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Looking Eastwards From New Delhi



Cover Photo: At Karaweik Palace on Kandawgyi Lake, Yangon

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ASEAN

China, ASEAN to work on economic co-operation

Chinese Premier Li Keqiang on September 3 called for an “upgraded version” of the free trade area between China and the ASEAN, pledging economic and trade cooperation of “a greater scope and higher quality”.

China and ASEAN could have discussions about further lowering tariffs, cutting non-tariff measures, holding talks on a new round of service trade commitments, and promoting openness in the area of investment, Li said. The Chinese premier was delivering the keynote address at the 10th China-ASEAN Expo, being held in Nanning, capital of south China’s Guangxi Zhuang Autonomous Region, September 3-6, reported Xinhua.

Li said China is willing to sign long-term trade agreements with ASEAN members on agricultural products and expand imports and added that China expects the bilateral trade volume to hit \$1 trillion by 2020. China, he said, is also willing to join hands with ASEAN to advance talks of regional comprehensive economic partnership, and discuss exchanges and interactions with frameworks including trans-pacific partnership agreement. Li also called for further cooperation in areas of transportation, telecommunications and energy, as well as to enhance economic and financial cooperation between China and ASEAN.¹

Joint ASEAN effort needed to tackle drug situation: Masagos

Singapore’s Senior Minister of State for Home Affairs and Foreign Affairs MasagosZulkifli has said that a concerted effort across ASEAN is needed to tackle the region’s drug situation. Mr Masagos said this at the ASEAN Ministerial Meeting on Drug Matters held in Bandar Seri Begawan, Brunei in the first week of September when he delivered Singapore’s country statement. Mr Masagos said that while Singapore’s tough stance against drug trafficking and consumption has kept the drug situation in the country relatively under control, drug trafficking is a transnational crime and continues to pose a challenge to ASEAN states. He added that individual countries alone will not be able to overcome the problems caused by the illicit drug trade. He stressed that bilateral cooperation and a regional framework are critical to effective enforcement efforts against these challenges.

The ASEAN ministers agreed to strengthen national programmes and collaborate to combat the drug menace. This includes the setting up of an ASEAN Narcotics Office in Thailand to coordinate efforts of ASEAN member states to fight against drugs.²

ASEAN-Plus anti-terror exercise starts in Indonesia

The ASEAN Defense Ministers Meeting Plus Counter-Terrorism Exercise kicked off in Indonesia on the southern outskirts of Indonesian Capital Jakarta on September 9, bringing together more than 500 military personnel from 10 ASEAN countries as well as the eight Plus dialog partners.

¹ “China, Asean to work on economic co-operation”, *Business Standard*, September 3, 2013 (http://www.business-standard.com/article/news-ians/china-asean-to-work-on-economic-co-operation-113090300354_1.html)

² “Joint ASEAN effort needed to tackle drug situation: Masagos”, *Channel NewsAsia*, September 3, 2013 (<http://www.channelnewsasia.com/news/singapore/concerted-effort-across/800694.html>)

The five-day exercise running until September 13 is based on a fictional scenario of multiple bomb attacks in an oil tanker and a crowded event by terrorists. The exercise will focus on technical and tactical capabilities and the management of information and technology in counter-terrorism.

Indonesian military chief Moeldoko said at the opening ceremony that terrorism is an asymmetric threat and challenge to the world security which needs serious attention from all security elements.³

China, ASEAN South China Sea meetings scheduled

China and ASEAN will hold meetings on implementing the Declaration on the Conduct of Parties in the South China Sea (DOC) in the weekend starting September 14, China's Foreign Ministry announced. Ministry spokesman Hong Lei specified at a regular press conference that the gatherings would be the sixth Senior Officials' Meeting and the ninth Joint Working Group on the implementation of the DOC.

China and the ASEAN finished drafting the DOC in 2002, outlining the most important principles in the management of disputes on the South China Sea. Hong said that participants in the weekend's meetings will have in-depth exchanges of views on full and effective implementation of the DOC and enhance maritime cooperation

China and the ASEAN achieved consensus

recently to push for consultations to develop a more detailed Code of Conduct in the South China Sea (COC). In a June meeting in Brunei, Chinese and ASEAN foreign ministers reiterated "the need to steadily move toward the conclusion of a COC on the basis of consensus."

Hong added that the new meetings will also involve "official consultations on the COC within the framework of the implementation of the DOC."⁴

ASEAN Rules Out Military Alliance

ASEAN on its way to launch an ASEAN community by 2015 has ruled out the creation of a military alliance or defensive unit, Vietnamese Foreign Minister Pham Binh Minh said. ASEAN is to be based on three key pillars—a Political-Security Community (APSC), an Economic Community (AEC) and a Socio-Cultural Community (ASCC), Minh told local media.

He also said that the ASEAN Political-Security Community will give its 10 members a bigger chance to live in a peaceful and friendly environment, where they will unite to cope with "non-traditional threats as maritime piracy, cyber attacks and transnational crime among others". Stronger cooperation in defence and more exchanges among ASEAN military officers will increase mutual understanding and trust among the nations' armed forces, contributing to reducing risks of conflicts, he said.

He said that ASEAN will strive to build a single market and transform the association into a region with free movement of goods, services,

³ "ASEAN-Plus anti-terror exercise starts in Indonesia", *People's Daily (English)*, September 9, 2013 (<http://english.peopledaily.com.cn/90785/8394362.html>)

⁴ "China, ASEAN South China Sea meetings scheduled", *People's Daily (English)*, September 10, 2013 (<http://english.peopledaily.com.cn/90883/8395854.html>)

investment, skilled labour and a freer flow of capital, supporting all members so that they will develop evenly.

He noted that the ASEAN will not be modelled after the style of the European Union (EU) nor adopt a single currency.⁵

Obama ASEAN trip confirmed

US President Barack Obama will attend the Asia Pacific Economic Cooperation (APEC) meeting in Indonesia and meet ASEAN leaders in Brunei in October, the White House has confirmed.

While in Indonesia, Obama will also host a meeting of leaders of the countries involved in talks for the US-backed Trans-Pacific Partnership trade pact.

Obama will travel to Asia from October 6 to 12 and will also meet Susilo Bambang Yudhoyono, Indonesia's president, according to a White House statement. The US president will go to Brunei for the US-ASEAN meeting and the East Asia Summit and will meet with the Sultan of Brunei. He will discuss energy, maritime security, investment, development and trade promotion, according to the statement.

Obama is also scheduled to meet with Malaysian Prime Minister Najib Razak and also give a speech at the Global Entrepreneurship Summit. He will then travel to the Philippines to meet with President Benigno Aquino.⁶

ASEAN Officials in Negotiation Simulation over Post-2015 Sustainable Development Agenda

The Asia-Europe Foundation (ASEF) and the French Regional Delegation for Cooperation in South-East Asia recently conducted a workshop on 'Sustainable Development Goals (SDGs) for ASEAN Member States', at the ASEAN Secretariat in Jakarta, Indonesia.

In a statement, ASEF said this three-day-workshop gathered 20 officials from ASEAN countries to contribute to the ASEAN post-2015 development agenda following the process outlined by the Rio+20 Conference in July 2012. The participants took part in a negotiation simulation and were assigned to envision a possible set of SDGs for ASEAN, complete with relevant targets and indicators, which could ensure monitoring of implementation progress.

The workshop was conducted with the support of two eminent experts namely Prof Laszlo Pinter from the Central European University (CEU) and Simon Olsen from the Institute for Global Environmental Strategies (IGES).

The simulation familiarised participants with the challenges they are likely to encounter in real-life negotiations on SDGs and were encouraged to prioritise and allocate appropriate resources through consensus and critical understanding of issues.⁷

ASEAN meeting for drug kicks off in Myanmar's Yangon

The 34th ASEAN Senior Officials Meeting on

⁵ "Asean Rules Out Military Alliance", *Bernama*, September 10, 2013 (<http://www.bernama.com.my/bernama/v7/wn/newsworld.php?id=976616>)

⁶ "Obama Asean trip confirmed", *Bangkok Post*, September 14, 2013 (<http://www.bangkokpost.com/news/asia/369688/obama-visiting-asean-in-october>)

⁷ "Asean Officials In Negotiation Simulation Over Post-2015 Sustainable Development Agenda", *Bernama*, September 17, 2013 (<http://www.bernama.com.my/bernama/v7/wn/newsworld.php?id=978156>)

Drug Matters (ASOD), which Myanmar hosts for the second time, opened in Yangon on September 24.

The four-day meeting is attended by officials from the ASEAN Secretariat, ASEAN member countries, representatives from ASEAN dialogue partners—China, Japan, South Korea and India and those from the Drug Enforcement Administration (DEA) of the United States, Australian Federal Police (AFP) and the UN Office on Drugs and Crime (UNODC).

Myanmar Police Chief Police Major General U Zaw Win told the opening ceremony that Myanmar combats drug problem through two throng approach—demand reduction and supply reduction. To eliminate opium production, three alternative development programmes are being implemented in collaboration with Thailand, China and UNODC.

The programmes are aimed at reducing poverty, improving social welfare, health and education status of local people and opium farmers.⁸

Southeast Asian regional bloc has much to offer rest of the world—UN official

The President of the General Assembly on September 26 lauded the partnership between the United Nations and ASEAN, adding that the regional bloc has much to offer from its experiences to the rest of the world.

“ASEAN represents a best case example of regional cooperation—nations joined together in a spirit of equality to advance prosperity and peace in the region,” John Ashe said at the annual ASEAN-UN Ministerial Meeting, held on the margins of the Assembly’s high-level debate.

“By promoting regional integration, partnering for development and maintaining regional security, ASEAN is able to advance the goals of its individual members, strengthen the capacity for collective action and provide an example for other regions to emulate.”

Mr. Ashe said that one of the areas in which ASEAN’s experience can benefit the rest of the world is regional cooperation for peace and security. “Recent upheavals in the Arab world, ongoing conflicts in Africa, in Central Asia, rising tensions in other parts of Asia and security-related problems in Latin America all highlight the pervasive regional challenges, whether political, security related or economic and social. Regional challenges call for regional solutions.⁹

Chinese president’s Southeast Asia tour to boost ties

Chinese president’s maiden visit to Southeast Asia in October will hold significance to deepen China-Indonesia, China-Malaysia relations as well as ties between China and the ASEAN, Vice Foreign Minister Liu Zhenmin said on September 30.

Liu made the remarks at a press briefing about Xi Jinping’s state visits to Indonesia, Malaysia and his attendance of the 21st leaders’ meeting

⁸ “ASEAN meeting for drug kicks off in Myanmar’s Yangon”, *Xinhua*, September 24, 2013 (http://news.xinhuanet.com/english/world/2013-09/24/c_132746925.htm)

⁹ “Southeast Asian regional bloc has much to offer rest of the world – UN official”, *UN News Centre*, September 26, 2013 (<http://www.un.org/apps/news/story.asp?NewsID=46055&Cr=&Cr1=#.UklSRNJYjoM>)

of the Asia-Pacific Economic Cooperation (APEC) in Indonesia's Bali from Oct 2 to 8.

The minister said, the visit of Xi, who is also general secretary of the Communist Party of China, will further consolidate neighbourly relationship with the two countries, promote all round cooperation and outline future ties.¹⁰

ASEAN welcomes Japan's stronger involvement in Bloc

Sultan HassanalBolkiah said in Bandar Seri Begawan on October 9 that ASEAN welcomes "ever stronger Japanese involvement" in the 10-nation bloc, China's Xinhua news agency reported.

The Sultan made the remarks at the ASEAN-Japan Summit held back-to-back with the 23rd ASEAN Summit that kicked off the same morning.

He said Japan is one of ASEAN's significant partners and played an important role in helping the group to develop its economic and industrial capabilities and to narrow the region's development gaps.

The sultan said numerous programs were created since 1977 when Japan made a declaration to enhance heart-to-heart relations with ASEAN and positive outlooks have been made such as close ties between peoples and mutual trust which is vital to ASEAN-Japan partnership.

For his part, Japanese Prime Minister Shinzo Abe said Japan has attached importance to ASEAN, as he paid several visits to the ASEAN countries since he retook the post last December.

Abe said the ASEAN-Japan Summit will find ways to further develop bilateral relations.¹¹

ASEAN leaders to work with China to avoid sea spat escalation

Southeast Asian leaders pledged with China to avoid escalating tensions in the South China Sea as they work toward a code of conduct over the disputed waters rich in oil, gas and fish.

'We remain committed to resolving disputes peacefully in accordance with international law without resorting to the threat or use of force', ASEAN leaders said in a statement on October 10 after their meeting with China in Brunei the previous day.

The statement didn't give a time frame for further talks on a code of conduct for the waters that contain busy shipping lanes. Still, the comments reflect the softer tone China has adopted after a rise in tensions with countries such as Vietnam and the Philippines, and as China and the US vie to boost ties in the region to seek new sources of growth.¹²

European Council extends mandate for FTA talks with ASEAN

The European Council on October 18 adopted an updated mandate concerning free trade agreements (FTA) negotiations with ASEAN

¹⁰ "Chinese president's Southeast Asia tour to boost ties", *Business Standard*, September 30, 2013 (http://www.business-standard.com/article/news-ians/chinese-president-s-southeast-asia-tour-to-boost-ties-113093000051_1.html)

¹¹ "Asean Welcomes Japan's Stronger Involvement In Bloc", *Bernama*, October 9, 2013 (<http://www.bernama.com.my/bernama/v7/wn/newsworld.php?id=984358>)

¹² "Asean leaders to work with China to avoid sea spat escalation", *Livemint*, October 10, 2013 (<http://www.livemint.com/Politics/3YTEW4GwZ TGD2I7Q2T7ZAP/Asean-leaders-vow-with-China-to-avoid-sea-spat-escalation.html>)

countries.

The new mandate allows the European Commission to open negotiations on investment protection provisions with ASEAN member countries as part of the on-going FTA talks, reported Xinhua citing the Council in a statement after a meeting of EU trade ministers.

The EU is currently negotiating with four ASEAN countries, namely, Malaysia, Thailand, Singapore and Vietnam.

The negotiations for an FTA with Singapore were concluded last December, though talks on investment protection are still ongoing, the statement added.¹³

ASEAN “highly unlikely” to meet 2015 targets to build community: ADB

Southeast Asian countries will not fully meet their self-imposed goal to build an ASEAN Economic Community by 2015, according to an Asian Development Bank report released on October 24, with the ADB adding global financial turmoil will further slow regional integration.

“Merely two years away, and given all the remaining obstacles and challenges—fully achieving the ASEAN Economic Community by the end of 2015 seems highly improbable,” according to the Asian Economic Integration Monitor, a semiannual review of Asia’s regional economic cooperation and integration.

“In light of the many obstacles and challenges that remain—compounded by

recent events that increase financial risk and uncertainty—creating a fully functional AEC by the end of 2015 seems nigh impossible,” according to the report.

The ADB said the 2015 deadline should simply be viewed as a milestone and a major step toward establishing an integrated ASEAN economic community.¹⁴

ASEAN-INDIA

India to host 33rd Asian and Pacific Conference of Correctional Administrators

India will be hosting the 33rd Asian and Pacific Conference of Correctional Administrators (APCCA) in New Delhi from September 22 to 27. The conference will be inaugurated by Union Home Minister Sushil Kumar Shinde. This is a prestigious event for the correctional officers to share ideas and learn from others’ experiences and give direction to innovative ideas in correctional administration and welfare.

Apart from delegates from 23 member countries, the delegates from States/UTs dealing with correctional administrations will also attend the conference. The theme of this year’s conference is “Correction-Transformation-Re-integration”. This pushes the agenda of the correctional welfare beyond conventional practices to assist the reintegration of the released inmates back to the society. This entails strategically planned custodial interventions which will enable inmates to gainfully employ themselves in the

¹³ “European Council extends mandate for FTA talks with ASEAN”, *Business Standard*, October 19, 2013 (http://www.business-standard.com/article/news-ians/european-council-extends-mandate-for-fta-talks-with-asean-113101900039_1.html)

¹⁴ “ASEAN “highly unlikely” to meet 2015 targets to build community: ADB”, *Global Post*, October 24, 2013 (<http://www.globalpost.com/dispatch/news/kyodo-news-international/131024/asean-highly-unlikely-meet-2015-targets-build-communit>)

society and also to sensitise the societal acceptance so that they are mainstreamed without any stigma.

This ambitious agenda puts an onus on the entire criminal justice system to go beyond the ambit of their currently defined role.¹⁵

'Huge potential for Indo-ASEAN trade'

The Union Ministry of Commerce and Industry's Joint Secretary, A K Tripathy, on September 5 urged industry to seriously look at trade with the ASEAN region, highlighting the need to make inroads there and overcome the existing trade barriers.

Addressing delegates at the Confederation of Indian Industry's (CII) discussion titled 'WTO Trade Facilitation Agreement and FTA Challenges' here, Tripathy said, "Engaging with emerging economies is key for India's development, and the ASEAN countries have emerged." "Unfortunately, our trade is more Western-focussed, and we think that trade with South East Asia is cumbersome because of language, taxes and other barriers," he said, suggesting government and industry to conduct more research on the region.

ASEAN and India, with a total population of 1.8 billion and a combined GDP of \$3.8 trillion today, comprise a significant trade and economic area with huge potential. ASEAN has become one of India's largest

trading partners in recent years with trade between the two growing from \$10.2 billion in 2000 to \$79.3 billion in 2011-12.¹⁶

'India has been very supportive of objectives of ASEAN by 2015': Khurshid

External Affairs Minister Salman Khurshid on September 10 said India has been very supportive of the objectives that the ASEAN Community wants to achieve by 2015 and the initiative for ASEAN integration.

"We look forward to applauding your sense of achievement in 2015. Looking to the future, I would like to emphasize that as the ASEAN countries integrate better amongst themselves; it is necessary that their integration with India also progresses apace," said Khurshid.

"I would be curious to see if ASEAN-India Network of Think Tanks (AINTT) itself can bring in the strategic community in a more participant manner to these various dimensions that I have mentioned today. I would like to make a suggestion that if the think tanks in the room today can consider taking on two young researchers each from within the ASEAN-India region for short periods of internship, it would help us to widen the constituency for a stronger ASEAN-India Strategic Partnership to the youth in our countries in a more meaningful manner," he added.

Khurshid said the ASEAN-India Strategic Partnership is today, more than ever, vital for progress and prosperity and peace and stability regionally as also globally.¹⁷

¹⁵ "India to host 33rd Asian and Pacific Conference of Correctional Administrators", *Business Standard*, September 3, 2013 (http://www.business-standard.com/article/news-ani/india-to-host-33rd-asian-and-pacific-conference-of-correctional-administrators-113090301056_1.html)

¹⁶ "'Huge potential for Indo-ASEAN trade'", *Deccan Herald*, September 5, 2013 (<http://www.deccanherald.com/content/355561/039huge-potential-indo-asean-trade039.html>)

¹⁷ "'India has been very supportive of objectives of ASEAN by 2015': Khurshid", *Business Standard*, September 10, 2013 (http://www.business-standard.com/article/news-ani/india-has-been-very-supportive-of-objectives-of-asean-by-2015-khurshid-113091000889_1.html)

India offers to share its vast experience in agriculture with ASEAN nations

Minister for Agriculture and Food Processing Industries Sharad Pawar on September 28 narrated the progress of Indian agriculture sector in the recent past and offered to share its experience with ASEAN nations.

“We have not only achieved self sufficiency in food, but have also done extremely well in horticulture dairying ,milk production, fisheries, post harvest management and development of cold chain infrastructure. We now produce over 260 MT of cereals, 160 MT of horticulture produce, 133 MT of milk, 350 lakh bales of cotton, 24 MT of sugar besides spices, etc.,” said Pawar.

Pawar, who was speaking at the third ASEAN-India Ministerial Meeting on Agriculture at Kuala Lumpur, said India’s Agriculture Research System in the form of Indian Council of Agriculture Research is one of the largest in the world.¹⁸

India eyeing APEC membership?

India will be closely watching the proceedings at the Asia-Pacific Economic Cooperation (APEC) summit in Bali, Indonesia to see whether the grouping would move away from its moratorium on new membership that expired in 2010.

In 1997, APEC set a 10-year moratorium on new membership and agreed in 2007 to consider the issue in 2010. The

moratorium was introduced due to concerns that increasing members may make it difficult for the forum to reach agreements and thus lose its influence.

But last November, at their annual summit in Yokohama, Japan, APEC leaders decided not to extend the moratorium. “Keeping in mind the benefits of APEC membership as well as the need for efficiency to achieve results, we will continue to review the question of APEC new membership going forward,” they said in their declaration.

India has discussed the membership issue with Indonesia, the current chair of the 21-member APEC, whose leaders will meet Oct 5-7 in Nusa Dua, Bali, for the summit.¹⁹

Indian warship INS Sahyadri set to participate at the ASEAN-plus Naval War games in Australia

To boost naval ties with Australia, India’s newly commissioned INS Sahyadri—a guided missile stealth frigate—will participate in the International Fleet Review (IFR) to be held in Sydney in October.

During the IFR from October 4, the Shivalik-class multi-role frigate will participate in various exercises scheduled by Royal Australian Navy (RAN). It will also showcase India’s indigenous capabilities in building frontline warships. INS Sahyadri’s participation in the IFR will serve to reinforce naval ties, and also contribute towards enhancing interoperability with the RAN and other participating navies, said an official statement.²⁰

¹⁸ “India offers to share its vast experience in agriculture with ASEAN nations”, *Business Standard*, September 28, 2013 (http://www.business-standard.com/article/news-ani/india-offers-to-share-its-vast-experience-in-agriculture-with-asean-nations-113092800679_1.html)

¹⁹ “India eyeing APEC membership?”, *Business Standard*, October 4, 2013 (http://www.business-standard.com/article/news-ians/india-eyeing-asec-membership-113100400580_1.html)

²⁰ “Indian warship INS Sahyadri set to participate at the Asean-plus Naval War games in Australia, *IBN Live*, October 4, 2013 (<http://ibnlive.in.com/news/indian-warship-ins-sahyadri-set-to-participate-at-the-aseanplus-naval-war-games-in-australia/426288-2.html>)

Direct flights between NE, ASEAN soon

The North Eastern States are likely to inch closer to the South East Asian countries with a new air service agreement throwing open the possibility of major cities of the region having direct air connectivity with the neighbouring countries.

The new air connectivity agreement with ASEAN countries with 18 additional points may come as a boon for the North-east, as plans are being drawn up to enable passengers to fly out to South East Asian countries directly from the North-east.

India has air service agreements with most of the ASEAN countries, which are fairly comprehensive. "In addition, we have the ASEAN Air Service Agreement under which, there are 18 additional points. These are absolutely open and the service can be extended to these points and focus of these 18 additional points is the North-east and secondary stations, said" Joint Secretary (South) of the Ministry of External Affairs, Sanjay Bhattacharyya.²¹

India-ASEAN trade pact on services by year-end

India and the 10-nation ASEAN are set to formally sign a free trade agreement on services and investments by the end of 2013 and implement the ambitious agreement by July 2014, a top official said on October 7.

Secretary East in the ministry of external affairs Ashok K. Kantha told reporters in New Delhi the India-ASEAN FTA on services and investments would be inked by the end of the year.

He also announced Prime Minister Manmohan Singh's forthcoming visit to Brunei and Indonesia Oct 9-12. In Brunei, the prime minister will be attending the 11th ASEAN-India Summit and the East Asia Summit, while he would be in Indonesia from Oct 10-12 on a bilateral visit.²²

In Brunei, PM Manmohan Singh garners support for Nalanda University

Lending support for India's ambitious Nalanda University project, six countries on October 10 began the process of signing inter-government agreements to pledge their commitment for this academic institution.

Addressing the East Asia Summit in Brunei, where these MoUs are being signed, Prime Minister Manmohan Singh also expressed his gratitude to the countries supporting the project. "I would like to thank the East Asia Summit participating countries for their support for the establishment of Nalanda University as an international institution of excellence."

"I am happy that the process of signing the inter-governmental Memorandum of Understanding on the Nalanda University has begun. Academic sessions at the University are set to begin next year. I hope students and faculty from all EAS countries will participate in this exciting venture," he said.

²¹ "Direct flights between NE, ASEAN soon", *The Assam Tribune*, October 7, 2013 (<http://www.assamtribune.com/scripts/detailsnew.asp?id=oct0813/at08>)

²² "India-ASEAN trade pact on services by year-end", *Business Standard*, October 7, 2013 (http://www.business-standard.com/article/news-ians/india-asean-trade-pact-on-services-by-year-end-113100700697_1.html)

The countries which are signing these MoUs here include Australia, Cambodia, Singapore, Brunei, New Zealand and Lao PDR. These agreements are key to India's plans to establish Nalanda University as an institution of international repute.²³

India ready for a role in ASEAN security: PM

Prime Minister Manmohan Singh on October 10 declared India's intention to participate in ASEAN security, signifying the depth of its Asian outreach.

"We would be happy to respond to the ASEAN request to develop the security dimensions of India's Look East Policy to strengthen the ASEAN Political Security Community Blueprint 2015," the prime minister said at the concluding session of the 11th India-ASEAN Summit here. "In this context, we look forward to the workshop being hosted by Brunei Darussalam next month," he said, stressing the need for a shared and secure Asian neighbourhood.

The prime minister also pledged India's support to an ASEAN Economic Community in 2015.²⁴

India-ASEAN FTA in services, investments to ink in Dec in Bali

India and the 10-nation ASEAN on October 11 decided to ink a free trade

agreement in services and investments in December in Bali with a view to strengthen economic engagement between the regions.

"... The Agreements (ASEAN-India Trade-in-Services Agreement and ASEAN-India Investment Agreement) would be signed on the sidelines of the 9th WTO Ministerial Conference to be held in Bali from 3-6 December 2013," a joint statement issued by India and Indonesia said.

The agreement will boost movement of Indian professionals in the ASEAN region. It will also facilitate investments.

After operationalising a free trade pact in goods in 2011, both the sides were engaged in widening the base of the pact by including services and investments.

Trade between India the Association of South East Asian Nations (ASEAN) stands at about USD 76 billion in 2012-13. Both the sides have aimed at increasing it to USD 100 billion by 2015.²⁵

PM concludes 4-day visit to Brunei, Indonesia

Prime Minister Manmohan Singh on October 12 concluded his four-day visit to Brunei and Indonesia and left for home, expanding India's 'Look East' policy to beyond economic ties and to co-operation in areas like security, anti-terrorism, disaster management and combating corruption.

²³ "In Brunei, PM Manmohan Singh garners support for Nalanda University", *The Financial Express*, October 10, 2013 (<http://www.financialexpress.com/news/brunei-india-garners-support-for-nalanda-university-at-east-asia-summit/1180846>)

²⁴ "India ready for a role in ASEAN security: PM", *Business Standard*, October 10, 2013 (http://www.business-standard.com/article/news-ians/india-ready-for-a-role-in-asean-security-pm-113101000441_1.html)

²⁵ "India-ASEAN FTA in services, investments to ink in Dec in Bali", *Business Standard*, October 11, 2013 (http://www.business-standard.com/article/current-affairs/india-asean-fta-in-services-investments-to-ink-in-dec-in-bali-113101101008_1.html)

The visit assumes significance for expansion of trade ties as well with various countries of Asia-Pacific region and Singh held bilateral meetings with the Prime Ministers of Asian superpowers like Japan and Australia as well on the sidelines of ASEAN and East Asia Summits in Brunei.

Singh also announced a separate mission for ASEAN, a 10-member block of South East Asian nations, with a full-time ambassador. Besides, he also said that a Free Trade Agreement on services and investment would be signed with ASEAN by the end of 2013 to help meet India-ASEAN trade to \$100 billion by 2015.

Singh was in Brunei Darussalam from October 9-10 for attending ASEAN Summit as also East Asia Summit, a forum for co-operation among ASEAN nations and its partner countries that include China, India, Australia, Japan and the US.

After Brunei, Singh came to Jakarta on October 10 for his first official bilateral visit to Indonesia, although he has been here thrice for multilateral and regional events.

Six pacts were signed between India and Indonesia in areas like health, anti-corruption, narcotics, disaster management and academics.

Two leaders agreed to expand their strategic partnership by holding annual summits and an eminent persons group will be set up to expand the relationship. New areas of co-operation have been

identified such as space, nuclear energy, food security, counter-terrorism and transborder threats from jihadi forces. Co-operation will be expanded in areas like defence, maritime and a comprehensive action plan will be developed for security cooperation.

The Indian delegation in Indonesia also included External Affairs Minister Salman Khurshid, Commerce and Industry Minister Anand Sharma and Chief Vigilance Commissioner Pradeep Kumar, besides other top officials.²⁶

Indian engineering companies seek opportunities in SE Asian markets

Indian engineering export houses, led by EEPC India, are seeking new markets in South East Asia amid prolonged slowdown in the western markets.

India's engineering exports have registered a compound average growth of 12.6 per cent from 2007-08 to 2012-13. However, the industry came under pressure in the wake of global slowdown, particularly in the traditional markets of the US and Europe.

A strong Indian contingent represented by 85 leading engineering and automobile manufacturers are showcasing a range of high-tech items including passenger cars, station wagons, trucks and other motor vehicles, for global buyers at Ho Chi Minh city in Vietnam, according to an official statement issued on October 10.

The exhibition coincided with Prime Minister Manmohan Singh's visit to Brunei Darussalam for the 11th India-ASEAN Summit.²⁷

²⁶ "PM concludes 4-day visit to Brunei, Indonesia", *The Hindu Business Line*, October 12, 2013 (http://www.thehindubusinessline.com/economy/pm-concludes-4day-visit-to-brunei-indonesia/article5228204.ece?ref=wl_industry-and-economy)

²⁷ "Indian engineering companies seek opportunities in SE Asian markets", *The Economic Times*, October 10, 2013 (http://articles.economictimes.indiatimes.com/2013-10-10/news/42903248_1_eepc-india-india-asean-summit-engineering-exports)

Salman Khurshid to visit Philippines, Singapore

The External Affairs Minister, Salman Khurshid, will be visiting the Philippines and Singapore from October 21 to 24 this year, the Ministry of External Affairs announced on October 19.

In the Philippines, External Affairs Minister will co-Chair the 2nd Meeting of the Joint Commission on Bilateral Cooperation with Philippines Secretary of Foreign Affairs, Del Rosario.

The External Affairs Minister would have wide ranging discussions to consolidate and expand bilateral relations and exchange views on regional and international issues during the meeting. He would also call on President Aquino.

During the Singapore leg of the visit, the External Affairs Minister will co-Chair the third meeting of the Joint Ministerial Committee with the Singapore Foreign Minister, K. Shanmugam.²⁸

CII meet to advance Indian business in Cambodia, Laos, Myanmar and Vietnam

A two-day meet to leverage business opportunities in Cambodia, Laos, Myanmar and Vietnam (CLMV countries) organised by the Confederation of Indian Industry opens in New Delhi on October 21.

CII said in a statement that Commerce Minister Anand Sharma will address

ministerial and business delegations from these countries at the business conclave Oct 21-22. “The two-day conclave highlights investment potential for Indian industry in the ASEAN group of least-developed countries (LDCs) in sectors of infrastructure, agriculture, manufacturing and services, especially resources sectors and knowledge industries,” CII said.

“India’s current trade with CLMV countries is still much below its potential and very low both in terms of absolute value and relative share,” said Chandrajit Banerjee, director general, CII.²⁹

India, Myanmar, Thailand trilateral highway may start soon

The proposed highway covering India, Myanmar and Thailand is expected to be operational soon, Commerce and Industry Minister Anand Sharma said on October 22.

The highway will help in smoother and faster movement of goods between these regions.

“We are presently working with the governments of Myanmar and Thailand to develop the trilateral highway which hopefully will be completed soon,” Sharma said here at a CII function.

The idea of the highway—from Moreh in Manipur to Mae Sot in Thailand, via Myanmar—was conceived at the trilateral ministerial meeting on transport linkages in Yangon in April 2002. It represents a significant step in establishing connectivity between India and South East Asian countries.³⁰

²⁸ “Salman Khurshid to visit Philippines, Singapore”, *The Hindu Business Line*, October 19, 2013 (<http://www.thehindubusinessline.com/economy/khurshid-to-visit-philippines-singapore/article5250899.ece>)

²⁹ “CII meet to advance Indian business in Cambodia, Laos, Myanmar and Vietnam”, *DNA*, October 20, 2013 (<http://www.dnaindia.com/money/report-cii-meet-to-advance-indian-business-in-cambodia-laos-myanmar-and-vietnam-1906226>)

³⁰ “India, Myanmar, Thailand trilateral highway may start soon”, *The Economic Times*, October 22, 2013 (<http://economictimes.indiatimes.com/articleshow/24707577.cms>)

BRUNEI DARUSSALAM

Brunei Darussalam weighs Pacific trade deal

As progress in the US-led Trans-Pacific Partnership Agreement (TPPA) accelerates, some Bruneians are saying it represents a significant opportunity to create jobs and energise trade. However, critics are concerned that the legal powers it will give to foreign firms could impinge on Brunei Darussalam's sovereignty.

After 12 countries converged in Brunei Darussalam for a 19th round of TPPA talks on August 24-31, including Japan, Australia, Canada, the US and Singapore, a joint statement confirmed that the agreement will not be signed at the October Asia-Pacific Economic Cooperation summit.³¹

Chinese Premier's coming Brunei visit to enhance practical cooperation between Brunei and China: Chinese envoy

Chinese Ambassador to Brunei ZhengXianglin said on October 4 that the good relationship and cooperation between Brunei and China will enhance further in several sectors, including agriculture, fisheries, energy and economic sectors.

Ambassador Zheng made the remarks to local media prior to Premier Li Keqiang's visit to the country and the 23rd ASEAN Summit and related Summits in Brunei.

The ambassador believed that Li's visit to Brunei will see both countries work together even more closely.³²

CAMBODIA

Foreigners get Cambodia rally caution

The Cambodian government on September 1 warned foreigners to stay away from opposition protests against a hotly disputed election as thousands of riot police practised crowd control in the capital. Authorities and security forces would "avoid potential clashes at all costs" said the government in a statement released ahead of expected September 7 mass opposition protests against the poll results. "All foreigners living in the Kingdom of Cambodia should keep a reasonable distance from all protests related to the election," the statement said.

Thousands of Cambodian police officers, armed with batons and shields, were seen learning protest control tactics early on September 1 in a park in Phnom Penh. Security forces were deployed around the capital in the aftermath of the July 28 poll, in a move the opposition has decried as intimidation.³³

Khmer Rouge Tribunal's Cambodia Staff Strike Over Unpaid Wages

Nearly 200 Cambodian workers at the Khmer

³¹ "Brunei Darussalam weighs Pacific trade deal", *Oxford Business Group*, September 9, 2013 (http://www.oxfordbusinessgroup.com/economic_updates/brunei-darussalam-weighs-pacific-trade-deal)

³² "Chinese Premier's coming Brunei visit to enhance practical cooperation between Brunei and China: Chinese envoy", *People's Daily*, October 5, 2013 (<http://english.peopledaily.com.cn/90883/8417027.html>)

³³ "Foreigners get Cambodia rally caution", *Bangkok Post*, September 1, 2013 (<http://www.bangkokpost.com/breakingnews/367473/foreigners-get-cambodia-rally-caution>)

Rouge tribunal have gone on strike to protest unpaid salaries, court officials say, stirring fears of fresh delays to a war crimes trial long decried for its slowness.

The strike, which started on September 1, is the second such job action this year at a court bedevilled by funding shortfalls. Trial observers say the strike could jeopardise proceedings at the United Nations-backed tribunal and potentially allow aging Khmer Rouge leaders to escape punishment over the deaths of an estimated 1.7 million Cambodians during their rule from 1975 to 1979.

The tribunal, a hybrid court comprising separately funded Cambodian and international divisions, is preparing for closing arguments in the first phase of the trial of two senior Khmer Rouge leaders—Nuon Chea, 87, the regime’s chief ideologue and second-in-command to leader Pol Pot, and Khieu Samphan, 82, the regime’s head of state. They are in detention while facing charges of crimes against humanity, genocide and war crimes—allegations they deny. The tribunal’s 250 Cambodian employees haven’t been paid since May.³⁴

Cambodian opposition set to boycott parliament after ruling party’s election victory ratified

Cambodia’s opposition said on September 8 that it would boycott the opening session of parliament and carry out more street protests even though the election victory

of Prime Minister Hun Sen’s ruling party has now been officially ratified. Sam Rainsy, leader of the opposition Cambodia National Rescue Party, told reporters that his party would not take part in any form of government as a matter of principle until there was an independent investigation of alleged election irregularities.

Earlier on the same day, the government-appointed National Election Committee ratified results giving Hun Sen’s Cambodian People’s Party 68 seats in the National Assembly, and the opposition party 55. Parliament has to convene within 60 days of the July 28 election.³⁵

Cambodia’s King Under Criticism for Not Intervening in Election Dispute

Cambodia’s King Norodom Sihamoni has come under criticism for not intervening in the country’s election crisis after he ordered parliament to be convened despite allegations of voter fraud and other irregularities that the opposition wants investigated.

But some experts say the monarch has limited influence in a political landscape dominated by Prime Minister Hun Sen’s Cambodian People’s Party (CPP), which was declared victor in the July 28 polls by the government-appointed National Election Committee (NEC).

Sam Rainsy’s opposition Cambodia National Rescue Party (CNRP), which denied the CPP a two-thirds majority in the legislature, has threatened to boycott the new parliament and has called on the king to help bring about a

³⁴ “Khmer Rouge Tribunal’s Cambodia Staff Strike Over Unpaid Wages”, *The Wall Street Journal*, September 2, 2013 (<http://blogs.wsj.com/searealtime/2013/09/02/khmer-rouge-tribunals-cambodia-staff-strike-over-unpaid-wages/>)

³⁵ “Cambodian opposition set to boycott parliament after ruling party’s election victory ratified”, *The Washington Post*, September 8, 2013 (http://www.washingtonpost.com/world/asia_pacific/cambodian-election-board-ratifies-victory-of-hun-sens-ruling-party-despite-protests/2013/09/07/da47a678-182b-11e3-961c-f22d3aaf19ab_story.html)

“transparent and just solution” to the dispute.

Analysts said the king, despite his limited powers, can still play a critical role in defusing the crisis by using his influence to prod Hun Sen to forge a compromise with Sam Rainsy in the national interest.

King Sihamoni said in a statement from China, where he has been for a medical checkup since Aug. 12, that he would return to Cambodia to convene the National Assembly, the country’s parliament, on Sept. 23, encouraging “all parties” to join the session.³⁶

Cambodian opposition sues election body, demands probe

Cambodia’s opposition said on September 12 that it had filed a lawsuit against the kingdom’s poll authorities over strongman Prime Minister Hun Sen’s disputed election win.

The Cambodia National Rescue Party (CNRP) accused three top National Election Committee officials and their accomplices of faking voter names on the electoral roll, using “fake election results” and abusing the election law. “These are criminal offences,” senior CNRP official KuyBunroeun told AFP after the lawsuit was filed at the Phnom Penh municipal court. “We are filing a complaint to find justice for the people,” he added. “The results are not acceptable.”

According to final results released by the NEC, Hun Sen’s Cambodian People’s

Party (CPP) won 68 seats in the July polls against 55 for the opposition.

The CNRP has rejected the result, alleging widespread vote rigging, but so far its efforts to challenge the results have failed and it has few options left in its bid to overturn Hun Sen’s victory.³⁷

Cambodia rivals meet after protest bloodshed

Cambodia’s political rivals held fresh crisis talks on September 16 as thousands of protesters massed for a second day following violent clashes against a disputed election that left one demonstrator dead and several wounded. Prime Minister Hun Sen and opposition leader Sam Rainsy met for several hours at the National Assembly in search of a way out of the deepening political standoff triggered by July polls marred by allegations of electoral fraud.

In a joint statement released afterwards, they said they had agreed on three points—to heed the king’s call for an end to the violence, to set up a mechanism to bring about election reform in the future and to continue negotiations.

The talks followed violent clashes in the capital Phnom Penh the previous day on the fringes of a mass demonstration that drew an estimated 20,000 opposition supporters demanding an independent probe into the vote.

Security forces fired smoke grenades, tear gas and water cannon at rock-throwing protesters. The opposition Cambodian National Rescue Party (CNRP) blamed the authorities for the death of a protester who, according to witnesses, was shot in the head.³⁸

³⁶ “Cambodia’s King Under Criticism for Not Intervening in Election Dispute”, *Radio Free Asia*, September 10, 2013 (<http://www.rfa.org/english/news/cambodia/king-09102013181053.html>)

³⁷ “Cambodian opposition sues election body, demands probe”, *The Times of India*, September 12, 2013 (http://articles.timesofindia.indiatimes.com/2013-09-12/rest-of-world/42007963_1_cambodia-national-rescue-party-cambodian-opposition-cnrp)

³⁸ “Cambodia rivals meet after protest bloodshed”, *Channel NewsAsia*, September 16, 2013 (<http://www.channelnewsasia.com/news/asiapacific/cambodia-rivals-meet/814664.html>)

Cambodia's Khmer Rouge court wins loan to pay staff

The United Nations said on September 18 that it had secured a loan to pay Cambodian employees at the Khmer Rouge war crimes court who are striking over unpaid wages.

The UN-backed tribunal's 250 local workers, including judges and prosecutors, have not been paid since June because of a cash shortage. Most of them have been on strike since September 1.

UN spokesman Lars Olsen said in an emailed statement that the world body had successfully worked with major donors to secure their authorisation to make a further loan to the Cambodian side of the court for "the payment of arrears of national salaries". Olsen said the loan to the Extraordinary Chambers in the Courts of Cambodia (ECCC) was being made on a strictly reimbursable basis.

"We hope that the national staff of the ECCC will now be able to return to work on this basis," he said.

The UN also called on Cambodia to "meet its obligation" to pay salaries for the national staff.³⁹

Cambodia's King Under Pressure to Delay Convening Parliament

Cambodia's King Norodom Sihamoni came under pressure on September 19 from monks and civil society organisations to delay the opening session

of the country's parliament to give more time to the ruling and opposition parties for negotiations to end their election dispute.

A group of around 20 nongovernmental organisations said they would petition the king to hold off the September 23 session of the National Assembly, or parliament, until the opposition Cambodia National Rescue Party (CNRP) and Prime Minister Hun Sen's Cambodian People's Party (CPP) come to an agreement.

The two parties had met in recent days and appeared to be making progress on "narrowing their differences" in talks initiated by the King after the CNRP refused to accept official results naming the CPP the victor in July 28 polls and threatened to boycott parliament.⁴⁰

Cambodia opposition boycott opening of parliament

Cambodia's opposition have boycotted the opening of parliament, following political deadlock after disputed elections in July.

Fifty-five MPs from the Cambodia National Rescue Party (CNRP) were absent in protest at election results. The CNRP have accused the ruling Cambodian People's Party (CPP), headed by PM Hun Sen who has been in power for 28 years, of widespread election fraud.

Official results show the CPP won 68 seats—a greatly reduced majority.⁴¹

Hun Sen renamed Cambodia PM as opposition boycotts

Ruling party lawmakers in Cambodia on

³⁹ "Cambodia's Khmer Rouge court wins loan to pay staff", *AFP*, September 18, 2013 (http://www.google.com/hostednews/afp/article/ALeqM5hHxQsy014VjA7_qReVgYKiBIYQsQ?docId=CNG.8756c370451aa7119ca83b23bod48f82.621)

⁴⁰ "Cambodia's King Under Pressure to Delay Convening Parliament", *Radio Free Asia*, September 19, 2013 (<http://www.rfa.org/english/news/cambodia/boycott-09192013183259.html>)

⁴¹ "Cambodia opposition boycott opening of parliament", *BBC*, September 23, 2013 (<http://www.bbc.co.uk/news/world-asia-24177265>)

September 24 officially extended Hun Sen's rule for another five years, renaming the longtime strongman prime minister of the Southeast Asian nation in a parliamentary vote boycotted by the opposition. The vote was considered a formality, and Hun Sen who has ruled virtually unchallenged for nearly three decades will take the oath of office in front of King Norodom Sihamoni at the Royal Palace.

The opposition on September 23 stayed away from parliament's opening session and boycotted the legislature again over allegations the country's disputed July ballot was marred by fraud.

Confident as he spoke before the half-empty assembly, Hun Sen declared his re-election "a historic day for Cambodia." He also dismissed the allegations of cheating, calling the vote a "free, fair, just and transparent election."

Hun Sen and opposition leader Sam Rainsy have talked several times this month in an effort to resolve the political deadlock. Hun Sen told reporterson September 24 he was ready to talk again but only if opposition lawmakers take their seats in parliament.⁴²

Cambodia opposition seeks foreign support in poll row

Cambodia's opposition leader is touring Southeast Asia to appeal for the intervention of neighbouring countries in

a political stalemate triggered by disputed elections, his party said on October 1.

Sam Rainsy, whose opposition Cambodia National Rescue Party (CNRP) is boycotting parliament over the controversial July polls, left on September 30 evening for countries including Singapore and the Philippines.

"His goal is to meet the leaders of some countries in order to seek their intervention in the election irregularities," party spokesman Yem Ponharith told AFP. "If necessary he may continue to Europe, otherwise he will return to attend a rally on October 6," the spokesman added.

Cambodia's parliament last week approved a new five-year term for Hun Sen following weeks of political turmoil.⁴³

Cambodia to hear closing statements in KRouge trial

Cambodia's war crimes court will this week edge closer to delivering justice to Khmer Rouge victims as it begins hearing final statements in the much-delayed trial of former regime leaders.

Nearly four decades after the country's "Killing Fields" era, the UN-backed court will on October 16 enter the last phase of the trial of "Brother Number Two" Nuon Chea, 87, and ex-head of state Khieu Samphan, 82.

The trial is widely seen as a milestone in the still-traumatised nation's quest for justice, particularly given the ages of the frail suspects.⁴⁴

⁴² "Hun Sen renamed Cambodia PM as opposition boycotts", *Zee News*, September 24, 2013 (http://zeenews.india.com/news/world/cambodia-s-king-reappoints-pm-despite-opposition-protests_878795.html)

⁴³ "Cambodia opposition seeks foreign support in poll row", *AFP*, October 2, 2013 (<http://www.google.com/hostednews/afp/article/ALeqM5jjY1qSQD0CtroofytTMA34ITWO5A?docId=f2fod990-25c3-4423-80d4-d88f5228c19b>)

⁴⁴ "Cambodia to hear closing statements in KRouge trial", *AFP*, October 14, 2013 (<http://www.google.com/hostednews/afp/article/ALeqM5iFcuQK3fes7mCjZrdcYGi1UpooUg?docId=e9e197a8-1f0b-49fb-aa96-141b0921ea42>)

Trial of Cambodia's Khmer Rouge leaders nears end

Cambodia's trial of the Khmer Rouge's two surviving leaders began hearing closing statements on October 16, with pleas for belated justice almost 40 years after the brutal regime destroyed a generation of Cambodian people.

Now ailing and elderly, Nuon Chea, 87, the regime's chief ideologist, and Khieu Samphan, 82, its head of state, are charged with genocide and crimes against humanity including torture, enslavement and murder for planning and implementing the policies that left an estimated 1.7 million people dead.

Surviving victims hope that "after more than 30 years their right to justice and reparations will be realised," said another civil party lawyer, Pich Ang.⁴⁵

Cambodian opposition leader in US for talks

Cambodian opposition leader Sam Rainsy was on October 16 meeting with top State Department officials as part of his campaign to highlight a bitter row over his country's elections.

Rainsy's opposition Cambodia National Rescue Party (CNRP) is boycotting parliament over the controversial July polls in which it was narrowly defeated by the ruling Cambodian People's Party (CPP) of longtime leader Hun Sen.

Rainsy, who was also barred from running in the polls, was meeting at the

State Department with Deputy Secretary of State William Burns.

The opposition alleges widespread irregularities in the polls and has demanded an independent probe into the alleged electoral fraud. "Independent observers have noted serious election irregularities. We do believe and continue to believe that a credible and transparent review of the election would help efforts moving forward," State Department spokeswoman Jen Psaki said.⁴⁶

INDONESIA

Indonesia's trade deficit widens to record \$2.31 billion

Indonesia's trade deficit widened to a record \$2.31 billion in July due to a larger-than-expected rise in imports, the statistics bureau said on September 2. On an annual basis, exports rose 2.37 percent in July while imports surged 11.40 percent on higher oil and gas shipments.

The rupiah has tumbled nearly 12 percent so far this year as worries about Indonesia's fiscal health, especially its trade and current account deficits, prompt foreign investors to sell Indonesian bonds, stocks and other assets. After the release of the trade data, the benchmark share index JKSE dropped 1.6 percent to around 4127.

In the currency market, indicated spot rates for the rupiah were little changed at 10,910 per dollar, but traders said the central bank was continuing to defend the psychological 11,000 mark by supplying dollar liquidity. However,

⁴⁵ "Trial of Cambodia's Khmer Rouge leaders nears end", *Business Standard*, October 16, 2013 (http://www.business-standard.com/article/pti-stories/trial-of-cambodia-s-khmer-rouge-leaders-nears-end-113101600289_1.html)

⁴⁶ "Cambodian opposition leader in US for talks", *Global Post*, October 16, 2013 (<http://www.globalpost.com/dispatch/news/afp/131016/cambodian-opposition-leader-us-talks>)

dealers said some trades were made at weaker levels.

The statistics bureau also reported annual inflation was a less-than-expected 8.79 percent in August, the highest since January 2009. The previous week, the central bank raised its benchmark reference rate 50 basis points to 7 percent in a bid to tame inflation and boost the ailing rupiah.⁴⁷

Indonesian president struggles to find successor

Beset by a foundering economy and graft investigations into senior members of his party, Indonesian president Susilo Bambang Yudhoyono is struggling to find a successor. Yudhoyono, 64, is due to step down in 2014 after he reaches his limit of two five-year terms at the helm of Southeast Asia's largest economy. For much of the early part of his rule, Yudhoyono and his party were wildly popular, seen as reformers in a country tired of prolific graft.

Eleven names floated by his Democratic Party on September 15 to replace him reflect a dramatically changed reality: a party mired in corruption scandals and dwarfed by more popular rivals, and a dearth of candidates with enough appeal across the country, a strung-out archipelago of 250 million people.

In a country where politics is often dominated by personalities rather than ideologies, the Democratic Party's

candidate convention, which includes relatively unknown figures such as Trade Minister Gita Wirjawan and Yudhoyono's brother-in-law, Pramono Edhie Wibowo, is unlikely to pose a threat to early frontrunners in next year's presidential race.⁴⁸

Indonesian MP says country will 'fully reject' Coalition's asylum boat policy

Indonesian parliament will "fully reject" the Abbott government's asylum seeker boat policy, according to an Indonesian MP who labelled it illegal, offensive and an affront to Indonesian sovereignty. Indonesian MP and member of the parliamentary foreign affairs commission Tantowi Yahya told ABC Lateline on September 18 there were no circumstances under which Indonesia would agree to the government policy of turning back boats carrying asylum seekers.

When asked if he regarded the plan for the Australian navy to intercept boats in international waters and turn them back towards Indonesia to be legal, Yahya said: "it might be legal in your perspective, but in our perspective it might be different story." Pressed to define if he meant that he believed the policy was legal or illegal, Yahya responded: "it's illegal."

Yahya said the policy affects Indonesia's sovereignty as an independent country and that the Australian government should halt the policy until they had the agreement of Indonesia. "I think the policy will be very offensive and we in the parliaments fully support what was said by our foreign ministers,

⁴⁷ "Indonesia's trade deficit widens to record \$2.31 billion", *Reuters*, September 2, 2013 (<http://in.reuters.com/article/2013/09/02/us-indonesia-economy-trade-idINBRE98102S20130902>)

⁴⁸ "Indonesian president struggles to find successor", *Reuters*, September 16, 2013 (<http://in.reuters.com/article/2013/09/16/indonesia-politics-susilo-bambang-yudhoyono-idINDEE98F06Z20130916>)

that we will fully reject the policy,” he said.

One of Tony Abbott’s first international visits will be to Indonesian president Susilo Bambang Yudhoyono, and Yahya said he is sure Yudhoyono will raise the issue of asylum seekers with him as it has become a big concern for Indonesian government and citizens.⁴⁹

India, Indonesia to strengthen ties: Manmohan Singh

Prime Minister Dr. Manmohan Singh on October 11 said India and Indonesia have agreed to strengthen strategic partnership in each of the five major dimensions namely political, security, economic, people-to-people and international issues. The two countries signed six pacts in areas like health, anti-corruption, narcotics, disaster management and academics to take forward their strategic partnership. “In our discussions today, we reaffirmed the importance of our Strategic Partnership for our two countries and our region. We expressed satisfaction with progress in our relations and outlined an ambitious course for the future,” he said.

“To this end, President Yudhoyono and I have agreed to deepen our partnership in each of the five major dimensions of our relationship: political, security, economic, people-to-people and international issues,” he added. He also said that Indonesia is one of India’s most valued

partners in our Look East Policy, and added that the bilateral relations are rich in potential and growing rapidly.

Dr. Singh reiterated that India-ASEAN partnership is a force for peace and shared prosperity in the region. “We also look forward to working closely with Indonesia in important regional, multilateral and global forums. I am confident that our discussions and the agreements we have signed today will add new meaning and content to the strategic partnership between India and Indonesia,” he added.⁵⁰

Indonesia keen on India’s Food Security law

Indonesia has evinced a keen interest in India’s Food Security legislation and wants to step up coordination with New Delhi in the WTO on the contentious issue of stockpiling food reserves.

Food security appeared to be a priority for Indonesian President Susilo Bambang Yudhoyono during his one-on-one meeting with Prime Minister Manmohan Singh and the delegation-level talks between the two countries in Jakarta on October 11. More than once in his media statement after the talks, the President brought up the issue of food security.⁵¹

Indonesia agrees to resolve bottlenecks to Indian investments

Indonesia on October 11 agreed to address the concerns of Indian companies investing in the country and is willing to set up a joint high-

⁴⁹ “Indonesian MP says country will ‘fully reject’ Coalition’s asylum boat policy”, *Guardian*, September 18, 2013 (<http://www.theguardian.com/world/2013/sep/18/indonesia-reject-coalition-asylum-seeker-policy>)

⁵⁰ “India, Indonesia to strengthen ties: Manmohan Singh”, *DNA*, October 11, 2013 (<http://www.dnaindia.com/india/1902378/report-india-indonesia-to-strengthen-ties-manmohan-singh>)

⁵¹ “Indonesia keen on India’s Food Security law”, *The Hindu*, October 12, 2013 (<http://www.thehindu.com/news/international/world/indonesia-keen-on-indias-food-security-law/article5229331.ece>)

level task force in this regard. Indian companies have made some big investments in Indonesia in sectors like coal, mining and infrastructure. However, some of them have been facing some problems.

During their extensive meetings with Indonesian counterparts, visiting Indian Prime Minister Manmohan Singh and other senior leaders and officials on October 11 raised these issues and these matters were received positively by their Indonesian counterparts.

A number of Indian power companies have been looking at Indonesia for coal imports due to problems in the sector back home. Briefing the media after these meetings, top officials said that Indonesian President Susilo Bambang Yudhoyono told the Indian Prime Minister that these issues would be addressed suitably. "There are some issues regarding the investments by Indian companies in Indonesia and the President agreed that a joint high level task force will be set up to look into these issues," a top official said. This will help in boosting two-way investments between the two countries, he added.⁵²

Pakistan-Indonesia to sign MoU to further trade ties: envoy

Consul General of Republic of Indonesia, Rossalis Rusman Adenan has informed that the Jakarta Chamber of Commerce & Industry and the Karachi Chamber of Commerce and Industry (KCCI) will be signing a Memorandum of Understanding

(MoU) on October 21, 2013 at the World Trade Centre Building in Jakarta to further strengthen trade ties between the two countries.

Speaking at a meeting during his visit to KCCI, CG pointed out that Pakistan and Indonesia enjoy strong bilateral relations as trade volume continues to show rising trend and stood at \$1.6 billion last year against \$1.1 billion witnessed earlier. Earlier, while welcoming the Consul General, President KCCI A. Abdullah Zaki said that the bilateral trade relations between Pakistan and Indonesia are expanding rapidly as both governments have put significant efforts in implementing PTA and are looking forward to turn this PTA into FTA in near future.⁵³

LAOS

Chinese premier meets Laos PM

Chinese Premier Li Keqiang met with Laos Prime Minister Thongsing Thammavong in Nanning, China on September 2 pledging to enrich the content of their all-round strategic partnership of cooperation. Li made the remarks during his meeting with his Lao counterpart on the sidelines of the 10th ASEAN-China Expo.

He called on Laos to continue to contribute to China-ASEAN ties, and lay sound foundations for the upcoming East Asia Summit in Brunei in October. Thongsing said the Laos-China cooperation is of great importance to the economic and social development of Laos.

He said Laos is ready to maintain high-level exchanges with China and coordination on

⁵² "Indonesia agrees to resolve bottlenecks to Indian investments", *DNA*, October 11, 2013 (<http://www.dnaindia.com/money/report-indonesia-agrees-to-resolve-bottlenecks-to-indian-investments-1902309>)

⁵³ "Pakistan-Indonesia to sign MoU to further trade ties: envoy", *Business Recorder*, October 15, 2013 (<http://www.brecorder.com/business-a-economy/189/1241963/>)

international and regional affairs, implement projects of cooperation and enhance exchanges in law enforcement, security and cultural areas, so as to push forward the development of bilateral ties. Laos is willing to make contributions to the promotion of ASEAN-China ties, the prime minister added.⁵⁴

India agrees to provide USD 66.15 million to Laos

India on September 9 agreed to provide USD 66.15 million to Laos for irrigation and hydro power projects, including the extension of transmission lines, for socio-economic development in the South East Asian nation.

The decision was taken during External Affairs Minister Salman Khurshid's ongoing visit to the country to participate in the 7th India-Lao Joint Commission Meeting (JMC) on Bilateral Cooperation. Khurshid held the meeting on bilateral cooperation with his counterpart ThonglounSisoulith, Deputy Prime Minister and Minister of Foreign Affairs of the Laos in the capital, Vientiane.

An Agreement under Line of Credit for four Irrigation Projects in three provinces in the Lao PDR for USD 30.94 million was signed and conversion of another Line of Credit to substitute the Nam Boun-2 hydro power plant by the extension of transmission lines to Thasala-Laksao amounting to USD 35.25 million was approved during the meeting, an official statement said.

The projects will contribute to socio-economic development in Laos, it said.⁵⁵

7th India-Lao Joint Commission Meeting on Bilateral Cooperation

Shri Salman Khurshid, Minister of External Affairs visited the Lao PDR from 8-10 September, 2013. He held the 7th Lao-India Joint Commission Meeting on bilateral cooperation with his counterpart Dr. ThonglounSisoulith, Deputy Prime Minister and Minister of Foreign Affairs of the Lao PDR in Vientiane on 9 September 2013. He will call on Mr. Choummaly Sayasone, President and Mr. Thongsing Thammavong, Prime Minister and will also inaugurate the 2nd Roundtable of the ASEAN-India Network of Think Tanks, on 10 September 2013.

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During the JCM, both Ministers expressed satisfaction with the development in bilateral relations and noted that close cooperation and partnership between the two countries have expanded rapidly for mutual benefit, in recent years. India reiterated its preparedness to continue to provide assistance to the areas of water management and irrigation, energy generation and transmission and capacity

⁵⁴ "Chinese premier meets Laos PM", *People's Daily Online*, September 3, 2013 (<http://english.peopledaily.com.cn/90883/8387213.html>)

⁵⁵ "India agrees to provide USD 66.15 million to Laos", *Business Standard*, September 9, 2013 (http://www.business-standard.com/article/pti-stories/india-agrees-to-provide-usd-66-15-million-to-laos-113090900696_1.html)

building. It was recognized that our soft credit and grant projects have improved the visibility of India and Indian products in Lao.

The Ministers identified agriculture, defence, ICT, culture, education, health, trade and investment promotion, mining as priority areas of cooperation between the two countries that would give further impetus to bilateral relations. A number of new initiatives were taken to promote people-to-people contacts, training and scholarship opportunities and expansion of private sector participation in trade and investment, as well as in health and education.

Both Ministers also exchanged views on a wide range of bilateral, regional and international issues of mutual interest. They agreed to strengthen coordination on ASEAN and multilateral issues. Lao has extended financial support to the Nalanda University, which is being developed as a centre of international excellence. Lao reiterated its support to India on UN and other multilateral issues.

EAM invited Foreign Minister of Lao PDR to visit India for the next meeting of the Joint Commission.⁵⁶

Laos pursues rail link with China

The government will turn its attention to building the US\$7 billion Boten-Vientiane railway, to link the Lao capital with the Chinese border, according to the government spokesperson.

Speaking at a media conference following the government's open meeting that ended on September 20, Ms Bounpheng Mounphosay said the five-day meeting had adopted an infrastructure development strategy on land, air and water transportation.

Regarding rail development, the strategy prioritises the development of a rail network to connect with others in the region and sub-region. "Our particular focus is to build a rail link between Boten and Vientiane," Ms Bounpheng told the conference. Ms Bounpheng's announcement comes shortly before the planned visit to China by President Choummaly Sayasone.

Choummaly, who is also Secretary General of the Lao People's Revolutionary Party, will pay an official visit to China from September 26 to 30 in response to an invitation from his Chinese counterpart Xi Jinping. The topics slated for discussion by the two presidents have not been identified, although Vientiane is reportedly seeking financing from Beijing to build the 421 km high-speed railway.⁵⁷

Laos prepares to host 2014 ASEAN energy meeting

Laos will promote hydropower connectivity when it hosts the 32nd ASEAN Ministers on Energy Meeting (AMEM) next year, according to a senior government official. Deputy Minister of Energy and Mines Viraphonh Viravong made the statement when giving an interview to Vientiane Times at the 31st ASEAN Ministers on Energy Meeting, which opened in Bali, Indonesia, on September 25.

⁵⁶ "7th India-Lao Joint Commission Meeting on Bilateral Cooperation", *Ministry of External Affairs*, September 9, 2013 (<http://www.mea.gov.in/outgoing-visit-detail.htm?22174/7th+IndiaLao+Joint+Commission+Meeting+on+Bilateral+Cooperation>)

⁵⁷ "Laos pursues rail link with China", *Dawn*, September 24, 2013 (<http://dawn.com/news/1045104/laos-pursues-rail-link-with-china>)

Viraphonh represented Laos at the meeting in the absence of his minister Soulivong Daravong, who was unable to attend the gathering. He said Laos was ready to host the next AMEM, having successfully hosted similar events in previous years.

“We hosted a similar meeting in 2006,” Viraphonh said. “Today Laos has more facilities so I think we are more than ready.” Our intention for the next meeting is to promote energy connectivity, particularly in terms of hydropower.”⁵⁸

MALAYSIA

Malaysia Outlines New Affirmative Action Steps to Nation

Malaysia will set up a trust to expand education, home ownership and other affirmative action measures for ethnic Malays and indigenous people as part of the state’s policies to further boost their share of the economic pie, Prime Minister Najib Razak said.

“What we are doing is equitable and it does not take away the rights of any other individual or their interests,” Najib said on September 14 in a televised address. “The New Economic Policy for bumiputeras has proven to reduce the gap among races, including socio-economic development of bumiputeras, for four decades.”

Malaysia’s Permodalan Nasional Berhad will set up a 10 billion ringgit (\$3 billion)

unit trust to support skills training, education and home ownership among Malays and indigenous people, Najib said. It will additionally provide 700 million ringgit to support young Malay entrepreneurs, he said.

Government-linked companies will be urged to give more contracts and concessions to ethnic Malays on a merit basis, the prime minister said. The government will also identify state-owned companies that can be sold to Malays and indigenous people, he said.

“We want to build a new community,” Najib said. “A bumiputera entrepreneur who can compete and who is knowledgeable in all skills.”⁵⁹

Malaysia Remains Favourite Investment Destination, Says Najib

Malaysia remains a favourite investment destination as it has quality companies, a sensible capital market regulatory framework, strong legislation to protect investors and a government that is committed to growth, Prime Minister Datuk Seri Najib Tun Razak said on September 19.

“All these factors stand us in good stead, not only to attract future investments but to achieve our over-riding objective of becoming a developed nation by 2020,” he said at the launch of Westports Holdings Bhd’s initial public offering (IPO) prospectus. He said the public-private partnership approach was designed to reduce the government’s financial and administration burden and its presence in the economy, while allowing market forces to spur economic activities and private sector zeal to improve efficiency and productivity.

⁵⁸ “Laos prepares to host 2014 Asean energy meeting”, *AsiaOne*, September 27, 2013 (<http://news.asiaone.com/news/asia/laos-prepares-host-2014-asean-energy-meeting>)

⁵⁹ “Malaysia’s Najib Outlines New Affirmative Action Steps to Nation”, *Bloomberg Business Week*, September 14, 2013 (<http://www.businessweek.com/news/2013-09-14/malaysia-s-najib-outlines-new-affirmative-action-steps-to-nation>)

“Malaysia’s port facilities were one of the first areas of focus,” said Najib, who is also Finance Minister. The improvement and expansion of local ports has had a positive knock-on effect throughout the economy with spin-off industries such as freight forwarding activities having developed, creating wealth and job opportunities for Malaysians, he said. “Port Klang is now recognised as a major port in South East Asia. It is the second busiest port in the region and the 12th busiest in the world,” he added.⁶⁰

Indian Navy Chief to visit Malaysia

India and Malaysia will explore ways to strengthen their military ties during the five-day visit of Navy chief Admiral D K Joshi to Kuala Lumpur starting September 23.

As part of its ‘Look East’ policy, India has been increasing strategic ties with countries like Singapore, Japan, Vietnam, Indonesia and Malaysia.

During his visit, Joshi is expected to meet the top Malaysian defence leadership including his counterpart Admiral Tan Sri Abdul Aziz Jaafar and discuss a wide range of bilateral issues on defence cooperation, a Navy official said.

Malaysia has been a close ally of the Indian armed forces and the two sides have several common equipment such as the SU-30MKI aircraft and Scorpene submarines.

The Navy chief is also expected to visit some important military installations of the Malaysian armed forces. The Malaysian Navy has reportedly been seeking training in submarine operations from Indian personnel and has also evinced interest in procurement of the supersonic cruise missile BrahMos.⁶¹

Malaysia gets ASEAN nod for Security Council bid

ASEAN has endorsed Malaysia’s candidature as non-permanent member of the United Nations Security Council for the term 2015-2016.

In a statement, the foreign ministry said it was one of the main decisions of the informal meeting of ASEAN foreign ministers held on the sidelines of the 68th UN General Assembly in New York on September 26.

Malaysia was represented by Foreign Minister Datuk Seri Anifah Aman.⁶²

China, Malaysia Seek to Strengthen Ties

China and Malaysia signed business co-operation agreements worth a potential \$5 billion on October 4, the latest round of investments China is extending to trading partners in Southeast Asia.

China’s President Xi Jinping, who took office in March, arrived for a three-day visit to Malaysia after a stop in Indonesia, where he signed business deals worth a combined \$28 billion.

“China wishes to upgrade our bilateral relationship to a comprehensive strategic

⁶⁰ “Malaysia Remains Favourite Investment Destination, Says Najib”, *Bernama*, September 19, 2013 (<http://www.bernama.com.my/bernama/v7/bu/newsbusiness.php?id=978915>)

⁶¹ “Navy Chief to visit Malaysia”, *Business Standard*, September 22, 2013 (http://www.business-standard.com/article/pti-stories/navy-chief-to-visit-malaysia-113092200583_1.html)

⁶² “Malaysia gets Asean nod for Security Council bid”, *The Malaysian Insider*, September 28, 2013 (<http://www.themalaysianinsider.com/malaysia/article/malaysia-gets-asean-nod-for-security-council-bid>)

partnership,” Mr. Xi said at a business conference after meeting with Malaysian Prime Minister Najib.

Trade is at the core of that relationship. Earlier on October 4 both the leaders set a target of achieving \$160 billion in bilateral trade by 2017. China is already Malaysia’s largest trading partner, with bilateral trade expected to touch \$100 billion this year from a record \$94.8 billion in 2012.

If the countries achieved the \$100-billion goal, Malaysia would be China’s third-largest Asian trading partner, after Japan and South Korea.⁶³

Malaysia’s Petronas to set up \$50 million plant near Mumbai

Malaysia’s Petronas on October 21 said it will invest \$50 million in setting up a lubricant plant near Mumbai.

Petronas Lubricants International, the lubricants manufacturing and marketing arm of Malaysia’s national oil and gas company Petronas, signed a land-lease agreement with Maharashtra Industrial Development Corporation (MIDC) to build a lubricant oil blending plant, a company statement said.

The land-lease agreement “marks the first step towards the construction of a world class lubricant blending plant with a 60 kilo tons per annum capacity, that will

cater to Petronas’ growing market volume,” it said.

The plant will be constructed on 25 acres of industrial land in Patalganga, near Mumbai in phased approach, with a provision to expand the capacity to 120 kta in the second phase, translating into investments worth \$50 million.

The first phase of the plant is expected to be completed by the end of 2015.⁶⁴

Malaysia base in area disputed by China

MALAYSIA has announced it will build a new naval base about 100km from James Shoal, which is also claimed by China.

Until now, Malaysia has been the claimant of contested South China Sea zones and islets, which have previously most sought common ground with China. In March, China’s navy conducted a substantial exercise at the shoal, off the coast of the Malaysian state of Sarawak on northern Borneo.

Analyst Gary Li, with IHS Fairplay newsletter, said then: “It is not just a few ships here and there, but a crack amphibious landing ship carrying marines and hovercraft and backed by some of the best escort ships in the PLAN fleet.” “We’ve never seen anything like this that far south in terms of quantity or quality.”

Malaysian Defence Minister Hishammudin Tun Hussein said the Royal Malaysian Navy would set up a base at Bintulu in Sarawak to protect the region, and national oil and gas reserves.⁶⁵

⁶³ “China, Malaysia Seek to Strengthen Ties”, *Wall Street Journal*, October 6, 2013 (<http://stream.wsj.com/story/latest-headlines/SS-2-63399/SS-2-347047/>)

⁶⁴ “Malaysia’s Petronas to set up \$50 mln plant near Mumbai”, *Business Standard*, October 21, 2013 (http://www.business-standard.com/article/companies/malaysia-s-petronas-to-set-up-50-mln-plant-near-mumbai-113102100817_1.html)

⁶⁵ “Malaysia base in area disputed by China”, *The Australian*, October 23, 2013 (<http://www.theaustralian.com.au/news/world/malaysia-base-in-area-disputed-by-china/story-e6frg6so-1226744779452>)

MYANMAR

Indo-Myanmar border row surfaces in Manipur

The Myanmar army has asked the tribal village chief of Hollenphai village, Manipur to demolish houses and churches located at “areas of Myanmar.” This was stated in a joint press statement by Thangkhosai Haokip and Khaimang Chongloi, the president and the general secretary of the Kuki Impi Manipur (KIM), the apex body of the Kuki tribals in Manipur.

The KIM representatives had visited Hollenphai village to inspect the ongoing construction of the border fence by Myanmar that is reportedly encroaching upon Manipur’s land. Representatives of the Kuki students, village chiefs and women activists were also present during the visit. They said that the boundary pillars 74, 75 and 76 are “missing” near Hollenphai village. Besides, boundary pillar 80 is missing near Gobjang village. But the boundary pillar 23 of Myanmar is very much there.

Lalkholun Haokip, the tribal village chief of Hollenphai, told reporters that the border fence now being constructed under the supervision of Assam Rifles is one km deep inside Manipur’s territory.

Myanmar army’s instruction to demolish houses and churches in this village had been conveyed to the district administration.⁶⁶

Manipur committee on Myanmar border issues to submit report on September 9

A committee on border issues constituted by the Manipur government in the wake of public outcry against the possible loss of Indian territory due to the construction of border fence along Manipur-Myanmar border, is likely to submit its report to the government on September 9. Deputy Chief Minister Gaikhangam Gangmei had earlier announced that once the report is received, a Ministerial team will visit the border areas to make an assessment. But this was unlikely to happen.

Reports said that Chief Minister Okram Ibobi Singh has informed the Congress Legislature Party (CLP) members that the Ministry of External Affairs has written a letter to him not to send the Ministerial team to the border areas. India and Myanmar are having a cordial neighbourly relationship. Besides, there has been the legalised border trade. The two countries have been cooperating in many ways including counteracting the armed movement along the border. At this juncture the proposed visit of the Ministerial team will send a wrong signal to the Myanmar government, it was pointed out.

The official team led by the principal secretary (Home) Suresh Babu had visited the border areas on August 26. Mr. Babu drew flak when he told reporters that what is being constructed is not border fence but a security fence. Governor Ashwini Kumar also visited the border areas on August 27. He assured that the villagers that he would take up the issue with the appropriate authority.

When the border fence is constructed 18 villages

⁶⁶ “Indo-Myanmar border row surfaces in Manipur”, *The Hindu*, September 6, 2013 (<http://www.thehindu.com/news/national/other-states/indomyanmar-border-row-surfaces-in-manipur/article5099949.ece>)

of Manipur will be affected. ChoroKhunnou in Ukhrul district will be left out of Manipur. The government has not explained why the border fence or the security fence as the case may be is passing through almost the middle of 18 villages and that other parts of these villages beyond the border fence will be left in Myanmar.⁶⁷

India raises its game in Myanmar, opens Exim Bank office

The Export Import (EXIM) Bank will open a representative office on September 9 in Yangon, former capital and commercial centre of Myanmar, as India refashions its relations building diverse layers of contact with the Southeast Asian country that will chair the ASEAN bloc next year.

The setting up of the EXIM Bank office is a follow up on Prime Minister Manmohan Singh's visit to the country in May last year during which India signed a credit line of \$500 million to build railway and irrigation projects. India has also sanctioned another \$250 million for various other projects. The Bank has asked the government to finalise those, says David Rasquinha, executive director of the bank.

There also plans to use the credit scheme under the National Export Insurance

Account operated by the Bank under which government agencies can import goods and services from India.⁶⁸

Rakhine economic project touted

Myanmar on September 8 opened tenders for a consultancy firm to help launch a special economic zone in the troubled Rakhine state, where sectarian violence claimed almost 200 lives last year. Myanmar is seeking an international firm that can help the government draw up the contract terms for potential investors in the KyaukPhyu special economic zone (SEZ). The project is expected to cost about 227 million dollars in the initial phase, officials said.

The Rakhine is one of the most impoverished regions in Myanmar, listed as one of the world's least developed countries after almost five decades of military rule that came to an end in November, 2010, when the country held a general election ushering in a new era of political and economic reforms.

The economic zone will be set up near KyunkPhyutownship in the Rakhine state, about 500 kilometres west of Yangon. The project is part of the government's bid to bring economic opportunities to the state, where fighting broke out last year between Buddhist and Muslim communities leaving at least 167 dead, according to official figures, and displacing up to 140,000 people.⁶⁹

⁶⁷ "Manipur committee on Myanmar border issues to submit report on Monday", *The Hindu*, September 8, 2013 (<http://www.thehindu.com/news/national/other-states/manipur-committee-on-myanmar-border-issues-to-submit-report-on-monday/article5106645.ece?homepage=true>)

⁶⁸ "India raises its game in Myanmar, opens Exim Bank office", *The Assam Tribune*, September 8, 2013 (<http://www.assamtribune.com/scripts/detailsnew.asp?id=sep0813/at045>)

⁶⁹ "Rakhine economic project touted", *Bangkok Post*, September 8, 2013 (<http://www.bangkokpost.com/news/asia/368651/myanmar-touts-rakhine-special-economic-project>)

Myanmar Buddhist committee bans anti-Muslim organisations

A government-appointed body that oversees Myanmar's Buddhist monkhood has issued a directive intended to check the influence of a monk-led movement accused of stoking violence against minority Muslims. At least 237 people have died in sectarian violence since June last year and more than 150,000 have been displaced. The vast majority of the victims were Muslim.

The bloodshed, mirrored by increasing attacks on Muslims in Buddhist-majority Sri Lanka, has threatened to undermine political and economic reforms the government initiated two years ago after half a century of military rule.

In an order dated September 2, the State Sangha Maha Nayaka Committee of monks responsible for regulating the Buddhist clergy prohibited the creation of formal organisations based around the 969 movement. "They didn't receive any permission, yet they want to form an organisation and make nationality-protection laws," Ashin Baddanda Guna Linkara, the committee's vice-chairman for Yangon, told Reuters.

The committee did not object to monks promoting the 969 ideology, which urges Buddhists to protect their faith against a perceived threat from Islam, he said, but the movement's leaders had gone too far by drafting proposed laws, including one that would stop Buddhist women marrying outside their religion.⁷⁰

Indo-Myanmar border row: Manipur CM to meet PM

Deputy Chief Minister Gaikhangam Gangmei told reporters on September 9 that he and Chief Minister Okram Ibobi Singh will leave Imphal on September 12 to meet Prime Minister Manmohan Singh and other senior Ministers to discuss the issue of border row with Myanmar. The Myanmar army has reportedly constructed one camp at Holenphai village near the border town of Moreh. The leaders will put forth the factual position and the stand of the Manipur government.

He said that the Manipur government took a serious view of the reports that the Myanmar army has constructed its camp well inside Manipur's territory. Since it is a very sensitive issue involving another country it is not for him to make a comment at this stage. However, there is no question of compromising Manipur's territory, he said.

The Myanmar army had ignored the objections from the district police and civil officials. Intercepting the felling down of trees at Holenphai village the Manipur officials had tried to dissuade them from the destruction of forest for the construction of the army camp. However the army officers maintained that as per British maps the area comes under Myanmar. It is significant to note that the claim is made only now.⁷¹

Myanmar Kachin rebels say peace talks to continue despite new clashes with government

A spokesman for Myanmar's ethnic Kachin rebels said on September 13 that cease-fire talks

⁷⁰ "Myanmar Buddhist committee bans anti-Muslim organisations", *Reuters*, September 11, 2013 (<http://in.reuters.com/article/2013/09/11/myanmar-buddhism-idINDEE98A06S20130911>)

⁷¹ "Indo-Myanmar border row: Manipur CM to meet PM", *The Hindu*, September 10, 2013 (<http://www.thehindu.com/news/national/indomyanmar-border-row-manipur-cm-to-meet-pm/article5111635.ece?homepage=true>)

with the government will continue despite new clashes between the two sides.

La Nan of the Kachin Independence Army said in an email that a new round of talks will be held on September 16. In the last talks in May, the two sides signed a seven-point agreement to move toward a peace settlement, but fighting continued and has increased since August.

Myanmar for decades has faced rebellions from several ethnic groups seeking autonomy. The Kachin are the only major rebel group that has not reached a cease-fire agreement with the elected government of President Thein Sein, who came to power in 2011 after almost five decades of harsh military rule.

The government is trying to forge a nationwide cease-fire accord with all armed ethnic groups to be signed in October. La Nan said there have been continuing clashes since the end of August.⁷²

Myanmar to grant U.N. nuclear watchdog wider access

The U.N. nuclear watchdog will gain wider inspection powers in Myanmar under an agreement to be signed, in a further sign of the formerly army-ruled Asian state opening up to the outside world.

Myanmar will sign the so-called Additional Protocol—which allows

unannounced inspections outside of declared nuclear sites—with the UN’s International Atomic Energy Agency on September 17, the Vienna-based IAEA said. The move will help to ease any lingering concern about Myanmar’s nuclear ambitions.

Myanmar has denied allegations made by an exile group three years ago that it was trying to develop nuclear weapons, and most experts say its technological expertise is still far short of that level.

But in early 2011, diplomatic sources in Vienna said the IAEA had written to Myanmar seeking information about its activities, suggesting it wanted to send inspectors there.⁷³

Myanmar to set up stock exchange market

Myanmar will start to set up a stock exchange market by 2015 with the help of Japan, an official said on September 17. Security Exchange will be established this year in line with Security Exchange Law which was passed by parliament and promulgated in July this year, Xinhua cited Eleven Media as quoting Myanmar’s Deputy Finance Minister MaungMaungThein.

The process of setting up the stock exchange will be done through the finance ministry. The price of real estate is expected to fall once the stock exchange is introduced.

Meanwhile, US companies such as Coca-Cola and Unilever were investing in Myanmar after the US eased economic sanctions on the country last year.⁷⁴

⁷² “Myanmar Kachin rebels say peace talks to continue despite new clashes with government”, *The Gazette (Montreal Gazette)*, September 13, 2013 (<http://www.montrealgazette.com/news/Myanmar+Kachin+rebels+peace+talks+continue+despite+clashes/8909001/story.html>)

⁷³ “Myanmar to grant U.N. nuclear watchdog wider access”, *Reuters*, September 16, 2013 (<http://in.reuters.com/article/2013/09/16/myanmar-nuclear-iaea-idINDEE98F06M20130916>)

⁷⁴ “Myanmar to set up stock exchange market”, *Business Standard*, September 17, 2013 (http://www.business-standard.com/article/news-ians/myanmar-to-set-up-stock-exchange-market-113091700618_1.html)

Myanmar erecting wooden fencing along Manipur border: Parties

Myanmar is erecting wooden fencing along the undemarcated border with India near Morehtown of Manipur's Chandel district, civil society groups and political parties on September 19 alleged and sought Centre's intervention.

A CPI team visited the border areas on September 18 and suggested that a working group formed by the two countries should immediately re-survey the area and till then there must no fencing work at the undemarcated areas.

The party's Manipur unit secretary M Nara said it was "now an accepted fact that there was a border dispute near Moreh", and demanded that the ruling Congress immediately convenes an all political party meeting to discuss the issue. Senior CPI leader Sotin Kumar, who led the team, claimed that if the erection of fencing continued, about seven km stretch of land with a width of about 100 metres would fall within the territory of the neighbouring country.

Major social organisation, United Committee Manipur (UCM), national and regional political parties and other civil societies whose representatives had visited the 'undemarcated' border areas claimed if the fencing was not stopped, several villages would come under Myanmar.⁷⁵

Myanmar monks urge peace on uprising anniversary

Senior monks who led Myanmar's "Saffron Revolution" appealed on September 18 for an end to religious violence in the former junta-ruled nation as they marked the sixth anniversary of the failed uprising. "The path to democracy has just appeared. In order not to ruin it, we urge you to avoid ethnic and religious violence," senior cleric SandarSiri said in a speech to about 100 monks and guests at a monastery in Yangon.

Religious violence—mostly targeting Muslims—has exposed deep rifts in Buddhist-majority Myanmar, casting a shadow over widely praised political reforms since military rule ended in 2011. Around 250 people have been killed and more than 140,000 left homeless in several outbreaks of violence since June 2012.⁷⁶

Myanmar hails new Kachin rebel peace agreement

Myanmar and Kachin rebels signed a fresh peace deal on October 10, government mediators said, the latest step in efforts to end the country's last major active civil war.

The deal, which follows three days of negotiations, was aimed at laying the "foundation for political dialogue" and working towards ending the conflict in Kachin that broke out two years ago when a 17-year ceasefire crumbled.

"We're working not just towards a just and sustainable peace but towards a new political

⁷⁵ "Myanmar erecting wooden fencing along Manipur border: Parties", *Business Standard*, September 19, 2013 (http://www.business-standard.com/article/pti-stories/myanmar-erecting-wooden-fencing-along-manipur-border-parties-113091900820_1.html)

⁷⁶ "Myanmar monks urge peace on uprising anniversary", *AFP*, September 19, 2013 (<http://www.google.com/hostednews/afp/article/ALeqM5j6rF27itQqfnTy9chP-yJVT3fy9Q?docId=CNG.56cb9b3bfa017f8386e2dff53d207ad1.9d1>)

culture, one built on compromise, mutual respect and understanding,” said Aung Min, the minister leading the government’s peace efforts, in a statement. “The challenges are complex and are rooted in more than half a century of violence, but I’m confident that we are turning the corner,” he added after the talks in the Kachin state capital Myitkyina—the second round of negotiations on home soil.

Fighting in Kachin near the northern border with China has continued since June 2011 and displaced some 100,000 people according to the United Nations.⁷⁷

Myanmar, Vietnam vow to promote security cooperation

Myanmar and Vietnam have vowed to promote security cooperation between the two countries, media reports said on October 15.

The pledge was made by Myanmar’s Minister of Home Affairs Lt.Gen. KoKo and visiting Vietnamese Minister of Public Security Gen. Tran Dai Quang at the first ministerial meeting of the two countries on combating transnational crime and security matters held in Naypyidaw, reported Xinhua quoting the New Light of Myanmar.

Matters related to anti-narcotics, anti-terrorism, preventive measures against poisonous materials, trafficking of

women and children and money laundering were discussed in the meeting.

Meanwhile, according to Vietnamese Ministry of Foreign Affairs, Myanmar and Vietnam signed a visa exemption agreement for ordinary passport holders which grants exemption for entry, exit and transit visas up to 14 days of stay in each other’s territories, beyond which a formal visa is required.

The exemption will take effect from October 26.⁷⁸

China, Myanmar to enhance military ties

China will work with Myanmar to further improve military ties and jointly safeguard border stability, a senior military officer said in Beijing on October 15.

Vice chairman of China’s Central Military Commission Fan Changlong made the pledge during his meeting with Myanmar’s Commander-in-Chief of the Defence Services Senior-General Min Aung Hlaing, Xinhua reported.

The official said China attached great importance to the development of military ties with Myanmar and will continue to handle sensitive issues appropriately and cooperate in a mutually beneficial way.

Fan said China is ready to work with Myanmar and jointly safeguard border stability so as to contribute to the development of the comprehensive strategic partnership of cooperation between the two nations.⁷⁹

⁷⁷ “Myanmar hails new Kachin rebel peace agreement”, *Business Standard*, October 10, 2013 (http://www.business-standard.com/article/pti-stories/myanmar-hails-new-kachin-rebel-peace-agreement-113101000658_1.html)

⁷⁸ “Myanmar, Vietnam vow to promote security cooperation”, *Business Standard*, October 15, 2013 (http://www.business-standard.com/article/news-ians/myanmar-vietnam-vow-to-promote-security-cooperation-113101500090_1.html)

⁷⁹ “China, Myanmar to enhance military ties”, *Business Standard*, October 15, 2013 (http://www.business-standard.com/article/news-ians/china-myanmar-to-enhance-military-ties-113101501109_1.html)

Myanmar to go ahead with nationwide cease-fire agreement

The Myanmar government will go ahead with a planned cease-fire agreement in November even if it fails to bring onboard the Kachin Independence Organisation, a major rebel group, a high-ranking official said on October 24.

The government hopes that the two remaining ethnic rebel groups, including the KIO, will join others when it sends out invitations to converge and sign the planned nationwide cease-fire agreement next month, AungThein, deputy minister at the Presidential Office, told a group of senior Japanese editors in Naypyitaw.⁸⁰

Myanmar president will not seek second term: party

Myanmar President TheinSein, who has steered a wave of reforms since the end of military rule, will not be seeking a second term at the next election in 2015, the leader of his party said on October 24.

TheinSein has been lauded internationally for his economic policies, prisoner amnesties, and peace deals with ethnic minority rebels, but last year said a second term would depend on whether the people wanted him to stay and if he was physically able to do the job.⁸¹

THE PHILIPPINES

Philippine officials say China set impossible conditions for president's visit

Philippine President Benigno Aquino III cancelled a trip to a Chinese trade fair after Beijing demanded that he first withdraw a legal complaint over disputed territories in the South China Sea, Filipino officials said on September 2. Chinese Foreign Minister Wang Yi and two other diplomats relayed conditions for Aquino to attend the annual China-ASEAN Expo, which opens on September 3 in the southern city of Nanning, Department of Foreign Affairs spokesman Raul Hernandez told a news conference.

Hernandez declined to detail the conditions, but said these were “absolutely inimical to our national interest.” The Chinese side asked that the conditions not be publicly disclosed, he said. Because of the conditions, Aquino decided to call off his publicly announced trip to the trade fair, Hernandez said, adding the Philippines will instead send a delegation headed by its trade secretary.⁸²

Manila Accuses China of Building on Disputed Reef

The Philippines says it has spotted dozens of concrete blocks it believes may be the beginning of a Chinese construction project on a disputed group of reefs in the South China Sea. Manila's

⁸⁰ “Myanmar to go ahead with nationwide cease-fire agreement”, *Global Post*, October 24, 2013 (<http://www.globalpost.com/dispatch/news/kyodo-news-international/131024/myanmar-go-ahead-nationwide-cess-fire-agreement>)

⁸¹ “Myanmar president will not seek second term: party”, *Reuters*, October 24, 2013 (<http://www.reuters.com/article/2013/10/24/us-myanmar-president-idUSBRE99NoYX20131024>)

⁸² “Philippine officials say China set impossible conditions for president's visit”, *The Washington Post*, September 2, 2013 (http://www.washingtonpost.com/business/philippine-officials-say-china-set-impossible-conditions-for-presidents-visit/2013/09/02/fc754fc2-139c-11e3-b220-2c950c7f3263_story.html)

Defence Ministry on September 3 unveiled aerial photos of the 30 blocks lying at the Scarborough Shoal, the scene of tense standoffs between Chinese and Philippine ships in recent months. A defence spokesperson said he does not know the exact purpose of the structures, but said boats could be anchored to them. He also said they could be used “as a foundation for something.” There has been no response from Beijing.⁸³

Philippines only emerging Asian nation with strong momentum: OECD

The Philippines is the only emerging Asian nation with strong business cycle momentum, although China and Singapore have stabilised, the OECD Development Centre said on September 9.

Chinese growth was now returning to trend, meriting a “Stay the same” reading for the business cycle, after a slowdown that had weakened momentum across ASEAN nations. India had a “weak” business cycle reading with growth below trend in the latest Asian Business Cycle Indicators report.

Singapore and Malaysia were now rated as stable. Indonesia and Thailand had weak ratings. The OECD said “the key imminent downside risk facing Southeast Asia, China and India is the turmoil in

the financial market, triggered by the prospects of the tapering of quantitative easing (QE) policy in the US”. It noted emerging Asian economies with large current account deficits that are more vulnerable to rapid capital outflows such as India and Indonesia bore the brunt of the financial turmoil.⁸⁴

Philippines rebels take more hostages

Muslim rebels seized dozens more hostages and traded gunfire with Philippines troops on September 10, in the second day of a stand-off after mounting a deadly attack on a southern city, officials said.

Gunshots rang out at dawn on the coastal outskirts of Zamboanga, in a confrontation between the government and up to 300 gunmen from the Moro National Liberation Front (MNLF) aimed at derailing peace talks. The rebels seized 20 hostages at the start of the crisis, but Zamboanga Mayor Maria Isabelle Climaco Salazar said they were now holding 170 people in six villages where they are holed up.

“What we are seeing is that they are being used as human shields,” Salazar said in an interview with ABS-CBN television. “We are working for the release of the hostages and a peaceful resolution of this problem.”

The gunmen, followers of by MNLF founder NurMisuari, poured into six coastal villages on the previous day before mounting an assault on Zamboanga, causing panic in the city of nearly one million people.⁸⁵

⁸³ “Manila Accuses China of Building on Disputed Reef”, *Voice of America*, September 3, 2013 (<http://www.voanews.com/content/philippines-accuses-china-of-building-on-disputed-reef/1742128.html>)

⁸⁴ “Philippines only emerging Asian nation with strong momentum: OECD”, *Channel NewsAsia*, September 9, 2013 (<http://www.channelnewsasia.com/news/business/international/philippines-only-emerging/807484.html>)

⁸⁵ “Philippines rebels take more hostages”, *Channel NewsAsia*, September 10, 2013 (<http://www.channelnewsasia.com/news/asiapacific/philippines-rebels-take/808104.html>)

Philippines supports US repivot to Asia

The Philippines support the United States government's repivot to Asia policy since it will enhance the military-to-military engagement between the two countries, Philippine Ambassador to Washington Jose Cuisia Jr. said on September 12.

The envoy said this as the two countries prepare for the third round of negotiations on a framework agreement that will allow the increased rotational presence of US military forces in Philippine camps.

Cuisia noted that the "increased attention" the United States is placing on the Asia-Pacific region is important to ensure the growth and stability in the region. "As a treaty ally, the Philippines recognises and accepts our important role in the rebalance to Asia. We welcome the US rebalancing to the region as a clear recognition of the importance of ensuring the stability and growth of the Asia Pacific region," he said during the Ambassador's Forum at the International Institute for Strategic Studies.

"We view the rebalance as more than a policy decision, but a strategic imperative, as the Asia-Pacific region has become the nexus of the world's most dynamic of opportunities, and the most intransigent of challenges," Cuisia added.

The third round of negotiations are for a framework agreement that would make possible a more robust military-to-

military engagement between the two treaty allies that would cover arrangements for the temporary stationing of US troops and assets in Philippine military facilities.⁸⁶

Philippines ceasefire collapses as fighting continues

Fighting has continued for a sixth day in the southern Philippines, after a ceasefire between government forces and Muslim separatist rebels almost immediately collapsed. More than 50 people have died in the stand off in the port city of Zamboanga, with more than 50 others injured and almost 30,000 people displaced since the fighting began on September 9.

Entire neighbourhoods have been destroyed by Moro National Liberation Front (MNLF) gunmen, forcing residents to flee. Interior Secretary Mar Roxas says police estimate the MNLF gunmen in the city are holding as few as seven people, compared to the more than 100 a day earlier.

Mr Roxas' comments have raised hopes the crisis is heading towards a resolution. "By today, it's quite clear that not only is this incursion being contained, from contained it has evolved into constriction, which is to reduce the operating space of the MNLF," he said.

Government officials say troops have been searching out the last remaining Muslim rebels, in the operation that killed dozens of the militants and allowed scores of hostages to flee. Military spokesman, Lieutenant-Colonel Ramon Zagala, says the operation involving at least 3,000 elite troops has killed 43 rebels while a further 19 have been detained.⁸⁷

⁸⁶ "Philippines supports US repivot to Asia", *Sun Star*, September 12, 2013 (<http://www.sunstar.com.ph/breaking-news/2013/09/12/philippines-supports-us-repivot-asia-302843>)

⁸⁷ "Philippines ceasefire collapses as fighting continues", *Australia Network News*, September 15, 2013 (<http://www.abc.net.au/news/2013-09-15/an-ceasefire-collapses-after-renewed-fighting-in-philippines/4958556>)

Philippines, US to hold war games near South China Sea

The Philippines and the United States will begin war games near disputed South China Sea waters in the week starting September 16, showcasing fast-expanding military ties and likely further stoking tensions with China.

The annual exercises, which involve 2,300 marines from both sides, will take place amid the backdrop of ongoing negotiations to further increase an American military presence and the deployment of its hardware in the former US colony.

They also come three weeks before US President Barack Obama is due to visit Manila, a huge moment for the Philippines as it looks for US support amid a worsening row with China over rival claims to parts of the South China Sea. “The Chinese will view these military exercises as yet another example of the Philippines stirring up tensions in the South China Sea and of the US taking advantage of the situation to increase its military presence,” regional security expert Ian Storey told AFP.

Beijing, which insists it has sovereignty to nearly all of the South China Sea, has repeatedly railed at the Philippines for refusing to back down in the territorial dispute and seeking to draw the US closer.⁸⁸

Philippines: Rebels, government troops clash

Fighting erupted anew between government troops and Moro rebels in southern Philippines early on September 23, with one person wounded and civilians being trapped and believed to have been taken hostage, local officials said.

According to Emmylou Mendoza, governor of Mindanao’s North Cotabato province, the fighting between Philippines army soldiers and Bangsamoro Islamic Freedom Fighters (BIFF) in the province’s Midsayap town also prompted suspension of classes in several schools there, Xinhua reported.

“We are on full alert,” Mendoza said, adding that a civilian was wounded following the incident and that local authorities were now assisting evacuees from three villages affected in the skirmish. Mendoza said they were still verifying reports about teachers and students being held hostage by the rebels.

A BIFF spokesperson, Abu Misri, told local media that the fighting started when soldiers and BIFF gunmen chanced upon each other near the village of Katimpilan, also in Midsayap on the morning of September 23. Misri confirmed several students and teachers were trapped due to the fighting but denied they are being held as hostages by his comrades.⁸⁹

India, Philippines set to upgrade ties, reinvigorate relations

India and the Philippines have set aside years

⁸⁸ “Philippines, US to hold war games near South China Sea”, *Business Standard*, September 17, 2013 (http://www.business-standard.com/article/pti-stories/philippines-us-to-hold-war-games-near-south-china-sea-113091700306_1.html)

⁸⁹ “Philippines: Rebels, government troops clash”, *Business Standard*, September 23, 2013 (http://www.business-standard.com/article/news-ians/philippines-rebels-government-troops-clash-113092300177_1.html)

of limited contact and are going to work towards a full and comprehensive upgrade of their bilateral relations which will be manifest in the visit of Indian President Pranab Mukherjee to the country in 2014.

In what was described as an “exceptional meeting” between Indian External Affairs Minister Salman Khurshid and Secretary of the Philippines’ Department of Foreign Affairs Albert del Rosario in Manila on October 21, the two countries agreed to take their ties to a substantially higher level.

The two country have decided to upgrade their military relations and have the second meeting of the Philippines-India Joint Defence Cooperation Committee (JDCC) in New Delhi as early as next month, a joint statement issued after the talks said.

The second meeting of the India-Philippines Joint Commission on Bilateral Cooperation had comprehensive discussions on political, defence, security, economic and cultural cooperation between the two countries. Both sides committed to increasing bilateral trade and investment and maximising the potential on offer.⁹⁰

SINGAPORE

Singapore Stocks Worst in Developed World: Southeast Asia

Singapore stocks tumbled by the most among developed markets in August as investors pulled cash from Southeast Asia

on concern about the future of global stimulus. Singapore’s Straits Times Index, the benchmark gauge for the region’s biggest market, dropped 7.5 percent in the 10 days through August 28, its longest losing streak since 2002. The gauge slumped 6 percent in August, the worst performance among the world’s developed equity markets. Jardine Cycle & Carriage Ltd., the largest shareholder of Indonesia’s PT Astra International (ASII), and commodities trader Olam International Ltd. led declines.

Stocks in Southeast Asia sank faster than global equities on signs regional economic growth is slowing and as Federal Reserve policy makers prepare to reduce U.S. bond buying that had prompted investors to buy riskier assets. Investors pulled \$2.2 billion from Thailand, Indonesia and the Philippines in August, after plowing \$6.8 billion into the markets in 2012, data compiled by Bloomberg show. “Singapore is a barometer for Southeast Asia,” WellianWiranto, Singapore-based Asian investment strategist at Barclays Plc’s wealth-management unit, said in an interview on August 28. “Choppiness elsewhere brings ripples here. Investors are probably concerned about the risk of contagion amid capital outflows from neighbouring markets like Indonesia and the Philippines.”⁹¹

Singapore steps up scrutiny of some Indian bank branches

Singapore regulators have stepped up their scrutiny of some local branches of Indian banks on concerns about asset quality, three bank executives said.

⁹⁰ “India, Philippines set to upgrade ties, reinvigorate relations”, *Business Standard*, October 22, 2013 (http://www.business-standard.com/article/news-ians/india-philippines-set-to-upgrade-ties-reinvigorate-relations-113102200613_1.html)

⁹¹ “Singapore Stocks Worst in Developed World: Southeast Asia”, *Bloomberg*, September 2, 2013 (<http://www.bloomberg.com/news/2013-09-01/singapore-stocks-worst-in-developed-world-southeast-asia.html>)

India's slowest economic growth in a decade and a weakened rupee have weighed on the balance sheets of heavily leveraged Indian companies, including those that have raised money from Indian lenders in offshore centres such as Singapore.

The Monetary Authority of Singapore (MAS) is looking more closely at the books of the local operations of some Indian banks to assess the credit quality of loans made from the branches to Indian companies, bankers said.

"There is an enhanced degree of oversight by the Monetary Authority of Singapore on Indian Banks in the recent days," S SMundra, chairman and managing director of state-run Bank of Baroda, said. "They are closely keeping a tab on the NPA (non-performing asset) levels and looking at the quality of assets financed."

An MAS spokesman said it "does not comment on our dealings with individual financial institutions".

The regulator has in some cases suggested that banks re-classify some loans as non-performing assets, two bankers said, speaking on condition of anonymity.⁹²

Singaporean companies believe in India despite economic woes

Singaporean companies still believe in long-term opportunities in India despite the recent plunge in rupee value and the weakening economic outlook, according to a media report.

Singapore property group Ascendas, which has real estate assets in Bangalore and Chennai, believed in its long-term growth, its president and chief executive ManoharKhiatani said. "It has a competitive, qualified labour force and global companies will continue to choose India to conduct their businesses," The Straits Times on September 16 quoted Khiatani as saying.

"The country's real estate sector is in its growing phase and we believe key sub-sectors including industrial, IT and commercial space will continue to see steady demand," he said.

Singapore-listed Religare Health Trust (RHT), which has a portfolio of health-care assets in India, was banking on the Indian market potential, especially citing the shortage of hospital beds relative to rising demand. RHT chief executive GurpreetDhillon said strong and sustained growth in the Indian health-care sector was being driven by solid fundamentals such as a growing middle class, an ageing population and changing disease profiles.⁹³

Singapore, Japan get rich on Bangalore's e-waste

Tonnes of e-waste from Bangalore and across India are shipped to Singapore, Belgium and Japan for the country doesn't have a single full-fledged unit capable of extracting precious metals like gold, silver and platinum from it. According to industry sources, approximately 200 tonnes are sent annually to these three countries.

S Nanda Kumar, chief environmental officer, Karnataka State Pollution Control Board (KSPCB), said though the central government

⁹² "Singapore steps up scrutiny of some Indian bank branches", *The Indian Express*, September 14, 2013 (<http://www.indianexpress.com/news/singapore-steps-up-scrutiny-of-some-indian-bank-branches/1169195/>)

⁹³ "Singaporean companies believe in India despite economic woes", *Business Standard*, September 16, 2013 (http://www.business-standard.com/article/pti-stories/singaporean-companies-believe-in-india-despite-economic-woes-113091600108_1.html)

implemented the E-waste Management and Handling Rules in 2012, it requires huge investment to establish a unit to extract expensive metals. These can be extracted from printed circuit boards, mobile phones and other computer components.

P Parthasarathy, MD, E-Parisara Pvt Ltd, the only firm extracting precious metals partially from e-waste in the country, said: “We can extract them from visible parts like motherboards and mobile phones,” he said. He added India doesn’t have a smelting unit to extract precious metals from e-waste which are not visible to the eye in computer processors, etc, and this is sent to Belgium and Japan. Billions of dollars are required to establish a smelting unit, he added.

E-Parisara is the first government authorised unit in the country and it’s the only company to extract valuable metal from e-waste.⁹⁴

Singapore Airlines, Tata to establish airline in India

Tata Group and Singapore Airlines (SIAL.SI) plan to form a full-service airline based in New Delhi, adding a deep-pocketed player to a fast-growing but competitive Indian aviation sector where most operators lose money.

The two will initially invest a combined \$100 million to start the carrier, with Tata

Sons owning 51 percent and Singapore Airlines, Asia’s second-biggest carrier by market capitalisation, the rest.

The tie-up is the second airline joint-venture announced this year by the Tata Group.⁹⁵

Singapore Airlines to increase flight services to India

Singapore Airlines on September 24 said it will increase its services to India to 107 flights a week from 98 next month. The new schedule will start Oct 27. “India is an extremely important market for the Singapore Airlines Group and the nine additional weekly services clearly demonstrate our commitment to growing business and tourism exchange between both countries,” said G.M. Toh, general manager India, Singapore Airlines.

According to the airline, its subsidiary SilkAir will boost India-Singapore services by adding a third daily service from New Delhi, tenth weekly service from Kochi and the fourth weekly one from Visakhapatnam.⁹⁶

Tata, Singapore Airlines get government approval for airline venture’s name

The proposed aviation venture between the Tata Group and Singapore Airlines has received approval from the Corporate Affairs Ministry to use the name ‘Tata SIA Airlines Limited’. According to the latest information available with the ministry, the name has been approved now and the company, Tata SIA Airlines Limited, stands registered from Delhi.

⁹⁴ “Singapore, Japan get rich on Bangalore’s e-waste”, *The Times of India*, September 17, 2013 (http://articles.timesofindia.indiatimes.com/2013-09-17/bangalore/42147944_1_e-waste-management-precious-metals-processing-unit)

⁹⁵ “Singapore Airlines, Tata to establish airline in India”, *Reuters*, September 19, 2013 (<http://in.reuters.com/article/2013/09/19/tata-new-airline-singaporeairlines-idINDEE98I08S20130919>)

⁹⁶ “Singapore Airlines to increase flight services to India”, *Business Standard*, September 24, 2013 (http://www.business-standard.com/article/news-ians/singapore-airlines-to-increase-flight-services-to-india-113092400911_1.html)

Starting the process of incorporating a new company for this joint venture, the Tatas had applied in late September on the ministry's electronic platform, MCA21, to register this name.⁹⁷

Singapore to join anti-piracy mission in Gulf of Aden for the ninth time

Singapore will answer the call of duty—for the ninth time since 2009—to support international counter-piracy efforts in the Gulf of Aden next year.

Defence Minister Ng Eng Hen said on October 24 that the Singapore Armed Forces will send a stealth frigate and a naval helicopter to the pirate-infested waters off Somalia from March to June. The three-month stint will see the warship and chopper joining the multi-national Combined Task Force 151 to patrol the area and thwart any pirate attacks.⁹⁸

THAILAND

Thailand's Siam Cement plans unit in India

Thailand-based The Siam Cement Public Company Limited (SCG), makers of Smartboard fibre cement sheets and Smartwood fibre cement-based wood alternatives, is planning to set up a manufacturing plant in India. The company is expected to set up the manufacturing facility within two years

involving an investment of about \$50 million." SCG is expected to set up the manufacturing facility within two years involving an investment of about \$50 million," Harsha Bhutani, managing director Hydrobaths Ramco Marketing Private Limited and spokesperson of SCG in India, told Business Standard.

He, however, said SCG would go ahead with its plans to have its manufacturing base once the sales volumes of Smartboard and Smartwood touched the 'critical volume' of 1 million square metres (sqmts) a year in India. Currently, the annual sales of the two products in the country stood at 300,000 sq.mts.

Listed on the Thailand stock exchange, SCG is stated to be having annual sales of \$20 billion worldwide. Hydrobaths, a producer of bath products, markets SCG products in India.⁹⁹

Thailand opens first 'tourist court' to protect foreigners

In an effort to reassure foreigners and prop up its tourism industry, Thailand has implemented the country's first "tourist court" that will aim to protect travellers against unscrupulous dealings and crime. Set up specifically to handle tourist complaints, the pilot project is opening first in the beach resort city of Pattaya in September. More night courts are also planned for other popular tourist destinations such as Bangkok, Krabi, Samui, Chiang Mai and Phuket, reports English-language Thai publication *The Nation*.

⁹⁷ "Tata, Singapore Airlines get government approval for airline venture's name", *NDTV Profit*, October 21, 2013 (<http://profit.ndtv.com/news/corporates/article-tata-singapore-airlines-get-government-approval-for-airline-ventures-name-369940>)

⁹⁸ "Singapore to join anti-piracy mission in Gulf of Aden for the ninth time", *Straits Times*, October 24, 2013 (<http://www.straitstimes.com/breaking-news/singapore/story/singapore-join-anti-piracy-mission-gulf-aden-the-ninth-time-20131024>)

⁹⁹ "Thailand's Siam Cement plans unit in India", *Business Standard*, September 3, 2013 (http://www.business-standard.com/article/companies/thailand-s-siam-cement-plans-unit-in-india-113090200210_1.html)

The Pattaya court will be open between 4:30 pm and 8:30 pm and hear cases covering personal security and unfair business dealings. The move comes in response to rising incidents of crime against holidaymakers. According to a report prepared by the Overseas Security Advisory Council in the US, crimes such as pick-pocketing, purse-snatching and credit card fraud are becoming increasingly common.¹⁰⁰

Thailand agrees to levy import duty on gold jewellery

Thailand has agreed to pay import taxes on gold and gold jewellery being shipped to India. This puts an end to acrimony between the two countries over third country gold coming into India at concessional duties through Thailand under the bilateral free trade agreement.

“We had some special allowance under FTA that when we ship gold jewellery to India, there would be no tax in the past. But now we have agreed to pay duty. Exporters from Thailand and importers in India have agreed that now we will pay tax on gold, gold chains and things like that,” Thai Deputy Prime Minister and Minister for Commerce NiwattumrongBoonsongpaisan told Indian media on October 23.

Early this year, India had stopped concessional import of gold from Thailand under the early harvest scheme of the bilateral free trade agreement.

India said that Thai exporters have to prove that the gold originates from there and is not being sourced from a third country before they could claim import duty concessions.

The Finance Ministry has long been suspecting traders of bringing in cheaper gold from other South East Asian countries through Thailand to escape the steep import duties.¹⁰¹

India-Thailand road link by 2015: Indian ambassador

The multi-billion 1,632km India-Myanmar-Thailand trilateral highway, to be completed by 2015, would boost trade and business between the two Asian countries, Indian ambassador to Thailand Anil Wadhwa said on October 27.

Speaking to IANS on the sidelines of a function to mark the arrival of the 10th international flight of SpiceJet from Bangalore to Bangkok, Wadhwa said under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation framework, “we have invested \$258 million on the highway that falls in our part”.

“We are constructing 71 bridges on the entire length,” he said, adding “we have provided a \$500-million loan to Myanmar for setting up the road network”.

He said air traffic between India and Thailand was over 156 flights per week. Bangkok is currently connected by air to 10 Indian destinations. “These are certainly a positive trend for airlines operating from India.”¹⁰²

¹⁰⁰ “Thailand opens first ‘tourist court’ to protect foreigners”, *Euronews*, September 4, 2013 (<http://www.euronews.com/travel/2102682-thailand-opens-first-tourist-court-to-protect-foreigners/>)

¹⁰¹ “Thailand agrees to levy import duty on gold jewellery”, *The Hindu Business Line*, October 23, 2013 (<http://www.thehindubusinessline.com/economy/thailand-agrees-to-levy-import-duty-on-gold-jewellery/article5264984.ece>)

¹⁰² “India-Thailand road link by 2015: Wadhwa”, *Times of India*, October 27, 2013 (<http://timesofindia.indiatimes.com/india/India-Thailand-road-link-by-2015-Wadhwa/articleshow/24778459.cms>)

VIETNAM

Vietnam internet restrictions come into effect

A controversial law banning Vietnamese online users from discussing current affairs has come into effect. The decree, known as Decree 72, says blogs and social websites should not be used to share news articles, but only personal information. The law also requires foreign internet companies to keep their local servers inside Vietnam.

It has been criticised by internet companies and human rights groups, as well as the US government. Dozens of activists, including bloggers, have been convicted for anti-state activity in Vietnam this year.

The new law specifies that social networking sites such as Twitter and Facebook should only be used “to provide and exchange personal information”. It also prohibits the online publication of material that “opposes” the Vietnamese government or “harms national security”.

Reporters Without Borders, a Paris-based group that campaigns for press freedom worldwide, has said the decree will leave Vietnamese people “permanently deprived of the independent and outspoken information that normally circulates in blogs and forums”. The Asia Internet Coalition, an industry group that represents companies including Google and Facebook, said the move would “stifle

innovation and discourage businesses from operating in Vietnam”.¹⁰³

Vietnam invites Indian rubber manufacturers to set up units in the country

Vietnam has invited Indian rubber industry to invest in the South Asian nation and benefit from the vibrant natural rubber sector in Vietnam. Currently Vietnam consumes only 15% of the more than 9 lakh tonnes of rubber produced in the country. A delegation of Vietnam Rubber Association (VRA) led by chairman Tran Ngoc Thuan visited India recently and held talks with leading members of All India Rubber Industries Association (AIRIA).

India is one of the largest importers of rubber from Vietnam. In fact Vietnam has emerged as the second largest exporter of natural rubber to India after Indonesia. Vietnam’s rubber exports to India jumped to 51273.13 tonnes in 2012-13 from 28113.95 tonnes in 2011 -12, representing a 82.38 per cent increase. Vietnam is fast emerging as a leading producer of natural rubber. The productivity of rubber in Vietnam at 1707 kg/ hectare is only second to India’s top ranking productivity of 1823 kg per hectare and is much higher than average of 1442 kg per hectare average in Association of Natural Rubber Producing Countries (ANRPC).¹⁰⁴

Vietnam Defence Minister arrives in India

Vietnam’s Deputy Defence Minister Lt. Gen. Do Ba Ty, arrived in New Delhi on September 24 to strengthen defence relations between the two nations.

Lt. Gen. Do Ba Ty was accorded a ceremonial reception. His visit aimed to increase trust and

¹⁰³ “Vietnam internet restrictions come into effect”, *BBC News Asia*, September 1, 2013 (<http://www.bbc.co.uk/news/world-asia-23920541>)

¹⁰⁴ “Vietnam invites Indian rubber manufacturers to set up units in the country”, *The Economic Times*, September 5, 2013 (http://articles.economictimes.indiatimes.com/2013-09-05/news/41802539_1_rubber-exports-indian-rubber-industry-natural-rubber-producing-countries)

build bridges for the future between the two countries.

India and Vietnam cooperate closely in various regional forums such as ASEAN, East Asia Summit, Mekong-Ganga Cooperation and Asia Europe Meeting (ASEM).

Bilateral relations between India and Vietnam have been friendly and cordial since their foundations were laid by the country's first Prime Minister Jawaharlal Nehru and Vietnamese President Ho Chi Minh more than 50 years ago.¹⁰⁵

Vietnam, France establish strategic partnership

The official upgrade of Vietnam-France relationship was reached during the talks between Prime Minister Nguyen Tan Dung and his French counterpart Jean-Marc Ayrault in Paris on September 25.

The two PMs consented to implement an action plan to realize the newly-signed joint statement on Vietnam-France strategic partnership with a focus on six strategic cooperation areas—politics-diplomacy, national security-defence, economics-trade-investment, development-cooperation, culture-education-training, scientific research, justice and the environment.

They underlined the need to continue create favourable conditions for entrepreneurs and investors to promote

partner connectivity and increase their presence in each country. The two government leaders agreed to strengthen delegation exchange through bilateral visits or meetings on the sidelines of international conferences in the time to come.

Host and guest said it is essential to step up cooperation at international forums within the UN, ASEM, ASEAN-EU frameworks as well as the Francophone community.¹⁰⁶

Vo Nguyen Giap, Vietnamese commander whose army defeated French, U.S. forces, dies

Vo Nguyen Giap, the Vietnamese military commander who organised the army that defeated the French and then the Americans in 30 years of Southeast Asian warfare, died October 4 in Hanoi at the age of 102. A government official confirmed the death to the Associated Press. No cause of death was immediately reported.

General Giap was the last survivor in a triumvirate of revolutionary leaders who fought France's colonial forces and then the United States to establish a Vietnam free of Western domination.

With the Vietnamese Communist leader Ho Chi Minh, who died in 1969, and former prime minister Pham Van Dong, who died in 2000, Gen. Giap was venerated in his homeland as one of the founding fathers of his country. To military scholars around the world, he was one of the 20th century's leading practitioners of modern revolutionary guerrilla warfare.¹⁰⁷

¹⁰⁵ "Vietnam Defence Minister arrives in India", *Business Standard*, September 24, 2013 (http://www.business-standard.com/article/news-ani/vietnam-defence-minister-arrives-in-india-113092400394_1.html)

¹⁰⁶ "Vietnam, France establish strategic partnership", *Vietnam.net*, September 26, 2013 (<http://english.vietnamnet.vn/fms/government/85315/vietnam-france-establish-strategic-partnership.html>)

¹⁰⁷ "Vo Nguyen Giap, Vietnamese commander whose army defeated French, U.S. forces, dies", *The Washington Post*, October 4, 2013 (http://articles.washingtonpost.com/2013-10-04/world/42708962_1_dien-bien-phu-saigon-french-colonial-rule)

India, Vietnam to strengthen defence ties

India and Vietnam will be on the road to further consolidate their defence ties, with the addition of a fourth pillar, by the time Vietnamese Communist Party General Secretary Nguyen Phu Trong visits the country next month, said diplomatic sources.

Security ties between the two countries have always been close but they began accelerating in the field of defence two years ago when the Chinese objected to Vietnam inviting India to prospect for oil in a contested portion of the South China Sea.

Since then New Delhi has overcome its own inhibitions and agreed to partner with Vietnam in areas of submarine and fighter aircraft training and transfer of medium-sized warships. It helped that Russia supplied those submarines and fighters, both especially oriented for maritime warfare, as well as frigates.

Given the commonality of the equipment, India and Vietnam are now considering joining hands in maintenance and co-production.¹⁰⁸

China-Vietnam relations witness substantial progress: Li

The relationship between China and Vietnam has made substantial progress, Chinese Premier Li Keqiang told a joint press conference with his Vietnamese counterpart, Nguyen Tan Dung, in Hanoi on October 13.

China and Vietnam have made a breakthrough in bilateral cooperation after pledging to set up in parallel three joint work groups to advance maritime, onshore and financial cooperation, Li said.

The Chinese premier also noted that he and Prime Minister Dung, in their talks held earlier, reached broad consensus and achieved fruitful results on deepening China-Vietnam cooperation in various areas.

The two sides agreed to continue to enhance political mutual trust, maintain high-level exchanges, maximise common interests and minimize divergences, and safeguard peace and stability of the South China Sea, he said.¹⁰⁹

Vietnam presses ahead with ambitious nuclear plans

Vietnam is pressing ahead with Southeast Asia's most ambitious civilian nuclear energy program despite safety fears over the technology following the 2011 Fukushima disaster. Foreign companies and governments are competing to get a toehold in an industry that could be worth \$50 billion by 2030, according to estimates by U.S. officials.

Those plans received a boost last week with the announcement that the United States and Vietnam had signed an agreement allowing US firms to develop civilian nuclear power in the country. Once President Barack Obama and top U.S. energy officials sign the so-called "123 agreement," Congress will have 90 days to either challenge it or let it take effect.

Facing an energy crunch after years of underinvestment and artificially low consumer

¹⁰⁸ "India, Vietnam to strengthen defence ties", *The Hindu*, October 9, 2013 (<http://www.thehindu.com/news/national/india-vietnam-to-strengthen-defence-ties/article5214921.ece>)

¹⁰⁹ "China-Vietnam relations witness substantial progress: Li", *Xinhuanet*, October 13, 2013 (http://news.xinhuanet.com/english/china/2013-10/14/c_132795360.htm)

electricity prices, Vietnam is planning to build seven nuclear plants in the coming years.¹¹⁰

AUSTRALIA

Australia, India partner for innovative science

Leading scientists in India and Australia will receive funding to do cutting-edge research in a wide range of fields, including information and communication technology, vaccines and marine science as part of a joint multi-crore program. The Australian and Indian Governments will support 15 new collaborative projects and eight joint workshops through the Australia-India Strategic Research Fund (AISRF). From a total Australian commitment of Rs 365.5 crores (AUD 64 million), the Australian Government has given Rs 28.1 crores (AUD 5.06 million) to these initiatives. The Government of India will fund the Indian teams' participation.

The funding will support several projects, including research on: Using robotic tools to characterise the Indian Ocean's changing biogeochemistry; Nanoengineering autoantigens to prevent and treat autoimmunity; and Modelling environmental change in a warming world for semi-arid landscapes.

Participating institutions in India include the Indian Institute of Science, IIT Bombay, National Institute of Oceanography, Punjab Agricultural

University, International Centre for Genetic Engineering and Biotechnology and Christian Medical College, Vellore. The partner institutions in Australia include the University of New South Wales, The University of Melbourne, The University of Sydney, Macquarie University, Queensland University of Technology, CSIRO, and Deakin University.

Other projects supported by the fund are in fields including renewable energy, food and water security, biomedical devices and implants, nanotechnology, bioremediation and astronomy and astrophysics.¹¹¹

Australia plans tie-up with Tamil Nadu in food sector

The State government is working towards making farmers stakeholders in the food processing industry in a bid to ensure inclusive growth, said agriculture secretary and agricultural production commissioner, Sandeep Saxena on August 30. Inaugurating the 10th edition of the Indian Food Processing and Food Technology Fair, 'Foodpro 2013', a three-day event organised by the Confederation of Indian Industry (CII), he said: "The government can act as a facilitator between growers and producers."

Australia has a strategic plan for direct collaboration with Tamil Nadu in fishing, aquaculture, dairy farming and horticulture. Australia's expertise in food processing and related technologies could provide the much-needed impetus in building India's capability in the food processing sector, said Michael Carter, trade commissioner, Australian Trade Commission.

¹¹⁰ "Vietnam presses ahead with ambitious nuclear plans", *Bloomberg Business Week*, October 17, 2013 (<http://www.businessweek.com/ap/2013-10-17/vietnam-presses-ahead-with-ambitious-nuclear-plans>)

¹¹¹ "Australia, India partner for innovative science", *Business Standard*, September 2, 2013 (http://www.business-standard.com/article/news-ani/australia-india-partner-for-innovative-science-113090200190_1.html)

With over 150 exhibitors, Foodpro showcased state-of-the-art machinery and technology in food processing, refrigeration and cold chain equipment, processed and packaged foods and dairy equipment among other things. Besides, a conference on ‘Technologies for value-added food product development’ was held on August 31. The three-day event focused on the current trends in the food processing industry, showcased innovation through modern technology and provided a unique platform to network and explore new business opportunities in food and related sectors.¹¹²

Australia election: Tony Abbott defeats Kevin Rudd

Australia’s opposition has crushed the governing Labor party in a general election that has returned the Liberal-National coalition to power for the first time in six years. The coalition won 88 seats to Labor’s 57 in the 150-seat parliament. Liberal leader Tony Abbott, who will be prime minister, promised a competent and trustworthy government. Outgoing PM Kevin Rudd earlier admitted defeat and said he would not stand again for the Labor leadership.

The main election issues were how to tackle an expected economic slowdown, whether to keep a tax on carbon emissions, and how to reduce the number of asylum seekers arriving by boat. Mr Rudd had called the election after defeating Julia Gillard in a leadership

challenge in June, amid dismal polling figures that showed Labor on course for a wipe-out.

Under Mr Rudd, Labor initially saw its figures improve. But Mr Abbott, who enjoyed the strident support of Rupert Murdoch’s newspapers, then widened the gap again. “From today I declare Australia is under new management and Australia is now open for business”, Mr Abbott told a cheering crowd as he delivered a victory speech.

He said that he would put the budget back into surplus, and stop boats bringing migrants from Asia. He added that support for Labor was at its lowest ebb for 100 years, and that the results showed the Australian people would punish anyone who took them for granted.

Mr Rudd said he had phoned Mr Abbott and wished him well. “I gave it my all but it was not enough for us to win,” he said. But he was pleased that Labor was preserved as a “viable fighting force for the future”.

Mr Rudd retained his seat in the Brisbane constituency of Griffith but said he would not re-contest the Labor party leadership because the Australian people “deserve a fresh start”. “I know that Labor hearts are heavy across the nation tonight. As your Labor leader I accept it as my responsibility,” he said.

The Australian Election Commission confirmed on its website that the Liberal-National coalition had won 88 seats in the House of Representatives, and Labor 57. Three seats were distributed between three small parties, and there were two seats still to return results.

In the previous parliament, Labor relied on the support of independents and the Greens for its

¹¹² “Australia plans tie-up with TN in food sector”, *The Hindu*, September 2, 2013 (<http://www.thehindu.com/news/cities/chennai/australia-plans-tieup-with-tn-in-food-sector/article5083127.ece>)

minority government, with 71 seats to the coalition's 72.¹¹³

Australia's new prime minister sworn in

Tony Abbott was sworn in as Australia's new prime minister on September 18 and promised immediate action to slow the stream of asylum seekers arriving by boats from Indonesia and to repeal an unpopular carbon tax levied by the previous administration.

Abbott was the first of 42 government executives to be sworn in by Governor General Quentin Bryce at a ceremony at Government House in the capital Canberra. He has been criticized for including only one woman in his 19-member Cabinet, Foreign Minister Julie Bishop—although she will be Australia's first woman named to that post.

His conservative party defeated former Prime Minister Kevin Rudd's centre-left Labor Party in September 7 elections.¹¹⁴

Australia keen to access ISRO's space data

To guard its 59,736-km-long coastline against tsunami and storms, Australia is keen to collaborate with ISRO for scientific space data.

Australia has shown interest in getting data from Indian satellite Oceansat-2, which can measure ocean colour, a

specialised property. Measuring ocean colour helps to know in advance about tsunami risks and other storms, and also in evaluating shallow water depth, said Andy Barnicoat, Chief of Minerals and Natural Hazard Division at Geoscience Australia.

"Australia has a 59,736-km-long coastline and with data from Oceansat-2, we can know in advance about tsunami and other storms. We would like to have access to high resolution data from Indian Space Research Organisation," Barnicoat told PTI.

Oceansat-2 is an Indian satellite designed to provide service continuity for operational users of the Ocean Colour Monitor (OCM) instrument on Oceansat-1. Oceansat-2 is used to study surface winds and ocean surface strata, observe chlorophyll concentrations, monitor phytoplankton blooms and study atmospheric aerosols and suspended sediments in water.

Australia is also keen to have access to positioning satellite system of India.¹¹⁵

Australia aims to help UP in agricultural sector

Describing Uttar Pradesh as the power house of India in the agricultural sector, Australia on September 24 said that it would like to help the state in upkeep and marketing of farm products.

Expressing his desire to meet UP Chief Minister Akhilesh Yadav in this connection, Deputy High Commissioner of Australia in India Bernard Philip said, "We would like to extend

¹¹³ "Australia election: Tony Abbott defeats Kevin Rudd", *BBC News Asia*, September 8, 2013 (<http://www.bbc.co.uk/news/world-asia-24000133>)

¹¹⁴ "Australia's new prime minister sworn in after leading conservatives to election win", *The Washington Post*, September 18, 2013 (http://www.washingtonpost.com/world/australias-new-prime-minister-sworn-in-11-days-after-leading-conservatives-to-election-win/2013/09/17/4b4a496c-1ffb-11e3-9ado-96244100e647_story.html)

¹¹⁵ "Australia keen to access ISRO's space data", *Business Standard*, September 22, 2013 (http://www.business-standard.com/article/pti-stories/australia-keen-to-access-isro-s-space-data-113092200066_1.html)

cooperation to UP in the field of agriculture specially in mango exports... It's India's power house in agriculture."

Australia's entire mango import is from UP, he claimed. Describing water security as one of India's greatest long-term development challenges, Philip said that Lucknow's river side development project is of Australia's interest and its expertise could help show how to open up a river for public use with tourism offerings ensuring environmental issues.

"Australia has valuable experience and expertise to offer India and UP in water resource management. We recognise water security as one of India's greatest long-term development challenges for which we are ready to cooperate with different states including UP," he said.¹¹⁶

Australia's new PM Tony Abbott makes maiden trip to Indonesia

Australian Prime Minister Tony Abbott is traveling to Indonesia on September 30 for his first trip abroad since taking office, a two-day visit that will likely be dominated by immigration issues.

Abbott arrives three days after a boat packed with asylum seekers and bound for Australia sunk in Indonesian waters, killing 29 and leaving dozens more missing.

Before leaving Sydney, Abbott stressed the importance of the relationship between the neighbouring countries, which according to his office have two-way

trade valued at 14.6 billion Australian dollars (\$13.6 billion) a year.

"While Indonesia may not yet be our most important economic or security relationship, it is in many respects our most important relationship," Abbott said. "We will be covering a range of matters because this is an important relationship and it's important to get it right at the start of this new government."

Abbott is expected to meet with President Susilo Bambang Yudhoyono on September 30. He will be accompanied by Foreign Minister Julie Bishop, Trade Minister Andrew Robb and 20 senior business people.¹¹⁷

NEW ZEALAND

India seeks New Zealand's help for developing cold storages

India has sought expertise from New Zealand in development of cold storages in the country, where fruits and vegetables worth thousands of crores go to waste every year due to inadequate storage infrastructure. This was one of the important issues discussed by Indian officials with their New Zealand counterparts during their meeting in Wellington between July 29 and 30.

"India has 37 million tonne opportunity for developing cold storage. We have asked New Zealand's expertise in this matter," a senior official in the commerce ministry said. The official said since New Zealand is a major producer of fruits and dairy products, it has expertise and modern technology in setting up of cold storages.

¹¹⁶ "Australia aims to help UP in agricultural sector", *Business Standard*, September 24, 2013 (http://www.business-standard.com/article/pti-stories/australia-aims-to-help-up-in-agricultural-sector-113092400003_1.html)

¹¹⁷ "Australia's new PM Tony Abbott makes maiden trip to Indonesia", *The Economic Times*, September 30, 2013 (http://articles.economictimes.indiatimes.com/2013-09-30/news/42536978_1_asylum-seekers-christmas-island-important-relationship)

Agriculture and Food Processing Industries Minister Sharad Pawar has recently said that the value of annual wastage of fruits and vegetables was estimated at Rs 13,309 crore. However, if the wastage value of rice, wheat, cereals and others are taken into account, it would go up to Rs 44,000 crore a year.

As per estimates, there is requirement of about 60 million tonnes of cold storage in the country against the present capacity of around 29 million tonnes.

Further, India has also suggested New Zealand to invest in the dairy sector.¹¹⁸

New Zealand-India FTA to expedite bilateral trade

New Zealand and India talks on free trade agreement have been progressing well and its final outcome will help accelerate bilateral trade between two countries, according to Gavin Young, Trade Commissioner and Consul General, New Zealand. "We have thus far concluded nearly eight rounds of negotiations over the FTA, with the recent one in New Zealand. The next round will be held at New Delhi. Significant progress has been made during various stages of discussions. But it is difficult to give a time line for concluding the agreement," Gavin Young said.

Speaking to Business Line here, he said the New Zealand economy is expected to grow by about 2.6 per cent this year and

about 3.4 per cent next year. The exports from New Zealand to India have topped \$755 million and Indian imports are at about \$400 million. These numbers are projected to grow significantly by 2015.

Issues relating to export of food items, automotive sector products are in the list of discussions. Both countries have their concerns in terms of finalising the agreement, he said.¹¹⁹

New Zealand Opens Embassy Office In Myanmar

New Zealand has opened its first embassy office in Myanmar in recognition of the Southeast Asian nation's political and economic reforms, Foreign Affairs Minister Murray McCully announced on September 18. "This new office in Yangon reflects Myanmar's remarkable progress in implementing political and economic reforms over the past two years," Xinhua news agency quotes McCully saying in a statement.

"New Zealand has substantially increased its development assistance to Myanmar, with major commitments to dairy cooperation and capacity building. There is also considerable scope for New Zealand companies to invest," he said.

The opening of the office comes as the region focuses its attention on Myanmar, which as the next chair of ASEAN will host a number of ministerial and official level meetings throughout 2014 culminating in the East Asia Summit.¹²⁰

¹¹⁸ "India seeks New Zealand's help for developing cold storages", *The Hindu Business Line*, September 3, 2013 (<http://www.thehindubusinessline.com/industry-and-economy/india-seeks-new-zealands-help-for-developing-cold-storages/article5088943.ece>)

¹¹⁹ "New Zealand-India FTA to expedite bilateral trade", *The Hindu Business Line*, September 6, 2013 (<http://www.thehindubusinessline.com/news/international/new-zealandindia-fta-to-expedite-bilateral-trade/article5100925.ece>)

¹²⁰ "New Zealand Opens Embassy Office In Myanmar", *Bernama*, September 18, 2013 (<http://www.bernama.com.my/bernama/v7/wn/newsworld.php?id=978559>)

Migrant workers help New Zealand economy: report

Migrant workers, mainly from Asia, and from India in 2011, have helped create jobs and build the New Zealand economy, according to a government report.

Temporary workers accounted for about 1 percent of the months worked for wages and salaries in the 2001 tax year, and the figure peaked at 4.6 percent in the 2009 tax year, before slipping to 4.3 percent in the 2011 year, Xinhua cited from the report from the Ministry of Business, Innovation and Employment.

“Even more profound changes have occurred in the countries from which New Zealand employers source such migrants. Great Britain and Ireland provided most temporary workers in the early part of the decade to 2011, China dominated in the period from 2006 to 2008, and India emerged as the main source of temporary migrant employment in 2011,” it said.

Most temporary migrants came to New Zealand under essential skills categories, working holiday schemes, horticulture and viticulture seasonal work schemes or with family, according to the report.

Immigration Minister Michael Woodhouse said the report showed that New Zealand temporary migrant policies were generally working well. “The government has a clear policy that New Zealanders should be given first priority for jobs, but our labour market has always relied on overseas workers to fill certain gaps, and in areas of particular skill shortages,” Woodhouse said in a

statement.

“The research concludes that temporary migrants and New Zealanders are complementary sources of labour. Put simply, migrant workers are helping create an economy with more jobs and higher wages for New Zealanders,” he said.¹²¹

FIJI

Fiji now has a new Constitution

President RatuEpeliNailatikau gave his assent to the 2013 Constitution at Government House in Suva on September 6 and the country’s fourth constitution, which will be the supreme law of the land, comes into effect on September 7.

RatuEpeli said the new Constitution was a blueprint for the future direction of Fiji and called on all Fijians to give their support. “It establishes the principle that every Fijian is equal whoever they are, wherever they come from or whatever their religious or political beliefs,” he said.

RatuEpeli said the 2013 Constitution provided for an independent judiciary, equal access to the law, freedom of speech and expression and a range of unprecedented rights for every Fijian. “These include the right to education, health, adequate food and water plus specific recognition of the rights of the iTaukei people for the ownership and protection of their land and recognition of their culture, tradition, customs and language. Similar protections and rights apply to our Rotuman and Banaban citizens.”

He said the Constitution safeguarded the rights of every Fijian and laid the basis for the

¹²¹ “Migrant workers help New Zealand economy: report”, *Business Standard*, September 25, 2013 (http://www.business-standard.com/article/news-ians/migrant-workers-help-new-zealand-economy-report-113092500130_1.html)

development of a modern, progressive and enlightened state.¹²²

Fijian PM proposes roving Trade Commissioner for the Pacific

Fiji's Prime Minister Commodore Voreqe Bainimarama has proposed the appointment of a roving Trade Commissioner for the Pacific. This in line with the government's recognition of the need to tap into 'enormous untapped potential in Australia and the Pacific region' which PM Bainimarama says account for 40 percent of Fiji's total trade.

"My Government recognises the need for increased trade representation in some of Fiji's key trading partners to boost our overall effort." We have enormous untapped potential in Australia and the Pacific Region that we are still to capitalise on, especially in the manufacturing sector." We clearly need to open a Trade Commission in a strategic location in Australia and also possibly appoint a roving Trade Commissioner to the Pacific, said PM Bainimarama.

To show its commitment, Bainimarama said his government has set aside \$164,000 in next year's budget to set up a Multi-Stakeholder Council—chaired by the Minister for Industry and Trade—to give each stakeholder an important role in determining how it can contribute effectively to building a strong national economy and a healthy export trade.¹²³

Fiji foreign minister addresses G7 on the PIDF

Fiji's Foreign Minister Ratu Inoke Kubuabola addressed the G7 High Level Ministerial Breakfast Meeting on "Putting Peace at the Heart of Sustainable Development", held at the United Nations in New York. The event was organised by the Governments of Timor Leste, Denmark, and South Sudan under the banner of the G7.

In his remarks, Minister Kubuabola briefed the meeting on the establishment of the Pacific Island Development Forum (PIDF): "PIDF was borne out of a desire by the People of the Pacific to create for themselves a space where they can meet with all their representatives to discuss the future they want."

"Following the Rio+20 meeting, the leaders of the Pacific met in Nadi Fiji in August 2012 at the Engaging With The Pacific meeting and decided to convene a new multi-stakeholder platform for action on the sustainable development and Green Economy. This new platform was called the Pacific Island Development Forum (PIDF)."¹²⁴

Fiji wants regional election monitors next year

Fiji's interim government says it is working to avoid a repeat of the mistakes made in 2006 when despite what they claim were glaring anomalies and fraud, the European Union Observers declared the elections credible.

The Fiji Government has proposed a joint Papua

¹²² "FIJI now has a new Constitution", *The Fiji Times Online*, September 7, 2013 (<http://www.fjitime.com/story.aspx?id=244845>)

¹²³ "Fijian PM proposes roving Trade Commissioner for the Pacific", *Islands Business*, September 13, 2013 (<http://www.islandsbusiness.com/news/fiji/2855/fijian-pm-proposes-roving-trade-commissioner-for-t/>)

¹²⁴ "Fiji foreign minister addresses G7 on the PIDF", *Islands Business*, September 24, 2013 (<http://www.islandsbusiness.com/news/usa/2996/fiji-foreign-minister-addresses-g7-on-the-pidf/>)

New Guinea/ Melanesian Spearhead Group mission to monitor the elections in Fiji next year.

CEO of the Fiji Citizens Constitutional Forum Reverend AkuilaYabaka hopes that both the Commonwealth and the EU will be allowed to send observers in 2014 and that they will continue to support free and fair elections.¹²⁵

Indian data-collating vessel to arrive

MARINE vessel SCI Nalanda—the main ship to be stationed in Fiji and in the Pacific Ocean to monitor and collate data for India’s first space mission to Mars—arrives in Fiji on October 19.

In an interview, India’s High Commissioner to Fiji Vinod Kumar said the MV SCI Nalanda was one of the two ships to be used to collect data of the rocket’s journey to Mars after its launch

in India at the end of this month.

Mr Kumar said for tracking launch of PSLV XL C25/Mars Orbiter Mission, SCI Nalanda is required to be located around 19 degrees South latitude and 160 degrees West longitude while SCI Yamuna (second ship) is required to be positioned 20 degrees South latitude and 130 degrees West longitude.

“These locations are more than 9000 nautical miles from India. For any ship to travel such a long distance at one shot is very difficult and impractical.” “In this scenario, strategic location of Fiji in the South Pacific Ocean comes to great help,” he said.

Mr Kumar said Fiji’s location would allow scientists from the International Space Research Station (ISRO) who are part of the mission to conduct all tests in Fiji and further sail for actual launch support on ship.¹²⁶

¹²⁵ “Fiji wants regional election monitors next year”, *ABC Radio Australia*, October 17, 2013 (<http://www.radioaustralia.net.au/international/radio/program/pacific-beat/fiji-wants-regional-election-monitors-next-year/1206320>)

¹²⁶ “Indian data-collating vessel to arrive”, *The Fiji Times Online*, October 19, 2013 (<http://www.fijitimes.com/story.aspx?id=248660>)

ABOUT US

The Southeast Asia and Oceania Centre focuses on policy-relevant 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 non-traditional 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.

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Photo Essay (10-12 photographs, each with a caption,
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