Vol 2 No 2 May 2013

# **INSIGHT SOUTHEAST ASIA**

#### Looking Eastwards From New Delhi

Uppatasanti Pagoda (Peace Pagoda) in Naypyitaw

Southeast Asia & Oceania Centre Bimonthly Newsletter



INSTITUTE FOR DEFENCE STUDIES AND ANALYSES

#### **Editor:**

Dr. Udai Bhanu Singh

**Editorial Team:** 

**Rahul Mishra** 

#### Southeast Asia and Oceania Centre

Institute for Defence Studies and Analyses

No. 1, Development Enclave, Rao Tula Ram Marg, Delhi Cantt, New Delhi – 110 010

Tel. (91-11)2671 7983,

Fax: (91-11)2615 4191

Email: southeastasia.centre@gmail.com

Website: http://www.idsa.in

### Contents

News Track India-ASEAN Brunei Cambodia Indonesia Laos Malaysia Myanmar Philippines Singapore Thailand Vietnam Australia New Zealand Fiji

#### **News Track**

### India-ASEAN

### INS Sudarshini returns after ASEAN expedition

Indian navy's sail training ship- INS Sudarshini returned to the Kochi port on March 25, 2013 after touring the Southeast Asian region for six months. The ship, which set sail from Kochi on September 15, visited nine countries in Southeast Asia on a commemorative voyage celebrating India's warm ties with the ASEAN countries. It traversed over 13,700 nautical miles with 121 days at sea during the voyage, which was a collaborative venture of Defence Ministry and External Affairs Ministry. India's Defence Minister A.K. Antony was at the pier at the Kochi base to receive the ship. The ports of call included Port Muara in Brunei, Sihanoukville in Cambodia, Padang, Bali and Manado in Indonesia, Port Klang in Malaysia, Sittwe in Myanmar, Cebu and Manila in Philippines, Singapore, Bangkok and Phuket in Thailand, and Da Nang in Vietnam.<sup>1</sup>

#### ASEAN Regional Forum Defense Officials' Dialogue held in Shanghai

On April 11, 2013, the ASEAN Regional Forum Defense Officials' Dialogue (ARF-DOD) was held in Shanghai. The dialogue was co-hosted by the defense ministries of China and Brunei, which is chairing ASEAN this year. The press release said nearly 60 representatives from ASEAN countries and 25 ARF member countries, including Russia, the United States, the Democratic People's Republic of Korea, Republic of Korea and Japan, as well as the ASEAN Secretariat, participated in the dialogue. ARF's contribution to the promotion of trustbuilding measures and precautionary diplomacy was much appreciated during the meeting.<sup>2</sup>

### Brunei

#### Brunei and Philippines to improve relations

In a meeting between Brunei's Sultan and Yang Di-Pertuan and the Philippine President Benigno Aquino III on April 16, 2013, the two countries agreed to deepen cooperation in various areas of development to boost bilateral and ASEAN relations. "As ASEAN Chair for this year, Brunei Darussalam will continue to work closely with the Philippines towards achieving concrete outcomes in economic growth and social progress and in promoting regional peace and stability," His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam said in his titah during a state luncheon hosted by Philippine President Benigno Aquino III at Malacanang Palace on April 16, 2013. His Majesty, who arrived at Ninoy Aquino International Airport on April 15, 2013, paid a two-day visit to the Philippines. His Majesty said he was very much impressed with the progress and development made by the Philippines since his last visit to the country in 2009. Brunei Darussalam also hosts more than 20,000

<sup>&</sup>lt;sup>1</sup> The Hindu Business Line, "INS Sudarshini returns after ASEAN tour", 25 mmarch, 2013, < http://www.thehindubusinessline.com/news/states/ins-sudarshini-returns-after-asean-tour/ article4547183.ece >

<sup>&</sup>lt;sup>2</sup> "ASEAN regional forum for defense officials held in Shanghai", Xinhua, 11 April, 2013, http:// news.xinhuanet.com/english/china/2013-04/11/c\_132301618.htm

Philippine citizens, who are making a significant contribution to Brunei Darussalam's development.<sup>3</sup>

### Cambodia

#### Russian business tycoon Sergei Polonsky seeks Russian Parliament's help

Protesting his imprisonment in Cambodia, Russian former billionaire Sergei Polonsky has appealed to the Russian parliament calling for assistance. The billionaire said that his case hasn't been heard by the Russian Foreign Ministry. Polonsky gave a written statement asking the State Duma's lawmakers to look into his case. Polonsky is the former head of the Mirax Group construction firm. He was detained together with two Russian companions by Cambodian police while celebrating New Year, in connection with an alleged attack on the six-man crew of a boat that had reportedly carried the Russians from an island to the mainland. The accusations have been denied by Polonsky's representatives.<sup>4</sup>

### Cambodia's trade volume ups 28 percent

According to the Cambodia's commerce ministry reports, Cambodia's import and export trade volume has reached US\$ 2.7 billion in the first two months of 2013, which 28 percent more as compared to the US\$ 2.1 billion in the same period in 2012. During the January-February period of 2013, the country had imported goods in the total value of US\$ 1.58 billion, up 37 percent. At the meantime, it had exported items in equivalent to US\$ 1.13 billion, up 18 percent. Main products Cambodia imported are garment and textile raw materials, petroleum, construction materials, automobiles and motorcycles, consuming items, food and soft drinks, pharmaceutical products and cosmetics, while it exported garments and footwear, rubber latex, milled rice, corn and cassava.<sup>5</sup>

# Documentary film on Cambodia- Thailand boundary dispute banned

Citing a 'threat to national security' the Thai government banned a documentary that examines recent political protests and a border spat with Cambodia. Nontawat Numbenchapol's documentary Boundary zeroes in on a soldier caught up in the 2011 "red shirt" protests that paralysed Bangkok and led to the deaths of almost 100 people, before following him to his hometown on the Thai-Cambodian border. The two countries have long been engaged in a row over the Preah Vihar temple in the Dângrêk mountains region. A series of skirmishes in April 2011 left 18 people dead and thousands of villagers displaced. The area is currently the subject of a UN International Court of Justice probe to decide its future. Numbenchapol's decision to flag up two of the most contentious flashpoints in his country's recent history has not gone down well

<sup>&</sup>lt;sup>3</sup> 'Brunei, Philippines to boost ties', The Brunei Times, 17 April, 2013, http://www.bt.com.bn/ news-national/2013/04/17/brunei-philippines-boost-ties

<sup>&</sup>lt;sup>4</sup> Ria Novosti, "Russian ex-billionaire jailed in Cambodia asks Duma for help", 22 March 2013, < http://en.ria.ru/crime/20130322/180185338.html >

<sup>&</sup>lt;sup>5</sup> NZ Week, "Cambodia's total trade worth 2.7 bln USD in first 2months, up 28 pct", 23 March 2013, < http://www.nzweek.com/business/cambodias-total-trade-worth-2-7-bln-usd-in-first-2-months-up-28-pct-55890/ >

with the Thai authorities, however. On 23 April, the Thai ministry of culture announced a countrywide ban on the film, which premiered at the Berlin film festival in February. Boundary's director said he was disappointed and surprised by the move.<sup>6</sup>

# Opposition calls for electoral reforms in Cambodia

Leading opposition party of Cambodia, Cambodia National Rescue Party has called for electoral reforms ahead of general elections in July, saying members of the national electoral committee are biased in favor of powerful Prime Minister Hun Sen. According to reports; several thousand supporters of the Cambodia National Rescue Party staged a peaceful rally in Phnom Penh on April 24, 2013. They also called for a review of voter registration lists, saying as many as 1 million people are missing. The National Election Committee says the lists are fine and its nine members are independent and do not need to be changed. The committee's members were named by the interior ministry and approved last year by Parliament, which the ruling party dominates.7

### Cambodia and Thailand to boost trade ties

On April 22, 2013, Cambodia and Thailand agreed to further promote

bilateral trade, investment and tourism despite ongoing border dispute, Cambodian Commerce. After the successful completion of fourth meeting of Cambodia-Thailand joint trade committee the leaders from both the countries reiterated that regardless of border conflict, Cambodia and Thailand are trying hard to boost trade relations. In 2012, bilateral trade was valued at 3.8 billion U.S. \$, up 40 percent year-on-year. Both sides also added that the process of economic integration in ASEAN, in particular tariff and non-tariff liberalization, trade facilitation measures as well as implementation of Cambodia-Thailand trade and investment plan of action 2012-2015 had contributed to the increase in bilateral trade. The meeting agreed that in order to facilitate tourists to visit the two countries, Cambodia and Thailand would promote public awareness on the implementation of Single Visa for Cambodia and Thailand. The two neighbors have had sporadic border conflicts over territorial dispute since the UNESCO approved Cambodia's Preah Vihear Temple as a World Heritage Site in 2008.8

### Indonesia

### Indonesia commemorates 50<sup>th</sup> anniversary of integration with West Papua

According to the media reports, West Papua will hold a series of event to commemorate the 50<sup>th</sup> anniversary of the integration with the Republic of Indonesia. West Papua officially

<sup>&</sup>lt;sup>6</sup> 'Thailand bans documentary about Thai-Cambodia dispute', The Guardian, 24 April, 2013, http://www.guardian.co.uk/film/2013/apr/24/thailand-bans-documentary-boundary

<sup>&</sup>lt;sup>7</sup> 'Cambodian opposition calls for reform ahead of July vote, saying election commission biased', The Washington Post, 24 April, 2013, http://www.washingtonpost.com/world/asia\_pacific/ cambodian-opposition-calls-for-reform-ahead-of-july-vote-saying-election-commissionbiased/2013/04/24/56aefa76-acad-11e2-9493-2ff3bf26c4b4\_story.html

<sup>&</sup>lt;sup>8</sup> New Zealand Week, "Cambodia, Thailand vow to boost trade ties despite border spat", 23 April, 2013, < http://www.nzweek.com/business/cambodia-thailand-vow-to-boost-trade-ties-despite-border-spat-61218/ >

integrated with Indonesia in May 1, 1963.The highlight of event is 176 kilometres of peace torch long march in Sorong, the capital of the West Papua Province. Celebrations are going to be held at a large scale in West Papua.<sup>9</sup>

### Indonesia lifts imports restrictions on horticulture

The Indonesian Government has decided to ease restrictions on imports of fruit and vegetables. The decision has been seen as a response to the complaint lodged by the United States to the World Trade Organisation that Indonesia was violating trade agreements. Interestingly, the decision also coincides with the visit of delegation of horticulture products' exporters from Australia. The statement from the Ministry of Trade says the products that are no longer regulated include garlic, chilli powder, cabbage, and several processed horticultural products.10

#### Indonesian President visits Myanmar

The Indonesian President Susilo Bambang Yudhoyono visited Myanmar, where the President of Myanmar Thein Sein hosted him. The countries signed Memoranda of Understanding (MoUs) and discussed bilateral trade. It has been agreed that Indonesia will invest in Myanmar's electrical power sector. A Memorandum in that regard has also been signed during the visit of Indonesian President. MoUs confirming Myanmar's intent to import chemical fertilizers and Indonesia's importing of rice from Myanmar was also signed. The Indonesian President was on a two-day visit to Myanmar ahead of attending an Asean summit in Brunei on April 24. The Myanmar president called for boosting bilateral cooperation in tourism, transportation, livestock and fishery, agriculture, energy and electricity sectors.<sup>11</sup>

#### Indonesian economy to grow at 6.5 percent in 2013 Indonesian economy to grow at 6.5 percent in 2013

According to the media reports, Indonesia is expecting its gross domestic product to expand 6.5 percent in 2013, despite a slowdown in the global economy. The acting finance minister of Indonesia Hatta Rajasa gave a statement in that regard. He estimated 2014 growth at 6.4-6.9 percent, due to increased economic activity during next year's general and presidential elections. The economy expanded 6.23 percent in 2012. Rajasa, who is also chief economic coordinating minister, said the G20 economy's budget deficit will dip to 1.5 percent in 2014, from 1.65 percent this year. The rupiah, emerging Asia's worst performing currency last year, is seen at 9,600-9,800 per dollar next year, around current levels.<sup>12</sup>

 <sup>&</sup>lt;sup>9</sup> Bernama, "Indonesia's West Papua to commemorate 50<sup>th</sup> integration anniversary", 29April, 2013, < http://www.bernama.com.my/bernama/v7/wn/newsworld.php?id=946107 >

<sup>&</sup>lt;sup>10</sup> ABC News, "Indonesia lifts horticulture imports after WTO challenge', 1 May, 2013, < http:// www.abc.net.au/news/2013-04-26/indonesia-lifts-import-quotas/4652930>

<sup>&</sup>lt;sup>11</sup> Bangkok Post, "Myanmar, Indonesia boost ties, trade", 24 April, 2013, < http:// www.bangkokpost.com/news/asia/346803/myanmar-indonesia-boost-ties-trade >

<sup>&</sup>lt;sup>12</sup> The Jakarta Globe, "Indonesia sees economic growth at 6.5 percent in 2013", 30 April 2013, < http://www.thejakartaglobe.com/business/indonesia-sees-economic-growth-at-6-5-percent-in-2013/ >

#### Laos

#### US Challenges Laos over social activist issue

The U.S. is challenging Laos over the disappearance of a prominent social activist that has put a rare spotlight on country's governance and human rights record. According to the reports, the Secretary of State John Kerry said the unexplained disappearance of Sombath Somphone 100 days ago and Laos' failure to provide significant information about his case is raising questions about the government's commitment to the rule of law and engaging responsibly with the world. Laos retains a one-party political system and is intolerant of dissent. Sombath's work in promoting social development was not overtly political. According to the reports, the US State department is monitoring the case of Moua Toua Ther, who reportedly is facing deportation from Thailand.<sup>13</sup>

### Laos and Cambodia for single visa policy

According to the reports, Laos is considering a single-visa scheme with its neighbours Thailand and Cambodia to promote balanced development in the sub-region. It has been reported that the Lao government will hold talks with Cambodia to learn from Phnom Penh's experience in this matter. A LaosThailand-Cambodia single visa was discussed during the Ayeyawady-Chao Phraya-Mekong Economic Co-operation Strategy (ACMECS) meeting last month in Laos.<sup>14</sup>

### Lao Economy Likely to Grow 7.7 percent in 2013;

According to the media reports, the Laotian economy is expected to have sustainable growth of around 7.7 percent in 2013 as resource based industries, manufacturing and services continue to generate solid growth. It was also noticed that Laos will continue to see solid growth in the next few years, building on the achievements of the last five years.

As a caution, however, it was added that that country will have to shift its focus from absolute growth to quality of growth to ensure that the increases will follow an inclusive and sustainable path.<sup>15</sup>



#### Malaysia Frees 32 Philippine Nationals

According to the Malaysian police, it has released 32-armed Filipinos arrested on suspicion of trying to join an incursion by Islamic militants in an eastern state. The arrested Filipinos would be deported back to the Philippines after investigators concluded they had no link with the ongoing incursion. More than 200 armed followers of a self-styled sultan landed in the state of Sabah on Borneo island in February, reviving a centuries-old land claim

<sup>&</sup>lt;sup>13</sup> Fox News, "US challenges Laos over missing activist", 25 March 2013, <http:// www.foxnews.com/politics/2013/03/25/us-challenges-laos-over-missing-activist/ >

<sup>&</sup>lt;sup>14</sup> Pnompenhpost.com, "Laos, Cambodia eye a single-visa policy" 22 March 2013, < http:// www.phnompenhpost.com/2013032264622/Business/laos-cambodia-eye-a-single-visapolicy.html >

<sup>&</sup>lt;sup>15</sup> "Laos economy to grow 7.7 percent in 2013", Prensa Latina, 12 April, 2013, http:// www.plenglish.com/index.php?option=com\_content&task=view&id=1303201&Itemid=1

by the long-defunct Sulu sultanate, once based in the southern Philippines. Fighting between the militants and security forces has killed at least 68 Filipinos and 10 Malaysian security personnel.<sup>16</sup>

# Arrest warrant issued against Hindarf leader in Malaysia;

Malaysian authorities issued an arrest warrant against Hindu Rights Action Force (Hindraf) leader P Uthayakumar, an ethnic Indian leader, who is contesting the next month's general elections, for failing to appear in a court hearing a sedition charge against him. He faces three years in jail or a fine if convicted on the charge. Uthayakumar, a candidate for the May 5 polls, said the warrant was issued despite submitting a medical certificate exempting him from court appearance from April 2 to May 17. Uthayakumar, who had been held under the controversial Internal Security Act after his group organised a massive antigovernment rally in 2007, was charged in the Kuala Lumpur Sessions Court on Dec 11, 2007, with publishing an alleged seditious letter on the 'Police Watch Malaysia' website addressed to then British prime minister Gordon Brown. Uttayakumar and Hindraf have also been in news lately after he and his brother Wayathamoorthy, who is the chairman of the group, publicly announced

diversion in their political views.<sup>17</sup>

### Malaysia's institutional strength appreciable, says IMF

The International Monetary Fund has appreciated Malaysia's institutional strength and has ranked Malaysia highly among developing countries for showing institutional strength, which covers areas such as political stability and better bureaucracy. The index measuring institutional strength ranges from zero to 100 with a higher score indicating strong political stability, better bureaucracy, fewer conflicts and less corruption. Malaysia scored in excess of 70, way ahead of Indonesia, India, the Philippines and scored even higher than China which also featured highly in the rankings, IMF said in its regional economic outlook for Asia and the Pacific. It said countries with greater political stability stemming from government unity, strong Parliament and popular support, as well as, less corruption and a better bureaucracy are more likely to resist the temptation to expand public spending during boom times. As a result, it would create more fiscal space for counter cyclical fiscal policies during downturns, the Washington-based agency said.

It added that distortive food and energy subsidies, which impose a direct fiscal cost of more than two per cent of Gross Domestic Product (GDP) per year in China, Indonesia, South Korea, Malaysia and South Asia, could be gradually phased out.<sup>18</sup>

<sup>&</sup>lt;sup>16</sup> "Malaysia frees 32 Filipinos held over incursion", AFP, 14 April, 2013, http://www.google.com/ hostednews/afp/article/ALeqM5joNKAOOCZkgslszDPVoLWijmrcUQ? docId=CNG.2d94e8527e6f80753342032988a9132f.2b1

<sup>&</sup>lt;sup>17</sup> The Indian Express, "Malaysia issues arrest warrant against ethnic Indian leader", 29 April 2013, < http://www.indianexpress.com/news/malaysia-issues-arrest-warrant-against-ethnicindian-leader/1109163/ >

<sup>&</sup>lt;sup>18</sup> The Sun Daily, "IMF gives Malaysia high marks in institutional strength", 29 April 2013, < http://www.thesundaily.my/news/683097 >

#### Prime Minister Najib signs deal with Hindarf

According to the media reports, the Malaysian Prime Minister Najib Razak has formed a pact with the Indian rights movement Hindraf after he signed a commitment to their demands to uplift the community, in a bid to cement the Indian support. In return, Hindraf threw its support behind the Barisan Nasional (BN) for the May 5 polls. Mr Najib signed a five-year blueprint in which he promised to address the issue that Indians who do not have identity cards, to look into the plight of former estate workers, and increase educational and job opportunities for the community. Hindraf had a rocky relationship with the government in the past, with its leaders detained under the Internal Security Act during former Abdullah Badawi's premier administration in 2008, following a government ban and police crackdown on the group. The ban was lifted recently. "Today marks a new relationship between BN and Hindraf," said its president P. Waythamoorthy. "We have decided to partner with BN for the sake of the future of the Indians in the country." His decision, however, was slammed by his brother, Uthayakumar, who accused him of "hijacking" the Hindraf movement, reported Malaysiakini news website. Mr Uthayakumar, who insists he is the de facto leader of Hindraf, said the movement's stance has not changed since

its formation in 2006. Hindraf still wields as much influence as it had in 2008.<sup>19</sup>

#### Myanmar

#### Thein Sein warns rioters:

President of Myanmar, Thein Sein warned the rioters saving that his government will use force, if necessary, to stop the ongoing deadly religious rioting in the country. Released on March 28, 2013, this was President Sein's first statement regarding the riots. Meanwhile the police announced that 42 people have been killed, 37 religious buildings and 1,227 houses have been damaged or destroyed, and 68 arrests have been made in the three affected regions since the recent unrest started on March 20. The violence began with rioting by Buddhists targeting minority Muslims in the central city of Meikhtila that drove about 12,000 people from their homes. It has spread to several towns in the Bago region, about 100 miles north of the country's biggest city, Yangon.<sup>20</sup>

#### US concerned over violence in Myanmar

The US has expressed concern over the ongoing violence in Myanmar, and asked the country to restore order and maintain peace. According to the reports, the US is urging Myanmar authorities to restore order and maintain peace in a manner that respects human rights and due processes of law, and to provide all necessary assistance to internally displaced people. The officials however refrained from making any comments on the military parade

<sup>&</sup>lt;sup>19</sup> Straits Times, "Malaysia GE14: Najib forms pact with Hindarf to cement Indian support", 18 April, < http://www.straitstimes.com/breaking-news/se-asia/story/malaysia-ge13-najibforms-pact-hindraf-cement-indian-support-20130418 >

<sup>&</sup>lt;sup>20</sup> CBS News, "Burma leader Thein Sein warns he'll use force to stop religious rioting if deadly clashes persist", 29 March 2013, < http://www.cbsnews.com/8301-202\_162-57576946/ burma-leader-thein-sein-warns-hell-use-force-to-stop-religious-rioting-if-deadly-clashes-persist/>

in the area, but noted that it is a good thing to the extent that the Myanmar Army helped restore security to affected areas.<sup>21</sup>

#### Google Chairman visits Myanmar;

In one of the rare events, the Chairman of Google, Eric Schmidt is paying a visit to Myanmar. The visit is crucial as Myanmar is considered one of the least internet connected countries. Even mobile phone connectivity is quite low in the country. The trip, part of a longer swing through Asia, comes just two months after Schmidt made a controversial journey to North Korea over the objections of the U.S. State Department.<sup>22</sup>

#### Myanmar army takes control of Meikhtila city

Myanmar army took control of Meikhtila on 23 March 2013, regaining control after several days of clashes between Buddhists and Muslims that killed dozens of people and left scores of buildings in flames in the sectarian violence that has hit the country. According to the reports, soldiers are regularly patrolling the streets

to avoid any more problems. President Thein Sein imposed a state of emergency in the region on 22 March 2013 in a bid to stop the violence from spreading.<sup>23</sup>

### Sixty-two Myanmar refugees killed, 200 injured camp in northern Thailand;

At least sixty-two Myanmar refugees have been killed and more than 200 injured when a fire swept through their camp in northern Thailand. Earlier, 30 refugees were reported killed when a fire broke out on 22 March 2013 at the Mae Surin refugee camp in Mae Hong Son province. It has been reported that more than 3,000 refugees, mostly from Myanmar's Karen minority, live at the camp. Over 100,000 refugees, mostly ethnic Karen who have fled fighting between Karen rebels and the Government, live in camps near the Myanmar border with Thailand.<sup>24</sup>

#### Aung San Suu Kyi Visits Japan after 27 Years;

Aung San Suu Kyi arrived in Japan on April 13, 2013, her first visit in 27 years to the country where she spent time as a university researcher nearly three decades ago. A group of wellwishers including Burmese gathered at Tokyo's Narita airport to greet the Suu Kyi, now her country's opposition leader, but were denied the chance to meet her as she left through a backdoor. During her six-day trip, the Nobel laureate is expected to have meetings with some of the approximately 10,000 Burmese who live in Japan, as well as with Prime Minister Shinzo

<sup>&</sup>lt;sup>21</sup> Hindustan Times, "US expresses concern over communal violence in Myanmar", March 29, 2013, < http://www.hindustantimes.com/world-news/Americas/US-expresses-concern-over-communal-violence-in-Myanmar/Article1-1034245.aspx >

<sup>&</sup>lt;sup>22</sup> CNN, "Google's Eric Schmidt makes rare visit to Myanmar", 22 March 2013, < http:// money.cnn.com/2013/03/22/news/google-eric-schmidt-myanmar/ >

<sup>&</sup>lt;sup>23</sup> India Today, "Myanmar army takes control of ruined central city after clashes between Buddhists and Muslims", 23 March 2013, < http://indiatoday.intoday.in/story/buddhists-andmuslims-clash-in-myanmar-army-takes-control-of-central-city/1/259140.html >

<sup>&</sup>lt;sup>24</sup> The Hindu, "62 Myanmar refugees perish in fire at Thailand camp", 23 March 2013, < http:// www.thehindu.com/news/international/world/62-myanmar-refugees-perish-in-fire-atthailand-camp/article4541705.ece >

Abe and Foreign Minister Fumio Kishida.<sup>25</sup>

### **The Philippines**

# US would be allowed to station forces at military bases in the Philippines;

On April 13, 2013, the foreign secretary said that the US would be allowed to station forces at military bases in the Philippines if it went to war with North Korea. The Korean peninsula has been engulfed by escalating military tensions and dire threats of nuclear war since North Korea conducted a rocket test last December and a nuclear test in February. In recent years the Philippines has been seeking to improve its defence ties with the United States amid a festering territorial dispute with China over parts of the South China Sea. Some of its facilities are being used in ongoing annual joint military exercises between the Philippines and the United States, where the Pentagon deployed a dozen F/A-18 Hornet fighter jets.<sup>26</sup>

# Peace talks with Communist rebels have failed: Government

The Philippine government has said that the peace talks with communist rebels have collapsed and a target of ending the decades-long insurgency by 2016 is impossible to achieve. Philippine President Benigno Aquino's administration is looking for a "new approach" following nearly three years of failed negotiations and a fresh surge in deadly violence. Aquino had said he wanted to seal a peace deal to end the 44-year insurgency, which has claimed an estimated 30,000 lives, before his term ended in 2016. The government and the rebels had initially raised hopes in early 2011 that they were on the right track when they announced after top-level talks in Norway that both sides were committed to signing a peace deal by June 2012. But negotiations failed to gather momentum after that.<sup>27</sup>

# Philippines to export rice for the first time in 40 years

From May 2013, the Philippines will start exporting rice, according to the officials of the Department of Agriculture. As per the reports, Dubai and Indonesia will receive 15 metric tons of black rice from the Don Bosco Foundation for Sustainable Development Inc. in North Cotabato, 20 tons of japonica from the SL Agritech in Nueva Ecija and 30 tons of long grain aromatic white rice, also from a cooperative in Cotabato, by May 6, 2013. It is reported that shallots would also be exported in May, with a farmers' cooperative in Nueva Ecija shipping out 15 containers, each holding 15 metric tons, of native shallots to Indonesia.

The government does not allow commercial exports until rice farmers can harvest enough to have the country rated as fully self-sufficient

<sup>&</sup>lt;sup>25</sup> "Suu Kyi makes first Japan visit for 27 years", AFP, 13 April, 2013, http://www.google.com/ hostednews/afp/article/ALeqM5i5aEoMqurUY9HyTc6vj5UpSLXCxQ?docId =CNG.1baa125a4bdc411c96aace7a1a263691.2c1

<sup>&</sup>lt;sup>26</sup> "Philippines offers US its military bases in case of North Korea war", NDTV News, 13 April, 2013, http://www.ndtv.com/article/world/philippines-offers-us-its-military-bases-in-case-of-north-korea-war-353644

<sup>&</sup>lt;sup>27</sup> AFP News, "Philippines says communist peace talks have failed", 28 April 2013, < http://www.google.com/hostednews/afp/article/ALeqM5ij\_wpBS5U7SSFJhHO-8pFMskFitQ?docId=CNG.098509c6e1d0f220c4c7d84afda701a2.7e1 >

in rice. The country expects to reach this goal in 2014.<sup>28</sup>

#### US aid to the Philippines increased

According to the reports, the US State Department has allocated over US \$178 million in foreign assistance to the Philippines in its budget for fiscal year 2014, US \$32 million more than what was actually provided in FY 2012. Secretary of State John Kerry, in the budget presented to Congress, said the department's total request of \$47.8 billion "strikes the balance between fiscal discipline and sustaining and advancing America's global leadership and is six percent less than in FY 2012." It is believed that increased assistance to the Philippines comes despite across-theboard federal spending cuts to reduce US debt, known as budget sequestration. The funding will support police training and infrastructure development in the southern Philippines to shore up internal stability and build police investigative capacity in the wake of the Philippine military's withdrawal. It will also support leadership development in the judiciary and prosecutors' offices and add a greater focus on anti-corruption assistance.29

### Philippines rejects China's call to withdraw from disputed island

The Philippine government has said that

it will not withdraw its forces and people from islands and reefs in the disputed West Philippine Sea. Deputy presidential spokesperson Abigail Valte made the statement in reaction to the call made by China that the Philippines "withdraw all its nationals and facilities from China's islands and reefs." Citing the Bajo de Masinloc off Zambales province, Valte said, "That's ours." Administration senatorial candidates supported the Aquino government's move to bring the matter to international arbitration.<sup>30</sup>

### Singapore

# Singapore to simplify visa process for five countries

A new Visa Application Center (VAC) in Singapore has been set up with the aim to simplify visa application to five countries namely: Australia, Canada, New Zealand, the United Kingdom, and the United States. India is not in the list of countries. The five countries formed the Five Country Conference (5CC) to address immigration and border security issues of common interest. It is believed that the visa centre will equip the visa issuing authorities with maintaining the very high levels of service to our visitors in Singapore and help develop new premium products to meet their needs.<sup>31</sup>

#### Lee Hsien Loong to visit US;

According to the White House statement, the US President Barack Obama will meet

<sup>&</sup>lt;sup>28</sup> China Post, "Philippines to export rice for the first time in 40 years", 29 April, 2013, < http://www.chinapost.com.tw/business/asia/philippines/2013/04/29/377295/Philippines-to.htm >

<sup>&</sup>lt;sup>29</sup> Phil Star, "US hikes foreign aid to Phl", 28 April, 2013, < http://www.philstar.com/headlines/ 2013/04/28/935744/us-hikes-foreign-aid-phl >

<sup>&</sup>lt;sup>30</sup> Sun Star, "China's call to withdraw from disputed islands rejected", 27 April, 2013, < http://www.sunstar.com.ph/manila/local-news/2013/04/27/china-s-call-withdraw-disputed-islands-rejected-279703 >

<sup>&</sup>lt;sup>31</sup> GMA Network, "New center in Singapore simplifies visa application to five countries", 27 March 2013, < http://www.gmanetwork.com/news/story/301266/pinoyabroad/news/new-centerin-singapore-simplifies-visa-application-to-five-countries >

Singapore's Prime Minister Lee Hsien Loong in early April. The two leaders will meet at the White House on April 2 to discuss economic and political issues affecting the Asia-Pacific region and ways the two countries can collaborate. They'll also discuss efforts to move forward with the Obama administration's goal of completing the Trans-Pacific Partnership. Obama has made Asia a central focus of his foreign policy, reasserting the U.S. role in the region as a counterweight to the rising influence of China. Obama has visited Asia four times since taking office. He traveled to Singapore on his first Asia trip in 2009.32

# Singapore Airlines to have 19.9 percent stakes in Virgin Australia;

As per the media reports, Singapore's Singapore Airlines (SIA) has increased its stake in Virgin Australia to 19.9 per cent, buying an additional 9.9 per cent of Australia's No 2 carrier for A\$122.6 million (S\$156.1 million) from Richard Branson's Virgin Group. The move comes a day after Virgin received competition regulator approval to buy a controlling stake in Tiger Australia from SIA's budget associate, Tiger Airways. The deal is subject to approval from Australia's Foreign Investment Review Board. SIA will pay A\$0.48 per share, a 5.5 per cent premium to Virgin Australia's last traded price. It bought a 10 per cent stake in

Virgin Australia late last year.<sup>33</sup>

### Prime Minister visits Singapore troops in Brunei;

Singapore's Prime Minister Lee Hsien Loong, who was in Brunei for the ASEAN Summit, visited Singapore Armed Forces (SAF) soldiers on 25 April 2013. The SAF soldiers are undergoing jungle confidence and survival training there. Speaking with the soldiers, Mr Lee emphasised the importance of National Service to Singapore's security. He also commended their professionalism and perseverance in undergoing tough training. Mr Lee told reporters: 'New generations of SAF servicemen are taking their training seriously, they understand the value of it ... I think they know there's a job to be done and this is really more than a job, it's a mission.'<sup>34</sup>

#### US warship in Singapore as part of USA's 'Pivot strategy'

On 18 April 2013, a US Navy ship arrived in Singapore as part of US plans to increase its military presence in the region. The USS Freedom will be stationed in the region for next 10 months. The ship joins the US 7th Fleet, which is responsible for more than 48 million sq miles (124 million sq km) in the Pacific. It has been reported that by 2020, 60% of the US Navy's assets will be deployed to the Asia-Pacific as its forces leave Iraq and Afghanistan. It has also been reported that the US 7th Fleet's area of responsibility covers 35 maritime countries including those involved in the current crisis

<sup>&</sup>lt;sup>32</sup> The Washington Post, "Obama to host Singapore's Prime Minister Lee Hsien Loong at white House in April", 28 March 2013, < http://www.washingtonpost.com/politics/obama-to-hostsingapores-prime-minister-lee-hsien-loong-at-white-house-in-april/2013/03/27/0a3d5686-972e-11e2-a976-7eb906f9ed9b\_story.html >

<sup>&</sup>lt;sup>33</sup> Today Online, "SIA increases stake in Virgin Australia to 19.9%", 24 April, 2013, < http:// www.todayonline.com/business/sia-increases-stake-virgin-australia-199 >

<sup>&</sup>lt;sup>34</sup> Today Online, " PM Lee visits Singapore troops in Brunei", 26 April, 2013, < http:// www.todayonline.com/singapore/pm-lee-visits-singapore-troops-brunei >

on the Korean peninsula such as China, and North and South Korea.<sup>35</sup>

# Thailand

# The US criticizes Thailand on human rights issues;

The US has released a report, which criticizes and highlights Thailand's failure to meet the global human rights standards. The report highlights officials' impunity and the chronic use of special laws in the deep South as well as others used against political opponents as cause for concern. The department's report claimed abuses by government security forces and local defence volunteers were also a continuing problem. Security forces, the report said, were guilty of using excessive force, including killing, torturing and otherwise abusing suspects, detainees and prisoners. Government limits on freedom of speech and the media were also highlighted. Other problems cited in the report were the country's overcrowded and unsanitary prison and detention facilities; arbitrary arrests and detention; limits on freedom of assembly; insufficient protection for vulnerable people, including refugees; violence and discrimination against women; sex tourism; sexual exploitation of children; human trafficking; discrimination against persons with disabilities, minorities, hill tribes and foreign migrant workers; child labour, and limitations on workers' rights. The report also criticised official corruption and a lack of transparency in official actions as well as the government's poor attitude regarding international and NGO investigations into human rights abuses in the country.<sup>36</sup>

# Thailand to ban 291 international terrorists and terror organisations;

It has been reported in the media that Thailand has come up with a list of 291 international terrorists and terrorist organisations to be banned from conducting financial transactions in the country. The terrorist blacklist was obtained from the UN Security Council, according to Anti-Money Laundering Office (Amlo) secretary-general Seehanat Pravoonrat. The announcement is aimed at convincing the Paris-based Financial Action Task Force (FATF) that the country is cracking down on money laundering and terrorist financing activities. The black list of terrorists includes only foreign groups and individuals, it comprises 227 individuals and 64 organisations, Seehanat said.37

#### Bomb blast in Southern Thailand kills two

In a bomb blast on 11 April 2013 two soldiers were killed and six were wounded in Thailand's insurgency-plagued south. Suspected insurgents detonated an improvised bomb hidden on the road surface in Pattani province's Panarae district. The soldiers were in two armored vehicles traveling Wednesday night to inspect damages from an earlier militant attack.

<sup>&</sup>lt;sup>35</sup> BBC News, "USS Freedom arrives in Singapore as part of the US 'pivot', 18 April 2013, < http://www.bbc.co.uk/news/world-asia-22156283 >

<sup>&</sup>lt;sup>36</sup> Bangkok Post, "US blasts Thailand's human rights record", 28 April, 2013, < http:// www.bangkokpost.com/news/local/347368/us-blasts-thailand-human-rights-record >

<sup>&</sup>lt;sup>37</sup> Business Standard, "Thailand to ban 291 intl terrorists, terrorist organisations", 23 April, 2013, < http://www.business-standard.com/article/pti-stories/thailand-to-ban-291-intl-terroriststerrorist-organisations-113042300284\_1.html >

One of the personnel carriers was badly damaged. The attack was one of 36 incidents overnight in Pattani. Authorities said suspected militants set fires on tires, cell towers, telephone booths, buildings and closed-circuit cameras. No other casualties were reported.<sup>38</sup>

#### Vietnam

### Vietnam accuses China of firing on a Vietnamese boat;

Vietnam authorities have accused a Chinese vessel of firing a flare on a Vietnamese fishing boat that set its cabin alight in the disputed South China Sea, where rival claims to gas-rich waters have strained relations between the countries. However, the authorities did not say if anyone was injured in the incident on March 20, 2013, but called it "very serious." It lodged a formal complaint with the Chinese Embassy in Hanoi. The United States also said it was concerned by the incident, and was seeking information about it from both sides. The fishing boat was near the Paracel islands when an unidentified Chinese vessel chased it and fired the flare, the government said in a statement issued on March 25, 2013.39

#### Vietnam rejects the new US tax on fish

Vietnam has rejected the new tax US has come up with and pertains to tra fish. The Vietnam Association of Seafood Exporters and Processors (VASEP) has rejected the US Department of Commerce's new calculations of tax rates imposed on Vietnamese tra fish imported to the US.In its recent annual administrative review on March 15, the US department chose Indonesia as a benchmark country to calculate anti-dumping margins on Vietnam's frozen fish fillet exports instead of Bangladesh which is used for the calculations seven times previously. Accordingly, the new tax rates were adjusted to increase more than 10 times, from just several cents per kilo to several dollars per kilo. The Directorate of Fisheries of Vietnam (D-Fish) is considering suing the US Department of Commerce in a US federal court for its unfair calculation of anti-dumping margins on Vietnamese frozen fish fillets. The VASEP also expressed its indignation over the DOC's sudden benchmark country replacement and claimed the US decision was unreasonable.40

#### Australia

#### Prime Minister Julia Gillard visits China;

The Australian Prime Minister Julia Gillard paid a five-day visit to China from April 5, 2013. During the visit, She was accompanied by Bob Carr (Minister for Foreign Affairs), Dr Craig Emerson (Minister for Trade and Competitiveness) and Bill Shorten (Minister for Financial Services and Superannuation). During her visit, Gillard met both the Chinese leaders- President Xi Jinping and Premier Li

<sup>&</sup>lt;sup>38</sup> DAWN, "Bomb kills two soldiers, wounds six in South Thailand", 11 April 2013, < http:// dawn.com/2013/04/11/bomb-kills-two-soldiers-wounds-six-in-south-thailand/ >

<sup>&</sup>lt;sup>39</sup> Miami Herald, "Vietnam accuses China of firing flare at fishermen", 26 March 2013, < http:// www.miamiherald.com/2013/03/25/3306766/vietnam-accuses-china-of-firing.html >

<sup>&</sup>lt;sup>40</sup> Saigon Daily, "Vietnam rejects US new tax on Vietnamese tra fish", 19 March, 2013, < http:// www.saigon-gpdaily.com.vn/Business/2013/3/104415/ >

Kequing. A number of important agreements were also signed during Gillard's visit Australia has similar type of agreements with India and Indonesia.<sup>41</sup>

### China and Australia sign strategic partnership agreement

Australia and China have formally agreed to annual leadership talks, giving Canberra greater access than the superpower has granted virtually any other Western nation. With countries across the world clamouring for the ear of the world's second largest economy, Prime Minister Julia Gillard has landed the foreign policy triumph of her leadership, agreeing to a strategic partnership with her Chinese counterpart, Premier and Prime Minister, Li Keqiang. Under the agreement, annual meetings will take place between the prime ministers of the governments.<sup>42</sup>

#### **New Zealand**

#### Rio Tinto to sell New Zealand Iron Sands Assets

The move comes as Rio Tinto- the world's second-largest producer of iron ore seeks to sell small assets and focus on more profitable mines after posting its first ever annual loss. New chief executive Sam Walsh has responded to slowing commodities demand by putting a greater emphasis on shareholder returns. New Zealand's iron sands attracted investors like Rio Tinto and Australia's BlueScope Steel Ltd. (BSL.AU) as iron ore prices rose on the back of higher Asian demand for use in construction. At the same time, supplies from key iron ore producing nations like Australia were becoming costlier to mine and increasingly constrained by infrastructure bottlenecks. Standard & Poor's Ratings Services has warned Rio Tinto could face losing its single-A credit rating if iron ore prices slide from current levels or if it doesn't sell off assets. Deutsche Bank Monday said Rio Tinto could raise as much as US\$10 billion from asset sales, on top of US\$5 billion worth of assets sold since 2009.43

# Fiji

## Bainimarama to resign as army commander to contest elections;

According to the media reports, the Prime Minister of Fiji Voreqe Bainimarama will resign as army commander to contest the 2014 elections. Bainimarama gave the statement in that regard to Radio Fiji on March 26, 2013. Bainimarama has publicly declared his intentions to contest the 2014 elections. However, no details have been revealed on whether he will form a political party to contest the polls.<sup>44</sup>

<sup>&</sup>lt;sup>41</sup> Sydney Morning Herald, "Gillard scores coup with China agreement", 10 April, 2013, < http://www.smh.com.au/opinion/political-news/gillard-scores-coup-with-china-agreement-20130409-2hjin.html >

<sup>&</sup>lt;sup>42</sup> The Herald, "Prime Minister Julia Gillard's China visit", 10 April, 2013, < http:// www.theherald.com.au/story/1421776/prime-minister-julia-gillards-china-visit/ >

<sup>&</sup>lt;sup>43</sup> Fox News, "Rio Tinto says may sell New Zealand iron sands assets", 13 March 2013, < http:// www.foxbusiness.com/news/2013/03/13/rio-tinto-says-may-sell-new-zealand-iron-sandsassets/ >

<sup>&</sup>lt;sup>44</sup> Islands Business, "PM to resign as army commander in 2014 polls", 27 March 2013, < http:// www.islandsbusiness.com/news/fiji/744/pm-to-resign-as-army-commander-in-2014-polls/>

#### **ABOUT US**

The Southeast Asia and Oceania Centre focuses on policyrelevant research in respect of the ten ASEAN states, East Timor and Oceania, including Australia and New Zealand. The Centre studies India's bilateral and multilateral relations with states of the region with a view to providing contemporary relevance to India's Look East policy. It has a futuristic approach and examines the emerging trends in the regional security architecture. The Centre studies the potential for India's enhanced defence cooperation (including maritime issues) and cooperation in nontraditional security issues with the region. It examines internal developments of countries in this region, especially political transition and the role of the military, and their implications for India. The Centre seeks to promote Track-II institutional linkages with the region.

#### **Contributions are invited for:**

Book Review (800 words) Commentary (900 - 1300 words) Photo Essay (10-12 photographs, each with a caption, accompanied by a 1000 words essay) Please E-mail: southeastasia.centre@gmail.com

We look forward to your feedback about the Southeast Asia Newsletter. Please do not hesitate to let us know your comments or suggestions. Contact us at: southeastasia.centre@gmail.com