



China-Southeast Asia Relations:  
**Myanmar Challenges China's Successes**

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Chinese President and Communist Party General Secretary Hu Jintao toured Australian cities, engaged in summitry, and presided over the Chinese delegation at the Sydney APEC meeting. The events elicited positive publicity that underlined a good Chinese image and redounded to the benefit of Hu and the party leadership as they stressed stability and harmony at home and abroad in the lead up to the 17<sup>th</sup> Chinese Communist Party Congress in Beijing in October. Regional harmony and China's international image were seriously challenged in late September when the military junta in Myanmar, which regards China as its major foreign supporter, cracked down violently on swelling anti-government demonstrations led by thousands of Buddhist monks. China has long worked to block UN and other international pressure against the military regime, but faced strong pressure led by U.S. President George W. Bush to support UN and other international efforts to stop the crackdown.

**China's challenge in Myanmar**

As the violent crackdown began on Sept. 26, China faced heavy foreign pressure to end its past objections to UN and other international intervention against the Myanmar administration. Leading the charge was President Bush, who personally lobbied the visiting Chinese foreign minister in Washington on Sept. 27 amid a chorus of U.S. and other international calls for stronger action to stop the crackdown, with some advocating regime change in Myanmar. China limited its public statements to calls for restraint, and continued to argue against strong actions by the UN Security Council. China did support sending special UN envoy Ibrahim Gambari, and Bush thanked China for helping to persuade the military junta to accept the envoy.

International leaders, media, and interest groups have focused strong and often critical attention on China's longstanding relations with the Myanmar regime. Since the military junta was established in Myanmar in 1988, Beijing has stepped up economic and military assistance to its southern neighbor. Frequent visits by senior leaders from both sides have further strengthened bilateral political and military relations. In addition to training personnel, the Chinese military has reportedly been providing the junta with tanks, armored personnel carriers, transport aircrafts, attack boats, and artillery pieces. More recently, energy deals have also been struck, allowing Beijing to gain access to the largely untapped gas fields in the Myanmar state of Shwe. A pipeline has also been

planned that would connect the western half of Myanmar to China's Yunnan Province. Earlier this year, the Chinese National Petroleum Corporation (CNPC) received production sharing rights in the crude oil and exploration projects in three deep sea blocks off the coast of western Myanmar.

Notwithstanding the nurturing of closer political, economic, and military ties, longstanding mutual distrust still clouds bilateral relations, and tensions have surfaced from time to time between Beijing and Naypyidaw. A recent article in the *South China Morning Post* said Beijing remains cautious in its engagement, "fearing instability in Myanmar could threaten security and stability in its sensitive border regions." Should the military junta collapse, the economic investment in the country may be lost. Moreover, there is also growing concern in Beijing that continued instability in Myanmar could have a spillover effect. In the last decade, more than a million Chinese have crossed the borders into Myanmar seeking job opportunities. The article opined that Chinese leaders are worried that further upheaval in Myanmar could cause a mass exodus of Chinese migrants fleeing back to the border, thus creating increased social unrest in China's southwestern provinces.

Myanmar's fiercely nationalistic leadership is also carefully assessing its approach with China. China sees Myanmar as an important transit point for the export of goods to India, the Middle East, Europe, and sub-Saharan Africa from its southwestern provinces. As such, it has shown great interest and offered economic assistance and loans to upgrade and improve the road and communications system in Myanmar. These large infrastructure projects would bring as many as 40,000 Chinese construction workers into Myanmar. Chinese influence is growing measurably in cities with large numbers of Chinese migrants and the military junta remains wary of the continued influx. An article in the *Thai Press Reports* cited that major towns in the Shan state, for example, are exclusively using the Chinese *yuan* as the trade currency, and Chinese characters are populating the billboards, street signs, and shop-fronts.

Myanmar has been reaching out to India and Russia in an attempt to curb its over-reliance on China. Myanmar's military and economic ties with neighboring India are growing. It has also gone ahead to pursue its nuclear ambitions by signing a deal with Moscow earlier this year to build a nuclear reactor.

According to the *Thai Press Reports* in late June 2007, Beijing is increasingly concerned with growing international criticism of China's linkages to such unsavory regimes as Myanmar. The article said that Beijing is well aware that the junta's failure to implement political reform may backfire; China has been active in pressing the junta to introduce greater political and economic reform; Chinese officials have also quietly raised the issue of freeing the detained opposition leader Aung San Suu Kyi.

Earlier this year, China vetoed a U.S.-backed UN Security Council resolution censuring Myanmar's human rights record. Chinese Ambassador Wang Guangya's public statement at the UN stated that the "current domestic situation in Myanmar does not constitute a threat to international or regional peace and security." This was seen by some observers

to imply that should the situation in Myanmar worsen or unravel toward greater chaos and disorder, one that constitutes a threat to regional peace or security, Beijing could consider a stronger response.

On June 28, 2007 Beijing hosted a closed-door dialogue and helped broker talks between Myanmar and U.S. officials. It was the highest level of dialogue between Washington and Naypyidaw since 2003. Deputy Assistant Secretary of State for East Asian and Pacific Affairs Eric John led the delegation from Washington and met Foreign Minister Nay Win. Such a move may imply greater communication and coordination between Beijing and Washington to try to overcome some of the issues related to Myanmar.

### **Hu in Australia, APEC meetings**

President Hu Jintao's week-long visit to Australia included active participation in the annual APEC summit and meetings with Southeast Asian and other regional leaders.

Hu spent several days visiting Australian cities before meeting on Sept. 6 with Prime Minister John Howard in Sydney, where the two leaders agreed to an Australia-China annual strategic dialogue and witnessed the signing of various agreements, notably a deal for Chinese purchase of Australian liquefied natural gas worth \$35 billion. Official Chinese media hailed the as-yet poorly defined new dialogue as "a major step forward" in the development of China-Australia ties, and *China Daily* said Sept. 7 "it is believed the meetings will be similar to discussions Australia currently has with the U.S. and Japan." Those discussions have been the cause of repeated and generally low-level Chinese complaints. Howard reassured Hu that the trilateral dialogue was not directed at any particular country. Standing alongside Howard at their press conference in Sydney, Hu said that he had no concerns about the trilateral dialogue and added that no other country should be worried about the new strategic dialogue between Australia and China.

At the APEC meeting, Hu underscored existing Chinese positions on climate change and sustainable development – key themes of the meeting. His Sept. 8 speech to the APEC Business Advisory Council highlighted the importance of "China's enormous domestic demand and vast domestic market" for Asia-Pacific growth, said that China had no intention of seeking a large trade surplus, and pledged to increase Chinese imports and to strengthen protection of intellectual property rights.

Among the Chinese president's many bilateral meetings with regional leaders at APEC, Hu met Indonesia President Susilo Bambang Yudhoyono on Sept. 8. The two leaders discussed energy security and sustainable development. Hu said that China "highly regards the influence and role of Indonesia" in ASEAN and world affairs. The Chinese president noted in this regard the launching of a high-level dialogue mechanism, rapid expansion of bilateral trade, security cooperation, and closer communication and coordination on regional issues.

## ASEAN Regional Forum, ASEAN 40<sup>th</sup> Anniversary

Chinese Foreign Minister Yang Jiechi actively participated in the 14<sup>th</sup> ASEAN Regional Forum (ARF) foreign ministers conference in Manila on Aug. 2. Official Chinese media highlighted Yang's broadly positive assessment of regional economic development, security cooperation, and the expansion of regional and sub-regional organizations. Yang took pains to cite the positive results coming from the meetings of all the major regional groupings: ASEAN Plus Three, ARF, East Asian Summit, Asia Cooperation Dialogue, and APEC.

Yang duly cited regional security issues and problems flowing from imbalanced development, natural disasters, infectious diseases, energy insecurity, and environmental degradation. He gave pride of place to highlighting the importance of "a new security concept" of "mutual trust, mutual benefit, equality, and coordination" that he said is widely evident in regional affairs and conforms to the broad interests of regional peoples and states. He juxtaposed that positive development with low-key criticism of what he saw as a "worrying" tendency of some unnamed governments to "reinforce bilateral military alliances" and seek "absolute military superiority." Western media interpreted Yang's criticism as directed against efforts by the U.S., Japan, and their allies and associates to strengthen their alliances and security cooperation as China rises in regional prominence.

Yang's remarks recalled the Chinese publicity campaign begun in the late 1990s that for several years saw top-level Chinese officials and official Chinese media offer very sharp criticism of the U.S. alliance structure in the Asia-Pacific and the alleged Cold War thinking and hegemonism evident in U.S. policy and behavior. China, at that time, strove to promote its version of a "new security concept" that is very similar to what Yang described on Aug. 2. Chinese officials and official media muted these anti-U.S. attacks beginning in 2001, but they have offered lower level criticism of strengthening U.S. alliances in the Asia-Pacific from time to time in recent years.

Reporting on Yang's participation in the ASEAN Plus Three foreign ministers meeting that preceded the ARF session in Manila, Chinese media highlighted China's strong attention to ASEAN through the China-ASEAN Free Trade Agreement, and deepening partnerships in finance, infrastructure, information, and communication. The media said China-ASEAN trade is growing at a rate of almost 40 percent a year and is slated to reach a value of \$200 billion in 2008. *China Daily* on Aug. 1 cited Secretary of State Condoleezza Rice's failure to attend the ARF "for the second time in three years" and then offered positive comments about China's strong commitment to the region and regional organizations. It quoted a Chinese expert for the observation, "As a large country in Asia, China pays more attention to regional affairs, while as a global power, the U.S. is distracted by many other concerns..."

Official Chinese media marked ASEAN's 40<sup>th</sup> anniversary Aug. 8 with prominent coverage emphasizing the positive significance of the regional group and China's growing relationship with it. There also was coverage of some differences between China

and Southeast Asian states. Chinese government Southeast Asia expert Zhai Kun claimed that “after 40 years of highs and lows, ASEAN has emerged as the second most successful example of regional cooperation after the European Union.” The expert said that ASEAN has fostered “all-win” efforts to promote economic cooperation and security that was contrasted with the competitive approaches of the U.S. and Japan that were seen as designed to seek those states’ more narrow influence and “hegemony.” Zhai’s assessment also contained a list of problems facing ASEAN that centered on the weaknesses of the individual governments and of the ASEAN organization.

Chinese media assessments of China’s relationship with ASEAN on the anniversary were similarly balanced, placing an emphasis on positives while noting some negatives. Highlighted achievements included the ASEAN-China FTA process begun in 2002, the Declaration on the Conduct of Parties in the South China Sea of 2002, the ASEAN-China strategic partnership established in 2003, and China signing the Treaty of Amity and Cooperation in Southeast Asia in 2003. Trade in 2006 was valued at \$160.9 billion and ASEAN investment in China reached \$41.8 billion by the end of 2006. Chinese media said that China is broadening security cooperation over maritime safety and other issues with ASEAN, and the media cited a Chinese foreign ministry official for the observation that China hopes to join soon the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone. The negatives cited in Chinese media included territorial disputes that complicate development in the South China Sea, and the “quite small” Chinese investment into ASEAN countries. According to *China Daily*, by mid-2006 China had invested \$1 billion in ASEAN countries while Southeast Asian countries’ investment in China was valued at over \$40 billion.

### **U.S.-ally exercises; Chinese aircraft carrier**

The large-scale U.S.-backed military exercises *Valiant Shield*, near Guam in August, and *Malabar*, in the Bay of Bengal in September, elicited statements of concern in official Chinese media and in the Chinese-directed newspaper in Hong Kong, *Ta Kung Pao*. The comments suspected the intentions of the U.S. and its military partners were to “encircle” rising China. The large size of each exercise and the active participation of allied and other navies, notably those of Japan, Australia, and India, in one or both exercises were duly noted. Some Chinese commentaries linked the exercises to increased security cooperation in recent years between and among the U.S, Japan, India, and Australia. Some commentaries highlighted differences among the four that would make a “four state alliance” difficult to achieve, but other commentaries saw U.S. and allied motives to contain China with an emerging “Asian NATO.”

Chinese concerns with securing energy supplies and sea lanes through the Malacca Strait have been subject to sometimes divergent treatment among Chinese official experts. Zhao Hongtu, an expert in the China Institute for Contemporary International Relations (CICIR), wrote an article in the June 20 *Xiandai Guoji Guanxi* that criticized “most people” who think that China’s maritime lifeline in the Malacca Strait is vulnerable to U.S. interdiction. Zhao’s colleague at CICIR, Zhang Xuegang, wrote an article earlier in 2007 that stressed China’s energy insecurity in the face of U.S. power because of

dependence on the Malacca Strait. (Zhang's article was reviewed in last quarter's *Comparative Connections*.) Zhao argued that the U.S. threat was overblown and that China should focus on more realistic threats to the Malacca Strait posed by piracy and terrorism.

Meanwhile, remarks of Chinese officials and other public signs in China showed strong interest in developing a Chinese aircraft carrier to protect China's growing maritime interests. An Aug. 1 *China Daily* report of an interview with Adm. Yang Yi, director of the Institute for Strategic Studies at the National Defense University, saw Yang make a case for China building an aircraft carrier. "Why can't China – a country with a 1,800 km coast line, more than 3 million sq. km of ocean territory, and more than 6,000 islands, build an aircraft carrier?" he asked. Those checking the official *People's Daily* website for military affairs in August 2007 saw a banner across the front page declaring in Chinese "Go Forward, Chinese Aircraft Carrier."

### **Trade Issues**

Chinese leaders from Hu Jintao on down endeavored this quarter to reassure APEC and other Chinese trading partners that China is not seeking a permanent world trade surplus and that international complaints of unsafe Chinese-made consumer products are being dealt with appropriately. Assessing mid-year trading data, official Chinese media made clear that at least the short-term Chinese trading surplus is going up, not down, despite government targets to reduce the surplus. *China Daily* Aug. 21 said that the surplus for the first six months of 2007 was \$112 billion, up dramatically from the surplus of \$61 billion in the same period in 2006. It forecast a Chinese trade surplus of \$250-300 billion for 2007, compared to the record Chinese surplus of \$177 billion in 2006.

Complaints against Chinese exports of unsafe consumer products affected Chinese trade relations with Indonesia, Philippines, Malaysia, and Thailand among other Southeast Asian countries. According to non-Chinese media, these complaints were met with a mix of Chinese tactics that included threatened or actual retaliation. A *Washington Post* report of Sept. 5 was particularly critical of Chinese pressure tactics against "vulnerable" economies like those in Southeast Asia, while generally sticking to persuasion and corrective action when dealing with the more powerful U.S. economy. Official Chinese media on Sept. 7 denounced the *Washington Post* article reporting how Chinese and Indonesian officials had resolved their differences; the report stated the Chinese used retaliation against Indonesia by suspending imports of Indonesian aquatic products because of contamination after Indonesia prohibited what it claimed was contaminated Chinese food products from entering the Indonesian market.

### **South China Sea tensions**

The *Straits Times* reported July 19 that continued tensions over conflicting territorial claims over the Spratly Islands in the South China Sea resulted in a clash July 9 between Chinese naval vessels and Vietnamese fishing boats. One of the Vietnamese boats sank; one Vietnamese was killed and several injured. Barry Wain, in a *YaleGlobal Online*

article Aug. 14, said the clash followed Chinese detention in April of four Vietnamese fishing boats operating near the Spratly Islands. The clash also followed British Petroleum's decision to halt seismic survey work off southern Vietnam on behalf of Vietnam until Vietnamese-Chinese tensions subside. Wain warned that despite the general peaceful state of the South China Sea over the past decade, the contest for these waters and their bounty is far from settled.

### **Assessing China's Rise, U.S. Decline**

The APEC summit prompted officials, experts, and media commentators to take stock of China's rise in Southeast Asia and the broader Asia-Pacific and what this means for U.S. leadership in the region. The commentary generally depicted the U.S. government as distracted by the war in Iraq and other concerns, while China grew in stature and importance on the basis of burgeoning trade and effective bilateral and multilateral diplomacy. In an interview with Australian media, Richard Armitage was particularly damning of his former colleagues – "It's not that we're ignoring Asia a little bit; we're ignoring it totally." And the former deputy secretary of state added, "In every measure, China is making real hay right throughout Asia."

The Congressional Research Service this quarter added to its line of reports detailing China's rise in Southeast and other parts of Asia as the U.S. is seen as distracted and in decline. A new report was published on China's growing influence in the Southwest Pacific and how this challenges the United States. Renato Cruz de Castro, a Philippines specialist well known for his balanced and sometimes wary view of China, concluded in an assessment posted on the American Enterprise Institute website on July 9 that U.S. power and influence in Southeast Asia are gradually being eroded by China's "soft-power diplomacy and hard power buildup."

Others were less impressed by China's gains or perceived U.S. decline. Ian Storey reviewed Malaysia's posture vis-à-vis China and the U.S. for the Jamestown Foundation *China Brief* on July 11. He found important trade and security differences as well as much common ground between Malaysia and China. Against this background, he assessed in detail the long-standing and multifaceted Malaysian-U.S. military relationship to conclude, "Overall, Malaysia's military-to-military ties with the U.S. far outweigh anything it has with China." In July, Richard Cronin posted on the Henry Stimson Center website a detailed assessment of the second Bush administration and Southeast Asia. The assessment carefully considered Chinese gains in the region but concluded that the U.S. remains the security guarantor and vital trade and investment partner for the leading Southeast Asian governments, and that each of these governments remains determined to avoid domination by a rising China and seeks the establishment of diversified relations with other powers, notably the U.S. Speaking at an international meeting on China and Asia in Beijing on July 27, Lee Lai To, president of the Political Science Association of Singapore, reviewed the careful balancing and hedging approaches adopted by Southeast Asian states to deal with a rising China. China still has an image problem because of history, ideology, and the psychological insecurity of smaller ASEAN states faced with

China's new and growing power, while the United States, though distracted, for now remains an essential presence in Southeast Asian hedging strategies.

A few days before the APEC summit, Bronson Percival had a launch in Washington DC for his new book on China and Southeast Asia. Percival's study is balanced in assessing both the strengths and limitations of China's rise in Southeast Asia, and the strengths and limitations of the U.S. and its position in Southeast Asia. His analysis adds an important argument not seen in most assessments that China's rise in Southeast Asia actually has little negative impact on core U.S. interests in the region. Percival therefore is not seriously concerned that China's rise has affected or will likely affect negatively what he sees on balance as a continuing strong U.S. position in Southeast Asia.

Percival endeavors to provide a clear view of what China has been doing in Southeast Asia in recent years, the strengths and weaknesses of the Chinese efforts, how well or badly the Chinese efforts conform to the interests of Southeast Asian governments and other concerned powers, and what all this means for the U.S. and its position in the region. His review of the various components of Chinese behavior toward Southeast Asia gives important insights on why specialists and other readers need to be wary of trade and especially aid and investment data that can make China's influence seem more important than it actually is. His assessment of various limitations seen in prevailing U.S. "schools of thought" about China's rise is sobering and seems justified. His critique of the use of the concept of soft power in assessing China's rise seems particularly relevant in light of other books and articles that emphasize this often nebulous subject.

### **Looking ahead**

Although beautiful October weather usually means that Chinese leaders welcome to Beijing large numbers of foreign leaders, including those from Southeast Asia, at this time of year, this year promises to be different given the requirements of the 17<sup>th</sup> Party Congress. For several weeks, senior leaders will be focused on the lead-in to the Congress, careful execution of the events of the Congress, and dealing with the fall-out of the decisions made at the Congress. Most foreign policy issues, including policy toward Southeast Asia, probably will get lower priority. For now, the main exception to this pattern will be dealing with the crackdown in Myanmar and its important and mixed implications for Chinese interests.

## **Chronology of China-Southeast Asia Relations**

### **July-September 2007**

**July 5, 2007:** Newly appointed Chinese FM Yang Jiechi wraps up his first official visit to Indonesia after meeting President Yudhoyono. Both sides agree to further strengthen strategic partnership in the fields of foreign affairs, economy and trade, science and technology, energy, and culture.

**July 5, 2007:** In a public statement at the Malaysia-China Business Forum 2007, Malaysia's Prime Minister Abdullah Badawi calls for more investments from



China. Badawi says that currently, Malaysia receives less than \$30 million of direct investment from China while Malaysia's total investments in China reached \$320 million.

**July 6, 2007:** The Chinese Ministry of Public Security and the Department of Foreign Affairs of the Philippines announce that they jointly cracked a trans-border case in June in which drugs worth \$7.09 million were seized. The success was attributed to close police cooperation over the past three years.

**July 12, 2007:** Following a visit by Chinese Vice Premier Wu Yi, Singaporean Deputy Prime Minister Wong Kan Seng announced that Singapore can expect to conclude its free trade agreement with China by 2008. Bilateral trade reached nearly \$41 billion in 2006, Singapore is China's seventh largest trading partner, and China is Singapore's third largest partner.

**July 14, 2007:** Chinese Minister of Commerce Bo Xilai and his Malaysian counterpart agree that China will extend its biggest loan for a single project to Malaysia in the form of an \$800 million loan for the construction of the second Penang bridge. The 20-year loan agreement by China's Exim Bank will carry an interest rate of 3 percent annually.

**July 16, 2007:** China's Vice Minister of Health Wang Guoqiang visits Brunei, meeting his counterpart. They agree to renew their plan of action on health cooperation and increase the exchange of health officials and working visits. There will also be further enhancement of cooperation between the health institutions, training and research and the recruitment of medical workforce and paramedics in fields such as traditional medicine, children and maternal healthcare, oncology, neonatology, and hepatitis.

**July 18, 2007:** According to Thai press reports, the Chinese People's Liberation Army and the Thai Royal Army are conducting a special combined training military exercise in Guangzhou. The exercise, which involves 30 officers from both armies' Special Forces, is code-named *Strike 2007*. It will last for two weeks and will include military demonstrations, a series of workshops that cover combat techniques and jungle crossing, and a joint study of tactics deployed by Special Forces.

**July 19, 2007:** Shanghai-based Guan Sheng Yuan Co., a Chinese candy-making company, denies claims by the Philippine Bureau of Food and Drugs that one of its products contains potentially cancer-causing formaldehyde.

**July 20, 2007:** According to Indonesian press reports, Beijing and Jakarta are exploring joint maritime operations. According to the agreement, it would cover various joint activities in navigation security, maritime security, ship building, naval cooperation and maintenance of Malacca Strait security. The operations will also be conducted in coordination with the International Maritime Organization (IMO).

**July 28, 2007:** According to the Singaporean *Straits Times*, a group of Vietnamese boats fishing in waters near the Spratly Islands came under fire from Chinese naval vessels in

July. Military sources reported that one of the Vietnamese boats sank after the attack. One fisherman was killed and several others hurt. Following the incident, Vietnamese officials were in Beijing for crisis talks with senior Chinese officials in an attempt to stop more hostilities. The two sides agreed to meet later this year in Hanoi.

**July 31-Aug. 1, 2007:** FM Yang holds separate talks with counterparts from the Philippines, Singapore, and Australia in Manila while attending the 14th ASEAN Regional Forum. In each meeting, Yang reaffirms Beijing will work with regional partners to promote peace, stability, and development in the Asia-Pacific.

**Aug. 1, 2007:** At the sidelines of the ASEAN ministerial meeting, FM Yang meets Singaporean counterpart George Yeo to discuss the China-ASEAN free trade agreement. Beijing expresses hope that it would be signed during the ASEAN summit in Singapore in November 2007. According to the China-ASEAN Business Council, two-way trade between China and ASEAN is expected to reach \$190 billion in 2007.

**Aug. 11, 2007:** Philippine President Gloria Macapagal-Arroyo reaffirms that the tripartite marine seismic program in the South China Sea among the Philippines, Vietnam, and China would be the “biggest bridge” to peacefully resolve the territorial dispute over the Spratly Islands. The agreement is seen as a breakthrough, imposing the provisions of the Code of Conduct in the South China Sea for all members. It also involves a joint exploration project for oil.

**Aug. 14, 2007:** The ASEAN-Beijing Committee and the China-ASEAN Association jointly hold a reception marking the 40th anniversary of ASEAN in Beijing. At the reception, China’s FM announces that China will continue to back ASEAN as a strategic partner and a leading player to maintain regional peace and development.

**Aug. 16, 2007:** Thailand’s Public Health Ministry discloses a long list of hazardous food imported from China. According to Thai officials, they have found excessive insecticide residues in cabbages, pears, lotus roots, carrots, celery, and spinach imported from China, while high levels of sulfur dioxide have been found in dried vegetables and dried chrysanthemum.

**Aug. 23, 2007:** Vice chairman of China’s Central Military Commission, Xu Caihou, meets the General Political Department Chief of the Lao People’s Army, Sengnouane Sayalat. They agree to maintain high-level exchanges of visits and strengthen cooperation in all fields, especially on military and security issues.

**Aug. 27, 2007:** A 10-member delegation of the PLA, led by Gen. Liu Dongdong, political chief of military sub-division of Jinan, arrives in Phnom Penh for an official four-day visit. The delegation will meet top-level Cambodian military officials, parachute troops, and visit the Preah Ketomealea hospital in Phnom Penh.

**Sept. 3, 2007:** Chinese Defense Minister Cao Gangchuan visits the Philippines, holding talks with Philippine Defense Secretary Gilberto Teodoro in Manila. The two militaries

exchange views on international and regional security situations, relations between the two nations and their militaries, and other issues of common concern.

**Sept. 5, 2007:** Chairman of the National Committee of the Chinese People's Political Consultative Conference Jia Qinglin meets his Indonesian counterpart Hidayat Nur Wahid in Beijing. The two leaders agree to increase dialogue and bilateral cooperation.

**Sept. 8, 2007:** President Hu meets Indonesian President Yudhoyono on the sidelines of the annual Leaders' Meeting at the APEC forum in Sydney, Australia. Hu says China is willing to expand cooperation with Indonesia in sustainable development issues and energy exploitation, including development of renewable and alternative energy sources.

**Sept. 9, 2007:** Hu meets his counterpart from the Philippines, Macapagal-Arroyo, at APEC. The two leaders pledge closer cooperation by maintaining frequent high-level visits to deepen mutual trust. On the South China Sea issue, both sides agree that progress has been made and that they would continue to cooperate in the next phase to promote peace, stability, and common development of the South China Sea.

**Sept. 13, 2007:** Tang Jiaxuan, Chinese former foreign minister and ranking member of the State Council, meets Myanmar's foreign minister, U Nyan Win. Tang expresses hope Myanmar can restore stability and promote national reconciliation.

**Sept. 17, 2007:** Vietnamese trade authorities announce that the largest Vietnam-China trade fair will be held in Vietnam's northern Lao Cai province in early December 2007. Trade between Vietnam and China increased to over \$9.95 billion in 2006 from \$8.2 billion in 2005, according to the Chinese Ministry of Commerce.

**Sept. 20, 2007:** Permanent Secretary of Thailand's Ministry of Defense Winai Phattiyakul visits Beijing for the sixth Sino-Thai annual defense and security consultations, meeting with Defense Minister Cao Gangchuan. Both sides agree to further promote military exchanges and deepen bilateral cooperation.

**Sept. 26, 2007:** On the sidelines of the 9th Joint Commission meeting between China and Indonesia in Beijing, visiting Indonesian Trade Minister Mari Elka Pangestu announces that the two countries will form a working group under the framework of the Joint Commission to address various trade and investment issues including quality, food product security, and illegal shipment of products.

**Sept. 29, 2007:** Marking China's highest-level public statement on the government crackdown against street demonstrations in Myanmar, Chinese Prime Minister Wen Jiabao tells British Prime Minister Gordon Brown that "China hopes that all parties concerned in Myanmar show restraint, resume stability through peaceful means as soon as possible, promote domestic reconciliation, and achieve democracy and development."