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Leadership Changes and Upcoming Obama Visit Give U.S. New Opportunities in Laos

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Leadership changes announced at a recently completed congress of the ruling Lao People's Revolutionary Party and President Barack Obama's planned visit to Vientiane in September, the first ever to Laos by a sitting U.S. president, give Washington an important opportunity to boost ties with this landlocked nation of less than 7 million people along China's southern flank.

The first high-level U.S. engagement with Laos this year will take place in Rancho Mirage, California, on February 15-16, when Obama and Prime Minister Thongsing Thammavong will jointly chair a summit discussion between Southeast Asian and U.S. heads of state. Laos is the ASEAN chair for 2016.

Secretary of State John Kerry visited Laos on January 25 to hammer out the summit's format and agenda. Kerry landed in Vientiane just days after the communist Lao People's Revolutionary Party completed its congress (held every five years) to select the party's leadership and set political and economic development goals for the next five years. The country's foreign policy direction is one area that could see some of the most noticeable shifts in the months and years ahead.

Vietnamese communist forces helped their Lao counterparts seize power in 1975, and Hanoi has since retained significant influence in Vientiane.

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Sunnylands in Rancho Mirage, California. President Obama will host ASEAN leaders for a summit here on February 15-16, which will be the first high-level U.S. engagement with Laos this year. https://commons.wikimedia.org/wiki/File:Sunnylands_11.jpg

But in recent years, Laos had drifted closer to China as Beijing stepped up its aid to and investment in the country. The party congress's decision to remove Choummaly Sayasone as the party chief and replace him with current vice president Bounnhang Vorachith is widely interpreted in Vientiane as an effort by party leaders to pull the regime's foreign policy back toward the middle between China and Vietnam, rather than tilting so firmly toward Beijing. Bounnhang received military training in Vietnam and studied at its party training school.

Deputy Prime Minister Somsavat Lengsavad, who ranked eighth in the Politburo and, like outgoing party chief Choummaly, was instrumental in granting large economic concessions to Chinese companies over the past decade, was also removed. There has been a palpable anxiety within the public as well as among party members that the ousted leaders had made Laos grow too dependent on China in recent years. Chinese companies, many of which are state-owned, have dramatically ramped up their economic footprint in the northern part of Laos.

Chinese companies have at least half a dozen mega real-estate projects in Vientiane today, including shopping complexes and hotels dominating the skyline of this small city. Chinese companies also hold a wide swath of mining and agriculture projects across much of northern Laos. In December, the two countries agreed to start work on a \$6 billion railroad project linking southern China to Bangkok through Laos, which economists believe will have minimal benefits for Laos. The cash-strapped government is expected to finance part of the cost with a loan from China.

The expected appointment of Deputy Prime Minister Thongloun Sisoulith to be prime minister soon after the Lao National Assembly elects the new government lineup in March will also help bolster Vientiane's regional integration efforts. Thongloun has served as foreign minister since 2006 and is viewed as somewhat of an internationalist who wants to promote closer ties not only with Vietnam and Laos's other ASEAN neighbors, but also with partners including the United States and Japan. Thongloun—whose foreign affairs portfolio is expected to be picked up by Saleumxay Kommasith, the able former ambassador to the United Nations—is not anti-China; he just wants to hedge Laos's foreign policy with broader regional and international ties.

Thongloun recognizes that with Laos chairing ASEAN this year, Vientiane will have to represent the interests of its Southeast Asian neighbors, some of which, like the Philippines and Vietnam, are facing increasing pressure

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from China in the disputed South China Sea. Lao officials, in response to concerns within ASEAN and in the United States, have said in recent months they recognize the impetus for not repeating what happened during Cambodia's chairmanship in 2012, when Phnom Penh blocked a consensus ASEAN statement on the South China Sea at the apparent behest of Beijing.

Kerry told journalists following his discussions with Lao officials that current prime minister Thongsing Thammavong "was very clear that he wants a unified ASEAN and he wants maritime rights protected, and he wants to avoid militarization and avoid the conflict." A senior Lao official adds, "We will come under pressure from the north and the east," referring to China's and Vietnam's efforts to influence Vientiane's decision-making. Lao officials will likely try to operate on the principles of ASEAN centrality and consensus.

U.S.-Lao relations have warmed in recent years as part of the larger U.S. rebalance to Asia, following decades of mutual suspicion after the Vietnam War ended in 1975. Kerry said the United States is launching a \$6 million nutrition program to relieve stunting among children and touted a U.S.-funded "smart infrastructure" project in Laos under the Lower Mekong Initiative to ease silting and facilitate fish migration, as Laos builds dams on the river to power electricity for export. Kerry also raised ongoing human rights issues about which Washington is concerned, including the forced disappearance three years ago of well-known agronomist Sombath Somphone.

But much remains to be done to boost U.S. ties with Laos in this pivotal year and ahead of the U.S. presidential elections in November. Kerry suggested that Obama could announce a significant boost to the current \$19.5 million in U.S. funding to help clear remaining unexploded ordnance when he visits Vientiane.

The Lao economy—which has grown at 7-8 percent in recent years—is forecast to expand by 7.7 percent this year, making Laos the second-fastest-growing economy in Asia in 2016, according to the Economist Intelligence Unit. Much of this growth is driven by natural resource



Flags of the ASEAN member states in Jakarta. Laos is serving as the 2016 chair for ASEAN and is looking to secure ASEAN unity. https://en.wikipedia.org/wiki/Association_of_Southeast_Asian_Nations#/media/File:ASEAN_Nations_Flags_in_Jakarta_3.jpg

Leadership Changes and Upcoming Obama Visit Give U.S. New Opportunities in Laos *(continued)*



U.S. Secretary of State John Kerry. Kerry visited Laos on January 25 to lay the groundwork for the upcoming Sunnyslands summit, discuss Laos's role as ASEAN chair, and strengthen U.S.-Laos relations. https://en.wikipedia.org/wiki/John_Kerry#/media/File:John_Kerry_senator_from_MA-2.jpg

extraction, the export of hydropower to Thailand, and, more recently, tourism. U.S. trade and investment with Laos remains minimal, although Coca-Cola opened a large bottling plant near Vientiane last year to serve northern Thailand.

Although U.S. military ties with both China and Vietnam have grown over the past decade, relations with the Lao military are almost negligible except for cooperation in the search for remains of U.S. pilots missing in action during the war. The Lao military has agreed to work with Washington on some English-language training for its soldiers, but has not accepted the offer to send officers to U.S. staff colleges.

The U.S. government has had an education program in Laos for a number of years, and Vientiane has suggested to the Obama administration that it is keen on a larger training program with Washington. Laos faces a serious shortage of knowledgeable technocrats and skilled labor, a factor that has held back economic development. Washington can consider pursuing with Laos a program similar to the U.S. Fulbright economics teaching program for mid-career officials that it has supported in Vietnam for decades.

Laos has been on the Asia travel itinerary of more senior U.S. officials in recent years. But beyond the visits by the Lao health minister in 2014 and Deputy Prime Minister Thongloun two years before, few senior Lao officials have been exposed to the United States. Once the new government takes office in Vientiane, the U.S. government should invite more of its senior officials to visit Washington to bolster trust between the two countries. ■



General secretary of the Vietnamese Communist Party Nguyen Phu Trong and Vice President Joseph Biden in July 2015. Trong was reelected to the party chief post during the 12th Communist Party Congress, which took place from January 21 to 28. <https://www.flickr.com/photos/statephotos/18883780193/>

VIETNAM

- **Communist Party Congress reelects current general secretary.** The 12th congress of the Vietnam Communist Party on January 28 announced it had reelected incumbent Nguyen Phu Trong as its general secretary. Prime Minister Nguyen Tan Dung, one-time contender for the post, withdrew from serving in the next government during the week-long meeting. The congress set goals of achieving on average 6.5-7 percent annual growth of gross domestic product and annual per capita income of \$3,200-\$3,500 by 2020, and agreed to grant “equal access” to resources such as land and credit to private enterprises in coming years.
- **India to set up satellite tracking station in Vietnam to help Hanoi improve intelligence and surveillance capabilities.** India said it will help Vietnam establish a satellite tracking and data reception center in Ho Chi Minh City in an effort to boost Vietnam’s intelligence, surveillance, and reconnaissance capabilities, according to a January 25 Reuters report. The planned facility will give Vietnam access to data from India’s earth observation satellites, including over the disputed South China Sea. Although no clear timeframe for the project was announced, Indian media report the state-run Indian Space Research Organization will fund the \$23 million facility.
- **Coast Guard receives two new patrol vessels.** Vietnam’s Coast Guard on January 22 received two new patrol boats from a domestic firm, Hong Ha Shipbuilding Company. The vessels, which can operate at sea for 30 days, joined five other TT400TP-class patrol boats already operated by the Coast Guard. Vietnam’s Coast Guard operates more than 40 vessels. The government has allocated over \$950 million since 2014 to upgrade the capabilities of its Coast Guard and fisheries surveillance unit.
- **Government inks \$2 billion in energy deal with South Korea and Saudi Arabia.** Saudi Arabia’s ACWA Power on January 19 announced it has signed a \$2.2 billion agreement to jointly develop a thermal power plant in the northern province of Nam Dinh with South Korea’s Taekwang Power Holdings. Vietnam’s Ministry of Industry and Trade said on February 1 it also expects to ink an agreement with Japan’s Marubeni Corporation and South Korea’s KEPCO this year to develop another thermal power plant in the central province of Thanh Hoa. Vietnam’s energy demand grew by 7.5 percent annually between 1993 and 2013.

- **Samsung Electronics plans to set up repair center in Vietnam for its products worldwide.** Samsung Electronics' Vietnam unit has informed the Vietnamese government of its plans to set up a facility to repair and service its mobile devices sold worldwide, according to a January 19 *Tuoi Tre News* report. The location of the planned facility has not been announced, but Vietnamese firms will be contracted to staff the center. Samsung's investment in Vietnam reached more than \$12 billion as of last year, and South Korean companies remain Vietnam's largest source of foreign investment.

MYANMAR

- **Newly elected lawmakers hold first session, discuss choices for president.** Newly elected lawmakers in the Lower House of the parliament on February 1 convened their first session, marking the start of a legislature dominated by Aung San Suu Kyi's National League for Democracy (NLD). Upper House lawmakers held their first meeting on February 3 and elected NLD senior member Win Myint as the Upper House speaker. Meanwhile, a number of NLD lawmakers have suggested "suspending" a constitutional clause barring Aung San Suu Kyi, who is chair of the NLD, from becoming president. It is unclear who Aung San Suu Kyi will nominate for president, or whether she will decide to contest the job. Lawmakers will also elect the new president during their session.
- **Military appoints new crop of lawmakers, including son of former dictator Than Shwe.** Commander-in-Chief Gen. Min Aung Hlaing last month appointed 386 new military officers to fill the 25 percent of seats reserved for the military in the parliament and state and regional assemblies, according to a January 19 report in state-owned *Global New Light of Myanmar*. Military leaders also reiterated their willingness to cooperate with the next government, which will be led by the National League for Democracy. Among the new military lawmakers is Brig. Gen. Thein Naing, son-in-law of former dictator Than Shwe.
- **U.S. Senate committee clears Obama's nominee to be next envoy to Myanmar.** The U.S. Senate Foreign Relations Committee on January 28 voted to clear President Barack Obama's nominee, Scot Marciel, to be the next ambassador to Myanmar. The committee decided to remove its hold on Marciel's nomination after the administration assured committee members that the U.S. government will not quickly alter its sanctions on Myanmar even though a democratically elected government is due to take office in early April. Marciel, a career diplomat and former U.S. ambassador to Indonesia, still needs to be approved by the full Senate.



Antony Blinken in January. The NLD on February 1 began its term as Myanmar's ruling party, as newly elected lawmakers ushered into office by the historic November 8 elections convened their first parliamentary session. <https://www.flickr.com/photos/statephotos/24402014001/in/album-72157663735988085/>

- **EITI releases first report on Myanmar's extractive industries.** The Extractive Industries Transparency Initiative (EITI) in late 2015 released its first report on Myanmar's gas, oil, and mining industries for the period April 2013 to March 2014. According to the report, which contains details about the transactions and legal ownership of extractive firms, the government last year earned \$2.2 billion from extractive industries, 85 percent of which came from the oil and gas sector. Critics of the report said it lacks data on smaller-scale firms in the mining and jade and gem businesses.
- **Fighting erupts in Karen State; authorities detain activists in Rakhine State suspected of having links to Arakan Army.** Fighting broke out on January 26 between the Democratic Karen Buddhist Army and a joint force comprising government troops and the pro-government Karen Border Guard Force. Karen rebels said they were retaliating against the military's burning of houses in a local village a day earlier. Also in January, authorities in Rakhine State arrested at least three individuals suspected of having ties with the Arakan Army. Government troops began clashing with the Arakan Army in March 2015.
- **Authorities release 52 political prisoners.** Authorities on January 22 released 52 political prisoners as part of a presidential amnesty. President Thein Sein initially ordered the release of 101 political prisoners, but many remain incarcerated or are awaiting trial. The release came shortly after Antony Blinken, U.S. deputy secretary of state, visited the country and called for, among other things, the release of all remaining political prisoners.

INDONESIA

- **Indonesia unveils first defense white paper focusing on maritime fulcrum vision.** Indonesia's Defense Ministry on January 21 unveiled a new defense white paper to a group of foreign military attachés from 41 countries. The paper outlines a new defense strategy that prioritizes President Joko Widodo's vision of turning Indonesia into a global maritime fulcrum and reiterates the government's commitment to meeting the minimum essential forces—a strategy for further professionalization of the Indonesian armed forces first laid out in 2005—and the state defense program over the next 10 years.
- **Golkar says it will back Widodo government, then calls for delay in support.** Indonesia's second-largest political party, Golkar, said at its national congress meeting in Jakarta January 23-January 25 that it will back President Joko "Jokowi" Widodo's government. With Golkar's



Businessman Aburizal Bakrie, leader of the Golkar party. Although Golkar decided to back President Joko Widodo's government at its national leadership meeting in January, Bakrie later said his party will delay its official support for Widodo until its upcoming national congress later this year. https://upload.wikimedia.org/wikipedia/commons/4/45/Aburizal_Bakrie_-_March_2011.jpeg

support, the ruling coalition led by Widodo's Indonesian Democratic Party of Struggle would secure over 70 percent of the seats in the House of Representatives. Golkar leader Aburizal Bakrie later said, however, that his party would formally declare its stance in the upcoming national congress, expected before June.

- **Police want more funding for elite counterterrorism unit Densus 88.** National Police chief Gen. Badrodin Haiti on January 24 said the police are seeking an increase in funding for their counterterrorism unit, Densus 88, to counter growing threats posed by the Islamic State in Iraq and Syria (ISIS). The additional funds would be used for personnel training and weaponry upgrades. ISIS claimed responsibility for a bombing attack in Jakarta last month that left seven dead and dozens injured.
- **Freeport loses license to export copper; U.S. court files suit against Freeport over Indonesia bribery case.** Mining company Freeport-McMoRan lost its license to export copper concentrate from its mine in West Papua Province on January 29, after the Indonesian government refused to extend the permit after it expired a day earlier. The two sides could not agree on Indonesian authorities' demand for Freeport to pay a \$530 million deposit as proof of its commitment to develop a local smelter. Earlier, a U.S. district court in Arizona on January 26 filed a lawsuit against Freeport's Indonesia unit for allegedly violating the U.S. Foreign Corrupt Practices Act by appointing an inexperienced former Indonesian government official as head of its Indonesia unit.



U.S. Marines and officers from the Royal Thai Air Force during Cobra Gold 2015. U.S. and Thai forces are scheduled to host the multination, annual Cobra Gold military exercise from February 9 to 19 this year, focusing on low-level multilateral operations. Washington last year decided to scale down the longstanding exercise to express discontent about the military's rule in Thailand. <https://www.flickr.com/photos/us-pacific-command/15963257883/>

- **Indonesia withholds approval for Chinese company to build Jakarta-Bandung high-speed rail.** Indonesia's Ministry of Transportation on January 28 announced China's planned high-speed rail project connecting Jakarta and Bandung has been halted due to incomplete paperwork, a week after President Joko Widodo officiated at the groundbreaking ceremony for the rail link. The ministry said that it had not received the necessary documents to issue construction permits to the Chinese-led consortium, which was awarded the \$5.5 billion tender for the project late last year. The link would be Indonesia's first high-speed railway and China's first such project in Southeast Asia.

THAILAND

- **U.S., Thailand to hold Cobra Gold February 9-19.** U.S. and Thai forces will cohost the annual Cobra Gold military exercise from February 9 to 19, amid concerns about drifting U.S.-Thai relations. The United States is expected to scale down the scope of this year's exercises, as it did in 2015 in response to the continuing military rule in Thailand. This year's

Cobra Gold will focus on multilateral operations in counterpiracy and humanitarian assistance and disaster relief.

- **Immigration Bureau revamping system to prevent terrorism.** Thailand's Immigration Bureau is seeking to tighten security measures in the face of increased terror threats and to better screen those entering and exiting the country. The bureau hopes to employ biometric measures by April to verify passports more stringently, and also to cooperate more closely with its Malaysian counterparts. It also announced plans to crack down on those who overstay their visas in Thailand by blacklisting and barring offenders from returning to Thailand for a specified period of time.
- **Government releases new draft constitution; uncertainty on timing of next election.** The Thai government on January 29 published the latest draft constitution after a military-dominated reform council rejected the previous draft constitution last September. Meechai Ruchupan, who leads the constitution drafting committee, expressed concerns that the new draft still does not contain provisions that can help solve Thailand's political deadlock, and that the government's plan to hold elections in mid-2017 will likely be delayed by another two or three months. Meechai made the comments after Prime Minister Prayuth Chan-ocha promised that Thailand would hold a general election in 2017 even if the draft constitution is rejected in this year's planned referendum.
- **Chinese journalist missing in Thailand resurfaces in China, being detained by authorities.** Li Xin, a Chinese journalist who went missing in Thailand on January 11 while attempting to obtain political refuge there, reportedly resurfaced in China on January 26 and is being detained by authorities for investigation. Li was riding on a train from Bangkok to Nongkhai in northeastern Thailand when he went missing. Li had been working as a newspaper editor while being coerced to work as a government informant. He sought to seek asylum in Thailand to avoid being forced to spy on his fellow activists.

LAOS

- **Secretary Kerry visits Laos, discusses UXO clearance, South China Sea.** Secretary of State John Kerry on January 24 met with Lao leaders to lay the groundwork for the upcoming summit between President Barack Obama and ASEAN heads of state in California in February. During his visit, Kerry pledged to help Laos clear unexploded ordnance left over from the Vietnam War. Kerry said he discussed with Lao leaders the importance of ASEAN unity on key regional issues, as Laos chairs the ASEAN grouping in 2016. Kerry also announced a \$6 million program to improve child nutrition across Laos.



Stockpile of unexploded ordnance in Laos. The United States is in discussions to increase funding to help Laos clear its countryside of unexploded bombs left over from the U.S. bombing campaign during the Vietnam War over four decades ago. <https://www.flickr.com/photos/dfataustralianaidd/10684521824>



- **Ruling party's congress elects new general secretary.** The ruling Lao People's Revolutionary Party elected current vice president Bounnhang Vorachit to be the new party general-secretary, replacing Choummaly Sayasone, during its party congress held January 18-22. Deputy Prime Minister and Foreign Minister Thongloun Sisoulith is expected to become the next prime minister. Laos's National Assembly will convene in April following elections and the new government lineup will be formally announced at that time.
- **Two Chinese nationals killed in suspected bomb blast in Laos.** A bomb blast near a military camp in Xaysomboun Province in central Laos on January 24 killed two Chinese nationals and wounded another, according to a January 25 Xinhua report. The victims, one of whom was an employee for a mining company from China's Yunnan Province, were traveling in a vehicle in the area. China's Foreign Ministry has urged authorities to better protect Chinese citizens based in Laos.

PHILIPPINES

- **Senate restarts inquiry into Mamasapano clash.** The Philippine Senate on January 27 reopened investigations into the police operation known as the Mamasapano clash at the request of Senate Minority Leader Juan Ponce Enrile. The 2015 encounter between the Special Action Force (SAF) and the Moro Islamic Liberation Front in the southern Philippines claimed the lives of 44 SAF officers. A number of lawmakers have since questioned President Benigno Aquino's responsibility in the botched operation.
- **Aquino government accepts BBL is dead in current congress, hopes to sustain peace initiative.** President Benigno Aquino has begun consultations with concerned parties to help sustain the peace initiative in the southern Philippines beyond his term, according to a February 1 *Philippine Star* report. Aquino has reportedly come to accept that the Bangsamoro Basic Law (BBL), which his government negotiated with the Moro Islamic Liberation Front (MILF), is doomed in the current Congress, as the Philippines gears up for presidential elections in May. The BBL, if passed, would implement a peace agreement that Manila signed with the MILF in 2014.
- **Japanese emperor visits Philippines.** Japanese emperor Akihito and his wife, Michiko, arrived in Manila on January 26 for a five-day state visit, marking the 60th anniversary of the normalization of diplomatic relations between the two countries. The imperial couple paid their respects to fallen Philippine and Japanese soldiers who lost their lives during World War II. Akihito expressed hopes that his visit would "deepen the mutual understanding and friendly relations" between Japan and the Philippines.

- **Government forges deal for air surveillance radars; first warship ordered from Indonesia to arrive in May.** The Department of National Defense is close to signing a deal with Israeli firm Elta System Ltd. for the purchase of three air surveillance radar systems in a bid to shore up the Philippines' maritime domain awareness capabilities, according to a January 25 *Philippine Star* report. This comes after the construction of the first of two strategic sealift vessels ordered from Indonesia was recently completed. The ship, which will be the Philippine Navy's biggest, is scheduled to be delivered in May.
- **Central bank governor says Philippine economy does not need stimulus.** Central bank governor Amando Tetangco on January 25 said "there is no urgency for monetary policy to provide additional stimulus to growth" in the Philippines, amid regional concerns about China's economic slowdown. Tetangco said the central bank's current focus is on fiscal policy, as the government of President Benigno Aquino continues to accelerate government spending. The Philippine economy is projected to expand at 6 percent this year.



The BRP Gregorio del Pilar, currently the Philippine Navy's largest frigate. The Philippine Navy will soon receive its biggest ship, a strategic sealift vessel scheduled to be delivered by Indonesia in May. https://commons.wikimedia.org/wiki/File:BRP_RAMON_ALCARAZ.jpg

MALAYSIA

- **Anticorruption agency wants review of Najib's Saudi donation funds after attorney general closes investigation.** Malaysia's anticorruption commission on January 27 said it will appeal Attorney-General Mohamed Apandi Ali's decision a day earlier to clear Prime Minister Najib Razak of graft allegations related to the transfer of over \$680 million into his personal bank account. Apandi earlier claimed that the money was a donation from the royal family of Saudi Arabia. Meanwhile, Swiss authorities said last month they are investigating state investment fund 1Malaysia Development Bhd for violating Swiss laws and suspect the misappropriation of up to \$4 billion from the fund, whose advisory council Najib chairs.
- **Najib defends strict security laws; authorities arrest seven ISIS-linked militants suspected of planning attacks.** Prime Minister Najib Razak on January 25 defended Malaysia's beefed-up security laws, which the parliament passed last year in an effort to combat terrorist threats. Najib said he believes that ensuring national security lays the foundation for upholding civil liberties. Malaysian police on January 24 detained seven men suspected of planning to carry out attacks for the Islamic State in Iraq and Syria, a week after authorities arrested a man who was allegedly planning a suicide bomb attack in Kuala Lumpur.



Protesters during a rally demanding the resignation of Prime Minister Najib Razak, electoral reforms, and better governance in August 2015. The Malaysian Anti-Corruption Commission on January 27 said it will reverse the decision of Attorney-General Apandi Ali to clear Najib of wrongdoing involving a \$681 million donation to his personal account. https://www.flickr.com/photos/christian_is_the_sun/21009888721



- **Mahathir's son steps down as chief minister of Kedah.** Mukhriz Mahathir, the son of former prime minister Mahathir Mohamad, on February 3 stepped down from his post as chief minister of the northern state of Kedah after being informed by the state Regency Council that he no longer had majority support in the state legislative assembly. The Kedah branch of the ruling United Malay National Organization (UMNO) has attempted to remove Mukhriz several times over the past month, after leaders from 14 UMNO divisions in the state unanimously declared their loss of confidence in his leadership because of his criticism of Prime Minister Najib Razak's government for its handling of state investment fund 1 Malaysia Development Bhd.
- **House, Senate vote to authorize Malaysia to sign TPP amid objections by opposition.** The lower and upper houses of the parliament approved a motion for Malaysia to sign the Trans-Pacific Partnership (TPP) trade agreement on January 27 and January 28, respectively. Four days before the scheduled parliamentary TPP debate, almost 5,000 Malaysians, led by the opposition Pan-Malaysian Islamic Party, staged a three-hour protest in Kuala Lumpur against the deal. The government is not constitutionally required to obtain parliamentary approval to sign or ratify international treaties but chose to consult the parliament this time due to the domestic controversy surrounding the TPP.
- **U.S. Navy commander pleads guilty for exposing classified information to Malaysian businessman.** U.S. Navy commander Michael Vannak Khem Misiewicz on January 28 pleaded guilty to federal corruption charges of bribery. Misiewicz provided classified information on U.S. ship movements to Malaysian businessman Leonard Francis in exchange for gifts of travel and entertainment. Misiewicz also helped arrange visits for U.S. Navy vessels to ports where Francis's company, Glenn Davis Marine Asia Ltd., had contracts to service ships for the U.S. Pacific Fleet.

SINGAPORE

- **Authorities arrest 27 radicalized Bangladeshis suspected of operating terror cell in Singapore.** The Ministry of Home Affairs on January 20 released a press statement on the arrest of 27 radicalized Bangladeshi nationals under Singapore's Internal Security Act. Authorities said the arrests marked the first foreign jihadist terror cell uncovered in Singapore. The ministry said the attacks planned by the terror cell could have easily occurred in Singapore, although the group planned to carry out its plots overseas. Singapore will implement increased security measures following these arrests, such as mandatory fingerprinting for visitors, beginning June 2016.

- **Singapore ranks first in global index on talent competitiveness.** The Global Talent Competitiveness Index 2015-16, released on January 19, ranked Singapore first in the Asia Pacific, outperforming New Zealand and Australia. The report says Singapore shows exemplary performance in its regulatory, market, and business landscapes to attract talent and facilitate growth through internal and external openness. The report also raises the need for Singapore to improve tolerance toward migrants, empower employees, and accommodate the burgeoning pool of vocationally trained people.
- **Court fines shipping company for transporting North Korean arms.** A Singapore court on January 29 fined Singapore-registered Chinpo Shipping Company nearly \$127,000 for wiring money used to transport fighter jets and surface-to-air missile systems from Cuba to North Korea in 2013. Chinpo violated U.N. sanctions prohibiting any contributions or assistance to upgrade North Korea's weapons systems. Chinpo also ran a remittance business without a valid license for more than four years, executing 605 outward remittances worth \$40 million on behalf of North Korean entities.

SOUTH CHINA SEA

- **U.S. Navy ship sails close to disputed island.** The U.S. Navy on January 30 sailed guided missile destroyer USS *Curtis Wilbur* within 12 nautical miles of Triton Island in the Paracel Islands, which is claimed by China, Taiwan, and Vietnam. The freedom of navigation operation challenged “attempts by the three claimants...to restrict navigation rights and freedoms,” according to Pentagon spokesman Capt. Jeff Davis. Vietnam responded on January 31 that it “respects the right of innocent passage through the territorial sea conducted in accordance with relevant rules of international law,” while China denounced the operation as a violation of its territorial sovereignty.
- **Vietnam, U.S. concerned about Taiwanese president's visit to Itu Aba Island.** Taiwanese president Ma Ying-jeou's trip to Itu Aba Island on January 28 drew criticism from the United States and Vietnam for adding tension to the disputed waters. The United States called the trip “extremely unhelpful,” while Ma said he had alerted Washington in the days leading up to his trip. Itu Aba, also known as Taiping, is controlled by Taiwan but is also claimed by China, Vietnam, and the Philippines. Taiwan insists that Itu Aba is an inhabitable island instead of a rock, and Ma believes his visit will help fortify Taiwan's position.



The Navy destroyer USS Curtis Wilbur in 2011. The U.S. Navy on January sailed the ship within 12 nautical miles of Triton Island in the Paracel Islands, which is claimed by China, Taiwan, and Vietnam, to challenge attempts by the three claimants to “restrict navigation rights and freedoms,” according to the Pentagon. China has vehemently denounced the operation. <https://www.flickr.com/photos/compacflt/6466830609/>



- **China warns Filipinos against taking second trip to Spratly Islands.** China's Foreign Ministry on January 22 issued a warning to the Philippines against a second trip planned by Filipino protesters to the Spratly Islands in April. Foreign Ministry spokesman Hong Lei reiterated China's "indisputable sovereignty" over the Spratlys and denounced the legality of the Philippines' occupation of some of the Spratly features. In December, roughly 50 student protesters from the Philippines travelled by boat to Thitu Island, one of nine islands occupied by Manila in the disputed chain.
- **Chinese navy chief says construction of military facilities will depend on level of threat China faces.** Chinese naval commander Wu Shengli told his U.S. counterpart on January 20 that the extent of China's military construction on islands in the South China Sea will depend on the level of threat China faces. Wu insisted that the build-up of facilities on features controlled by China in the Spratly Islands is not militarization, but rather a defensive measure. China landed three civilian test flights on Fiery Cross Reef in January, which its Defense Ministry said were to determine if the airport met civilian airline standards.
- **China deploys oil rig to contested waters with Vietnam in South China Sea.** A Chinese oil rig entered contested waters in the South China Sea on January 19, according to a statement published on the Vietnamese Foreign Ministry's website. While the rig was 25 miles on the Chinese side of the median line between the two countries, it was in an "overlapping area" between the continental shelves of Vietnam and China's Hainan Island. In 2014, the same Chinese oil rig entered disputed waters and created a weeks-long standoff between the two countries.

TRANS-PACIFIC PARTNERSHIP

- **TPP countries hold signing ceremony in New Zealand.** Ministers from the 12 Trans-Pacific Partnership (TPP) member countries on February 4 signed the final version of the agreement in Auckland, New Zealand. The ceremony was chaired by New Zealand trade minister Todd McClay. The New Zealand government had released the legal text of the TPP on January 26 to increase transparency around the deal. Authorities stationed police around central Auckland to keep order, as anti-TPP demonstrators formed blockades in the area.
- **Froman says congressional concerns about TPP can be addressed through implementation plans.** U.S. Trade Representative Michael Froman on January 20 said enforcing implementation plans can be a way to address concerns among U.S. lawmakers over specific issues in the Trans-Pacific Partnership (TPP) agreement. Implementing plans will address



Michael Froman, United States Trade Representative (USTR), (right) and former Canadian foreign affairs minister John Baird meeting in 2014 to discuss the Trans-Pacific Partnership (TPP) negotiations. USTR is in the early stage of preparing an administration-wide implementation plan to help expedite decisions on the TPP. <https://www.flickr.com/photos/dfait-maeci/11971674736/>



concerns on intellectual property, labor, and the environment raised by business groups, advocacy groups, and members of Congress from both parties. The U.S. Trade Representative's office is in the early stages of preparing an administration-wide TPP implementation plan.

- **Peterson Institute study says TPP will boost U.S. real incomes but displace some U.S. jobs.** The Peterson Institute for International Economics on January 25 released an analysis of the economic effects of the Trans-Pacific Partnership (TPP) on member economies. The study suggests that by 2030, the TPP will increase annual real incomes in the United States by \$131 billion and annual real exports by \$357 billion. However, the trade deal will displace 53,700 U.S. jobs annually from 2017 to 2030. The study also assumes displaced workers will seek jobs in other sectors.

TIMOR-LESTE

- **Indonesia president makes first official visit to Timor-Leste.** Indonesian president Joko Widodo committed to expand investment, infrastructure, and health cooperation between Timor-Leste and Indonesia during his first official visit to Timor-Leste on January 26. Widodo said that he hopes to increase bilateral infrastructure cooperation to \$504 million in 2016, up from \$344 million between 2011 and 2015. The two sides also discussed the resolution of border disputes.

BRUNEI

- **China to share satellite data with Brunei.** Brunei announced on January 25 it will receive satellite data from China as part of the China-ASEAN Remote Sensing Satellite Data Service Platform project. The project, aimed at promoting "remote sensing application in social and economic development," will allow Brunei to share the satellite data received from China with users in the country.
- **Falling oil prices take toll on economy; deficit may top \$2.3 billion.** Brunei's finance minister said on January 19 there has been a 70 percent decrease in government earnings for the 2014-2015 fiscal year, compared to the year before. The government's budget deficit is expected to exceed the previous projection of \$2.28 billion, due to declining oil and gas prices. Oil and gas is Brunei's main source of income, constituting around 90 percent of the government's revenue. Global oil prices have dropped to around \$30 per barrel from \$122 in mid-2014.



CAMBODIA

- **Cambodia says its position on South China Sea remains unchanged ahead of Sunnylands summit.** Cambodian foreign minister Hor Namhong on January 26 told Secretary of State John Kerry that Cambodia's position on the South China Sea conflict remains unchanged and that claimant countries should resolve their disputes bilaterally. Kerry visited Cambodia and Laos last month as part of a strategy to promote greater unity among ASEAN leaders ahead of a summit between President Barack Obama and ASEAN heads of state in California in mid-February. Kerry also urged Prime Minister Hun Sen to improve Phnom Penh's human rights record.

ASEAN

- **ASEAN agrees on single-destination tourism strategy.** ASEAN officials on January 22 launched the Tourism Strategic Plan 2016-2025, which aims to brand the grouping's member states as a single destination for tourists. Besides targeting travelers from around the globe, the organization will also focus on promoting intra-ASEAN travel.
- **Cambodia, Singapore ratify ASEAN Convention against human trafficking.** Cambodia and Singapore last month became the first two Southeast Asian countries to ratify the ASEAN Convention against Trafficking in Persons, Especially Women and Children. Signed at the ASEAN Summit in Kuala Lumpur last November, the convention is the first regionally binding instrument on combatting human trafficking. It will take effect 30 days after the sixth ASEAN member state ratifies the agreement.
- **Transparency International releases 2015 Corruption Perceptions Index.** Singapore remains the highest-ranked ASEAN member state on the 2015 Corruption Perceptions Index, ranked eighth out of 168 countries. Most other ASEAN countries remain in the lower half of the index, with Malaysia at 54th, Thailand at 76th, Indonesia at 88th, the Philippines at 95th, Vietnam at 112th, Laos at 139th, Myanmar at 147th, and Cambodia at 150th.
- **Human Rights Watch releases new rights report.** The new rights report released by Human Rights Watch on January 27 praised Myanmar for holding relatively peaceful elections last November, while slamming the Cambodian government's increasingly harsh measures to curb critics and dissidents. Meanwhile, the report criticized Indonesia, Malaysia, and Thailand for their detention of migrant children; and Cambodia, Laos, and Vietnam for holding minors in drug detention centers. The report also



The royal palace complex in Cambodia. Tourism ministers from ASEAN member states last month agreed to promote the branding of the region as a single destination for tourists in a collective plan over the next decade. https://upload.wikimedia.org/wikipedia/commons/0/0f/Royal_Palace_complex,_Phnom_Penh.jpg



noted the Singapore government’s increased restriction on freedom of expression, and President Benigno Aquino’s failure to significantly improve human rights in the Philippines.

MEKONG RIVER

- **Thailand plans water diversion projects without notifying Mekong River Commission.** Thailand’s planned water diversion of 40 million cubic meters of water from the Mekong River has begun two years ahead of schedule. The Thai Royal Irrigation Department refrained from using “diversion” in its statements, however, hoping to bypass required consultations with the Mekong River Commission (MRC), according to a January 24 *Bangkok Post* report. Under MRC regulations, if a project does not include irrigation development, the host country does not need to consult with the commission.
- **Donor funding for Mekong River Commission slashed in half.** According to Mekong River Commission Secretariat member Truong Hong Tien, donor funding for the body is expected to be slashed to \$53 million from the current \$115 million over the next five years. The decreased donor generosity stems from the body’s inability to solve regional disputes over the use of the Mekong, such as Laos’s insistence on constructing upriver dams and Thailand’s planned water diversion projects for its drought-affected farms. ■

Looking Ahead

- **Japan Matters for America: Local Partners, Global Allies.** The East-West Center on February 9 will host a discussion on the social and economic impact of the U.S.-Japan relationship and launch the [Japan Matters for America/America Matters](#) for Japan project. Speakers include Kurt W. Tong, principal deputy assistant secretary for the Bureau of Economic and Business Affairs, U.S. Department of State; Kanji Yamanouchi, minister for economic affairs, Embassy of Japan; and Harry Hill, chairman of the Japan-United States Friendship Commission. Dr. Satu Limaye, director of the East-West Center in Washington, DC, will moderate. The event will take place from 11:30 a.m. to 1:30 p.m., Dirksen Senate Office Building, First Street NE, Room 106. Click [here](#) to RSVP.
- **Taiwan's Path Forward: Post-Presidential Elections Readout.** CSIS on February 5 will host a readout of the Taiwanese presidential elections. The speakers include Bonnie S. Glaser, senior adviser for Asia and director of the China Power Project at CSIS; Joshua Meltzer, senior fellow in global economy and development at the Brookings Institution; and Emerson Niu, professor of political science at Duke University. Christopher K. Johnson, CSIS senior adviser and Freeman Chair in China Studies, will moderate. The event will take place from 9:00 a.m. to 10:30 a.m., 1616 Rhode Island Ave., NW. To RSVP, e-mail the [Freeman Chair](#).
- **The Vital Role of Development in the Asia-Pacific Rebalance: Perspectives from USAID.** The Elliott School of International Affairs on February 10 will host a discussion with Jonathan Stivers, U.S. Agency for International Development (USAID) assistant administrator for Asia, on the role of USAID in the U.S. rebalance to the Asia Pacific. The event will take place from 12:30 p.m. to 1:45 p.m., 1957 E Street, NW, Lindner Commons, Room 602. Click [here](#) to RSVP. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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