President Obama’s Second Trip to Asia: Soft Power – Trade = Almost Great

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President Obama’s second trip to Asia as U.S. president was important, well-timed, and successful in terms of political and security issues. However, on the issues prioritized by Asian partners and the U.S. public–namely, a common desire to see the U.S. economy back on track and in undeniable recovery–the president’s message was by definition on shaky ground.

President Obama sought to send the message that he gets it—that trade is fundamental to a sustained and strong U.S. economic recovery and the creation of new American jobs. However, as his visit to Korea demonstrated, he is not yet in control of the key domestic levers on trade. His team was not prepared to deliver the commitment the White House needed to make to have the Republic of Korea–United States Free Trade Agreement (KORUS) completed before he was wheels up from Seoul. Unfortunately, KORUS is the fundamental test for whether the United States and President Obama are ready to take the lead on trade. Without KORUS, the president’s APEC talking points about the TransPacific Partnership (TPP) and a Free Trade Agreement for the Asia Pacific (FTAAP) were not credible and left Asia wondering whether he can deliver the goods on trade and economic recovery.

Ironically, Secretary of State Hillary Clinton’s trip was perceived as enormously successful, perhaps even earning her a legacy as the secretary of state who established a new level of U.S. engagement in Asia.

Clinton proved adept at harvesting the considerable security and political advances that the administration has accomplished in the region, from
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(continued)

re-connecting with ASEAN to joining the East Asia Summit to helping drive the ASEAN Defense Ministers’ Meeting Plus defense cooperation thrust. With Clinton and Secretary of Defense Robert Gates in the lead, the United States is perceived by Southeast Asian partners and others as stepping perfectly into its role as a lead player in the region.

The missing part of that strategy is trade, however, and President Obama has to shoulder the responsibility for not having that calculus worked out yet. Look for him to be highly motivated to focus on getting it right when he returns to Washington, D.C.

Obama's visits to India and Indonesia were very well done. His tone and approach significantly advanced U.S. interests. Those stops were strategic and should be seen as part of an effective new American charm offensive in Asia. However, when it came to economics and trade in Korea with KORUS and the G-20 and Japan for the APEC Leaders’ Summit, the president looked relatively weak. For more analysis on this theme, read CSIS expert Ernie Bower’s note “Heart but No Seoul” on the CSIS Asia blog CogitAsia http://cogitasia.com/2010/11/11/heart-but-no-seoul-obama-trade-korus/.
GROUNDBREAKING DEVELOPMENT

• **Aung San Suu Kyi released.** On Saturday, November 13, 2010, six days after national elections were held, Burma’s opposition leader Aung San Suu Kyi was released from house arrest. Addressing supporters the following day she asked them to work together to fight for human rights and the rule of law. She encouraged them to act bravely. Her release has injected a note of hope and suggested the possibility of some new political space in one of the world’s most repressive regimes. In 2002, Suu Kyi was released from house arrest only to be incarcerated again after confrontations with the military during her travel around the country to address her supporters. Watch her speech here: [http://www.youtube.com/watch?v=MYRXnjdgnR8](http://www.youtube.com/watch?v=MYRXnjdgnR8).

OBAMA’S ASIA TRIP

• **President Obama’s Asia trip.** The president visited India, Indonesia, Korea, and Japan from November 4–14, 2010. His visit was planned to renew the strategic relationship with India, elevate the partnership in Indonesia, move the trade agenda forward in Korea, provide leadership on the global economic stage at the G-20, and refocus APEC on trade. Highlights from his visit follow:

  • **Obama supports India’s UNSC bid.** During his four-day visit to New Delhi, President Obama advanced his agenda to reform key multilateral organizations to reflect new global political and economic realities. He declared that India is now a world power and that the India-U.S. partnership is indispensable in the twenty-first century. On security, both countries agreed to deepen their counterterrorism cooperation, as India was also a victim of a terrorist attack in Mumbai in 2008. On trade, the United States lifted its ban on India’s high-tech exports to the U.S. market. Both nations also signed deals to cooperate in space, civil nuclear, defense, clean energy, and education. On reform of the United Nations Security Council (UNSC), the United States agreed to support India’s bid for permanent membership on the UNSC. On Burma, President Obama called on India to isolate the country for having committed gross violations of human rights. India and Myanmar signed security and economic pacts during the five-day visit of Burma’s military ruler, Senior General Than Shwe, who was warmly welcomed by New Delhi in July 2010. For more analysis of the India visit, read CSIS expert Ambassador Teresita Schaffer’s note “Many High Notes, but Much Work Ahead,” [http://csis.org/publication/obama-india-many-high-notes-much-work-ahead](http://csis.org/publication/obama-india-many-high-notes-much-work-ahead).
Finally, Indonesia - Pulang kampung nih. After three postponements of a trip to Indonesia, President Barack Obama finally arrived on November 9. Though spending only 22 hours in Jakarta, the rock-star impact of an American president who spent years of his childhood growing up in Indonesia, comfortable with basic Bahasa Indonesia and obviously confident on Javanese soil, was tangible and effective. The visit effectively put to rest discussion of earlier missed trips and helped lock in the increasing alignment between the United States and Indonesia, the world’s third- and fourth-largest countries.

Getting Indonesia right is vitally important to the United States because it is the anchor of ASEAN as its largest country and economy by a factor of at least two. It is also the incoming chair of ASEAN and the East Asia Summit, organizations the United States has determined will be respectively the fulcrum and the framework for a new Asia Pacific security architecture. Without a strong bond with Indonesia, U.S. ties to ASEAN would be relatively ineffective. (Read more about why Indonesia is important to the United States from CSIS expert Ernie Bower at http://cogitasia.com/2010/11/02/csis-critical-questions-president-obamas-asia-travel-why-getting-to-indonesia-matters/.)

President Obama opened his speech to cheering crowds at the University of Indonesia with the Indonesian phrase “Pulang kampung nih” (This is my homecoming). He praised the progress of Indonesian democracy and emphasized the nation’s national motto of religious tolerance and human rights, “Unity in Diversity.” He also visited the Istiqlal mosque, the largest Muslim house of worship in Southeast Asia. At the state dinner he charmed Indonesian president Susilo Bambang Yudhoyono (SBY) and Indonesian public officials with phrases in Bahasa Indonesia and his appreciation for the local cuisine. The U.S.-Indonesian relationship was cemented through the Comprehensive Partnership agreement as the two leaders committed to a broad framework for security, environment, education, and science cooperation. It is noteworthy that as the White House planned this visit, Beijing announced plans to invest $6.6 billion in Indonesia.

G-20. The leaders attending the G-20 summit, held November 11–12 in Seoul, refused to support the United States’ attempt to deal with Chinese currency devaluation and failed to agree on how to address currency imbalances. The leaders adopted a “watered-down” statement agreeing to “refrain from competitive devaluation of currencies” and deferred their concrete solution on currency and trade issues to the next G-20 summit in

- **No deal on KORUS, yet.** President Obama and his friend, Korean president Lee Myung-bak, failed to reach agreement on KORUS during the president’s visit. However, both sides will continue their talks after the G-20 summit with a view to addressing outstanding concerns related to beef and automobiles. The U.S. Congress and domestic industries demanded revisions in the deal originally negotiated in 2007. Automobiles remained the main obstacle because of Korea’s alleged trade barriers. In 2009, South Korea exported more than 476,000 vehicles to the United States, but only about 6,000 U.S. autos were able to get into Korean markets. For more about this issue, read Ernie Bower’s piece on CogitAsia: http://cogitasia.com/2010/11/11/heart-but-no-seoul-obama-trade-korus/.

- **APEC—The Right Focus, But No Credibility—Free Trade.** The 2010 APEC Economic Leaders’ Meeting concludes with “Yokohama Vision.” Leaders of the Asia Pacific Economic Cooperation (APEC) wrapped up their two-day summit on November 14, vowing to form an Asia Pacific free trade zone and to cope with international economic imbalance. At the meeting, U.S. president Barrack Obama underlined the importance of balanced growth. He also urged the world not to rely primarily on American markets for economic growth and called on countries with large surpluses to boost their domestic demands. Although the goal of a free trade deal in 2010 for developed countries was not achieved, APEC leaders argued that APEC is on track to this goal, but more needs to be done. However, a specific date for the creation of a free trade area was not mentioned. The leaders agreed that the Trans-Pacific Partnership could be a starting point. They also endorsed the G-20 summit’s declaration calling for “strong, sustainable, and balanced growth and commitment to fight trade protectionism.” At the conclusion, the summit adopted a statement, known as “The Yokohama Vision—Bogor and Beyond.” To read Ernie Bower’s piece on Secretary Clinton’s missing APEC, click here: http://cogitasia.com/2010/11/12/should-we-read-anything-into-your-missing-apec-secretary-clinton/.

- **President Obama’s Indonesia speech transcript** (http://www.whitehouse.gov/the-press-office/2010/11/10/remarks-president-university-indonesia-jakarta-indonesia)

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APEC leaders prepare for a group photo. Organizers have ended the tradition of having leaders dress in national costumes. http://www.flickr.com/photos/thaigov/5175207683/
Commentary from CogitAsia on President Obama’s Indonesia speech (http://cogitasia.com/2010/11/10/obamas-speech-to-indonesia-thrill/)


Link to APEC Leaders’ Declaration (http://www.apec.org/apec/leaders_declarations/2010.html)


U.S. MIDTERM ELECTIONS

Republicans sweep the House. Following traditional U.S. political patterns when the president’s party controls both houses of Congress, the incumbents were hammered hard in mid-term elections. The Republicans gained 60 seats to control the House and the Democrats’ margin of control in the Senate is significantly narrowed.

The impact of the 112th Congress on U.S. policy in Southeast Asia won’t be clear for the next two or so months until the new chairs and committee structures are in place. The outline of key themes is taking shape as a few key leadership roles are revealed.

It is important to restate that the Republican Party is not the “tea party,” but it will certainly be influenced by the movement. The extent of the tea party’s impact on foreign policy is not well known yet. The key thrust of their platform is to reduce deficit spending and “big” government. Their influence will likely manifest itself in pulling back on spending for foreign aid and tighter reins on spending at State and USAID.

Trade will be the key issue. Will the Republicans find common cause with President Obama on trade as a way to sustain U.S. economic recovery and create jobs?

“The key thrust of the [tea party] platform is to reduce deficit spending and ‘big’ government. Their influence will likely manifest itself in pulling back on spending for foreign aid and tighter reins on spending at State and USAID.”
• These are some clues and key folks to watch.

• **House International Relations Committee.** Chairman will be Ileana Ros-Lehtinen (R-Florida) replacing Howard Berman (D-California), who is likely to remain ranking. Look for Ros-Lehtinen to cut foreign aid and take a more aggressive stance on China. She is also likely to be a strong voice on human rights and religious freedom, having escaped from Cuba to come to the United States. Kay Granger, the likely incoming chairman of the House Appropriations State, Foreign Operations Subcommittee, will likely focus on U.S. funding levels at the UN and other multilateral organizations, presenting challenges for the White House as it seeks to invest in those organizations and extend U.S. influence in restructuring them to reflect new global political and economic realities.

• **House Ways and Means Committee.** The new chairman, Dave Camp (R-Michigan), will be very busy because his committee will be the focus on key confrontational issues such as health care and taxation. For Southeast Asia, however, the key issue Camp will oversee is trade. He is likely to want to get back on track to pursue and pass existing deals such as the U.S.-Korea Free Trade Agreement (KORUS), which CSIS has identified as the keystone for U.S. re-engagement in Asia and the trigger to support new trade opening measures such as the Trans-Pacific Partnership (TPP). The ranking member slot will be fought over between Sander Levin (D-Michigan), Richard Neal (D-Massachusetts), and, if he can clear himself of ethics charges, Charlie Rangel (D-New York). Levin would be a real challenge for Camp on trade, but there look to be some trade-friendly Dems on the committee.

• **Senate Foreign Relations.** John Kerry (D-Massachusetts) will retain his leadership on the Senate Foreign Relations Committee (SFRC), but two senior Democrats are now out of the Senate, Russ Feingold (lost in Wisconsin) and Chris Dodd (retired). There are indications some conservative Republicans are looking for positions on the committee. There is conjecture that one or more of them may take a Jesse Helms-like hard-line view on foreign aid spending, which will represent a challenge for Chairman Kerry and the administration. The impact on spending may be even more pronounced in Senate Appropriations-State, Foreign Operations, where Chairman Patrick Leahy (D-Vermont) lost six seasons Republicans who knew the issues of the Committee very well. Some Republicans well versed in foreign policy issues such as Dan Coates (Indiana) and Mark Kirk (Illinois) may end up on the subcommittee, but more conservative senators Tom Coburn (R-Oklahoma) and Jim DeMint
(R-South Carolina) could join and put massive pressure on foreign aid and State Department operations.

- **Senate Finance.** Chairman Max Baucus will be in the center of the bipartisan storm over tax and health spending, but trade could be the oasis. Senator Orin Hatch (R-Utah) will take over for Senator Chuck Grassley (R-Iowa) when he reaches his term limit. Senate Finance could be a strong center for support for trade if the White House invests its political capital in getting back on track with U.S. leadership on the issue.

- **Senator to watch.** Rob Portman (R-Ohio) won an open seat in Ohio. He could personify bipartisanship on trade. He is an international lawyer, former member of the House, former director of the Office of Management and Budget (OMB), and USTR from 2005 to 2006. As USTR, he was well liked and respected on by leaders in both parties.

### SECRETARY CLINTON’S SEVEN-ASIAN-NATION TRIP

- **Secretary Clinton concludes her seven-Asian-nation trip.** On November 8, 2010, U.S. secretary of state Hillary Clinton wrapped up her Asia Pacific tour after visiting Vietnam, China, Cambodia, Malaysia, Papua New Guinea, New Zealand, and Australia. The trip underlined U.S. engagement in Asia and enhanced U.S. influence in the region.

- In Hanoi, Secretary Clinton was the special representative of the United States at the East Asia Summit (EAS) and accepted the invitation for the United States to join the EAS along with her Russian counterpart, Foreign Minister Sergey Lavrov. President Obama and President Medvedev will attend the EAS next year in Jakarta. Accepting ASEAN’s invitation to join the EAS was a careful decision by the United States. The decision was made along with a commitment to significantly strengthen ties with ASEAN, which will be the core of the new Asian security framework and lift ties with other members of the grouping to enhance U.S. influence and the United States’ ability to help shape the EAS agenda going forward. The United States believes that the EAS architecture could provide a framework that makes it easier for China to continue its constructive emergence onto the regional and global stage as an engine for growth and hopefully as a responsible stakeholder.

- Secretary Clinton also held bilateral meetings with Vietnamese counterparts, underlining again rapidly warming ties between the two countries. In addition, she held a meeting with colleagues who are part of
the Lower Mekong Initiative (LMI), focusing on sustainable management of water resources, environmental concerns, and management of growing power requirements on mainland Southeast Asia.

- In Phnom Penh, Cambodia, she worked hard to strengthen bilateral ties. She discussed the Khmer Rouge tribunal and human rights promotion, and she opened a new window for discussions on handling the issue of Cambodia’s outstanding debt. (See CSIS analysis of Cambodia's debt issue at http://cogitasia.com/2010/08/02/cambodian-debt-to-the-united-states-ring-of-consecrated-sand/ and http://cogitasia.com/2010/09/05/balancing-act-trilateral-relations-of-us-china-and-cambodia/.)

- In Kuala Lumpur, Malaysia, she raised issues of moderate Islam, nonproliferation, and trade. Elevating a fundamentally sturdy relationship to a new level of partnership. Clinton was the first U.S. cabinet official to visit Kuala Lumpur since then-vice president Al Gore’s infamous APEC speech in 1988. The day after Secretary Clinton left, U.S. secretary of defense Robert Gates arrived for consultations with his counterpart, Defense Minister Datuk Ahmad Zahid Hamidi. (See blog by CSIS scholar intern Derek Pham, “Magic in KL: Elevating a Relationship to a Partnership,” http://cogitasia.com/2010/11/05/magic-in-kuala-lumpur-hillary-transforms-a-relationship-into-a-partnership/.)

- In Port Moresby, Papua New Guinea, Secretary Clinton met with Prime Minister Michael Somare on the importance of women’s rights, good governance, and management of resource wealth. U.S. energy companies have recently made major finds in the country and it has observer status in ASEAN.

- In Wellington, New Zealand, Secretary Clinton and her counterpart, Foreign Minister Murray McCully, endorsed a new strategic partnership known as the Wellington Declaration. The intent of the initiative is to elevate the bilateral relationship and align the two natural partners to focus on their common values and common interests in areas of mutual concern such as trade (they are both parties to TPP negotiations), regional security via the EAS and ADMM, and peace, prosperity, and safety in the South Pacific. The text underlines U.S.-New Zealand collaboration in natural disasters, nuclear nonproliferation, and transnational crimes. For a link to the Wellington Declaration click here: http://www.stuff.co.nz/national/politics/4309206/Full-text-of-the-Wellington-Declaration; and for more analysis of the declaration see CSIS scholar intern Chayut Peko Setboonsarng’s note “A Friend In Need,” http://cogitasia.com/2010/11/05/a-friend-in-need-new-zealand/.

“Secretary Clinton and her counterpart, Foreign Minister Murray McCully, endorsed a new strategic partnership known as the Wellington Declaration.”
· In Melbourne, Australia, the Melbourne Statement was released to reaffirm the two treaty allies’ commitment to an enduring partnership and resolve to work together to meet global challenges. Secretary Clinton joined U.S. defense secretary Robert Gates to cochair the annual Australia-U.S. Ministerial (AUSMIN) meetings. The two countries are focused on formalizing closer military ties.

ASEAN

· Burma elections denounced by the west but welcomed by ASEAN. While Burma’s poll was condemned by western countries following alleged intimidation and several irregularities, ASEAN chair Vietnam issued a statement on November 9 saying Burma’s first election in 20 years was a “significant step forward” toward the country’s own seven-point roadmap for democracy. The ASEAN statement urges Burma to further promote national reconciliation and democratization to achieve stability and development of the nation by working with ASEAN and the United Nations.

· For more perspective on Burma’s election, read CSIS expert Ernie Bower’s note looking at why the junta held elections; click here: http://cogitasia.com/2010/11/08/burmas-non-election-a-sham-with-clues-to-the-future/

· Six ASEAN members rebound from economic crisis. In its report released on November 8, the Organization for Economic Cooperation and Development (OECD) said six ASEAN members will achieve annual GDP growth of 6 percent from 2011 to 2015, thus allowing them to fully rebound from economic crisis. The six are Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam. An OECD economist warned that “future growth should be more balanced across the ASEAN countries.” This could be realized by both regional integration and national reform efforts and capacity building.

BURMA

· Burma’s pro-military party wins election. Burma’s pro-military party, the Union Solidarity and Development Party (USDP), won about 85 percent of the votes in the country’s first election in 20 years. Using election rules rejected by international experts, the USDP secured 389 out of 455 seats in Parliament. The main opposition party, the National League for Democracy (NLD), boycotted the polls. The junta claims that the election marks a transition from military rule to civilian democracy. China’s foreign ministry spokesman Hong Lei praised Burma for its success, calling the

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Southeast Asia from the Corner of 18th & K Streets

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The election a “transition to an elected government.” ASEAN, represented by former chair Vietnam, also described Burma’s vote as a “significant step forward.” On the other hand, UN secretary general Ban Ki-Moon called the election insufficiently inclusive and transparent. In response to the elections in Burma, U.S. Senate Foreign Relations Committee Chairman John Kerry (D-Massachusetts) called the elections a “deeply flawed process [which] should not be considered legitimate.” Kerry emphasized that the United States stands ready to improve relations with Burma when Burma’s government decides to release its political prisoners, ease media restrictions, seek peace with its ethnic groups, and pursue economic reforms. Many Western governments also criticized the election as neither free nor fair. For details on the election results, visit http://www.burma2010election.com.

• Thousands flee from Burma to Thailand. A day after the elections on November 7, more than 10,000 people fled from Burma to Thailand to escape the clashes between the Burmese military troops and ethnic Karen rebels. The military crackdown on ethnic groups was predicted following the elections as many fled to protest against the election. Most fighting occurred in the town of Myawaddy, located in the Kayin State in southeastern Burma bordering Thailand. According to Colonel Wannatip Wongwai, commander of Thailand’s Third Army Region responsible for security in the area, Thailand will start sending the refugees back to Myawaddy as soon as the situation is stabilized.

SOUTH CHINA SEA

• ASEAN and China signed the new Plan of Action. ASEAN and China signed a new Plan of Action for 2011–2015 in which the two parties agreed to implement the 2002 Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity and to work toward the eventual signing of a Code of Conduct in the South China Sea. The plan is essentially recognition that the two sides will move forward and meet in China in mid-December to try to reach agreement on the code of conduct. The two sides have been struggling for eight years with modalities over whether ASEAN can coordinate its position on issues related to the South China Sea—the “multilateral approach” favored by ASEAN—or whether individual ASEAN countries must negotiate directly with China—the “bilateral approach” preferred by China. Chinese foreign minister Yang Jiechi said China would like to turn the South China Sea into the sea of cooperation and friendship.
• Beijing online map angers Hanoi. According to the Government of Vietnam, China’s State Bureau of Surveying and Mapping violated Vietnam’s sovereignty over the Hoang Sa and Truong Sa archipelagos by separating the sea using dotted lines on two online maps. Vietnam has asked China to immediately remove the lines from websites and maps, claiming that China has violated Vietnam’s sovereign rights and jurisdiction in its Exclusive Economic Zones. According to Vietnamese Ministry of Foreign Affairs spokeswoman Nguyen Phuong Nga, the map also violated the 2002 Declaration on the Conduct of Parties in the South China Sea. The Vietnamese protest indicates an increased willingness and sense of urgency in Hanoi to speak out and oppose what it perceives to be China’s incremental steps to establishing control over the disputed territory.

• Vietnam’s Cam Ranh Bay naval base ready to service foreign ships. According to Vietnam’s prime minister Nguyen Tan Dung and minister of defense Phung Quang Thanh, Vietnam will open repair facilities for all foreign naval ships and submarines at the former U.S. military base at Cam Ranh Bay. The port could also be used as a fuel stop for aircraft carriers. Cam Ranh Bay is located 180 miles northwest of Ho Chi Minh City, near the key shipping lanes in the South China Sea. Vietnam’s offer comes amid what Hanoi believes are aggressive steps by China to increase its maritime might. China recently arrested, although later released, nine Vietnamese fishermen near the South China Sea.

INDONESIA

• President Susilo Bambang Yudhoyono (SBY) attends the G-20 and APEC summits. In a last minute change of plan, President SBY flew to Seoul for the G-20 meetings instead of being represented by his vice president. Indonesia is ASEAN’s only member of the G-20, though the regional grouping sustains institutional representation via observer status for the current chair of ASEAN (in this case Vietnam) and ASEAN’s secretary general (currently Dr. Surin Pitsuwan). SBY underlined Indonesia’s commitment to global recovery and economic architecture. The president stressed the importance of the role of emerging economies in global prosperity. He was forced to leave the APEC Leaders’ Summit in Yokohama, Japan, due to a new eruption at the Mount Merapi volcano. The death toll from the volcanic eruptions now stands at over 250. Please consider supporting relief efforts via the Indonesian Red Cross/Crescent at http://www.ifrc.org/address/id.asp.
• **Four soldiers jailed for torture.** Weeks after a video clip was released by a Hong Kong-based human rights group showing Indonesian soldiers beating and torturing a West Papuan activist to get information regarding the location of an alleged weapons cache, Indonesia’s military court has sentenced four soldiers to seven months in prison. The Indonesian military’s track record on human rights comes under close scrutiny by partners including the United States. The Leahy Amendment requires the U.S. president to certify that Indonesia’s military is in compliance with basic international human rights guidelines as a condition for the U.S. government and military to be able to have contact with their Indonesian counterparts.

• **Former Finance Minister Sri Mulyani speaks out on corruption.** Indonesia’s former finance and coordinating minister for finance and economy and current managing director of the World Bank, Sri Mulyani, spoke out during a speech at the 14th International Anti-Corruption Conference in Bangkok on November 10, 2010, regarding her concern about continued corruption in Indonesia. She recognized the progress of the anti-corruption commission KPK, despite the challenges it faces.

VIETNAM

• **11th Party Congress.** Vietnam’s most important political cycle—the five-year period between the Party Congress of the Communist Party of Vietnam—is nearing its climax. Although a firm date is not set, experts believe the Party Congress will be held in mid-January 2011. Economic and foreign policies are expected to be fairly consistent, but a significant reshuffling of leadership is likely.

• **Vietnam and ROK strengthen cooperation.** On the sidelines of the G-20 Summit in Seoul, Vietnam’s prime minister Nguyen Tan Dung and his Republic of Korea (ROK) counterpart Kim Hwang-sik agreed to strengthen cooperation between the two countries at international forums such as the UN, WTO, APEC, and the ASEAN+ Summit. Hwang pledged to provide more official development assistance to Vietnam and to encourage Korean businesses to invest in Vietnam’s infrastructure development. Meanwhile, Dung proposed to deepen bilateral relations through high-level visits and dialogue on security and defense. The ROK and Vietnam see each other as important strategic and trade partners.

• **Bauxite projects are safe according to government inspections.** After receiving a letter from 1,500 politicians and intellectuals calling for new
studies on the bauxite mining schemes, the Vietnamese government agreed to conduct further investigation. The case is interesting because it reveals new patterns of input and empowerment of people and civil society in the country’s governance processes. The case also is complicated by the fact the foreign investor is a Chinese state-owned enterprise, China Aluminum Corporation (CHINALCO). According to Nguyen Vu Khai, deputy chairman of the National Assembly’s Science, Technology, and Environment Committee, the bauxite projects are safe. Government officials said that the projects’ locations are in fact quite favorable for bauxite mining. The mines’ waste will be stored in reservoirs within an enclosed valley far from residential areas. The government will also set up an environmental task force to monitor the two projects in the Central Highlands.

MALAYSIA

• **Gates praises Malaysia’s peacekeeping and humanitarian role.** Secretary of Defense Robert Gates arrived in Malaysia on November 9 and reaffirmed Secretary of State Clinton’s sentiments regarding the U.S.-Malaysia relationship. Gates said Malaysia’s moderate stance on several important global issues made it an important partner in the region. Gates cited Malaysia’s efforts to enhance free trade, adhere to international law, maintain transparency in the use of maritime routes, and air and cyberspace. Gates’ one-day visit to Malaysia reflected the elevation of already well-established defense ties between Malaysia and the United States. He met with Malaysia’s defense minister Datuk Seri Dr Ahmad Zahid Hamidi, deputy defense minister Datuk Dr Abdul Latiff Ahmad, Malaysia’s ambassador to the United States Datuk Seri Jamaluddin Jarjis, and chief of the armed forces General Tan Sri Azizan Ariffin. He was scheduled to meet Prime Minister Najib, but the prime minister was hospitalized for chicken pox.

• **Trade growth at 18 percent for 2010.** Malaysia’s international trade and industry minister Mustapa Mohamed said his country has made a complete economic comeback. Total trade in 2009 dropped 16.9 percent, but Malaysia made a strong comeback in 2010, returning to 2008 levels. In the first nine months of 2010, Malaysia’s total trade expanded by 23 percent. Total exports and imports registered growth of 20.4 percent and 26.4 percent, respectively, in that period. Several economic measures by the government helped to launch Malaysia’s recovery. The Economic Transformation Program (New Economic Model) and Tenth Malaysia Plan have provided a strong economic foundation for the country, and the China-ASEAN Free Trade Agreement has helped to stimulate economic growth in the country.
Barisan Nasional scores victories in by-elections. Malaysia’s ruling coalition, Barisan Nasional, won two by-elections for parliamentary seats in Batu Sapi and Galas. Prime Minister Najib said the election victories demonstrated the people’s confidence in his government and revealed positive support for his government’s reform measures. He believes the results signal the government is winning back the support of ethnic Chinese and Indian voters who had turned toward the opposition in the 2008 national elections.

SINGAPORE

High-level visits between Singapore, Japan, and China leaders. On the sidelines of the 22nd APEC Ministerial Meeting in Yokohama, Singapore foreign affairs minister George Yeo met with Japanese foreign affairs minister Seiji Maehara. During the meeting, Minister Maehara reaffirmed his support for ASEAN’s integration and the ASEAN Connectivity Initiative. Minister Yeo acknowledged Singapore’s support for Japan’s bid for a permanent UN Security Council seat. The two leaders also discussed Japan’s possible participation in the Trans-Pacific Partnership (TPP) process. Xi Jinping, the vice president of China, made an official three-day visit to Singapore on Sunday. This is Xi’s first visit to Singapore in his current capacity, where he will meet with Singapore president S. R. Nathan, prime minister Lee Hsien Loong, senior minister Goh Chok Tong, and minister mentor Lee Kuan Yew. The visit will also culminate in the signing of a number of bilateral agreements between the two countries.

Cyberspace to be the next general election battleground. As political parties in Singapore gear up for the upcoming elections, due by February 2012, candidates are already taking to various social media outlets and the Internet to promote their platforms. There is speculation that the candidates will use Twitter during the campaign and develop applications for 3G phones. The Workers’ Party, considered the most conservative presence online, launched a revamped website with a Facebook widget. Another party, the Reform Party, has made full use of the media, recruiting volunteers online. The various parties are waiting for the Elections Department to release details regarding the relaxed Internet election advertising rules. As of yet, the Elections Department has not finished finalizing the rules.

AUSTRALIA

The 25th Australia-U.S. Ministerial (AUSMIN) Consultations. Secretary of State Hillary Clinton and Defense Secretary Robert Gates met their

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Australian counterparts, Defense Minister Stephen Smith and Foreign Minister Kevin Rudd, in Melbourne for the 25th AUSMIN. They also celebrated the 60-year anniversary of the U.S.-Australia treaty alliance. Both parties recognized a strategic response was needed for evolving security interests. Australia welcomed a larger U.S. presence in the region, as signals of tension have surfaced in areas such as the South China Sea, around North Korea, and the China-Japan tensions in the Senkakus and Diaoyu islands. Secretary Gates authorized a bilateral working group under the U.S. Global Force Posture Review for “enhanced joint activities.” To read the AUSMIN Joint communiqué click here: http://foreignminister.gov.au/releases/2010/kr_mr_101108.html.

NEW ZEALAND

- **The Wellington Declaration.** During Secretary Clinton’s visit to the New Zealand, she and Foreign Minister Murray McCully brought U.S.-New Zealand relations to the next level by signing the Wellington Declaration. The agreement puts the two nations on track with security and defense cooperation after their disagreement on nuclear policies 30 years ago. The document mandates regular consultations between military officials that will shape practical cooperation, political-military dialogue, and cooperation in the regional architecture of APEC and the East Asia Summit. Read CogitAsia's analysis of this bilateral agreement (http://cogitasia.com/2010/11/04/moving-ahead-the-wellington-declaration/).

- **Defense white papers published.** In its first white paper in 13 years, the New Zealand Defence Force (NZDF) reviewed its security interests for the next 25 years. The paper revealed that the NZDF is going to enhance its air force and army and plans to purchase three more A109 light helicopters, in addition to the five that were already ordered. It also plans to upgrade air transportation by upgrading its Hercules and Orion aircraft. Read CogitAsia for more insights into the white paper: http://cogitasia.com/2010/11/05/a-friend-in-need-new-zealand/#more-802 .

PHILIPPINES

- **Aquino announces economy “open for business.”** President Aquino left for the 18th APEC Economic Leaders’ meeting in Yokohama, Japan, and pledged he would sign bilateral deals with Japan, Canada, Chile, and Papua New Guinea and would encourage more efforts to create the most suitable environment for investors in the country. Aquino will meet with Canada’s prime minister Stephen Harper, Chile’s president Sebastian Piñera, Papua New Guinea’s prime minister Michael Somare, and Japan’s prime minister...
Naoto Kan. Cabinet officials accompanying Aquino include Foreign Secretary Alberto G. Romulo, Finance Secretary Cesar V. Purisima, and Energy Secretary Rene Almendras.

- **EU pledged $94 million in development assistance.** The aid package will be disbursed over the course of three years starting in 2011. The grant will be the largest ever to be given to the Philippines by the EU. Under the grant program, the Philippines will receive $31 million each year, compared to the $20 million it received in the previous funding period, 2007–2010. The EU is one of the Philippines’ largest funders of development assistance and aid. EU aid assistance has been used to alleviate the plight of tens of thousands of villagers displaced by the fighting between government troops and Muslim rebels in the Southern Philippines.

- **Aquino to call for currency framework at G-20.** Philippine finance secretary Cesar Purisima is promoting a coordinated plan to deal with the flow of funds to emerging markets that has greatly appreciated their currencies. For instance, the peso hit a two-and-one-half-year high against the dollar recently. The overall gain of 7-8 percent this year has raised concerns among exporters and millions of foreign workers who are getting fewer pesos for each dollar they send home. While the government would not intervene in the way of the peso’s appreciation, Purisima stated that it would nonetheless focus on smoothing sharp moves in the currency. For instance, the government plans to promote private sector money in public-private partnership schemes, hoping to slow the peso’s rise. The central bank also implemented measures to make it easier for funds to leave the country and built up foreign exchange reserves to counter pressure on the peso to rise.

**THAILAND**

- **Constitutional court scandals.** As the December court ruling for the dissolution of the Democrat Party because of campaign finance fraud looms, the credibility of Thailand’s judiciary is being questioned. A series of three video clips leaked on YouTube have shown Democrat Party members lobbying Chat Cholaworn, secretary to the court president, to go easy on the party, while other videos show senior judges giving exam papers to their relatives. The last video, which was blocked by the courts, showed more acts of nepotism. The courts claim that these videos were doctored and are aimed to discredit its members.
Flooding continues. The Disaster Prevention and Mitigation Department has reported that the flooding death toll has risen to 206 and that 21 provinces remain severely affected by the floods. The area hit the hardest is the northeastern region where water from the Chee River overflowed into three provinces. Defense volunteers have been dispatched around the country, while public health officers offer clinics to help victims deal with depression and stress. Four districts in the south are now flooded, affecting 7,000 households. This disaster is expected to cut the rice harvest by 20 percent and trim the GDP by 2.0–2.5 percent. To contribute to relief efforts, please click http://english.redcross.or.th/home

CAMBODIA

U.S. top diplomat promises to look into “dirty debt.” During U.S. secretary of state Hillary Clinton’s trip in Cambodia from October 31 to November 1, she promised to look into the outstanding $445 million “dirty debt,” the legacy of the U.S.-backed government of Lon Nol that came to power by a coup in 1970. She stated that a group of U.S. experts will meet with Cambodian counterparts to seek approaches to resolving the debt. Secretary Clinton also hinted that she wants to see the money reinvested in Cambodian education or nature preservation rather than as a direct repayment. See CSIS expert Ernie Bower’s analysis of the Cambodia debt issue “Consecrated Ring of Sand” at http://cogitasia.com/2010/08/02/cambodian-debt-to-the-united-states-ring-of-consecrated-sand/.

China, Cambodia sign a $1.6 billion deal. In a now well-established pattern suggesting China’s strong focus on sustaining its influence in Cambodia, chief Chinese legislator Wu Bangguo visited Cambodia on November 3-6, only days after Secretary Clinton left Cambodia, and agreed to provide Cambodia with $1.6 billion over five years to fund initiatives on hydropower dams, mining, bridges, and railway links. China also agreed to cancel Cambodia’s debt of more than $4 million, a legacy of the Khmer Rouge regime, and allow it to be converted into development projects. This is the second instance of debt forgiveness by China since 2002.

LAOS

Laos receives $1.1 million from New Zealand to clear cluster munitions. While attending the First Meeting of the State Parties to the Global Convention on Cluster Munitions, New Zealand’s disarmament and arms control minister Georgina te Heuheu agreed to provide Laos with $1.1 million to clear unexploded ordnances in the northeastern part of the country, where New Zealand has already supported local development projects including cluster munitions clearance.
BRUNEI DARUSSALAM

- Minister of Foreign Affairs and Trade attends Asia Cooperation Dialogue Meeting. His Royal Highness Prince Mohamed Bolkiah, Sultan of Brunei Darussalam and Minister of Foreign Affairs and Trade, attended the ninth Asia Cooperation Dialogue Ministerial Meeting at the OIC Summit Hall in Tehran, Iran, where the participating countries adopted the Tehran Declaration, which seeks to promote cooperation in Asia. On the sidelines, His Royal Highness met with Iran’s minister of foreign affairs Dr. Manouchehr Mottaki, Bhutan’s minister of economic affairs Lyonpo Khandu Wangchuk, and Sri Lanka’s minister of external affairs Gamini Lakshman Peiris, for bilateral discussions.
Looking Ahead

· Launch of CSIS U.S.-ASEAN Commission on November 17, 2010. Chaired by Maurice R. "Hank" Greenberg and Secretary William S. Cohen, the U.S.-ASEAN Commission will bring a high-level public-private focus to developing a set of recommendations that will underpin a 25-year strategy for Southeast Asia. To this end, the Commission will conduct serious assessment of U.S. interests in Southeast Asia, including in trade and investment, security and strategic, and socio-cultural issues. The Commission will synthesize these inputs, review them with panels of international experts, and prepare a set of comprehensive recommendations to the U.S. president and the congress to be delivered ahead of the U.S. hosting of the Asia Pacific Economic Cooperation (APEC) Summit in Hawaii in November 2011.

· The 2010 United Nations Climate Change Conference will be held November 29, 2010–December 10, 2010, in Cancun, Mexico. This week at the G-20 Summit in Seoul, the leaders will reiterated their commitment to take a strong action-oriented approach in the climate change summit. They will attempt to reach a binding agreement to reduce the emission of greenhouse gases by 2012 outlined in the Kyoto Protocols.

· The 2010 Asian Games, or XVI Asiad, will kick off in Guangzhou, China, from November 12 to November 27, 2010. The Asian games will have 42 events compared to the Olympics’ 28 events.

· The second expert seminar for the CSIS study Pacific Partners: The Future of U.S.-New Zealand Relations, which is well under way, will be held on Monday, November 22, 2010, in Wellington, New Zealand.
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