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Malaysia Steps into Spotlight as ASEAN and East Asia Summit Chair

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Expectations for this week's East Asia Summit and related meetings have been rather modest given the increasing complexity of issues facing countries in Asia and the limited capacity of Myanmar as host. To be clear, Myanmar has done a commendable job given this is its first time chairing ASEAN and hosting other regional meetings.

But a number of key tests lie ahead for ASEAN. These include regional economic integration in preparation for the launch of the ASEAN Economic Community (AEC), China's growing assertiveness and tensions in the South China Sea, and questions about whether ASEAN will have the ability to navigate a new geopolitical era in the region in the coming years.

This makes the role of Malaysia as next year's ASEAN chair all the more critical. As chair, Malaysia will be responsible for keeping the region's political and economic agenda on track. Also on display will be whether its quiet diplomacy and resilient ties with both the United States and China could hold the key to the future of ASEAN's balancing act, including on problems regarding the South China Sea. For Washington, it will be a test of the newly elevated U.S.-Malaysia partnership, and an opportunity to deepen U.S. engagement in Southeast Asia.

President Barack Obama's administration has identified Malaysia as one of its priorities in the rebalance to Southeast Asia. The United States and

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The skyline of Kuala Lumpur. The city will play host to meetings related to ASEAN, the ASEAN Regional Forum, and the East Asia Summit, among others, as Malaysia takes over as ASEAN chair for 2015. <https://www.flickr.com/photos/usiruk/6433965097>

Malaysia enjoy strong commercial ties and longstanding military-to-military cooperation. Malaysia is a member of the Trans-Pacific Partnership (TPP) free trade negotiations, and President Obama and Prime Minister Najib Razak in April announced the upgrading of bilateral relations to a comprehensive partnership.

This foundation should allow Malaysia and the United States to cooperate more effectively on both bilateral and regional issues. Yet Washington and Kuala Lumpur are still trying to work out the components of the comprehensive partnership, while U.S. officials have expressed concerns that Kuala Lumpur may not be as ambitious or forward-leaning as Washington is in taking the relationship to the next level.

By working together and consulting early with Malaysia on issues high on the agenda for 2015, the United States can help drive progress in the bilateral relationship as well as reaffirm its leadership role in the region. The past year has shown that the Asia-Pacific region continues to face persistent security and economic challenges, and the competition between U.S.-led and other models of development and integration has only just begun.

For Malaysia, working to make sure the AEC credibly comes into effect by the end of 2015 will be one of its top priorities. ASEAN members have adopted more than 80 percent of all measures required for AEC integration, according to their own score cards, but the tasks of addressing nontariff barriers, implementing the free flow of skilled labor, coordinating among the ministries of 10 member governments, and maintaining harmony among member countries with varying levels of development will be difficult and time-consuming.

Logistics aside, Kuala Lumpur will likely want to use the opportunity to develop a new strategic vision and priorities to guide ASEAN after 2015 once the AEC has begun to be implemented. Like some of its neighboring Southeast Asian countries, Malaysia understands that keeping ASEAN autonomous and relevant in regional affairs will give it added leverage and a better security environment.

Malaysia Steps into Spotlight as ASEAN and East Asia Summit Chair *(continued)*

Prime Minister Najib has said that ASEAN needs to consider ways to streamline and bolster the relatively weak and underfunded ASEAN Secretariat in Jakarta. He has proposed a few ideas such as urging member countries to double their contributions from the current \$1.7 million per year per country or allowing more developed member countries to voluntarily increase their contributions to provide the secretariat with more resources.

But while ASEAN has steadily advanced its regional profile, its members do not always agree on where the grouping should stand vis-à-vis outside powers, most notably the United States and China, or even how to deal with internal issues facing member countries. Finding a strategic balance with which all of its ASEAN peers can be comfortable will weigh heavily on the minds of officials in Malaysia.

Being the ASEAN chair next year has a special meaning for Malaysia, as it was in Kuala Lumpur that the East Asia Summit (EAS) was founded 10 years ago. Together with the ASEAN Defense Ministers' Meeting Plus, the EAS has emerged as a premier venue for the region's leaders and symbol of ASEAN's by-now widely accepted centrality. This means that while there will no doubt be tension at these meetings—at least on the security front—Malaysia has an interest in making sure the agenda is not dominated by heated rhetoric surrounding territorial conflicts in the East and South China Seas.

At the same time, the United States should use this opportunity to work with Malaysia and ASEAN to further institutionalize the EAS. Prime Minister Najib has suggested that the EAS needs to think about adopting a mechanism through which the leaders of the grouping's 18 members can implement ideas they discuss at their annual summits.

Malaysian officials reportedly were not enthusiastic about the proposal for a freeze in construction in the South China Sea floated by the United States and the Philippines in August at the ASEAN Regional Forum, and close coordination with Kuala Lumpur in the area of maritime security will be critical.

On the South China Sea, Malaysia will likely seek to work closely with both its ASEAN peers and China. A claimant in the South China Sea, Malaysia



President Barack Obama delivers remarks at a Young Southeast Asian Leaders Initiative town hall event in Kuala Lumpur in April 2014. U.S.-Malaysia relations were upgraded to a comprehensive partnership during Obama's visit, which raises the importance and opportunities for the United States to support Malaysia as ASEAN chair in 2015. <https://www.flickr.com/photos/statephotos/14053716863/in/set-72157644195647516>

Malaysia Steps into Spotlight as ASEAN and East Asia Summit Chair *(continued)*

has long preferred quiet diplomacy over confrontation with China, as the two countries enjoy close political and economic ties.

But increasing instances of Chinese ships entering Malaysia's exclusive economic zone, especially their activities at James Shoal, and China's deployment of an oil rig off the coast of Vietnam earlier this year have prompted Kuala Lumpur to reassess its security outlook. While it will tread carefully as it seeks to gain the trust of ASEAN, China, and other stakeholders, Malaysia will likely highlight the importance of completing negotiations between China and ASEAN on a code of conduct for parties involved in the disputes and will express support for the use of peaceful means to resolve conflicts.

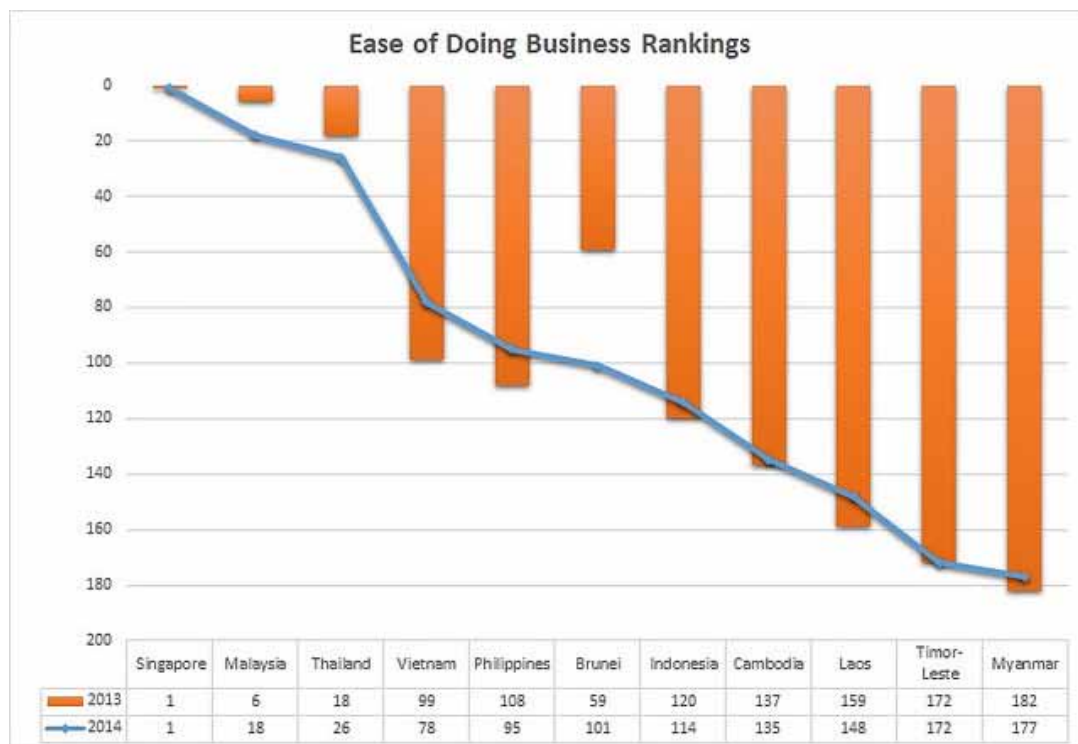
Amid all these delicate tasks, Malaysian officials will also have to work on overcoming domestic opposition in controversial areas such as state-owned enterprises and government procurement to complete the TPP. Here, too, U.S. officials will have the chance to work closely with their Malaysian counterparts and, once the TPP is concluded, provide support for much needed economic reforms in Malaysia.

The year 2015 will be a milestone for both Malaysia and ASEAN's standing, be it as a relevant economic player or credible partner for the United States. With the 2014 EAS having just concluded in Myanmar, it is time for Washington to begin investing in next year's ASEAN and EAS processes, beginning with regular and serious high-level interactions with Kuala Lumpur. ■

ASEAN

- **ASEAN, East Asia summits tackle economic community, South China Sea, terrorism.** Eighteen heads of state and government including President Barack Obama traveled to Naypyidaw for the November 12-13 ASEAN and East Asia Summit leaders' meetings to discuss critical issues affecting the Asia-Pacific region. The 10 leaders at the annual ASEAN Summit focused particularly on their goal of instituting an ASEAN Economic Community by the end of 2015, though they also addressed nontraditional security issues and disputes in the South China Sea. Those issues were also raised at the U.S.-ASEAN Summit and the 18-member East Asia Summit, during which leaders issued a statement on combatting the Islamic State in Syria and Iraq.
- **Singapore keeps top spot, Brunei plummets in ease of doing business.** The World Bank on October 28 released its annual East of Doing Business rankings of 189 economies, which are based on 11 business-related factors.

Southeast Asian nations are a mixed bag in the 2014 World Bank Ease of Doing Business rankings. <https://www.flickr.com/photos/csisseap/15153764024/>



Singapore maintained its top position, while nearby Malaysia and Brunei fell from 6th to 18th and 59th to 101st positions, respectively, since 2013. Laos, the Philippines, and Vietnam showed signs of substantial improvement, climbing between 11 and 21 ranks, while changes among the



other ASEAN members were more modest. Myanmar remained near the bottom of the list despite its recent reforms and significant progress in cross-border trade.

APEC

- **Leaders meet for APEC summit, sideline meetings.** Leaders at the Asia-Pacific Economic Cooperation (APEC) summit on November 10 and agreed to launch a two-year study of a potential Free Trade Area of the Asia Pacific. They also agreed to support initiatives to advance women's economic participation and to set up a network for sharing information on corruption. But for President Barack Obama, the most fruitful discussions were on the sidelines with Chinese president Xi Jinping. The two agreed to historic cuts in carbon emissions, extended visa durations for each other's citizens, an elimination of tariffs on information technology products, and military confidence-building measures.

INDONESIA

- **Jokowi's APEC speech highlights investment opportunities.** President Joko "Jokowi" Widodo on November 10 addressed a crowd of business leaders at the Asia-Pacific Economic Cooperation CEO Summit in Beijing in his first major international address as Indonesia's president. He urged the gathered business leaders to seize the opportunity to invest in infrastructure projects in Indonesia, including ports, rail and power networks, and mass transport. Jokowi also acknowledged his country's poor reputation for ease of doing business and promised reform in areas including land acquisition and obtaining business permits.
- **Subsidized-fuel price hike set for November.** Vice President Jusuf Kalla said November 3 that the Indonesian government will increase the price of subsidized fuel later in the month. Kalla said the government will enact the price increase after distributing a new Indonesia Smart Card and Indonesia Health Card, which will provide social welfare for poor Indonesians hardest hit by fuel cost increases. The government is widely expected to increase the price of subsidized fuel to about \$2.97 per gallon from the current price of \$2.03. Several opposition parties have expressed disapproval of the plan, arguing that the declining cost of oil globally makes eliminating Indonesia's subsidies unnecessary.
- **Indonesia to waive visa requirements for five countries.** Coordinating Maritime Affairs Minister Indroyono Soesilo on November 5 announced that citizens from Australia, China, Japan, Russia, and South Korea will be granted visa-free entry to Indonesia. The government hopes the relaxed



Trucks line up for unloading at the Tanjung Priok port in North Jakarta. President Joko Widodo recently urged international CEOs to invest in infrastructure projects in Indonesia, including desperately needed port upgrades. <https://www.flickr.com/photos/cifor/5236260637>

visa requirements will help boost tourist arrivals to 20 million annually by 2020. The plan is expected to cost around \$11.5 million, which the government said will be offset by taxes on the estimated \$540 million per year in additional tourist revenue generated.

- **Jokowi launches new benefits systems.** President Joko Widodo on November 3 announced the launch of the Indonesia Health Card, Indonesia Smart Card, and Family Savings Card programs. The Health Card offers free health insurance to 88.1 million poor Indonesians while the Smart Card guarantees 12 years of free education and provides for the educational needs of 24 million disadvantaged students. The Smart Card also guarantees free higher education for poor students who pass their university entrance exams. The Family Savings Card provides cash assistance to needy families.
- **Economic growth slips to 5 percent in third quarter.** Indonesia's year-on-year gross domestic product growth dropped to 5 percent in the third quarter, from July through September. That is the slowest pace of expansion since the third quarter of 2009, when growth managed only 4.3 percent. Experts blamed the disappointing growth on structural problems with Indonesian governance and the tapering off of the U.S. Federal Reserve's loose monetary policy. The macroeconomic research company Capital Economics said Indonesia's growth is unlikely to slow much further but is also not expected to rebound in the short term.

MYANMAR

- **UN secretary-general, U.S. officials call on Myanmar to protect Rohingya.** UN secretary-general Ban Ki-moon and U.S. deputy national security adviser Ben Rhodes on November 12 expressed concerns about a Myanmar government plan to grant partial citizenship to Rohingya in the western state of Rakhine who can prove they qualify for it and to deport others. Rhodes called on the government to grant Rohingya full citizenship. President Barack Obama is expected to deliver a similar message to Myanmar's president, Thein Sein, during bilateral meetings scheduled for November 13, and to call on opposition leader Aung San Suu Kyi to speak out more on behalf of Rohingya when he meets with her the next day in Yangon.
- **U.S. blacklists government official.** The U.S. Treasury Department on October 31 announced the addition of Myanmar's former industry minister and current lawmaker Aung Thaung to the Specially Designated Nationals List of individuals sanctioned by Washington. Treasury's Office of Foreign Assets Control cited Aung Thaung's record of undermining Myanmar's



historic transition as the reason for placing him on the list. U.S. individuals and companies are now banned from working with Aung Thaung. The announcement appeared to signal the U.S. government's rising displeasure with the slowing pace of reforms in Myanmar ahead of President Barack Obama's visit for the November 12-14 ASEAN and East Asia summits.

- **Thein Sein calls historic government-opposition meeting.** President Thein Sein of Myanmar on October 31 convened an unprecedented meeting with opposition leader Aung San Suu Kyi, armed forces chief Min Aung Hlaing, speaker of the parliament Shwe Mann, and leaders from ethnic-minority political parties. Even though this was the first time this grouping of senior officials met, Aung Sang Suu Kyi said afterward that commitments made during the summit were not very significant. Representatives from her National League for Democracy shared this sentiment, suggesting the meeting was organized due to pressure from foreign leaders to show progress on reforms.
- **Government orders body of slain journalist to be exhumed.** Myanmar authorities on November 3 ordered police to exhume the body of slain journalist Par Gyi, who was shot and killed by government troops on October 4. Par Gyi, a democracy advocate with ties to opposition leader Aung San Suu Kyi, was detained by the army after photographing armed clashes between government troops and Karen rebels. Army officials claim he was shot while trying to steal a gun, but his wife and fellow activist Than Dar insists that her husband was likely tortured to death.

THAILAND

- **Committee appointed to draft new constitution.** The Thai government on November 4 appointed a 36-member committee to draft a new constitution. Headed by pro-military academic Bavornsak Uwanno, the committee will have four months to complete a draft, which will then be sent to the appointed National Reform Council and the junta's top body, the National Council for Peace and Order, for ratification. Some analysts believe that the draft will include a clause preventing banned politicians from running in any future elections. If passed, the clause would prevent former prime ministers Thaksin Shinawatra, Yingluck Shinawatra, and many of their prominent followers from returning to power.
- **Government promises peace within a year in restive south.** Defense Minister Prawit Wongsuwan on November 3 told reporters that the Thai government plans to resolve the decade-long conflict in the country's Muslim-majority southern provinces within a year. The pledge came after a weekend of attacks by insurgents that the government described as

attempts to gain leverage in planned peace talks and retaliation for the arrest of key insurgency figures. The government has not revealed how it aims to achieve its ambitious goal, but has continued a program to arm civilian volunteers in the south; outside observers have responded with skepticism.

- **Myanmar asks Thai authorities to reopen investigation into Koh Tao murders.** The Myanmar Embassy in Thailand on November 5 asked Thailand's Ministry of Legal Affairs to reopen the investigation of the murders of British citizens Hannah Witheridge and David Miller. Thai authorities arrested Myanmar nationals Zaw Lin and Win Zaw Htun for the murders in October, and the pair initially confessed to the crime but have since rescinded their confessions. The investigation and confessions drew skepticism from international observers, and the accused have alleged that their confessions were extracted through torture.

- **Thailand aims to become regional vaccine hub.** Director for Thailand's National Vaccine Institute Charung Muangchana said October 27 that Thailand has the potential to become a leader for the development of vaccines in Southeast Asia, according to the *Nation*. He cited "[Thailand's] high-caliber researchers and vaccine developers, as well as [the] more than 50 agencies working in the field of vaccine research and development." The global vaccine market generated \$24 billion in 2013 and could provide a much-needed boost to Thailand's economy.



Nurses in Ratchaburi Province, Thailand, administer dengue vaccines during a clinical trial in 2011. Director of Thailand's National Vaccine Institute Charung Muangchana recently said that Thailand hopes to become a leader for the production of vaccines. <https://www.flickr.com/photos/sanofi-pasteur/5832021198/>

PHILIPPINES

- **Philippine government quarantines peacekeepers returning from Liberia.** A Philippine military representative on November 5 announced that 112 Filipino peacekeepers returning from Ebola-stricken Liberia are being quarantined for three weeks on an island in the northern region of Luzon before being allowed to return home. The military initially planned to quarantine the soldiers at a location in central Luzon, but changed plans after local officials expressed concerns about public health and tourism in the region. The first of the peacekeepers arrived at the undisclosed quarantine location on November 12.

- **Rebel group to form political party ahead of 2016 elections.** The separatist Moro Islamic Liberation Front (MILF) on November 3 announced plans to form a political party called the United Bangsamoro Justice Party to contest local and national elections. The MILF reached a long-sought peace agreement with the government in March, and its newly announced party is expected to begin operations in 2015 once the Philippine Congress passes a law establishing the autonomous Bangsamoro region in



Mindanao. MILF chairperson Ibrahim Murad said the party will be open to all Filipinos but candidates will be vetted by his organization.

- **Aquino signs \$3.7 billion Haiyan rehabilitation plan.** President Benigno Aquino on October 29 signed the Comprehensive Rehabilitation and Recovery Plan, a multibillion dollar project aimed at rebuilding damaged infrastructure and resettling Filipinos displaced from their homes by Typhoon Haiyan in November 2013. The plan includes \$1.7 billion to build structures that will be more resilient to future storms. President Aquino expressed disappointment at the slow pace of recovery, attributing it on supply shortages and difficulty in finding suitable resettlement locations.
- **Nine U.S. Navy ships cancel planned visits.** A spokesperson for the Subic Bay Metropolitan Authority on November 2 confirmed reports that nine U.S. Navy vessels had canceled port calls to the former U.S. military base planned for November and December. The Philippine Department of Foreign Affairs has confirmed only three of the cancellations. Business owners from the Subic Bay Freeport Chamber of Commerce expressed disappointment in the cancellations, which they attributed to rising anti-American sentiment following the alleged murder of transgender Filipina Jennifer Laude by a U.S. Marine in nearby Olongapo City.



U.S. troops in Subic Bay raise a flag aboard the USS Germantown during joint amphibious exercises in September. Nine U.S. naval vessels reportedly canceled planned visits to Subic Bay following a rise in anti-American sentiment over the alleged murder of a transgender Filipina by a U.S. Marine. <https://www.flickr.com/photos/us7thfleet/15550670481/>

VIETNAM

- **Vietnam forecast to become ASEAN's biggest exporter to the United States.** The American Chamber of Commerce in Ho Chi Minh City expects Vietnam's exports to the United States to reach \$29.4 billion by the end of 2014, according to *Thanh Nien* on November 3. This would make Vietnam ASEAN's **biggest** exporter to the United States, followed by Malaysia and Thailand. Vietnam's trade with the United States has increased 36-fold since 2000. The most significant growth has been in Vietnam's garment and textile sector.
- **Vietnam's central bank lowers interest rates to spur economic growth.** Vietnam's central bank on October 28 lowered interest rates on short-term deposits and loans in an effort to boost lending to businesses. The interest rates on local currency deposits and loans will be reduced to 5 percent and 7 percent a year, respectively. Vietnam's low inflation rate gives the central bank space to increase credit growth through interest rate cuts, but lenders continue to be cautious as the number of nonperforming loans, estimated by Moody's at about 15 percent of banks' assets, remains high.
- **Vietnam arrests senior banker as part of efforts to clean up banking system.** Vietnamese police on October 25 arrested Ocean Bank chairperson



Construction cranes on Ho Chi Minh City's skyline. Vietnam's central bank has lowered interest rates in an effort to bolster lending to businesses and spur growth. <https://www.flickr.com/photos/axelrd/6287820180>

Ha Van Tham on allegations of fraud. Tham is also head of one of the largest companies listed on the Ho Chi Minh stock exchange. The bank allegedly provided a \$24 million loan to a local company in 2012 without any collateral. The company has since defaulted on the loan. The central bank detected the violations as part of its campaign to restructure the banking system.

- **Released blogger says improved U.S.-Vietnam ties may lead to more critics being freed.** Vietnamese blogger Nguyen Van Hai says in an interview in Bloomberg on November 2 he expects improved relations between the United States and Vietnam will lead to more political prisoners being released. Hai was serving a 12-year sentence for allegedly spreading anti-state information when he was sent to the United States last month as part of a deal between the two governments. Hai believes Hanoi will release more prisoners as it seeks closer economic relations with Washington.
- **Vietnamese arrested in South Africa for attempting to smuggle rhinoceros horns.** South African police on November 1 arrested two Vietnamese men after finding 90 pounds of rhino horns in their bags while they transited at Johannesburg's international airport on their way back to Vietnam. The men were arrested as part of an international antipoaching operation as South Africa struggles to stop a surge in rhino poaching. Some consumers in Vietnam and China view rhino horn as a status symbol and a healing agent.

MALAYSIA

- **Malaysian judge delays verdict on opposition leader's appeal against sodomy conviction.** Malaysia's top court on November 7 said the verdict in opposition leader Anwar Ibrahim's appeal against his sodomy conviction would be announced at a later, unspecified date. The verdict has far-reaching implications given Anwar's role as head of Malaysia's increasingly confident opposition coalition. If he loses the appeal, Anwar will likely have to serve a jail term and be banned from running for office for five years after his release. The opposition has long claimed the case is politically motivated.
- **Malaysian court overturns Islamic law banning cross-dressing for Muslim men.** Malaysia's court of appeal on November 7 overturned an Islamic law that banned Muslim men from cross-dressing. The court said the law contravened the constitution and did not take account of men affected by gender identity disorders. Transgender and homosexual rights are a sensitive issue in Muslim-majority Malaysia. Human Rights Watch



Opposition leader Anwar Ibrahim addresses supporters during a rally after Malaysia's last general election on May 8, 2013. Anwar is awaiting a court verdict in his final appeal against a sodomy conviction that could see him jailed. http://commons.wikimedia.org/wiki/File:Anwar_Ibrahim_%288722796274%29.jpg



lists Malaysia as one of the worst countries for transgender persons due to their systemic abuse by authorities.

- **Malaysian Airlines sued over missing flight MH370.** Two Malaysian children on October 31 sued Malaysia Airlines and the Malaysian government over the death of their father on missing flight 370. This is the first lawsuit by relatives of those aboard the flight that disappeared eight months ago. The lawsuit claims the airline was negligent and failed to take all due measures to ensure a safe flight. The children are seeking compensation for mental distress, emotional pain, and the loss of their father's income.
- **Investigators identify almost all victims from the crash of flight MH17.** Forensic investigators have identified nearly all of the 298 passengers that were killed in the crash of Malaysia Airlines flight 17 in eastern Ukraine after it was apparently hit by a missile fired by pro-Russian rebels, according to a Dutch government report released on October 31. Experts have identified 289 passengers, while the process for identifying the remaining victims is continuing. Investigators continue to face difficulties gaining access to the crash site due to fighting in the area between the Ukrainian military and rebels.
- **Malaysia insists plans for a high-speed rail link with Singapore remain on track.** A senior Malaysian transport official told the media on November 4 that Malaysia remains committed to completing a high-speed rail link between Kuala Lumpur and Singapore by 2020. The link would cover more than 180 miles and cut travel time between the two capitals to 90 minutes. A number of companies from Japan, China, and South Korea have reportedly offered to finance the project, which is expected to take six to seven years to construct.
- **Malaysia considers use of world's first dengue vaccine.** Malaysia's health minister S. Subramaniam told the media on November 4 that Malaysia is conducting a study on whether it can use the world's first dengue vaccine once it comes to market in mid-2015. The vaccine, developed by French company Sanofi Pasteur, is shown to provide 95.5 percent protection against acute dengue fever in clinical tests. Around 85,000 people have contracted dengue in Malaysia so far this year.

SOUTH CHINA SEA

- **Taiwan's defense minister visits Itu Aba.** Taiwan's minister of defense Yen Ming visited Itu Aba in the disputed Spratly Islands on November 5 to monitor a \$110 million construction project to expand port facilities and



strengthen an airstrip for military transport planes. Taiwan's coast guard three days earlier held live fire drills on the island—the largest of the Spratlys and the only one occupied by Taiwan. The drills and visit provoked sharp criticism from Vietnam's Foreign Ministry, which called them a violation of Vietnam's sovereignty and a threat to maritime security.

- **Malaysian submarine successfully test-fires new torpedo in South China Sea.** The Malaysian navy on October 31 announced that the country's second French-made *Scorpene*-class submarine, the *KD Tun Abdul Razak*, successfully test-fired the newly introduced Black Shark torpedo, sinking a target in the South China Sea. The navy said the firing demonstrated Malaysia's capabilities and willingness to defend its sovereignty. This is the first time Malaysia has fired a torpedo since the arrival of its first submarine in 2009, and the first successful test-fire of the Italian-manufactured Black Shark.

- **Russian ship to conduct live fire drills in South China Sea.** The Russian Ministry of Defense on November 5 announced that its 11,500-ton *Slava*-class missile cruiser, the *Moscow*, will conduct live-fire drills during its ongoing visit to the South China Sea. Based in the Black Sea, the *Moscow* recently made a port call in Singapore before leaving for an unspecified location. It is unclear whether the ship will conduct solo exercises or participate in joint-exercises with China or Vietnam, its two closest diplomatic and military partners in the region.

SINGAPORE

- **Singapore state investment company bids \$8 billion for U.S. warehouse company.** Singapore's state investment company, GIC Ltd, is in early talks to buy U.S. warehouse operator IndCor Properties for more than \$8 billion, the *Wall Street Journal* reported on November 4. IndCor, which is owned by private equity firm Blackstone, was preparing to list on the stock exchange for \$1 billion. If the bid is successful, it will be one of the biggest U.S. investment deals for a Singaporean state investment company since 2009.

- **Singapore to provide military personnel and equipment to support the fight against Islamic State.** Singaporean defense minister Ng Eng Hen on November 3 announced that Singapore will contribute military personnel and aerial-refueling planes to the international effort to fight the Islamic State in Iraq and Syria (ISIS). Ng said ISIS posed a direct threat to Singapore and the region. About 350 Southeast Asians, including from Singapore, have reportedly joined ISIS in Iraq and Syria. Singapore is the first Southeast Asian country to join the U.S.-led coalition against ISIS.



The Russian guided-missile cruiser Moscow, docked in Sevastopol. The Moscow has traveled from the Black Sea to the South China Sea and is expected to conduct live-fire exercises after leaving port in Singapore. <https://www.flickr.com/photos/ashenwolf/7428044944>



Blogger Roy Ngerng speaking at the Regional Conference on Media and Internet Freedom on October 15, 2014. A Singaporean court recently convicted Ngerng of defaming Prime Minister Lee Hsien Loong but has not ruled on any damages. <https://www.flickr.com/photos/57634952@N00/15557521815/in/set-72157648402783787>

- **Singapore-led consortium wins \$1.4 billion contract to build Yangon's second airport.** A Singapore-led consortium was awarded a \$1.4 billion contract to build Yangon's second international airport, the head of Myanmar's department of civil aviation announced on October 29. The new airport for Myanmar's commercial capital is expected to have the capacity to handle 12 million passengers a year when it opens by the end of 2019. The Singaporean consortium won after negotiations with the project's initial winning bidder, a South Korean company, fell through.
- **Singapore's central bank warns uneven growth among trading partners will affect economy.** Singapore's central bank warns in its biannual macroeconomic review that uneven growth among the country's global trading partners, including the European Union and the United States, will result in a two-speed economy. Sectors more exposed to the global market such as manufacturing will likely suffer, while domestic-oriented areas such as retail will remain resilient. The central bank expects the economy to grow 2.5 percent-3.5 percent in 2014 and at a similar pace in 2015.
- **Singapore prime minister wins defamation case against blogger over online criticism.** Singapore prime minister Lee Hsien Loong on November 7 won a defamation case against a blogger who alleged that Lee mismanaged Singapore's mandatory retirement savings fund. The judge ordered the blogger, Roy Ngerng, not to publish these claims again but has yet to rule on any damages. Singapore's leaders often use defamation lawsuits against critics, including media outlets such as the *New York Times*, *Wall Street Journal*, and the *Economist*.

CAMBODIA

- **Government raises minimum wage as garment unions threaten to strike.** The Cambodian government on November 12 announced a raise in the minimum wage for garment workers to \$128 per month effective January 1, falling short of union demands for \$140. Pav Sina, president of the Collective Union of Movement of Workers, on November 3 rejected as a "show" a vote by a group of 27 government officials, union leaders, and factory owners that cleared the way for a wage hike for Cambodian garment workers to either \$110 or \$121. Sina previously warned that failure to meet the unions' demands could result in a renewed garment worker strike, and union leaders have said they are considering their next steps.
- **Opposition pushes Australia to cancel refugee resettlement agreement.** National Assembly vice president and opposition leader Kem Sokha recently sent a letter to Australian ambassador Alison Burrows asking

Canberra to reconsider its refugee transfer deal with Cambodia, according to a November 2 SBS article. Sokha cited concern over the “possible negative impacts,” including economic and social, of the controversial agreement to resettle refugees originally bound for Australia in Cambodia. The deal has met widespread condemnation abroad as a way for Australia to pass off its refugee obligations to developing countries.

- **Thai prime minister makes first official visit to Cambodia.** Thai prime minister Prayuth Chan-ocha on October 30 made his first official visit to Cambodia, during which he emphasized improvements in bilateral relations. Prayuth and Cambodian officials did not discuss outstanding disputes between the two countries, including over the Preah Vihear temple on the Thai-Cambodian border. The prime minister signed several agreements with Cambodian officials to boost cooperation on tourism and human-trafficking.
- **Police claim opposition group is raising secret army to oppose government.** National police spokesman Kirth Chantharith on November 2 told reporters that the Khmer National Liberation Front (KNLF), a political group opposed to the government of Prime Minister Hun Sen, is training an army to overthrow the government, but offered no proof for that charge. The government in April sentenced 13 KNLF members to between five and nine years in prison on charges that many critics insisted were politically motivated.

TRANS-PACIFIC PARTNERSHIP

- **TPP leaders make progress during meeting, but fail to reach agreement.** Leaders from the 12 Trans-Pacific Partnership (TPP) member countries failed to conclude negotiations on the trade agreement during a meeting on the sidelines of the Asia-Pacific Economic Cooperation summit in Beijing on November 10. The leaders said the agreement was near the finish line, but avoided setting a deadline as they had in previous meetings. Ministers and negotiating teams from TPP member countries issued a report citing “significant progress” on comprehensive market access and other trade issues.
- **U.S. lawmakers want strong TPP protections for digital trade and cross-border data flows.** Fifty-five U.S. lawmakers from both the Democratic and Republican parties sent a letter to United States Trade Representative Michael Froman on October 31 urging him to ensure that the Trans-Pacific Partnership (TPP) includes binding commitments to protect digital products, services, and cross-border data flows. Vietnam, Singapore, and a few other TPP member countries are reportedly seeking exemption



Vice President of the National Assembly and the Cambodia National Rescue Party (CNRP) Kem Sokha (left) seated with Cambodian National Rescue Party president Sam Rainsy at a press conference. Sokha has sent a letter to Australia's ambassador to Cambodia asking for Canberra to reconsider its deal with Phnom Penh to resettle refugees in Cambodia. http://commons.wikimedia.org/wiki/File:CNRP_2014_press_conference.jpg



Secretary of State John Kerry and United States Trade Representative Michael Froman at an Asia-Pacific Economic Cooperation (APEC) press conference in Indonesia on October 5, 2013. Leaders and negotiating teams from the 12 Trans-Pacific Partnership negotiating countries met on the sidelines of the recent APEC summit in Beijing, but failed to conclude an agreement. <https://www.flickr.com/photos/apec2013/10096007236/in/photostream/>



from parts of the e-commerce section that would require governments to observe the free flow of data over the Internet.

LAOS

- **Proposed law to permit land sales to foreigners.** Laos's Ministry of Natural Resources and Environment is drafting an amendment that will allow non-Lao citizens to purchase land for the first time, according to an October 30 Radio Free Asia article. The announcement has raised concerns domestically over potential loss of sovereignty to foreign entities and giving privileges to foreigners that Lao, who cannot own land, do not have. The ministry is expected to draft the amendment for review by government officials by the end of November.
- **Xayaburi dam nearly half completed.** Prasert Marittanaporn, senior vice president of the Thai construction firm Ch. Karnchang, said October 30 that construction of the Xayaburi dam in Laos is 45 percent complete. The controversial \$3.8 billion project being built on Laos's section of the mainstream Mekong River has met strong resistance from fellow Mekong River Commission members Cambodia, Thailand, and Vietnam as it is expected negatively affect downstream communities.
- **ADB provides loan for rural development in Laos.** Vice Minister of Finance Thipphakone Chanthavongsa and Asian Development Bank country director Sandra Nicoll on October 27 signed an agreement under which the bank will provide a \$43.6 million loan to Laos. The loan will go toward improving infrastructure in rural areas with the objective of generating revenue by opening new locations for tourism within the country.



The site of the Xayaburi dam at the beginning of its construction in 2012. The dam is nearly half complete, according to the Thai firm tasked with its construction. <https://www.flickr.com/photos/internationalrivers/8159583340/>

TIMOR-LESTE

- **World Bank contractor arrested for money laundering.** Authorities in Dili on October 18 arrested a Portuguese national at Nicolau Lobato International Airport on suspicion of money laundering. A firm owned by the suspect currently has a contract with the International Finance Corporation, part of the World Bank Group. The suspect aroused suspicion when he transferred \$800,000 from his accounts in Timor-Leste to accounts held abroad shortly before attempting to depart the country. Money laundering in Timor-Leste is punishable by 4-12 years in prison.
- **Timor-Leste kicks out foreign judges over ConocoPhillips tax dispute.** The Timor-Leste National Parliament on October 24 fired the 11 foreign judges and prosecutors working in the country's justice system. The

mass firing came in reaction to a court ruling in favor of U.S. oil and gas producer ConocoPhillips in a dispute over \$236 million in tax assessments. Until their firing, foreigners accounted for nearly 12 percent of all judges in Timor-Leste and were key in the training of new Timorese magistrates.

- **Australia, Timor-Leste restart talks on maritime boundary.** Timor-Leste's National Parliament on October 24 authorized the "immediate commencement of negotiations" with Australia to establish a new maritime boundary between the two countries in the Timor Sea. The current boundary was negotiated during the Indonesian occupation of Timor-Leste and lies much closer to Timor-Leste than to Australia. A new boundary equidistant from both countries would add oil and gas reserves worth more than \$40 billion to Timor-Leste's maritime entitlement. Preliminary talks have already taken place between Australian and Timorese officials.

BRUNEI

- **Brunei government works with firm to promote aquaponics.** BfB, a Bruneian agrotechnology company, is working to introduce aquaponics to the small sultanate as a method for promoting food security and sustainable farming, as crops grown using this production system require no fertilizers and limited land to grow. BfB has partnered with several government agencies to work toward self-sustainability in the country. The collaboration comes after Sultan Bolkiah Hassanal's remarks at the UN Climate Summit in September in which he described his sustainability goals for Brunei including preservation of his country's rainforests. ■



Graffiti on the Australian Embassy in Timor-Leste highlights Timorese frustration with Australia over a long-running maritime dispute about oil and gas fields. Timor-Leste's Parliament recently authorized the reopening of negotiations with Australia in the hope of resolving the dispute. <https://www.flickr.com/photos/82992222@N05/13042424053>



Various greens grown at an aquaponic farm. Agrotechnology company BfB has partnered with Bruneian government agencies to promote aquaponics as a means to promote food security and sustainable farming in the sultanate. <https://www.flickr.com/photos/33406464@N05/8004220717/>

Looking Ahead

- **Building Inclusive Climate-Smart Resilience from the Ground Up.** The Elliot School of International Affairs at George Washington University will host Roger-Mark De Souza, director of population, environmental security, and resilience at the Wilson Center, on November 13 for a discussion on climate change realities in Myanmar. The event is part of the Myanmar Advanced Leadership Institute on Climate Change, which seeks to promote effective policies to address climate change. The event will take place from 5:30 p.m. to 7:30 p.m. in Lindner Commons-Room 602, 1957 E St., NW. [Click here](#) to RSVP.
- **U.S.-Myanmar Relations: The Significance of Obama's Visit.** The Carnegie Endowment for International Peace will host an event on November 18 to discuss President Obama's recent trip to Myanmar. Suzanne DiMaggio, a senior fellow and director at the New America Foundation, and Priscilla Clapp, senior adviser to the U.S. Institute of Peace and the Asia Society, will also discuss their findings from a recent trip to Myanmar. The event will be held from 10:00 a.m. to 12:00 p.m. at 1779 Massachusetts Ave. NW. [Click here](#) to RSVP.
- **Liberalization and Integration: Southeast Asia's Economic Prospect.** The Heritage Foundation's Asian Studies Center and the East-West Center will cohost an event on November 18 to discuss prospects for the ASEAN Community in 2015. A panel of speakers will focus on the economies of the Philippines, Thailand, and Vietnam specifically, and how they can avoid a slowdown of economic growth in the future. The event will take place from 10:00 a.m. to 11:30 a.m. in the Lehrman Auditorium, 214 Massachusetts Ave., NE. [Click here](#) to RSVP.
- **Lower Mekong Initiative: Advancing Development in Southeast Asia.** The Society for International Development will hold an event on November 18 to discuss the current priorities of the Lower Mekong Initiative, a multilateral partnership between Cambodia, Laos, Myanmar, Thailand, Vietnam, and the United States that addresses transnational development issues in the Mekong region. The talk will feature remarks by Matt Yarrington, lead officer of the Lower Mekong Initiative at the U.S. Department of State. The event will be held from 2:00 p.m. to 3:00 p.m. at 1101 15th St., NW. [Click here](#) to RSVP.
- **Cambodia: Media Use from Big Screen to Small.** The Broadcasting Board of Governors (BBG) and Gallup will cohost a research briefing on November 19 to discuss recent media trends in Cambodia. Speakers from BBG, Gallup, Radio Free Asia, and the International Broadcasting Bureau will share



their thoughts on topics such as the changing media landscape as a result of greater mobile-phone access and the highly politicized nature of the media in Cambodia. The event will be held from 9:00 a.m. to 10:00 a.m. at 901 F St., NW, Room 400. [Click here](#) to RSVP.

- **Readiness and Resilience: Lessons Learned One Year after Typhoon Haiyan.** The U.S.-Philippines Society, Embassy of the Philippines, and CSIS will cohost a conference on November 19 to discuss lessons learned one year after Typhoon Haiyan devastated the Philippines. The symposium will address responses to Haiyan, lessons learned, and new ways to strengthen disaster preparedness. Participants will include Philippine and U.S. government officials, nongovernmental organizations, first responders, and climate experts. The event will be held from 2:00 p.m. to 5:00 p.m. at CSIS, 1616 Rhode Island Ave., NW. For more information and to RSVP, [click here](#).
- **Strategic Asia book launch.** The National Bureau of Asian Research will host a launch event on December 2 for the latest volume in its Strategic Asia series, Strategic Asia 2014-15: U.S. Alliances and Partnerships at the Center of Global Power. Evan Medeiros, special assistant to President Obama and senior director for Asian affairs on the National Security Council, will give a keynote address. The event will take place from 8:00 a.m. to 12:30 p.m. at the Naval Heritage Center, U.S. Navy Memorial, 1957 E St., NW. [Click here](#) to RSVP. ■

SOUTHEAST ASIA FROM SCOTT CIRCLE

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