Obama’s Asia Trip: Go or No?

ERNEST BOWER

Ernest Bower is senior adviser and Sumitro Chair for Southeast Asia Studies at the Center for Strategic and International Studies in Washington, D.C.

October 3, 2013

The White House faces a fundamental dilemma today: Can President Barack Obama leave for his geopolitically vital Asia trip, planned to begin this Saturday, if the U.S. government is still shut down? The stakes are high. The president has already been forced to cancel two of the four stops planned, dropping Malaysia and the Philippines. The White House says the president will still visit Indonesia for the APEC Leaders Meeting and Brunei for the East Asia Summit and the U.S.-ASEAN Summit.

If Obama does not go to Asia at all, U.S. allies and partners in the region will worry that the United States is incapable of sustaining high-level engagement due to political paralysis at home. Others will read the decision to stay home as weakness. The former will cause hedging behavior by governments worried about U.S. staying power, and the latter may result in more aggressive postures by nations interested in exploring the limits of U.S. determination.

The president’s domestic political advisers will make the case that the trip is impossible if the government is still shut down this weekend. They will argue that he cannot leave the country while hundreds of thousands of government employees are furloughed, federal departments are shuttered, and spin doctors from the opposition are salivating for pictures of him landing in Bali. Obama's national security and foreign policy teams will not be able to challenge those points, but they will understand the unmistakable damage that canceling his entire trip would do to relationships with Asian partners and to the strategic trust that was hard-earned during the president’s first term.
Obama’s Asia Trip: Go or No? (continued)

Obama’s Asia trip is important. It will provide the opportunity to advance U.S. economic engagement in Asia through the Trans-Pacific Partnership (TPP) trade agreement, help promote peaceful resolution of maritime disputes in the South and East China Seas, and reassure Asian countries that he is investing real political capital in a sustainable and comprehensive U.S. engagement of the region.

The current plan has President Obama leaving Washington on October 5 and flying directly to Indonesia and then Brunei. In Indonesia, his visit will be confined to Bali for the October 7–8 Asia Pacific Economic Cooperation (APEC) Leaders Meeting. He will conduct some bilateral meetings on the sidelines of APEC, but the main headline will be whether he and the leaders of the other 11 countries negotiating the TPP can announce that they have substantially completed their negotiations and are close to an agreement. It seems unlikely, but political commitment by the leaders could bring an agreement closer to the finish line in Bali.

What is certain is that the TPP leaders will question, if Obama is not present, whether he will have the commitment and political capital to get the TPP ratified even if they reach an agreement.

In Brunei on October 9–10, the focus will be on the East Asia Summit (EAS) and the fourth U.S.-ASEAN Summit. By all accounts, Brunei has done a masterful job of managing its year as chairman of ASEAN. It has avoided the controversies Cambodia allowed last year and has ensured that no country can dominate or prevent discussion of key issues such as maritime disputes.

Headlines from Brunei will focus on discussions about (1) progress toward a code of conduct between ASEAN and China to manage disputes in the South China Sea and (2) the Regional Comprehensive Economic Partnership (RCEP). RCEP at this time includes all of the EAS members except the United States and Russia, which are not currently engaged in RCEP because all negotiating parties must have a free trade agreement with ASEAN.

If Obama is absent from the EAS, China will likely read weakness in the United States’ support for ASEAN. That will undermine the administration’s calls for the speedy conclusion of a code of conduct,
convincing Beijing that Washington is too distracted to back up ASEAN with anything but rhetoric. This could reinforce China’s preference for a more aggressive posture on sovereignty disputes whereby Beijing uses its economic heft and growing military capabilities to pressure smaller neighbors to resolve disputes bilaterally and in China’s favor.

In his first term, Obama laid out a strong vision of ASEAN as the fulcrum of a developing regional security and trade architecture to define the Indo-Pacific in the twenty-first century. This approach invested the United States in ASEAN-centric structures like the EAS, identifying them as important regional frameworks for trade and security. It signaled a U.S. commitment to help those structures attain sufficient geostrategic and commercial weight to convince all countries, including China and India, to sit at the same table and collectively make and follow the rules that will define security and commerce.

A strong, integrated ASEAN is foundational for U.S. strategy in the Indo-Pacific. The United States is therefore seeking to deepen its engagement with the grouping and work with other partners to strengthen ASEAN. At the same time, it continues to elevate its relationships with treaty allies in Asia—Australia, Japan, the Philippines, South Korea, and Thailand—and expand ties with partners such as Indonesia, Malaysia, Singapore, and Vietnam. Obama’s visits to Indonesia and Brunei will help further all of those goals.

If the president is unable to travel to Asia, he will have to decide whether to deploy Vice President Joseph Biden. Unfortunately, Biden is an important, and probably essential, channel to Congress based on his many years as a senator. Secretary of State John Kerry has already been tapped to lead the U.S. delegations to Malaysia and the Philippines following Obama’s cancellation, and he will accompany the president to Bali and Brunei. U.S. Trade Representative Michael Froman will also be in Bali and will join Kerry in Malaysia along with Commerce Secretary Penny Pritzker. Kerry would be allowed to join the leaders’ meetings at APEC and the EAS, but he would not have the standing of the heads of state or government present. The signal of U.S. political distraction would be unmistakable.

Political reality may dictate that President Obama cannot travel to Asia in October. If so, the United States will need to recover its position over time, but the damage will have been done.
INDONESIA

- **Rupiah hits new low despite Fed announcement.** Indonesia’s currency, the rupiah, hit a four-and-a-half-year low of 11,660 to the dollar in early trading on September 30, before rebounding slightly to 11,580. The currency has lost about 15 percent of its value since the end of June, and the recent slide comes despite a September 18 announcement by the U.S. Federal Reserve that it would not cut back its bond buying program. That announcement sent foreign investors pouring back into other emerging markets, but Indonesia has largely been left out. The rupiah’s poor performance has also driven up domestic fuel prices, prompting Jakarta to consider rolling back subsidy cuts it passed in June.

- **Indonesia takes Australia to the World Trade Organization for cigarette packaging.** The World Trade Organization (WTO) reported on September 20 that Indonesia has become the fifth country to formally file for consultations with Australia over the latter’s cigarette packaging regulations. Australia requires that tobacco products be sold with plain packaging containing a standard typeface and grotesque images of diseased smokers. Should Indonesia win its case, it would be allowed under WTO regulations to impose retaliatory trade measures against Australia.

- **Pramono open to running as Jokowi’s vice president.** Former army chief of staff Pramono Edhie Wibowo told the *Jakarta Globe* on September 17 that if elected as the Democratic Party’s presidential candidate for 2014, he would welcome the chance to run for vice president on a ticket with Jakarta governor Joko Widodo, known as Jokowi. Democratic Party officials have said their party convention aims to produce a presidential candidate, not a vice president, but polls suggest none of the 11 contenders for the nomination will garner much support compared to front-runners Jokowi and former general Prabowo Subianto.

- **Indonesia approves 22 new ambassadors, including to Washington.** Indonesia’s parliament confirmed Budi Bowoleksono as the new ambassador to the United States on September 18. Lawmakers also confirmed 21 other new ambassadors, including to Germany, the Philippines, and Myanmar. Budi will replace Dino Patti Djalal, who resigned as ambassador to return to Indonesia and compete to become the Democratic Party’s candidate for the 2014 presidential election. Budi previously served as secretary general of the Foreign Ministry and as ambassador to Kenya and other African countries.
MYANMAR

• Myanmar allows greater access for UN nuclear inspections. Foreign Minister Wunna Maung Lwin on September 17 signed an agreement with International Atomic Energy Agency (IAEA) director general Yukiya Amano to allow the agency to inspect Myanmar’s nuclear facilities. The agreement, formally known as the United Nations’ Additional Protocol on nuclear safeguards, was signed on the sidelines of the IAEA’s annual member state meeting. Myanmar is a party to the Treaty on the Nonproliferation of Nuclear Weapons but has not signed similar treaties on chemical and biological weapons.

• U.S. State-Treasury delegation visits Myanmar to discuss sanctions. A joint delegation from the U.S. Department of State and the U.S. Department of the Treasury visited Myanmar from September 23 to 26 to discuss the impact of the U.S. sanctions policy. The delegation was led by Peter Harrell, deputy assistant secretary of state for counter threat finance and sanctions, and David Mortlock, deputy coordinator for sanctions policy at the Treasury. Officials discussed the Treasury Department’s Specially Designated Nationals list, which prohibits U.S. companies from working with many of Myanmar’s most prominent business groups, according to the Myanmar Times.

• Ministry of Energy allows companies to name profit-sharing terms. Aung Kyaw Htoo, deputy director of the production planning section of Myanmar’s Ministry of Energy, said on September 1 that international oil and gas companies bidding for exploration licenses are allowed to name their own terms for profit sharing. He presented a detailed outline of the bidding process to potential investors and contractors at the Myanmar Oil and Gas Conference in Yangon. The government’s original profit-sharing terms, which gave private companies a maximum of only 40 percent of profits for most projects and 45 percent for offshore projects, were considered too tough by many companies.

• World Bank approves loan for power plant project. The World Bank announced on September 25 that it will provide a $140 million loan to Myanmar to upgrade a gas-fired power plant in Mon state. The interest-free loan will be used to refurbish the aging plant, increasing its generating capacity by 250 percent. The plant will meet 50 percent of peak electricity demand in Mon state and 5 percent of peak demand in all of Myanmar, according to the bank. The World Bank forgave Myanmar $440 million in unpaid debt in January.
• Jimmy Carter and Elders visit Myanmar, call for end to violence. Former U.S. president Jimmy Carter, former Finnish president Martti Ahtisaari, and former Norwegian prime minister Gro Harlem Brundtland visited Myanmar from September 24 to 26 to call for an end to violence against the country’s minority Muslim population and its ethnic minority groups. The three ex-heads of state are part of The Elders, a group formed by South Africa’s former president Nelson Mandela in 2007 to promote peace and human rights. They met with President Thein Sein, religious leaders, civil society groups, and representatives of ethnic minorities.

MALAYSIA

• Najib, Muhyiddin will not be challenged at party elections. Nominations for the October 19 leadership elections of the ruling United Malays National Organization (UMNO) closed September 21, with no one challenging party president Najib Razak or deputy president Muhyiddin Yassin. Speculation had earlier swirled that Najib would be challenged for the leadership post following the ruling coalition’s weak showing in the May national elections. With the top leadership secure, attention has shifted to the six men, including former prime minister Mahathir Mohamad’s son Mukhriz Mahathir, vying for UMNO’s three vice presidential spots.

• Government proposes indefinite detention law. Home Minister Zahid Hamidi defended proposed legislation in Parliament on September 30 that would allow the government to permanently detain criminal suspects without charges. The proposed amendments to Malaysia’s Crime Prevention Act would allow for two years of detention without trial, renewable indefinitely. Officials argue that the legislation is necessary to prevent crime, but critics charge that the government is backtracking on reform promises by reinstating the worst provisions of the Internal Security Act, which was repealed in 2012.

• Malaysia’s launches $100 million clean energy tech fund. Prime Minister Najib Razak on September 23 announced the creation of a $100 million fund, in cooperation with Japan’s Asian Energy Investments Pte Ltd, to accelerate the development and manufacturing of green technologies in Malaysia. He unveiled the new fund during a meeting with sustainable development experts in San Francisco. The fund is also tasked with finding alternative sources for the creation of biodiesel in Malaysia, which has lagged behind government expectations. Malaysia hopes to reduce its carbon emissions by 40 percent by 2020.
Najib tells United Nations moderation will marginalize extremists. Prime Minister Najib Razak argued for the Islamic world to embrace moderation and thwart the growing threat of extremism worldwide during a September 28 speech at the UN General Assembly in New York. Najib argued that the benefits of moderation are not limited to religion and pointed to ASEAN’s commitment to a peaceful settlement of territorial disputes as an example of how moderation should be used at the regional level.

PHILIPPINES

Justice department files corruption cases against veteran senators. The Philippine Justice Department filed major corruption complaints against veteran senators Juan Ponce Enrile, Ramon Revilla Jr., and Jinggoy Estrada, along with 35 others, on September 16. The complaints follow a public outcry over the alleged misuse of more than $227 million from the Priority Development Assistance Fund. The fund, also known as “pork barrel” spending, allows lawmakers to allocate money directly to local development projects. The Justice Department has recommended the three senators, along with two former members of the House of Representatives, be charged with plunder.

U.S. gives six patrol boats for counterterrorism. The United States’ military said on September 25 that it will give the Philippines six patrol boats to be used in restive Mindanao province, where Muslim militants remain active. Philippine Navy chief Vice Admiral Jose Olano said that the six small-unit riverine craft (SURCs) are part of a U.S. program to train and equip troops for counterterrorism efforts. The SURCs, which cost a total of $12 million, can carry 14 fully armed marines and six crew members.

Landslides, floods hit northern Philippines. Torrential rains from Typhoon Usagi hit the northwestern Philippines on September 21, causing destructive landslides that have killed 20 people and left perhaps 7 others missing. The Subic Bay area reported nearly 20 inches of rain in 36 hours, while the coastal town of Iba was hit by 16 inches of rain in 24 hours, according to Weather.com meteorologist Nick Wiltgen. The typhoon hit landfall in China next, where it killed 25 people in the southern province of Guangdong.

Zamboanga standoff between Moro militants and government ends. Defense Secretary Voltaire Gazmin announced on September 28 that the three-week standoff between government troops and a splinter group from the Moro National Liberation Front (MNLF) had ended. The clashes in Zamboanga, which began on September 9, killed more than 200 people,
including 166 members of the MNLF. All 195 hostages had escaped, been rescued, or were freed. Only a handful of MNLF rebels remain in hiding in the coastal outskirts of Zamboanga, according to Gazmin.

VIETNAM

- **VietJetAir orders 62 Airbus jets.** Airbus announced on September 25 that low-cost carrier VietJetAir intends to purchase $6.1 billion worth of A320 single-aisle aircraft. The jets will be delivered over the course of several years. VietJetAir is a private airline that began operations in 2011. The company is expanding after capturing a segment of the growing budget flight market in Southeast Asia and now serves 11 cities in Vietnam as well as Bangkok.

- **Dung visits France, agrees to strategic partnership.** Prime Minister Nguyen Tan Dung and his French counterpart, Jean-Marc Ayrault, agreed on September 25 to form a strategic partnership between their two countries. Dung was in France for three days, during which he also met with President François Hollande and presided over the opening of the new Vietnamese Embassy in Paris. Dung signed eight agreements with French officials and agreed to boost cooperation in areas such as defense cooperation, economics, and trade as part of the new partnership.

- **Drinking water in Hanoi at risk of arsenic contamination.** Researchers from the Lamont-Doherty Earth Observatory at Columbia University said September 11 that arsenic is seeping into a major drinking-water aquifer that serves Hanoi. The contamination is caused by the overpumping of private wells, draining clean aquifers and drawing water from arsenic-contaminated sources. Arsenic contamination is a slow process and researchers say city authorities have time to develop solutions. Arsenic naturally occurs as part of the geochemistry of the ground sediments around Hanoi.

- **Humane Society International launches campaign to stop illegal rhino trade.** The Humane Society announced September 16 that it is launching a public education campaign in partnership with the Vietnamese government to debunk the myth that rhino horns have medicinal qualities. Belief in the horns’ restorative powers is a major driver of ivory smuggling in Vietnam. The new campaign builds on a 2012 agreement between Vietnamese minister of agriculture Cao Duc Phat and South African minister of water and environment Edna Molewa to cooperate on efforts to stop the illegal trade.
THAILAND

- **Thailand’s military reshuffle takes effect.** Thailand’s annual military reshuffle took effect on October 1, with Prime Minister Yingluck Shinawatra overseeing the process as defense minister for the first time. The shake-up involved 861 senior military reassignments, making it the largest reshuffle in Thai history. Notably, General Nipat Thonglek, a confidant of former prime minister Thaksin Shinawatra, was promoted from deputy permanent secretary of defense to permanent secretary. General Udomdet Setabutr was also promoted, from army chief of staff to deputy army chief, and is likely to succeed Army Chief General Prayuth Chan-ocha when he retires in 2014.

- **Thailand lobbies for spot on the UN Security Council.** Thailand’s delegation and permanent representative to the United Nations hosted a reception in New York on September 30 to officially announce the country’s application for a non-permanent position on the UN Security Council in 2017–2018. Thailand previously served as a non-permanent member in 1985–1986. The country’s theme for this year’s proposal is to act as a bridge between developed and developing members of the United Nations. The Foreign Ministry has mapped out a strategy for its campaign, hoping to reach out to other countries bilaterally and multilaterally for support.

- **Authorities in no rush to consider separatists’ demands.** National Security Council secretary general Lt. Gen. Paradorn Pattanatabut said on September 17 that Thailand’s government is in no rush to review demands by the Barisan Revolusi Nasional (BRN), a southern insurgent group currently engaged in peace negotiations with Bangkok. Army Chief Gen. Prayuth Chan-ocha backed the decision, citing a lack of local support for BRN’s demands for a special administrative zone in Thailand’s three southern provinces. The two sides will resume negotiations on October 20 after a hiatus for the Muslim holy month of Ramadan.

- **Flagship petroleum company looks to North America and Myanmar.** PTT Exploration and Production (PTTEP), Thailand’s largest petroleum company, is looking to invest in North America’s shale gas and Myanmar’s deep-water resources as part of its plan to nearly double output by 2020, according to a September 25 Wall Street Journal article. PTTEP also spent $2.2 billion in 2012 to purchase 8.5 percent of Mozambique’s vast natural-gas field. The company’s total investment expenditures from 2013 to 2017 are likely to total about $27.5 billion in order to reach its goal of producing 500,000 barrels of oil equivalent per day by 2020.
CAMBODIA

- **Opposition leader ready to talk as Hun Sen convenes Parliament.** Opposition leader Sam Rainsy said on September 26 that his Cambodian National Rescue Party (CNRP) is prepared to negotiate with Prime Minister Hun Sen’s Cambodia People’s Party (CPP) to end a boycott of Parliament. CPP lawmakers opened the first session of Parliament on September 23 despite the CNRP’s absence and formed a new government, a move the opposition decried as unconstitutional. Rainsy said the CNRP would be open to ending the boycott if the government immediately implements certain reforms, including halting deforestation and the granting of land concessions.

- **Hun Sen announces moratorium on land appropriations.** Prime Minister Hun Sen on September 30 announced a moratorium on the appropriation of rural land under a controversial program designed to expand agricultural exports by promoting large-scale farming. The moratorium will not apply to land already seized. The announcement is part of the government’s new five-year political platform, which seeks to address popular grievances that led to the ruling party’s surprisingly narrow and contested victory in July elections. Activists have expressed doubt that Hun Sen will follow through.

- **At least 30 killed amid severe flooding.** Heavy monsoon rains since September 17 have caused the Mekong River to overflow its banks, leading to severe flooding in Cambodia, with Stung Treng, Kratie, and Kampong Cham provinces most affected. At least 30 have died, and thousands have been forced from their homes. The floods are expected to severely damage crops and infrastructure. Officials worry the floods might rival those of 1996, which killed 59 Cambodians and caused widespread destruction.

- **Reporters Without Borders alleges journalists attacked during protest.** Seven journalists covering peaceful protests in Phnom Penh on September 22 were targeted by a group of men working with police to break up the crowds with clubs and other weapons, according to a September 26 statement from Reporters Without Borders. The organization condemned Cambodian authorities for using civilians to maintain order during the demonstrations against the results of July elections and for attacking easily identifiable journalists. Reporters Without Borders ranked Cambodia 143rd out of 179 countries in its 2013 Press Freedom Index.

- **United Nations secures loan to pay striking staff of Khmer Rouge tribunal.** The United Nations received a $1.15 million loan supplied by international donors to pay the staff of the Extraordinary Chambers in the...
Courts of Cambodia, the Cambodian-run tribunal for former Khmer Rouge officials. The tribunal staff have been on strike since the beginning of September and have gone without pay since June. The tribunal has been chronically underfunded since being commissioned in 2006, and it still lacks $1.8 million to fund operations through December.

**SINGAPORE**

- **Government implements hiring rules favoring locals.** The government of Singapore announced on September 23 that it will implement two new measures in 2014 to combat discriminatory hiring of foreigners. The government will raise workers’ minimum monthly compensation by nearly $250, according to a *Wall Street Journal* report. It will also require companies with more than 25 employees to advertise vacancies on a government-run Web site for a minimum of two weeks before hiring foreign workers. Singapore’s foreign-born population has exploded in recent years, driving economic growth but also raising tensions with native Singaporeans.

- **Government allocates $40 million to lure venture capital firms.** Deputy Prime Minister Teo Chee Hean announced at a TechVenture conference on September 25 that the government had set aside $40 million to encourage venture capital firms to invest in early stage companies. The funds will be made available through the National Research Foundation, which will use the money to match dollar for dollar any investment from a venture capital firm in an early stage company, allowing such companies access to a wider range of expertise.

- **Singapore casino visits, profits drop.** The average number of Singaporean citizens visiting the city-state’s two casinos each day has dropped by 3,000 since 2010, according to the annual report of the Casino Regulatory Authority of Singapore released on September 25. The report also indicated that profits at the casinos have dropped more than $40 million since they opened in 2010, and that 92.3 percent of the local adult population has never visited either casino. Singapore maintains borrowing caps at casinos and extra fees for locals in order to curb excessive gambling by citizens.

- **Singapore considers underground expansion.** Minister for national development Khaw Boon Wan is considering the development of an underground city complete with public transportation and shopping malls, according to a September 25 report in the *New York Times*. The expansion would continue the trend of the
crowded city-state of moving facilities underground to save space. A 150-acre underground oil plant is currently under construction, and plans for an underground science city with 40 interconnected caverns are under way.

TRANSPACIFICPARTNERSHIP

- **Negotiators wrap up latest round of TPP negotiations.** Negotiators from the 12 Trans-Pacific Partnership countries ended four days of talks in Washington on September 21. The Office of the United States Trade Representative said that progress was made toward conclusion of several chapters, including customs, telecommunications, and labor. Negotiators also discussed thorny outstanding issues such as market access, government procurement, and state-owned enterprises. U.S Trade Representative Michael Froman and fellow officials will hold the next round of talks on the sidelines of the October 7–8 APEC Leaders Meeting in Bali.

- **United States, Japan hold second round of bilateral negotiations.** The United States and Japan wrapped up two days of bilateral talks on Trans-Pacific Partnership–related issues in Tokyo on October 1. The talks took place behind closed doors, but the United States was expected to urge Japan to soften automobile safety and environmental standards, which serve as significant non-tariff barriers to U.S. exports. Tariff and non-tariff barriers in the automotive and agriculture sectors remain the most contentious points on both sides. The two countries held a previous round of bilateral negotiations in August.

- **U.S. senators push for provisions against currency manipulation.** Sixty U.S. senators sent a letter to U.S. Trade Representative Michael Froman and Treasury Secretary Jack Lew on September 24 urging the administration of President Barack Obama to ensure that the Trans-Pacific Partnership includes protections against currency manipulation. The call for such provisions has grown louder since Japan joined negotiations. Legislators accuse Japan of devaluing its currency in the past to give its own industries an advantage over foreign competition.

ASEAN

- **ASEAN Energy Ministers meet in Bali.** ASEAN’s energy ministers met in Bali on September 25 for a three-day conference to discuss ways to enhance energy cooperation and efficiency within the region. Officials signed a 10-year extension to their agreement to construct the Trans-ASEAN Gas Pipeline. They also amended the agreement to establish an ASEAN Center of Energy. Greenpeace presented a report during the
A train running from Beijing to Lhasa, Tibet. China is in consultations on a plan to link China and ASEAN by rail, which China’s new ambassador to Thailand says is one of four major projects that China will be pushing in the region. http://www.flickr.com/photos/35678925@N06/3855669244/

meeting showing that 28 percent of Southeast Asia’s population still has no access to electricity, but arguing that renewables could deliver more than 70 percent of the region’s energy needs by 2050 with proper planning and implementation.

- ASEAN soon to be China’s second-largest trading partner. The deputy director general of China’s Ministry of Commerce, Liang Wentao, said on September 23 that ASEAN could surpass the United States as China’s second-largest trading partner within three to five years. He said that trading volume between China and the United States is only around $50 billion more than that between China and ASEAN, while the latter is growing by about 5 percent more year on year than the former. The European Union is currently China’s largest trading partner.

- UNCTAD publishes review of ASEAN e-commerce laws. The United Nations Conference on Trade and Development (UNCTAD) published a report on September 25 reviewing ASEAN’s e-commerce legislation. The report found that ASEAN as a whole has made significant progress in securing electronic transactions and dealing with cybercrime issues. But data protection and privacy laws lack a regionally binding legal framework, which is important as ASEAN moves toward a single production market. The report cited several barriers to harmonizing e-commerce laws, including a lack of coordination between different ministries involved in e-commerce and weak enforcement institutions.

- China-ASEAN rail link one of China’s regional priorities. China’s new ambassador to Thailand, Ning Fukui, said on September 25 that the China-ASEAN rail link is one of four major projects that China will push in the region. The three other projects on China’s agenda are education, water management, and new energy. China and ASEAN aim to boost their trade value from $400 billion in 2012 to $1 trillion by 2020 through increased connectivity. The rail link is currently in the consultation stages, according to the ambassador.

- Brunei completes mid-term review of ASEAN Socio-Cultural Community. Brunei completed the mid-term review of the ASEAN Socio-Cultural Community (ASSC) blueprint in late September, ahead of schedule for the October 9–10 ASEAN Summit. The ASSC is one of the three pillars, along with the economic and political-security pillars, of the ASEAN Community that the group hopes to implement by the end of 2015. Brunei’s review revealed that ASEAN has completed more than 86 percent of the ASSC blueprint’s 339 action lines.
LAOS

• **Southern Laos devastated by floods, landslides.** Repeated cycles of continuous rainfall since June have caused southern Laos to suffer the worst flash flooding and landslides to hit the country in decades. The United Nations estimates that heavy flooding has seriously affected 64,000 people in four southern provinces, with some areas underwater for more than a week. Shortages of food and potable water are a growing concern, as are water-borne diseases. More than a million people in Cambodia, Laos, and Thailand have been affected by the rains.

• **President visits China.** Lao president Choummaly Sayasone met with China’s president Xi Jinping and premier Li Keqiang in Beijing between September 26 and 30 to discuss cementing Chinese-Lao partnerships and improving Beijing’s relations with ASEAN. Li emphasized that China is pursuing friendly relations with ASEAN and hopes to upgrade the China-ASEAN Free Trade Area. Choummaly, meanwhile, called for China and Laos to speed up work on railway projects in his country.

• **Government to accept new mining investment bids in 2015.** The Lao government expects to begin receiving new mining investment proposals in 2015 following a freeze that began in May 2012, according to a September 23 *Vientiane Times* report. Vientiane ordered the suspension of new land concessions for mining to allow the government to assess the social impact of existing projects. Required inspections of 67 mining projects are nearly complete. Meanwhile, licenses will continue to be distributed to projects deemed essential, such as coal mining.

• **Casino operator seeks international arbitration after seizure of Vientiane business.** Macao-based Sanum Investment Ltd has filed complaints with the World Bank arguing that the Lao government broke treaties protecting foreign investments when it seized control of one of Sanum’s Vientiane properties in 2012 and added a retroactive tax of $23 million, the *Bangkok Post* reported on September 23. But Sanum continues to seek opportunities in Laos. It has approached the Vientiane city government about investing millions of dollars to expand the capital’s airport in order to entice more Chinese tourists.

SOUTH CHINA SEA

• **Manila assembles legal team for UN tribunal.** The Philippines has assembled an international legal team for its UN arbitration case against China’s claims in the South China Sea, according to a September 27 Reuters report. The team includes Washington-based Foley Hoag lawyer
Paul Reichler as lead counsel, British law professors Philippe Sands and Alan Boyle, and Bernard Oxman from the University of Miami’s law school. The team, which is managed by the Philippines’ solicitor general Francis Jardeleza, is being lauded by independent legal experts as “formidable.”

- **Chinese officials say looting rampant in the South China Sea.** China’s news agency Xinhua reported on September 24 that looters scouring more than 100 relic sites in the South China Sea are now stealing larger artifacts, such as rock anchors and cannons from shipwrecks, instead of smaller treasures such as porcelain. Chinese officials say that existing maritime patrols are not equipped to stop the looting. Provincial authorities purchased their own boat in an effort to protect the ancient artifacts, but the sizes of the underwater treasures prove challenging for the smaller boat.

**APEC**

- **Security measures increased in Bali in anticipation of APEC summits.** Indonesian security forces have increased their presence in Bali in preparation for the arrival of heads of state, business leaders, and press for the October 5–7 APEC CEO Summit and October 7–8 APEC Leaders Meeting. The summits will be held in the resort district of Nusa Dua, but security measures have been put in place throughout the island. Vulnerable locations such as ports have been identified for additional security attention.

- **APEC ministers push infrastructure investment to combat economic slump.** APEC finance ministers on September 20 agreed to facilitate more investment in infrastructure, especially in emerging markets, to combat a potential global economic slowdown. The ministers are also expected to propose a public-private partnership pilot project at the October 7–8 APEC Leaders Meeting in Bali to stimulate infrastructure investment in Indonesia. Jakarta, the 2013 APEC chair, has led the push for greater infrastructure investment, highlighting the issue at recent G20 meetings.

**TIMOR-LESTE**

- **Prime minister announces plans to rebuild infrastructure, attract foreign investment.** Prime Minister Xanana Gusmão announced on September 22 that the Timor-Leste Petroleum Fund, which totals more than $13 billion, will be used to upgrade nearly 2,000 miles of roads and develop two new ports in the country. Timor-Leste’s government has committed the country to a 20-year development plan that aims to move it from a least-developed to a middle-income nation.
• Lunch seminar on conflict resolution in Myanmar. George Mason University will host a lunch discussion on October 8 on peacemaking perspectives in Myanmar. Tatsushi Arai, a fellow at the Center for Peacemaking Practice, will be the event’s main speaker. He is currently writing on the role of religious communities and interethnic relations in Myanmar’s democratic transition and nation building. The event will be held from 12:00 p.m. to 2:00 p.m. at George Mason University, School for Conflict Analysis and Resolution, Room 5183, Metropolitan Building, 3434 Wilson Blvd., Arlington, VA. Click here for more information.

• Discussion on aid dependence in Cambodia. The East-West Center will host the U.S. Naval Postgraduate School’s Sophal Ear on October 9 for a discussion on how foreign aid has distorted Cambodia’s incentives for sustainable development. Ear recently published Aid Dependence in Cambodia: How Foreign Assistance Undermines Democracy. He is an assistant professor of national security affairs, teaching political economy and post-conflict reconstruction. The event will be held from 10:30 a.m. to 12:00 p.m. at the East-West Center, 1819 L St., NW, Sixth Floor Conference Room. Click here to RSVP.

• Conference on emergency preparedness in the Asia Pacific. Banyan Analytics and the Mike and Maureen Mansfield Foundation will cohost an event on October 9 on the status of emergency preparedness in the Asia Pacific. Speakers will include Paul Stockton, former assistant secretary of defense for homeland defense and Americas’ security affairs, and Kurt Campbell, former assistant secretary of state for East Asian and Pacific affairs. The event will be held from 9:00 a.m. to 4:00 p.m. at the Capital Hilton, Congressional Room, 1001 16th St., NW. Click here to RSVP.

• CSIS event on governance in Asia. CSIS’s Hills Program on Governance will host an event on October 10 on governance and public service delivery in Asia. The event will feature Chanyong Rhee, chief economist at the Asian Development Bank, who will discuss the role that rule of law, regulatory quality, government effectiveness, control of corruption, and political stability have played in Asia’s economic development. The event will be held from 3:30 p.m. to 5:00 p.m. at CSIS’s new headquarters, 1616 Rhode Island Ave., NW, Room C114. Please RSVP to HillsGovernance@csis.org or (202) 457-8730.

• Screening of Australian film The Rocket, set in Laos. The National Geographic Society and the Embassy of Australia will cohost a premier
screening of *The Rocket* on October 22. The 2013 Australian movie is one of the first feature films for international release set and shot in Laos. It tells the story of Ahlo, a boy who is believed to bring bad luck, and his attempt to prove to his family that he is not cursed. The screening will be held at 7:30 p.m. at 1600 M St., NW. Tickets are $10. [Click here](#) to RSVP.

- **Rollout of report on subnational governance in Myanmar.** The Asia Foundation will present its new report on subnational governance in Myanmar’s border states on October 23. The foundation’s Matthew Arnold and governance specialist Hamish Nixon, two of the report’s authors, will outline its key findings. The time and location for the event are not yet confirmed, but more details will follow.

- **CSIS 2013 Global Security Forum.** The Center for Strategic and International Studies will host its 2013 Global Security Forum on November 5. The forum will address critical challenges facing the United States and global security with a keynote address from Secretary of Defense Chuck Hagel. Panels will include “A Simulated Crisis in East Asia.” The event will be held from 8:00 a.m. to 4:30 p.m. at CSIS’s new headquarters at 1616 Rhode Island Ave., NW. Registration is not yet open, but more details will follow. [Click here](#) for more information.