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Southeast Asia Dances to the Tune of Japan's Abe Doctrine

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In Southeast Asia, Japan can be said to enjoy unrivaled popularity. According to the 2015 Pew Global Attitudes survey, an average of about 80 percent of respondents surveyed across four Southeast Asian countries said they hold a favorable view of Japan. While China's expanding military footprint in the disputed South China Sea has a headline-grabbing impact, Japan's influence in this critical region is felt more steadfastly, but increasingly so, in recent years.

Since Japanese prime minister Shinzo Abe was reelected in 2012, his government has pursued an active policy of forging closer security cooperation with many countries in Southeast Asia, most visibly those locked in territorial disputes with China in the South China Sea such as the Philippines and Vietnam, but also with smaller countries such as Laos and Timor-Leste. To put it into a broader context, Abe hopes to forge a geopolitical identity for Japan in Southeast Asia on the foundation of its already established—and still growing—economic presence there.

At stake for Tokyo (and of interest to strategic thinkers in the United States) is the question of what the regional order in the Asia Pacific will look like in the coming decades. Will it rest on the U.S. alliance system that was built during the Cold War, at the same time that old U.S. alliances and new partnerships continue to evolve? Japan would be at the core of such a system, but much depends on whether future U.S. administrations can

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A view of Bangkok, Thailand's bustling capital. Bangkok will be an important node in two of Japan's signature infrastructure initiatives in Southeast Asia when construction is complete. They are the East-West Economic Corridor that runs from Mawlamyaing Port in southeastern Myanmar through Thailand and Laos to the port of Danang in central Vietnam and the Southern Economic Corridor that runs from Bangkok to Ho Chi Minh City, Vietnam's commercial hub, through Phnom Penh and could be extended to southern Myanmar. A third Japan-backed infrastructure initiative in the region is the Maritime ASEAN Economic Corridor, envisioned as a network of ports, marine economic projects, and soft infrastructure linking Brunei, Indonesia, Malaysia, and the Philippines. <https://www.flickr.com/photos/flowerego/6750176449/>

sustain their attention toward Asia and whether U.S. economic leadership will still win the day in the Asia Pacific decades from now.

Or will it be a regional order centered on China, which has been spending significant energy and resources to piece together an agenda for regional cooperation to its liking? Tokyo has reasons to be wary of this outlook given its widening differences with Beijing on territorial disputes and unresolved historical issues, as well as growing regional anxiety over China's activities in the South China Sea and naval ambitions elsewhere in the region.

Or might it revolve around ASEAN, a relatively loose grouping made up of 10 Southeast Asian countries intent on devising an economic identity for itself and appealing to all major external powers in hopes that they will all come and play by the rules? But in order to play that role effectively, ASEAN members need to prosper economically and be able to pull their respective strategic weight.

Southeast Asia Dances to the Tune of Japan's Abe Doctrine *(continued)*

As a result, at the same time that Japan has been bolstering its defense cooperation with the United States, Tokyo has worked relentlessly to help Southeast Asia become both a more interconnected region and a growth driver in the global economy. Japan's revitalized agenda toward Southeast Asia in recent years was largely driven by its desire to build a coalition of like-minded partners to respond to Beijing's continuing aggression in the East and South China Seas. But Japan's interest in the region expands beyond simply lending maritime security assistance to claimant countries such as Vietnam and the Philippines.

With China's recently announced "One Belt One Road" initiative capturing the imagination of many, few realized Japan had formulated and begun to invest in realizing its vision for infrastructure connectivity across Southeast Asia as early as the 1990s. This vision takes the form of three initiatives. Two are overland: the well-known East-West Economic Corridor that would run from the port of Mawlamyaing in southeastern Myanmar through Thailand and Laos to the port of Danang in central Vietnam and the Southern Economic Corridor that would connect Bangkok to Ho Chi Minh City and could potentially extend to the port of Dawei in southern Myanmar. The third initiative is the Maritime ASEAN Economic Corridor that would consolidate port development, marine economic development, and information, communications, and technological networks connecting Brunei, Indonesia, Malaysia, the Philippines, and Singapore. Japan's infrastructure push has taken on added momentum, as Southeast Asian countries look for the hard and soft infrastructure to be the backbone of regional integration under the ASEAN Economic Community, which took effect at the end of 2015, and to move up the value chain.

Of these, work has been completed on a large chunk of the East-West Economic Corridor, the infrastructure components of which regional governments plan to tap into to attract investment in energy, tourism, and agribusiness. This initiative has been described—at first by the Japanese private sector—as a pathway for Japan to “connect the Pacific and Indian oceans by land.” The Southeast Asia region is Japan's number one investment destination in Asia (Japan is the second-largest investor in ASEAN, after the European Union), and ASEAN is currently Japan's second-largest trading partner, after China. From where Japan sits, the ability to reach even the westernmost part of Southeast Asia and gain access to the Indian Ocean, through which most of its energy imports come, is invaluable.

A more recent and pressing priority for Japan has been stepping up joint exercises with and capacity building for regional countries with an interest



The submarine JS Hakuryu of the Japan Maritime Self-Defense Force arrives at Pearl Harbor, Hawaii, for a visit. Japan will deploy a submarine and two escorting warships to visit the Philippines in April, in a sign of increasingly close defense cooperation between Tokyo and Manila, both of which have been embroiled in territorial disputes with China in the East and South China Seas. <https://www.flickr.com/photos/compacflt/1646157356/>

Southeast Asia Dances to the Tune of Japan's Abe Doctrine *(continued)*



The Tanjung Priok Port north of Jakarta, Indonesia. It is part of a network of ports in Southeast Asia prioritized for upgrade and modernization by the Japan International Cooperation Agency, Japan's development agency. https://www.flickr.com/photos/martin_alexius/22429128873/

in maritime security and stability in the South China Sea, including Indonesia, the Philippines, and Vietnam. In just a short time span, Japan's once limited defense posture in Southeast Asia has morphed into regularized air patrol missions and port calls, with access to strategic facilities in central Vietnam, and possibly on the Philippines' Palawan Island and on Malaysia's part of northern Borneo in the future, thanks to Southeast Asian countries' resolve to hedge against China.

Japan and the Philippines last year conducted their first joint naval exercises, and earlier this year signed an agreement that will allow Japan to transfer defense

equipment and technology to the Philippines, which has struggled with modernizing its navy, air force, and maritime law enforcement capacity fast enough to fend off China's expansionist drive in the maritime domain. Japan and Vietnam conducted their first joint Coast Guard exercise last year and first joint naval drills earlier this year, and the two nations maintain regular channels of consultation on defense policy cooperation. Meanwhile, Abe and Indonesian president Joko Widodo agreed during the latter's visit to Japan last year to boost maritime defense cooperation, with the possibility of Tokyo working with Jakarta to develop defense equipment down the road.

Southeast Asian states seem to agree that Japan's invigorated interest and focus is beneficial to the region. Just as important, Japan's robust investment in the region's economic future and advancing connectivity help instill confidence in Southeast Asian partners. Tokyo has a window of opportunity to shape the emerging regional order in the Asia Pacific in its favor, with ASEAN in the driver's seat, if it continues to play its cards right. ■



A view of Myanmar's lower house of parliament. Lawmakers on March 15 voted to elect Htin Kyaw, a confidante of National League for Democracy chairperson Aung San Suu Kyi, the next president of Myanmar. <https://commons.wikimedia.org/wiki/File:Myanmar-Lower-House-Parliament.jpg>

MYANMAR

- **Myanmar parliament elects new president, vice presidents.** Htin Kyaw, a close friend of National League for Democracy (NLD) chair Aung San Suu Kyi, on March 15 secured the most votes from the parliament among three nominees to become the next president of Myanmar. The other two nominees, former general Myint Swe and NLD member Henry Van Thio, will serve as the first and second vice-presidents, respectively. Myint Swe was a former head of military intelligence and until recently chief minister of Yangon Region, while Henry Van Thio is an ethnic Chin NLD lawmaker.
- **Myanmar grants operating licenses to four more foreign banks.** The central bank on March 5 awarded operating licenses to four more foreign banks—Bank for Investment and Development of Vietnam, South Korea's Shinhan Bank, Sun Commercial Bank from Taiwan, and the State Bank of India. The banks have 12 months to show they can comply with Myanmar's banking rules before they can obtain permanent licenses. Myanmar granted the first round of banking licenses to nine foreign banks, all from Asian countries, in late 2014.
- **U.S. business associations call for lifting of remaining sanctions on Myanmar.** Five U.S. business associations—the American Chamber of Commerce in Myanmar, the National Foreign Trade Council, the U.S.-ASEAN Business Council, the U.S. Chamber of Commerce, and the United States Council of International Business—on February 18 urged the U.S. administration not to renew the government's authority to maintain sanctions on Myanmar under the International Emergency Economic Powers Act when it expires in May. The groups called on the U.S. government to begin removing remaining economic sanctions on Myanmar, which U.S. companies say hobble their ability to do business, following the success of the elections last November.
- **Incoming NLD government will reexamine Chinese-backed Myitsone Dam in Kachin State.** The head of the National League for Democracy's (NLD) economic committee, Hantha Myint, told Agence France-Presse on March 9 that the incoming NLD government will consider redesigning the Myitsone Dam, a controversial joint venture between conglomerate Asia World and state-owned China Power Investment Corporation in northern Kachin State. Hantha Myint said the NLD may decide to change the dam's location because of its proximity to an active earthquake fault line. President Thein Sein suspended the project in 2011 following a public outcry over the dam's social and environmental impact.

- **Investment agency says outgoing government attracted \$23 billion in FDI.** Aung Naing Oo, the secretary of the Myanmar Investment Commission, said the military-backed government led by the Union Solidarity and Development Party government attracted \$23 billion in foreign direct investment during the 2011-2016 period, according to a March 4 *The Irrawaddy* report. Singaporean businesses and foreign companies registered in Singapore topped the list with \$9 billion. The oil and gas sector received the largest amount of investment at \$2 billion.
- **Fighting escalates in Shan and Rakhine States; military releases 46 child soldiers.** The Arakan Army on March 4 claimed it had ambushed and killed about 30 government troops in Rakhine State during a clash the day before. Meanwhile, the Ta'ang National Liberation Army (TNLA) said on March 7 it had killed dozens of government troops in northern Shan State since the beginning of the month. The Arakan Army and the TNLA did not sign a cease-fire with the government last October. Separately, the military on March 19 released 46 child soldiers from service and said it is committed to "rid its ranks of underage soldiers."

PHILIPPINES

- **Supreme Court rules in Grace Poe's favor, allows her to run for president.** The Philippine Supreme Court on March 8 allowed Senator Grace Poe to run in the upcoming presidential election on May 9, overturning the elections commission's ruling in December 2015 to disqualify her on grounds of citizenship and residency issues. The court determined that Poe is a natural-born Philippine citizen and accepted her claim that she returned to the Philippines in 2004, thereby fulfilling the 10-year residency requirement for presidential candidates.
- **Japan to lease training aircraft to Philippine navy.** President Benigno Aquino on March 9 confirmed reports that the Philippines will lease five TC-90 training aircraft from Japan to assist the Philippine navy in patrolling Philippine-controlled areas in the disputed South China Sea. The TC-90 has a significantly larger range of action than the current aircraft used by the navy. Aquino also said the Philippine air force will operate a total of 12 FA-50 light fighter jets from South Korea by 2017, and that Manila seeks to procure more air support and long-range patrol planes.
- **Jose Rene Almendras appointed acting foreign affairs secretary.** President Benigno Aquino's administration on March 8 named Jose Rene Almendras acting secretary of foreign affairs after former foreign secretary Albert del Rosario stepped down on March 7 for health reasons. Since Congress is adjourned for the election campaign season, there will



Jose Rene Almendras speaking at the 2010 World Economic Forum on East Asia. Almendras, the new acting foreign affairs secretary of the Philippines, has worked in both the private and public sectors. https://upload.wikimedia.org/wikipedia/commons/4/4e/Jose_Rene_D._Almendras_-_World_Economic_Forum_on_East_Asia_2010_crop.jpg

be no hearing to confirm Almendras's position. Almendras previously served as cabinet secretary and secretary of energy.

- **Philippines impounds North Korean freighter in observance of latest UN sanctions.** The Philippines on March 7 began formal procedures to impound the North Korea-linked freighter *Jin Teng* in support of the latest sanctions passed by the United Nations against Pyongyang's nuclear program. The *Jin Teng*, which docked at the Port of Subic on March 3, was carrying palm kernels and agricultural products. The freighter is covered under the new sanctions, making it subject to seizure. Its crew will be deported, and the vessel will be inspected by a UN team.
- **Government says no ISIS presence in Philippines, MILF warns ISIS seeking stronghold in south.** President Benigno Aquino on March 9 denied that militants in the southern Philippines were related to the Islamic State in Iraq and Syria (ISIS) militant group, calling them "mercenaries seeking foreign funding." Aquino echoed the military's earlier statement that no verified links between ISIS and local militant groups existed. However, the chair of the Moro Islamic Liberation Front, Murad Ebrahim, warned that ISIS was looking to capitalize on the stalled peace process to establish a stronghold in the restive region.
- **Militants demand ransom for captives, government refuses to negotiate.** Militants from the Abu Sayyaf group in the southern Philippines on March 10 released a video setting a one-month ransom deadline for its four captives. The Islamic militants are holding two Canadians, a Norwegian, and a Filipina, whom they kidnapped in September 2015. The Philippine government responded that it does not negotiate ransom with terrorist groups and has refused the militants' demands. This is the third posted video of the hostages since they were kidnapped.

INDONESIA

- **Indonesia to sign deal with Russia to buy 10 Su-35 fighter jets, mulls purchase of air defense missiles from China.** Defense Minister Ryamizard Ryacudu on March 4 said Indonesia will sign a contract to purchase 10 Su-35 fighter jets from Russia next month in the first phase of replacing the Air Force's aging F-5 Tiger squadron. Separately, Indonesia is reportedly contemplating purchasing integrated air defense systems from China in an effort to boost its aerial defense capabilities, according to a March 1 report by the state-owned news agency Antara, citing a senior Indonesian defense official.



A Russian-made Su-35 fighter jet in flight. Indonesia has agreed to purchase 10 Su-35 jets from Russia and is expected to sign the final agreement in April. https://upload.wikimedia.org/wikipedia/commons/1/10/Su-35_in_flight._%283826731912%29.jpg

- **Pertamina and Marubeni sign gas turbine deal with GE for power plant in Java.** Indonesia's state energy firm Pertamina on March 13 announced it has signed a deal with U.S. company General Electric to provide gas turbines for a planned \$2 billion power plant in Java. Pertamina is part of a consortium, including Japan's Marubeni Corporation, which will bid to build and operate the plant. The 1,600-megawatt plant will be the biggest gas and steam power station in Indonesia when completed. State utility firm Perusahaan Listrik Negara will open a tender for the project in May.
- **Government spending to be slashed due to lower revenues.** Finance Minister Bambang Brodjonegoro on March 2 said the Indonesian government will cut government spending, due to lower revenue caused by falling commodity prices. Speaking to the *Financial Times*, Brodjonegoro said "priority" spending will not be affected, and that the expected cuts will likely be on items such as new public buses and boats for sea patrols. The Ministry of Finance plans to publish a revised budget by the middle of the year.
- **Defense Ministry looking to develop internal intelligence body by 2017 to gather information for strategic policy.** Defense Minister Ryamizard Ryacudu said the Ministry of Defense will develop its own intelligence body to help craft strategic policy by 2017, according to a March 7 *Jakarta Post* report. The new intelligence division will expand on the existing National Strategic Installation Agency and will be staffed by both military officers and civilians. It will be tasked with helping the ministry formulate strategic defense policy and will be under the supervision of the National Intelligence Agency.
- **State Department approves potential U.S.-made air-to-air missiles sale to Indonesia.** The Defense Security Cooperation Agency under the U.S. State Department on March 9 notified the U.S. Congress it has approved the potential sale of advanced medium-range air-to-air missiles to Indonesia for \$95 million under the Foreign Military Sale program. The package, which was requested by Indonesia, will also include a Missile Guidance Section and U.S. training and logistics support. The missiles are expected to strengthen Indonesia's defense and deterrence capabilities. Contractors will be invited to compete for the deal.
- **Police identify death row convict as mastermind of Jakarta terror attacks.** Jakarta's police chief on March 3 said one of the masterminds behind the Jakarta terror attacks in January is Iwan Rois, a convict on death row. He was involved in the 2004 bombings at the Australian embassy in Jakarta. According to the police, Rois helped coordinate the attack from prison. Other targets considered by the attackers were the resort island of Bali, an airport, and a Jakarta international school.

MALAYSIA

- **Malaysian Insider shuts down after being blocked by government, U.S. slams Malaysia on press freedom.** Online news portal The Malaysian Insider decided to shut down on March 14 “for commercial reasons” after the Malaysian government blocked access to the site earlier this month. The U.S. State Department issued a statement on March 2 to express its **concerns** about Malaysia’s growing restrictions on freedom of speech and the public’s access to information. Malaysia’s Ministry of Foreign Affairs on March 3 defended the decision to block The Malaysian Insider site, saying it was done with careful consideration.



Former prime minister Mahathir Mohamad (center) and his son, former Kedah chief minister Mukhriz Mahathir (left). Mukhriz was ousted from his post allegedly over criticisms of Prime Minister Najib Razak earlier this year. Mahathir and Mukhriz were both signatories to the Citizens Declaration, which calls for the ouster of Najib. https://www.flickr.com/photos/green_spectrum/3183363931/sizes/l/

- **Mahathir joins forces with Anwar Ibrahim, opposition to campaign for Najib’s ouster.** Former Malaysian prime minister Mahathir Mohamad on March 4 signed the Citizens Declaration with a group of current and former Malaysian politicians—including his old political rivals in the opposition People’s Justice Party and Democratic Action Party—calling for Prime Minister Najib Razak’s resignation. The 58 signatories also demanded the removal of those who acted with Najib and the repeal of laws that violate fundamental rights. Jailed former opposition leader Anwar Ibrahim, who was sacked as deputy prime minister by Mahathir in 1988, said from prison he supports Mahathir’s campaign. Mahathir was fired from his role as adviser to state-owned energy company Petronas on March 11.
- **Muhyiddin to challenge UMNO’s decision to suspend him from party.** Former deputy prime minister and deputy president of the ruling United Malay National Organization (UMNO) Muhyiddin Yassin said on March 3 he will lodge a report to the Ministry of Interior to appeal the decision by UMNO’s Supreme Council last month to suspend him. Muhyiddin said he hopes to seek clarification on whether his suspension breached the party’s procedures. UMNO secretary-general Adnan Mansor reportedly said any attempts by Muhyiddin to challenge the party’s decision in court will lead to termination of his party membership.
- **Final audit report of 1MDB no longer classified under Official Secrets Act.** The auditor-general on March 7 said the Malaysian government will release a final federal audit report on state investment fund 1Malaysia Development Bhd (1MDB) after Parliament’s Public Accounts Committee tables its own report on 1MDB. The auditor-general had earlier decided to classify its audit report under the Official Secrets Act in an attempt to prevent the findings from being leaked. Details from the interim 1MDB audit report were leaked last July. The parliamentary committee is in the process of conducting hearings to finalize its own audit report.

- **Petronas cuts 1,000 jobs amid oil price slump.** State-owned oil and gas company Petronas on March 1 announced plans to cut around 1,000 positions in an effort to reduce operating costs amid the worsening slump in crude oil prices. To cover capital expenditures and pay dividends to the government, Petronas will take on more debt and deploy its cash reserves. It aims to lower expenditures by \$4.8 billion in 2016, according to a March 1 Bloomberg report.
- **Finance ministry official expected to be appointed new central bank governor.** Finance Ministry secretary-general Irwan Serigar Abdullah will likely replace Zeti Akhtar Aziz as the new governor of Malaysia's central bank, according to a March 11 *Wall Street Journal* report. Irwan also sits on the board of advisers of the controversial state investment fund 1Malaysia Development Bhd. Zeti allegedly objected to the choice of her successor and had wanted a deputy governor to replace her. Irwan told the *Star Online* on March 12 he was unaware of any decisions to appoint him.

VIETNAM

- **Vietnam opens Cam Ranh Bay for international military, civilian use.** Vietnam announced on March 8 that the newly upgraded international seaport at Cam Ranh Bay in central Vietnam is now open for both civilian and military purposes by foreign ships, although construction at the port is still ongoing. The new port at Cam Ranh Bay will be able to accommodate 18 ships simultaneously and receive as many as 185 military ships annually for maintenance and logistics when completed. Vietnam has so far invested \$89.7 million into the project.
- **Central Committee agrees on personnel recommendations for next government.** The new Central Committee of the Vietnamese Communist Party, which was elected during the 12th Party Congress in January, agreed on a list of recommended senior personnel for the next government during its meeting in Hanoi on March 10-12. The Central Committee said it will submit its personnel recommendations to the outgoing National Assembly for approval in late March. Separately, the outgoing National Assembly's standing committee on March 8 approved a bill that aims to improve coordination among agencies and help reduce abuses of authority by law enforcement officers, with full passage expected before a new government officially takes office later this year.
- **Independent candidates want to run for National Assembly.** Self-nominated candidates for election to Vietnam's legislature, the National Assembly, will be given fair and equitable treatment, according to a statement on March 6 by vice chairman of the Vietnamese Fatherland Front, Nguyen Van Pha. The Fatherland Front, a state organization that



Boats near the Vietnamese village of Mui Ne, which overlooks the South China Sea. Vietnamese fishing boats have become frequent targets of harassment by Chinese ships. https://commons.wikimedia.org/wiki/File:Mui_Ne4.jpg

manages relations with grassroots and nongovernment organizations, is charged with approving candidates to run for seats in the National Assembly. The new legislature is expected to convene on May 22 and announce the lineup of new lawmakers and ministers under the new government on June 11.

- **Vietnamese fishermen say they were attacked and robbed by Chinese ship.** A Vietnamese fishing boat was allegedly attacked and plundered by a Chinese ship on March 6 near the Paracel Islands, which are claimed by both China and Vietnam, according to a March 8 *Thanh Nien News* report. Crew members claimed the Chinese ship took their food and fuel, and destroyed their fishing nets before leaving. The Vietnamese Coast Guard is currently investigating the incident.
- **Silicon Valley fund to invest \$10 million in Vietnamese start-ups.** Silicon Valley's 500 Startups incubator announced on March 8 it aims to invest \$10 million into 100-150 Vietnamese start-ups. Beneficiaries will also have access to other forms of support such as the fund's network of mentors and founders. The fund's partners Binh Tran and Eddie Thai will lead its efforts in Vietnam. 500 Startups said Vietnam's population size, market growth, and availability of low-cost tech talent provided incentives for the fund to invest there.
- **Vietnam to impose new tariff on imported steel.** The Ministry of Industry and Trade on March 8 said it will temporarily impose higher tariffs on steel imports in an effort to protect domestic steel suppliers. The new duties, which can be as high as 23.3 percent compared to the current 20 percent, will possibly be in effect between March 22 and October 7. Steel imports from developing countries, which make up less than 3 percent of Vietnam's imports, will be exempted—but these are already subject to tariffs as high as 20 percent.

THAILAND

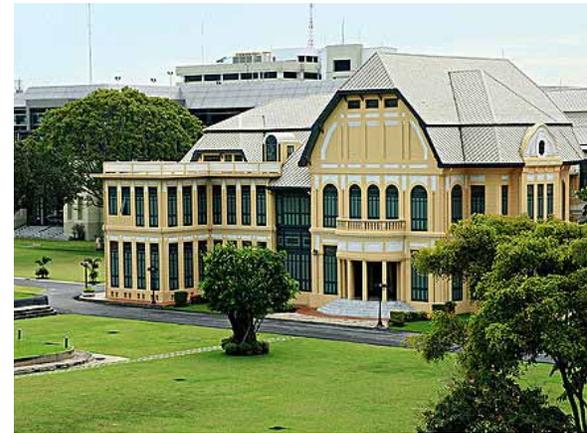
- **Thailand to crack down on insider trading.** Thailand's Securities and Exchange Commission (SEC) said it will crack down on insider trading, after a subsidiary company of Thai conglomerate Charoen Popkhand (CP) allowed three of its board members found guilty of insider trading to retain their positions. Investors have responded by boycotting new CP shares. Rapee Sucharitakul, the secretary-general of the SEC, said the regulatory body wants to bar perpetrators from holding offices in companies and encourage the passage of a law that would increase maximum financial penalties by 50 percent.

- **Thailand presents progress in fisheries sector at international seafood expo.** Thai ambassador to the United States Pisan Manawapat on March 7 said at an international seafood expo in Boston that Thailand has enacted “comprehensive and irreversible reforms” in combatting forced labor, human trafficking, and illegal fishing in its seafood industry. Pisan said relevant agencies will work in greater coordination with the Command Center for Combating Illegal Fishing, which will also establish port monitoring centers along coastal provinces, mandate satellite-tracking devices on fishing vessels, and conduct inspections at sea.

- **Central bank revises growth projections downward.** The central bank is expected to announce lowered growth forecasts on March 23 due to the protracted effects of Thailand’s drought and worries over the external economic environment. The central bank already revised growth projections downward to 3.5 percent from 3.7 percent in December. The central bank said it is ready to use monetary easing, while Deputy Prime Minister Somkid Jatusripitak on March 7 said the government will launch a stimulus package later this month aimed at bolstering the agricultural sector.

- **World Bank study shows weak Internet penetration in Thailand.** A World Bank report released on January 13, “World Development Report 2016: Digital Dividends,” found that more than 48 million Thais do not have Internet access, although mobile phone penetration rate across Thailand is at 149 percent. The report encourages Thailand to increase Internet availability and promote the use of technology among businesses and individuals to raise productivity. It attributes the low Internet access rate to regulatory unpredictability and monopolies in Thailand’s information technology sector.

- **Prayuth stability plan includes an appointed Senate.** Prime Minister Prayuth Chan-ocha on March 8 defended the military government’s plan to have a fully appointed Senate under a future government in order to guarantee political stability and the constitution. Prayuth said that appointed senators would not have power over an elected government, and that any conflicts would be settled through voting. Deputy Prime Minister Prawit Wongsuwan originally suggested that the next Senate exist for only five years after the expected general election to help safeguard the transition.



Bangkhunprom Palace, part of the headquarters of Thailand’s central bank. Thailand has been grappling with slower economic growth, and the central bank last December revised growth projections downward to 3.5 percent. <https://www.flickr.com/photos/jananoi/2966042941/in/photostream/>

SINGAPORE

- **Singapore suggests expanding CUES as interim solution to South China Sea dispute.** Foreign Minister Vivian Balakrishnan on March 1 pushed for



The Arleigh Burke-class destroyer USS John S. McCain alongside Philippine navy frigate BRP Gregorio del Pilar and BRP Ramon Alcatraz in formation during the 2014 Cooperation Afloat Readiness and Training (CARAT) in the South China Sea. Singapore has suggested expanding the use of the Code for Unplanned Encounters at Sea as a way to prevent miscalculations and mitigate conflicts in the South China Sea. <https://www.flickr.com/photos/compacft/14341200749/sizes/l/>

expanding the use of the Code for Unplanned Encounters at Sea (CUES) as an interim method to prevent accidental miscalculations and mitigate conflicts in the South China Sea. Balakrishnan made the remarks during his first visit to China as foreign minister from February 29 to March 1, and said China has indicated interest in the idea. Balakrishnan met with Vice President Li Yuanchao, State Councillor Yang Jechi, and the head of the Chinese Communist Party's International Department, Song Tao.

- **Foreign minister visits Australia.** Foreign Minister Vivian Balakrishnan on March 3 met with Australian prime minister Malcolm Turnbull, Australian foreign minister Julie Bishop, and other Australian officials during his introductory visit to Australia. Balakrishnan and Bishop expressed satisfaction with the progress of the Singapore-Australia comprehensive strategic partnership, and said they hope to further boost bilateral cooperation in trade and investment, foreign affairs, defense and security, and people-to-people relations. Balakrishnan said the two countries will expand cooperation in innovation and research and development.
- **Singapore, Vietnam hold defense policy dialogue.** Singapore permanent secretary of defense Chan Yeng Kit and Vietnamese deputy minister of defense Nguyen Chi Vinh on February 29 held the 7th Singapore-Vietnam Defense Policy Dialogue in Singapore. The two sides discussed areas of mutual interest in international and regional security. Vinh also met Minister of Defense Ng Eng Hen and visited the Changi regional humanitarian assistance and disaster relief coordination center.
- **Singapore, Indonesia environmental ministers hold meeting over transboundary environmental issues.** Minister for the Environment and Water Resources Masagos Zulkifli met with his Indonesian counterpart, Siti Nurbaya Bakar, to discuss bilateral cooperation in overcoming transboundary environmental challenges. Masagos said Singapore remains committed to bringing to justice companies that contribute to the region's haze pollution every year. Both sides agreed to resume the Indonesia-Singapore Environmental Partnership.
- **Singapore takes top spot as most expensive city.** The Economist Intelligence Unit ranked Singapore the world's most expensive city for a third straight year in its twice-yearly Worldwide Cost of Living survey. The survey, released on March 10, looked at 133 cities and ranked Zurich, Switzerland, and Hong Kong the next most expensive cities after Singapore.

SOUTH CHINA SEA

- **Pacific Air Forces commander says U.S. will continue daily patrol flights over South China Sea.** Gen. Lori Robinson, commander of the Pacific Air Forces, on March 8 said the United States will continue to fly daily patrol missions over the South China Sea in accordance with international rules and norms, despite China's continuing militarization of features in the disputed waters. Robinson made her remarks in Canberra ahead of the biannual Air Power Conference organized by the Royal Australian Air Force. While she acknowledged the "possibility of a miscalculation" between the United States and China, Robinson said the two sides will continue discussions on a bilateral agreement signed last September on air-to-air rules of behavior in international airspace.
- **U.S. in talks with Australia to rotate bombers through bases in northern Australia.** Pacific Air Force commander Gen. Lori Robinson on March 8 said the United States and Australia had begun discussions on the possible rotation of U.S. B-1 bombers and aerial tankers through northern Australian bases at Darwin and Tindal. The Chinese foreign ministry said on March 9 it has "concerns" about plans to rotate U.S. bombers through Australia. Approximately 2,500 U.S. Marines have been rotating through Darwin since 2011.
- **U.S. intelligence assessment says China will have capacity to project offensive military power by next year.** Director of National Intelligence James Clapper said in a letter to the U.S. Congress on February 23 that China will have "significant capacity to quickly project substantial offensive military power to the region" by next year if the pace of China's militarization of features in the South China Sea continues. Clapper's letter was a response to Sen. John McCain's request for an assessment of China's island building and the impact it will have on China's ability to deploy military forces in the South China Sea.
- **Japanese submarine to make visit to Philippines.** A Japanese submarine is scheduled to make a port call in the Philippines in April in a sign of increasingly robust Japan-Philippine defense cooperation, according to a March 7 Reuters report. The submarine's two escorting warships will continue on to Vietnam's Cam Ranh Bay deep-sea port, which overlooks the South China Sea. This will mark the first time a Japanese submarine has called on a Philippine port in 15 years.



Director of National Intelligence James Clapper. Clapper said in a letter to the U.S. Congress on February 23 that China will have "significant capacity to quickly project substantial offensive military power to the region" by next year if the pace of China's militarization of features in the South China Sea continues. <https://www.flickr.com/photos/publicservice/10144933615/>

TRANS-PACIFIC PARTNERSHIP

- **USTR lawyer says TPP will accommodate U.S. certification requirement.** Deputy General Counsel of the U.S. Trade Representative Maria Pagan



International Monetary Fund (IMF) managing director Christine Lagarde and first deputy managing director David Lipton during the 2014 IMF/World Bank annual meetings. Lipton said that while the Trans-Pacific Partnership trade agreement promotes better integration, trade facilitation should be pursued on a global scale. <https://www.flickr.com/photos/imfphoto/15318802359/sizes/l>

on February 25 said that the U.S. certification requirement under the entry-into-force mechanism of the Trans-Pacific Partnership (TPP) trade agreement will ensure that domestic U.S. requirements for imported goods are met. The entry-into-force mechanism requires the U.S. president to certify whether TPP trading partners have complied with their obligations before executing a trade agreement. The United States can delay its ratification procedures until the other members have met these standards.

- **IMF says TPP will boost economy, calls for post-Doha multilateral approaches.** The International Monetary Fund's first deputy managing director, David Lipton, said on March 8 he welcomes the Trans-Pacific Partnership trade agreement as an initiative to further facilitate trade. Lipton said better multilateral trade initiatives will mitigate economic stagnation and provide positive incentives for all concerned parties. Lipton nonetheless called for a clear path forward for the multilateral trade system in order to advance integration on a global level.
- **Report by congressional advisory panel says TPP falls short of congressional demand.** The Joint Economic Committee of the U.S. Congress criticized the Trans-Pacific Partnership (TPP) trade agreement in a report, released on March 1, over provisions on pharmaceutical intellectual property protection, financial data flows, and market access. The committee said that Congress will approve the TPP only if its members deem the deal has met standards prescribed in the 2015 fast-track authorization. The report also acknowledged the significance of the TPP in the U.S. rebalancing toward the Asia-Pacific region.

ASEAN



Indian and U.S. soldiers during Exercise Yudh Abhyas in 2009. The two sides recently participated in a multinational army drill with ASEAN member states in India. https://upload.wikimedia.org/wikipedia/commons/0/0b/US_Army_53738_Indian_army_division_leads_IED_workshop_during_Exercise_Yudh_Abhyas_09.jpg

- **ASEAN economic ministers hold retreat in Thailand.** Economic ministers from ASEAN member states gathered in Thailand on March 2-3 for the 22nd ASEAN Economic Ministers Retreat. The ministers discussed the way forward for the newly established ASEAN Economic Community, and ways to accelerate negotiations on the Regional Comprehensive Economic Partnership, which includes 10 ASEAN member countries and six of its dialogue partners. They also pushed to make Cambodia, Laos, Myanmar, and Vietnam the key economic growth engines in the region, with Thailand and Malaysia providing assistance.
- **India holds army drill with ASEAN countries and ASEAN dialogue partners.** India held the largest multinational military exercise on its soil involving ASEAN countries and the grouping's eight dialogue partners from March 2 to March 9. Over 300 soldiers participated in the exercise, which was organized under the framework of the ASEAN Defense

Ministers' Meeting Plus. It was aimed at sharing best practices among the different armies and promoting peace and stability in the Indo-Pacific region. India has been boosting its engagement with ASEAN countries as part of Prime Minister Narendra Modi's "Act East" policy.

LAOS

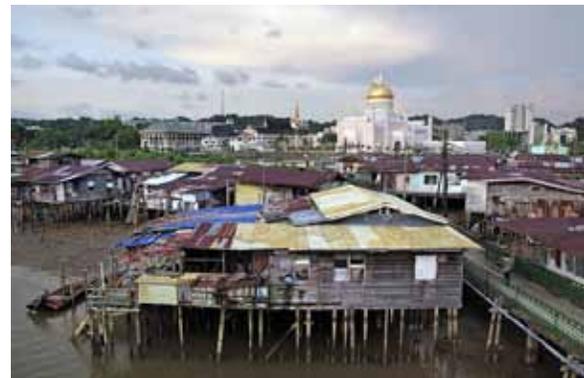
- **U.S. extends travel warning as violence continues in Xaysomboun Province.** The U.S. Embassy in Vientiane on March 7 advised travelers to avoid Road 13, a popular tourist route between Vang Vieng and Luang Prabang, after a series of roadside attacks left at least one killed and nine injured. The warning expanded on the State Department's February travel advisory for Xaysomboun Province in central Laos, where three Chinese workers have been killed by militant attacks since January.
- **Laos signs security accord with North Korea.** North Korea's Ministry of Public Security and the Lao Ministry of Public Security have signed an agreement to improve bilateral security cooperation, according to a March 5 report by North Korean state media. Although the specific terms of the agreement are not known, sources said the deal may be related to the extradition of North Korean defectors in Laos. Laos captured and repatriated nine North Korean defectors in 2013.

BRUNEI

- **Brunei deficit expected to reach nearly \$4 billion in 2016-2017 fiscal year.** The Ministry of Finance said during a parliamentary meeting on March 8 that the national deficit is expected to reach \$4 billion in the upcoming fiscal year. The figure is equivalent to approximately 70 percent of the proposed national budget for the 2015-2016 period and 68 percent higher than the \$2.3 billion deficit estimated earlier. Falling oil prices have taken a major toll on Brunei's energy export-driven economy.
- **Singapore company looks to invest in \$5 million waste-treatment plant project in Brunei.** Chief executive officer of Singapore-based Biomax Technologies Sim Eng Tong said during his visit to Brunei on March 8 his company is interested in developing a waste-treatment plant in Brunei. The plant, estimated to cost \$5 million, will convert organic waste into organic fertilizers and improve the quality of local produce. The timeline for the project has not been confirmed.
- **Sultan of Brunei orders explanation of delay in Shari'a law enforcement.** Sultan Hassanal Bolkiah on February 27 demanded an explanation from the Brunei Islamic Religious Council for the two-year delay in the enforcement



Road 13 in Laos. The U.S. State Department advised travelers to avoid this route because of recent deadly violence emanating from Xaysomboun Province in central Laos. https://commons.wikimedia.org/wiki/File:NR13South,_Lao_PDR.jpg



A view of Bandar Seri Begawan, Brunei's capital. Brunei faces a ballooning government budget deficit as a result of falling oil prices. Its economy is driven by energy exports. <https://www.flickr.com/photos/volvob12b/14696394928/>

of the Islamic Shari'a penal code, the first phase of which took effect in May 2014. The sultan also wanted to know when the draft law will be sent to the attorney general's chambers for vetting. The second phase of Shari'a law implementation—which will include amputation and flogging—is now expected to take effect in June, and the third phase in 2018.

TIMOR-LESTE

- **Timor-Leste receives additional \$76.2 million from ADB for road upgrade.** The Asian Development Bank agreed on March 4 to provide Timor-Leste with an additional \$76.2 million loan, on top of an original \$54 million financing deal, for the upgrade and climate-proofing of about 60 miles of the national road network. When completed, the new roads will enhance connectivity and support the country's increasing traffic volumes. Around 70 percent of Timor-Leste's 870 miles of national roads are considered to be in poor condition.

CAMBODIA

- **Authorities to expedite container port expansion at Phnom Penh Port.** The director general of Phnom Penh Autonomous Port, Hei Bavy, announced plans on March 7 to expedite the port's expansion in order to meet the demands of increasing container traffic. The \$12 million plan, which began in 2015, is expected to double the port's capacity when completed. Traffic through the Phnom Penh Port has expanded by more than 200 percent since 2010, according to port officials.
- **Kem Sokha hit by rumors of scandal, blackmail.** Kem Sokha, vice president of the opposition Cambodia National Rescue Party, continues to battle blackmail and scandal. Multiple recordings allegedly of Sokha and his mistresses have been released since January 29, although he has refused to comment on these. Similar accusations against Sokha were made in 2013. The woman from whose Facebook account the recordings were posted was questioned by anti-terrorism officials but claims that her account was hacked.
- **Iranians resettled under deal with Australia opt to return to Iran, leaving two others in Cambodia.** Australia announced on March 8 that two Iranian refugees who were resettled in Cambodia after a \$41 million deal between the Australian and Cambodian governments have opted to return to Iran. Australian authorities have in recent years sought to resettle legitimate asylum seekers in third countries rather than in Australia. Two other Iranian refugees who have been resettled in Cambodia chose to remain there. ■



Kem Sokha, vice president of the opposition Cambodia National Rescue Party, during a 2013 interview. Sokha is currently embroiled in a scandal involving audio recordings allegedly of him and a mistress, but he has opted to remain silent. [https://en.wikipedia.org/wiki/Kem_Sokha#/media/File:Kem_Sokha_\(2013\).jpg](https://en.wikipedia.org/wiki/Kem_Sokha#/media/File:Kem_Sokha_(2013).jpg)

- **The South China Sea: Law, Strategy, and Politics.** The CSIS Freeman Chair in China Studies on March 22 will host a panel discussion on Taiwan's stance on the Philippines-China case, analyzing the stakes from a legal perspective in terms of freedom of navigation, joint exploration, and international peace and security. Speakers include James Kraska, director, Stockton Center for the Study of International Law, U.S. Naval War College; Lawrence Martin, partner, Foley Hoag; and Yann-Huei Song, research fellow, Institute of European and American Studies, Academia Sinica. The event will be moderated by Christopher Johnson, senior adviser and Freeman Chair in China Studies, CSIS. E-mail the [Freeman Chair](#) to RSVP.
- **China as a Responsible Stakeholder? A Decade Later.** Project 2049 Institute on March 22 will host a panel discussion to identify and assess areas where China challenges the existing international order and to offer recommendations for U.S. policy to support the security and economic order in the Asia Pacific. Speakers include Rep. Matt Salmon, chairman of the subcommittee on Asia and the Pacific, U.S. House Foreign Affairs Committee; Kathleen Hicks, senior vice president and Henry A. Kissinger Chair, CSIS; Ashley J. Tellis, senior associate, Carnegie Endowment for International Peace; and Evan Feigenbaum, vice chairman, Paulson Institute. Moderators include Randal Schriver, president and CEO, and Rachel Burton, research associate, Project 2049 Institute. The event will take place from 1:45 p.m. to 5:00 p.m., Knight Conference Center, 555 Pennsylvania Ave., NW. Click [here](#) to RSVP.
- **Is Indonesia Changing Direction?** The Carnegie Endowment for International Peace on March 24 will host a discussion with James Castle, founder and CEO of CastleAsia, on the political factors behind Indonesian president Joko Widodo's economic reforms and how these reforms impact Indonesia's economic performance moving forward. Vikram Nehru, senior associate in the Carnegie Asia Program, will moderate. The event will take place from 10:30 a.m. to 11:00 a.m., 1779 Massachusetts Ave, NW. Click [here](#) to register.
- **China's "Belt and Road" Initiative and Implications for Global Infrastructure Development.** The CSIS Project on Prosperity and Development and Freeman Chair in China Studies on March 28 will launch a joint report assessing China's One Belt One Road initiative and the U.S. approach to infrastructure development. Speakers include Christopher Johnson, senior advisor and Freeman Chair in China Studies, CSIS; Ziad Haider, special representative for commercial and business affairs, Bureau of Economics and Business Affairs, U.S. Department of State; John Hurley,

director, International Debt and Development Policy, U.S. Department of the Treasury; and Olin Wethington, founder and chairman, Wethington International. The event will be moderated by Daniel F. Runde, director, Project on Prosperity and Development and William A. Schreyer Chair in Global Analysis, CSIS. E-mail the [Project on Prosperity and Development](#) to RSVP.

- **Domestic Dimensions of China's Foreign Policy: How Internal Dynamics Shape China's Actions Abroad.** The United States Institute of Peace and Georgetown University on April 7 will host a day-long conference on how China's internal economic, political, and security pressures are influencing China's actions abroad. Speakers include Chris Johnson, senior advisor and Freeman Chair in China Studies, CSIS; Scott Harold, associate director, RAND Corporation; Jessica Chen Weiss, associate professor, Cornell University; Melanie Hart, China policy director, Center for American Progress; Richard McGregor, public policy fellow, Woodrow Wilson Center for International Scholars; David Shambaugh, professor, George Washington University; and Phillip Saunders, distinguished research fellow, National Defense University. The event will take place from 9:00 a.m. to 4:30 p.m., 2301 Constitution Ave, NW. Click [here](#) to RSVP. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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