual Trafficking in Persons Report.** The State Department has upgraded Malaysia's ranking to the Tier 2 watch list, up from last year's Tier 3, in its annual Trafficking in Persons Report released on July 27, citing Malaysia's "significant efforts" to eliminate trafficking. The upgrade removes a potential obstacle to Malaysia's accession to the Trans-Pacific Partnership trade agreement. This is because the Trade Promotion Authority legislation, which cleared Congress earlier this year, prohibits the United States from fast-tracking trade deals with countries that have a poor human rights record.

#### THAILAND

- **Thailand remains at Tier 3 in U.S. Trafficking in Persons report.** Thailand remained at Tier 3, the lowest level, for the second consecutive year in the State Department's annual Trafficking in Persons (TIP) report, released July 27. Thailand is the only ASEAN country on Tier 3, with Malaysia being upgraded to the Tier 2 Watch List. Foreign Minister Thanasak Patimaprak insisted that the TIP report does not accurately reflect the Thai government's efforts to crack down on human trafficking, including convicting and prosecuting more than 100 traffickers in 2014. Meanwhile the European Union on July 25 again warned that it would ban fish imports from Thailand if it does not improve illegal practices in the fishing industry, including forced labor.
- **Former protest leader returns to public life, launches foundation.** Former deputy prime minister Suthep Thaugsuban, who led the months-long street protests against the Yingluck Shinawatra government that resulted in a military coup in May 2014, returned to public life on July 31 after a year in the monkhood by launching the People's Democratic Reform Foundation. Suthep said the foundation will work to ensure the junta fully carries out its program of national reforms before holding elections. Some analysts worry that Suthep's reemergence could lead to a renewal of violent street demonstrations.



*Messages of hope and prayers for victims of MH370, which disappeared without a trace in March 2014 while en route from Kuala Lumpur to Beijing, in a bookstore in Malaysia. Prime Minister Najib Razak on August 5 confirmed that a piece of an airplane wing recently discovered in the western Indian Ocean belong to MH370. [https://commons.wikimedia.org/wiki/File:Messages\\_of\\_Hope\\_and\\_Prayer\\_for\\_MH370.jpg](https://commons.wikimedia.org/wiki/File:Messages_of_Hope_and_Prayer_for_MH370.jpg)*



*Street protests in January 2014 in opposition to the government of former Thai prime minister Yingluck Shinawatra. Suthep Thaugsuban, a leader of the protests, has emerged from a year in the monkhood to launch a new foundation aimed at ensuring the military junta does not leave power without completing its goal of reforming Thailand's political system. <https://www.flickr.com/photos/prachatai/11926424793/>*

- **Thai Airways cuts 1,400 jobs, suspends flights to the United States.** State-controlled Thai Airways on July 27 announced plans to cut 1,400 jobs and suspend unprofitable direct flights to Los Angeles and Rome as part of a restructuring plan to reduce operating costs and flight capacity. The suspension of its Los Angeles route means that Thai Airways will no longer operate in the United States. The U.S. Federal Aviation Administration on July 17 gave the airline a Category 2 rating, preventing it from launching new flights to the United States. The airline will double its flights to London and Frankfurt.
- **Government puts coal-fired power plants in Krabi on hold.** Prime Minister **Prayuth** Chan-ocha on July 23 ordered planned coal-fired power plants near the tourist town of Krabi on Thailand's southeast coast put on hold and a joint review committee set up to evaluate the project. The decision came in response to protests in Bangkok. The 800-megawatt project was intended to address an electricity shortage in southern Thailand, which is heavily reliant on electricity from central Thailand and Malaysia.

#### SOUTH CHINA SEA

- **China holds exercises in South China Sea, declares no-sail zone.** The Chinese navy on July 31 concluded 10 days of naval drills off the southeast coast of Hainan, during which it had declared a large area of ocean off-limits to ships. Part of that no-sail zone included disputed waters around the Paracel Islands, prompting the Vietnamese foreign ministry to issue a statement calling on China to halt the drills. More than 100 ships, including some nuclear-armed vessels, participated in the exercises. China said the drills were routine and did not target any country.



*Chinese navy personnel. China's navy recently concluded 10 days of drills in the South China Sea, prompting an outcry from the Vietnamese government. <https://www.flickr.com/photos/defenceimages/15672092534/>*

- **Photos appear to confirm China building runway on Subi Reef. Satellite imagery** of Subi Reef taken July 18 appears to show China constructing a 1.9 mile runway on the reclaimed feature. The reclaimed land could fit a runway with a parallel taxiway that is large enough to accommodate aircraft the size of B-52 bombers. The images seem to show cranes compacting the sand in an often-used stabilization technique, and also seem to show that most dredging at the feature has been completed.
- **Philippines removed Chinese buoys from Scarborough Shoal.** Philippine fishermen on July 26 towed oil-spill containment booms with Chinese markings found near Scarborough Shoal to a port north of Manila. China seized Scarborough Shoal from the Philippines in 2012 after a standoff between the Chinese Coast Guard and Philippine Navy. Meanwhile Philippine Supreme Court justice Antonio Carpio on July 31 claimed that



China plans to reclaim land on Scarborough Shoal as it has done in the Spratlys.

- **ASEAN and China to establish South China Sea hotline.** ASEAN and China have agreed to establish an emergency hotline for foreign ministers to communicate about the South China Sea, a senior ASEAN official told Reuters on July 31. The group hopes to use the hotline to deescalate hostile situations through immediate, high-level talks. Vietnam and the Philippines announced this year that they hope to establish an illegal fishing hotline by the end of December.

#### CAMBODIA

- **Senate passes NGO law, inciting protests.** The Cambodian Senate on July 24 passed a controversial nongovernmental organization (NGO) law that opponents say the government could use to crack down on unfriendly groups. The law's passage incited protests across the country. All opposition senators boycotted the vote. The law will require all NGOs to register with the government and will ban groups from favoring one political party, among other provisions. The United States, European Union, United Nations, and other groups have criticized the law as unnecessarily restrictive.
- **Hun Sen calls for army loyalty as defense minister asks troops to "control democracy."** Prime Minister Hun Sen on July 24 called on the army to strengthen its loyalty to his government in a speech to 5,000 senior military and police officials. Meanwhile Defense Minister Tea Banh in a July 28 speech said that the military needs to "control democracy" in response to opposition lawmakers demonstrating at the disputed border with Vietnam. Tea Banh further warned that Cambodia must be on the lookout for a "color revolution" like those that have toppled governments in the former Soviet bloc over the last decade.
- **New report shows deforestation in Cambodia occurring at "unprecedented" rate.** A new report by campaign group Forest Trends shows that over 800 square miles of Cambodian forests are lost every year as large corporations use government-granted land concessions to illegally clear land, according to a [July 29 BBC article](#). The report said that land is often cleared for rubber or other plantations that never actually materialize after the felled timber is exported to neighboring China or Vietnam. Experts blame the Cambodian government for allowing the rule of law in the forestry sector to deteriorate.



*Cambodia's defense minister Tea Banh, who recently called on Cambodian troops to "control democracy." <https://commons.wikimedia.org/wiki/File:TeaBanh.jpg>*



A People's Action Party rally at Bedok Stadium ahead of the 2011 general elections. Singapore's upcoming general elections, expected in September or October, will be the first since the death of founding father and former prime minister Lee Kuan Yew. [https://commons.wikimedia.org/wiki/File:People%27s\\_Action\\_Party\\_general\\_election\\_rally,\\_Bedok\\_Stadium,\\_Singapore\\_-\\_20110501-08.jpg](https://commons.wikimedia.org/wiki/File:People%27s_Action_Party_general_election_rally,_Bedok_Stadium,_Singapore_-_20110501-08.jpg)

## SINGAPORE

- **Electoral boundaries report released; elections expected in September or October.** The Electoral Boundaries Review Committee on July 24 released its report on new electoral boundaries, signaling imminent general elections. Elections are widely expected to take place in September or October, following the celebration of the 50th anniversary of Singapore's founding in August. Three new single-member constituencies that did not feature in the 2011 elections will be contested, while the number of group representation constituencies (GRCs) has been increased. Candidates run on a single ticket in GRCs. Opposition parties have vowed to contest all 89 seats in the parliament.
- **Singapore arrests man who tried to join Islamic State in Syria.** The Ministry of Home Affairs on July 29 said that it had arrested a "self-radicalized" man under an internal security law for trying to join Islamic State in Syria. The individual was arrested in June after being deported from Turkey, from where he planned to cross into Syria. The Home Ministry said that the man was prepared to carry out Islamic State-directed terrorist attacks against Western establishments in Singapore.
- **Jokowi signs three agreements during first official visit to Singapore.** Singapore prime minister Lee Hsien Loong and Indonesian president Joko Widodo on July 28 signed memorandums of understanding on e-governance, youth and sports development, and strategic cooperation between chambers of commerce in both countries during Widodo's visit to Singapore. The two sides also concluded agreements to boost cooperation on tourism, corruption eradication, and law enforcement efforts against transnational crimes. The two leaders also discussed cooperation on counterterrorism efforts amid growing fears of the Islamic State's regional influence.
- **U.S. blacklists Singapore shipping firm over North Korean weapons smuggling.** The Treasury Department on July 23 announced financial sanctions against Singapore-based Senat Shipping Company and its president for allegedly supporting Ocean Maritime Management Company, a North Korean shipping company accused of illicit weapons shipments. The vessel *Dawnlight*, in which Senat has an interest, was also sanctioned. Senat has denied the allegations.

## LAOS

- **Military helicopter crash leaves 23 dead.** A military helicopter crashed in northern Laos's Xaisomboun Province on July 27, killing all 19 passengers

and 4 crew members, according to the Ministry of Defense. One of the 19 passengers was a high-ranking military patient returning from Vientiane. The cause of the accident is under investigation. Recent air travel accidents in Laos include a military plane crash in May 2014 that killed five senior officials and a commercial plane crash in October 2013 that left 49 people dead.

- **Over \$180 million invested in residential development zone.** Shanghai-based Wanfeng Group has invested over \$180 million in a \$1.6 billion residential zone near Vientiane since December 2012, according to a July 28 *Vientiane Times* report. The 900-acre residential development has stirred controversy as locals refused to relocate in 2013 due to low compensation rates. China has become the largest investor in Laos, with \$5 billion in investment, after accounting for just 1.5 percent of foreign investment in the country in 2003.
- **Lao Airlines flight forced to turn back after entering Chinese ADIZ.** Chinese air controllers on July 25 forced a Lao Airlines flight from South Korea to Laos to turn back after entering China's Air Defense Identification Zone (ADIZ) over the East China Sea. Lao Airlines reportedly failed to file its flight plan in advance with Chinese authorities. The flight was the first turned back by China since it announced the controversial ADIZ in late 2013. At least 55 airlines worldwide comply with the terms of the ADIZ, though Japan's largest commercial carriers do not.

#### BRUNEI

- **Brunei eyes ecotourism industry.** Brunei aims to establish itself as a destination for ecotourism as part of its plans to diversify its economy, according to a July 19 *Brunei Times* report. The acting director of Brunei's Tourism Development Department, Noraini Hj Tersad, said that Brunei's unpolluted and accessible rainforests should be major draws for tourists. This strategy is part of Brunei's tourism master plan, which seeks to promote Brunei's attractiveness as a standalone tourist destination in the region.

#### TRANS-PACIFIC PARTNERSHIP

- **Ministerial meeting in Hawaii fails to yield a final deal.** Ministers from Trans-Pacific Partnership (TPP) countries did not conclude talks on the trade deal at the end of their meeting in Hawaii on July 31. Outstanding points of disagreement include the U.S. stance on pharmaceutical patents, the Canadian dairy market, and trade in auto parts between Japan and the United States.



*A Lao Airlines plane. Chinese air traffic controllers recently ordered a Lao Airlines flight to turn back after failing to file its flight plan with authorities before entering China's Air Defense Identification Zone over the East China Sea. <https://www.flickr.com/photos/fran001/1491320880/>*



*The Moei River along the Thai-Myanmar border. Thailand is considering a plan to divert water from the Moei, Mekong, and Salween rivers to irrigate Thai farmland in response to severe drought in Thailand. <https://www.flickr.com/photos/kimtetsu/17070318272>*

#### MEKONG RIVER

- **Thai government considers diverting water from Mekong, Salween, Moei rivers.** Prime Minister Prayut Chan-ocha on July 31 announced the Thai government's plan to divert water from the Mekong, Moei, and Salween rivers to irrigate Thai farmland. The plan is in response to the severe drought conditions that have ravaged nine provinces in central Thailand. Thailand met strong opposition in 2008 when it considered a similar project along the Mekong River.

#### TIMOR-LESTE

- **U.S., Timorese forces conduct maritime exercises.** The U.S. Navy and the Timor-Leste Defense Force conducted their third annual bilateral Cooperation Afloat Readiness and Training (CARAT) exercises from July 27 to 28 in the vicinity of Timor-Leste's Port Hera Naval Base. The training involved 100 personnel from the U.S. Navy and 300 from Timor-Leste. The United States engages in CARAT training exercise with nine partner nations in South and Southeast Asia. ■



# Looking Ahead

- **CSIS discussion on Naval Aviation.** CSIS and the U.S. Naval Institute on August 12 will host a discussion with Lieutenant General Jon Davis, U.S. Marine Corps, and Vice Admiral Mike Shoemaker, commander of the Naval Air Forces, on the state of the current naval aviation fleet and what the future holds for naval aviation. The event will be held from 9:00 a.m. to 10:00 a.m., 1616 Rhode Island Avenue, NW. RSVP [here](#).
- **Thailand and the Changing Geopolitical Dynamics of Southeast Asia.** The Carnegie Endowment for International Peace on August 12 will host Nobuhiro Aizawa from Kyushu University for a discussion on how Thailand's 2014 coup and competing bids by external players for Thailand's infrastructure projects are altering the geopolitics and international relations of Southeast Asia. The Wisteria Group's Abigail Friedman will offer comment, and Carnegie's James L. Schoff will moderate. The event will take place from 10:30 a.m. to 11:30 a.m., 1779 Massachusetts Avenue NW. RSVP [here](#).
- **CSIS discussion on Managing Cyber Risk and the Role of Insurance..** CSIS will host a discussion September 10 on the growing threat of cyber attacks and the role of the insurance industry in managing cyber risk. A wide range of stakeholders including industry executives, senior policymakers, and security experts will offer insights on how to promote the development of a common understanding of the cyber risks to U.S. companies and best to manage those risks. The event will take place from 9:00 a.m. to 10:00 a.m. in CSIS's Second Floor Conference Room, 1616 Rhode Island Ave., NW. RSVP [here](#). ■

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