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# ***INSIGHT*** **SOUTHEAST ASIA**

**Looking Eastwards From New Delhi**



Cover Photo: At Karaweik Palace on Kandawgyi Lake, Yangon

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Insight Southeast Asia in this issue covers the month of July and August. July has traditionally been a month of hectic diplomatic activity for the ASEAN leadership and this year was no different. India's External Affairs Minister Salman Khurshid too was in Brunei to participate in the 11th India-ASEAN ministerial meeting, the third East Asia Summit ministerial meeting of foreign ministers, and the 20th meeting of the ASEAN Regional Forum between 1 and 2 July. These meetings have the right mix of the formal and informal and provide sufficient opportunity for interaction.

India is increasingly being tasked to adopt a long term approach to regionalism and that entails enhanced coordination between the various ministries (especially between the MEA and the Ministry of Commerce and Industry). ASEAN countries have certain expectations from India. The Singapore Premier Lee Hsien Loong, who met Mr Khurshid, has termed India as its close ASEAN partner. India is trying to extend the depth of its reach to other ASEAN countries like Malaysia as well. According to India's High Commissioner to Malaysia, Vijay K. Gokhale, India views Malaysia as a "stepping stone into the ASEAN". This is especially pertinent with Malaysia destined to be the Chair of ASEAN in 2015 at a time when the ASEAN Community is expected to fructify.

During the ASEAN related meetings, and on its sidelines the UN-equivalent of corridor diplomacy (which in southeast Asia really is golf-diplomacy) provide an opportunity for interaction and exchange of views on regional and global issues and often bilateral issues too. Besides India, all the other nine ASEAN Dialogue Partner foreign ministers (including US Secretary John Kerry and the Russian Foreign

Minister Sergey Lavrov) were present. This was also the occasion for Norway to sign the Instrument of Accession to the Treaty of Amity and Cooperation in Southeast Asia (TAC).

A great deal of churning is in evidence in the larger Asia Pacific (or Indo-Pacific) region. A transition is on in Myanmar which has implications not only for its political system but also its economy and society. Myanmar's biggest challenge is ethnic reconciliation. The reverberations of the Rohingya crisis have been felt for sometime now with refugees fleeing to neighbouring countries. India was directly impacted when on July 7 terrorists targeted the sacred Mahabodhi temple in Bodh Gaya with a series of blasts. Circumstantial evidence linked the attack to the Buddhist-Rohingya conflict in Myanmar.

Myanmar is currently gearing up for its chairmanship of ASEAN in 2014. It has been pointed out that ASEAN should devise a mechanism to support first time chairs. This mechanism could include the past chair, the forthcoming chair and other interested countries.

Countries in the region are adjusting to the emerging power equations. Australia at one end is seeking closer cooperation with Indonesia, Japan and South Korea, and on the other hand economic interests determine that it boost ties with China. At the same time some analysts feel there is a downgrading of the existing older institutions like the ASEAN Regional Forum (ARF) which is no longer being accorded as much media coverage, as say the East Asia Summit. According to a section of opinion, it is at best viewed as a confidence-building measure and at worst a mere talk shop. There are also some lurking fears about the implications when two years later the ten ASEAN countries open their economies to each other. There are also fears that ASEAN is in danger of losing its centrality.

**Udai Bhanu Singh**

# THE PHILIPPINES

**Capital:** Manila

## Geography

Location: Southeastern Asia, archipelago between the Philippine Sea and the South China Sea, east of Vietnam.

Geographic coordinates:

13 00 N, 122 00 E

Total Area: 300,000 sq. km (298,170 sq. km land) (1,830 sq. km water)

## Politics

Independence: 12 June 1898 (independence proclaimed from Spain); 4 July 1946 (from the US)

Government type: Republic

Constitution: 2 February 1987, effective 11 February 1987

Elections: president and vice president elected on separate tickets by popular vote for a single six-year term;

Chief of state: President Benigno Aquino (since 30 June 2010); Vice President Jejomar Binay (since 30 June 2010);

Head of government: President Benigno Aquino (since 30 June 2010)<sup>1</sup>

## Economy

Gross domestic product at current

prices (US\$ million):

250,619.9 (2012/p)<sup>2</sup>

Gross domestic product per capita at current prices (US\$): 2,564.2 (2012/p<sup>2</sup>)

US\$ (PPP): 4,433.8 (2012/p<sup>2</sup>)<sup>3</sup> GDP real growth rate: 6.6 per cent (2012 est.)

International merchandise trade (US\$ million)<sup>4</sup> : Exports: 51,995.2; Imports: 65,386.4 (2012/p<sup>1</sup>)

Foreign direct investments inflow (US\$ million)<sup>5/6</sup> : 2,797.0

## Society

Nationality: Filipino(s)

Ethnic groups: Tagalog 28 per cent, Cebuano 13.1 per cent, Ilocano 9 per cent, Bisaya/Binisaya 7.6 per cent, Hiligaynon Ilonggo 7.5 per cent, Bikol 6 per cent, Waray 3.4 per cent, other 25.3 per cent (2000 census)

Languages: Filipino (official; based on Tagalog) and English (official)

Religions: Catholic 82.9 per cent (Roman Catholic 80.9 per cent, Aglipayan 2 per cent), Muslim per cent, Evangelical 2.8 per cent, Iglesia ni Kristo 2.3 per cent, other Christian 4.5 per cent, other 1.8 per cent, unspecified 0.6 per cent, none 0.1 per cent (2000 census)

Population: 105,720,644 (July 2013 est.)

<sup>1</sup> president is both chief of state and head of government

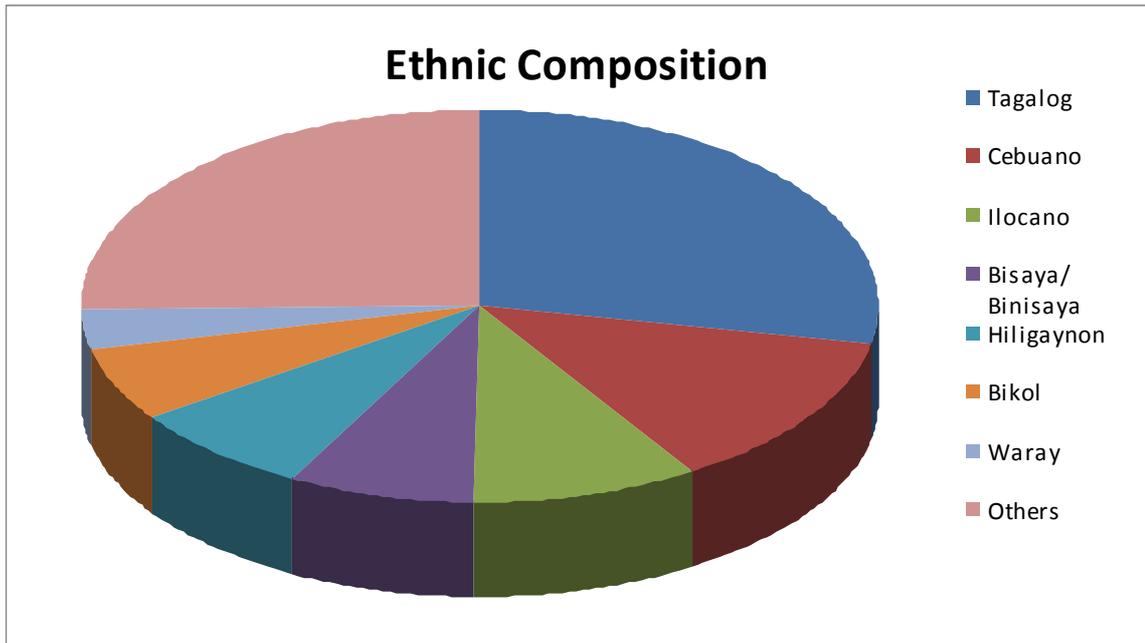
<sup>2</sup> Preliminary

<sup>3</sup> Computed based on IMF WEO Database October 2012 estimates and the latest actual country data.

<sup>4</sup> ASEAN IMTS Database 2012 figures are preliminary as of 26 June 2013.

<sup>5</sup> Unless otherwise indicated, figures include equity, reinvested earnings and inter-company loans.

<sup>6</sup> For FDI, 2012 figures are preliminary.



### Defence

Military Expenditure (US \$ million):  
2,609

Share of GDP: 1.08 per cent

Number in Armed Forces (000): 125

Estimated Reservists (000): 131

Paramilitary (000): 41<sup>7</sup>

### The Philippines-India relations

India and the Philippines formally established diplomatic relations on 26 November, 1949, shortly after both countries gained independence (Philippines in 1946 and India in 1947). Sixty years of diplomatic relations was celebrated in 2009.

The relations between the two countries have been cordial, though the full potential is yet to be realised. It would be

fair to say that despite several shared values and commonalities, such as anti-colonialism, South-South cooperation, a strong democratic polity, an independent judiciary and press, and the wide use of the English language, relations between the two countries have been relatively unexplored and reflects a lack of informed knowledge about one another.

Following the visits of the Philippines Vice President Diosdado Macapagal in 1961 and the Indian Prime Minister Indira Gandhi in 1981, the 'Look East policy' resulted in increased frequency of high-level contacts and saw visits by Prime Minister Manmohan Singh (2007), Presidents R. Venkatraman (1991) and Abdul Kalam (2006), Cabinet Ministers and other political dignitaries from India. Similarly, from the Philippines, there have been visits by Presidents Fidel Ramos (1997) and Gloria Arroyo (2007), Cabinet Ministers and other high-level political dignitaries. The East Asia

<sup>7</sup> "Chapter Ten: Country comparisons – force levels and economics," in *The Military Balance*, Routledge, London, March 14, 2013, p. 550.

Summit also provided an excellent platform for regular meetings between leaders from both countries, the most recent being in November 2012 at the Summit in Cambodia. The Vice President of the Philippines Jejomar C. Binay led a high-powered delegation to India in December 2012, in connection with the ASEAN-India Commemorative Summit. He was accompanied by the Foreign Minister Albert del Rosario.

Economic relations have been relatively slow and uneven to date. However, a number of growth drivers suggest a major and sustained fillip in two-way trade and investment. First, the impact of the India-ASEAN FTA in goods is already being strongly felt with current two-way trade at \$82 billion and growing. However, the India-Philippines trade has, so far, been muted in comparison at around \$1.6 billion.

Philippines is one of the beneficiaries of programmes under Indian Technical & Economic Cooperation Programme (ITEC) and Colombo Plan. For 2013-14, 30 slots under ITEC and 15 slots under the Colombo Plan have been allocated to the Philippines. There are separate slots provided for training of defence personnel. So far almost a thousand Filipino nationals have benefited under these schemes, covering a wide range of technical courses, such as rural

development, agriculture, renewable energy, small scale industries, banking, finance and management, quality control and marketing, planning and public administration, textiles, parliamentary studies and legislative practices, computer software, water resources management, defence, etc.

Following the signing of the Cultural Exchange Programme between both countries, exchange visits by cultural troupes has intensified. The calendar of events envisages regular and various cultural performances in the Philippines from India, covering performing and visual arts, but also seminars and conferences in universities and other centres of academic learning to help create a more informed understanding of India.<sup>8</sup>

#### Sources:

"CIA The World Factbook," at <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html> (Accessed July 8, 2013)

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<sup>8</sup> "[http://www.mea.gov.in/Portal/ForeignRelation/India-Philippines\\_Relations.pdf](http://www.mea.gov.in/Portal/ForeignRelation/India-Philippines_Relations.pdf)"

## VIETNAM

**Capital:** Hanoi

### Geography

Location: Southeastern Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, as well as China, Laos, and Cambodia.

Geographic coordinates: 16 10 N, 107 50 E

Total Area: 331,210 sq km country (310,070 sq km land) (21,140 sq km water)

### Politics

Independence: 2 September 1945 (from France)

Government type: Communist state  
Constitution: 15 April 1992

Elections: president elected by the National Assembly from among its members for five-year term; last election held 25 July 2011 (next to be held in July 2016); prime minister appointed by the president from among the members of the National Assembly; deputy prime ministers appointed by the prime minister; appointment of prime minister and deputy prime ministers confirmed by National Assembly.

Chief of State: President Truong Tan SANG (since 25 July 2011); Vice President Nguyen Thi DOAN (25 July 2007)

Head of government: Prime Minister Nguyen Tan DUNG (since 27 June 2006); Deputy Prime Minister Hoang Trung HAI (since 2 August 2007), Deputy Prime Minister Nguyen Thien NHAN (since 2 August 2007), Deputy Prime Minister Vu Van NINH (since 3 August 2011), and Deputy Prime Minister Nguyen Xuan PHUC (since 3 August 2011).

### Economy

Gross domestic product at current prices (US\$ million): 141,669.1 (2012/p)<sup>1</sup>

Gross domestic product per capita at current prices (US\$): 1,567.3 (2012/p)<sup>1</sup>

US\$ (PPP): 3,648.0 (2012/p)<sup>2</sup> GDP real growth rate: 5 per cent (2012 est.)

International merchandise trade (US\$ million)<sup>3</sup>: Exports: 114,510.7; Imports: 113,282.5 (2012/p)<sup>1</sup>

Foreign direct investments inflow (US\$ million)<sup>4/5</sup>: 8,368.0

### Society

Nationality: Vietnamese

Ethnic groups: Kinh (Viet) 85.7 per cent, Tay 1.9 per cent, Thai 1.8 per cent, Muong 1.5 per cent, Khmer 1.5 per cent, Mong 1.2 per cent, Nung 1.1 per cent, others 5.3 per cent (1999 census)

Languages: Vietnamese

Religions: Buddhist 9.3 per cent, Catholic 6.7 per cent, Hoa Hao 1.5 per cent, Cao Dai 1.1 per

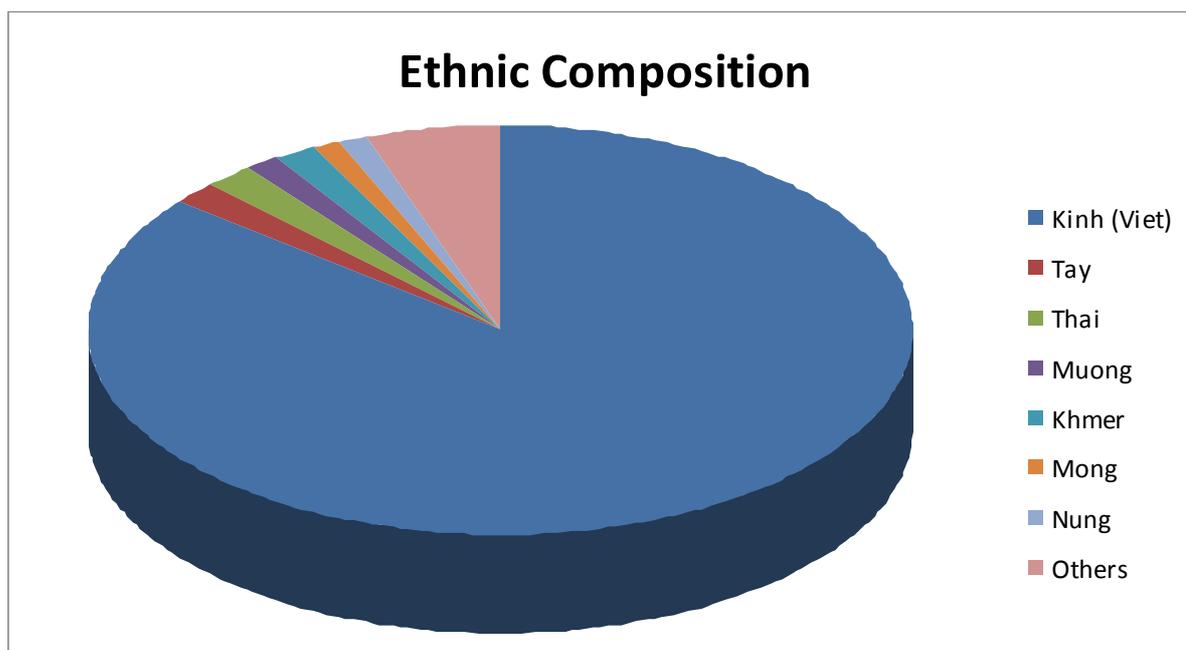
<sup>1</sup> Preliminary

<sup>2</sup> Computed based on IMF WEO Database October 2012 estimates and the latest actual country data.

<sup>3</sup> ASEAN IMTS Database 2012 figures are preliminary as of 26 June 2013.

<sup>4</sup> Unless otherwise indicated, figures include equity, reinvested earnings and inter-company loans.

<sup>5</sup> For FDI, 2012 figures are preliminary.



cent, Protestant 0.5 per cent, Muslim 0.1 per cent, none 80.8 per cent (1999 census)

Population: 92,477,857 (July 2013 est.)

#### Defence

Military Expenditure (US \$ million): 3,330

Share of GDP: 2.42 per cent

Number in Armed Forces (000): 482

Estimated Reservists (000): 5,000

Paramilitary (000): 40<sup>6</sup>

#### Vietnam-India relations

India and Vietnam celebrated the 40th anniversary of establishment of diplomatic relations between the two countries last year declaring the year 2012 as the India-Vietnam Friendship Year. After establishment of full diplomatic

relations on 7 January 1972, and particularly after the reunification of Vietnam, the two countries have cooperated closely and effectively to build a comprehensive, long-term and reliable partnership. The celebrations were kick started by Minister of State for External Affairs Shri E. Ahamed during his visit to Hanoi on January 6, 2012 and came to a successful conclusion during the recent visit of the Vice President Shri M. Hamid Ansari to Vietnam from January 14-17, 2013.

India-Vietnam relations have been exceptionally friendly and cordial since their foundations were laid by Prime Minister Nehru and President Ho Chi Minh more than 50 years ago. The traditionally close and cordial relations have their historical roots in the common struggle for liberation from foreign rule and the national struggle for independence.

Pandit Jawaharlal Nehru was one of the first visitors to Vietnam after its victory against the

<sup>6</sup> "Chapter Ten: Country comparisons – force levels and economics," in *The Military Balance*, Routledge, London, March 14, 2013, p. 550.

French at Dien Bien Phu in 1954. President Ho Chi Minh went to India in February 1958. President Rajendra Prasad visited Vietnam in 1959.

In recent times, political contacts have strengthened as reflected in several high-level visits by leaders from both sides. Trade and economic linkages continue to grow. India's thrust under the 'Look East' policy combined with Vietnam's growing engagement within the region and with India has paid rich dividends.

Vietnam is an important regional partner in South East Asia. India and Vietnam closely cooperate in various regional forums such as ASEAN, East Asia Summit, Mekong Ganga Cooperation, Asia Europe Meeting (ASEM) besides UN and WTO.

Vietnam has always been a steadfast supporter of India's permanent membership of an expanded UN Security Council.

The visit of the Vietnamese President to India in October was preceded by the visit of External Affairs Minister to Hanoi in September to co-chair the meeting of the India – Vietnam Joint Commission on Trade, Economic, Scientific and Technological cooperation. The Second India-Vietnam Strategic Dialogue and the Fifth Foreign Office Consultations had given the opportunity to the two countries

to exchange views on current bilateral and regional issues of mutual interest. External Affairs Minister while in Hanoi inaugurated the India – Vietnam Advanced Resource Centres, financed by India at a cost of more than \$ 2 million. This is a quality IT training centre.

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“CIA The World Factbook,” at <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html> (Accessed July 8, 2013)

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“India-Vietnam Friendship Year 2012,” at <http://mea.gov.in/photo-features.htm?783/IndiaVietnam+Friendship+Year+2012> (Accessed July 8, 2013)

“Visit of Mr.NongDucManh, General Secretary of the Communist Party of the Socialist Republic of Vietnam April 29 - May 02, 2003,” at <http://mea.gov.in/outoging-visit-detail.htm?20164/Visit+of+Mr+Nong+Duc+Manh+General+Secretary+of+the+Communist+Party+of+the+Socialist+Republic+of+Vietnam+April+29+May+02+2003> (Accessed July 8, 2013)

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# India and Southeast Asia: Shedding Years of Mutual Neglect

Arko Dasgupta\*

## Monograph Review

**Mahendra Ved, *India and Southeast Asia: Shedding Years of Mutual Neglect* (Tirupati: Centre for Southeast Asian & Pacific Studies, 2012, 56 pp.)**

Mahendra Ved bases his monograph *India and Southeast Asia: Shedding Years of Mutual Neglect* on the common history going back centuries shared between India and Southeast Asia cultivated by regional empires, traders, and “large-scale migration”—which today makes up a diaspora of 30 million ethnic Indians in Southeast Asia, according to the author. There is no disagreement with regard to friendly ties existing between Indian kingdoms—especially Southern—and the various kingdoms to the subcontinent's East among scholars specialising in the study of this part of the world, and so this foundation is indeed grounded upon historical record.

As with most age-old ties, India's relations with the various Southeast Asian nations have gone through periodic ups and downs. In the post-colonial period these ties varied from the friendly (with Indochina-Laos, Cambodia, and Vietnam) to cordial (Malaysia and Singapore although Singapore had always hoped that India take a more proactive

role in the region to counter China's unmistakable presence) to the cold (Indonesia. India to start off with had great ties with the largest nation in the Southeast Asian region but President Sukarno increasingly favouring Communist China over Democratic India strained inter-state relations as did Military Chief Suharto's coming to power in a coup d'état, which India condemned). This break from an amiable past was a result of two reasons: one, it was the time of the Cold War and both the United States and the Soviet Union were bent on one-upmanship in nearly every corner of the world, and two, Southeast Asia, especially after the fall of Indonesia to a right-wing regime, was largely constructed as an anti-Communist bloc and India's decision to generally side with the Soviet Union in international forums naturally meant that India develop a greater proclivity for Soviet underlings in the region, which included the successor states to French Indochina that comprised the Communist exception to the generally anti-communist "climate" of the region.

Ved devotes quite a bit of space to India-Myanmar ties but hardly any to India-Vietnam ties which is surprising given India's warm relations with Vietnam compared to its on-again, off-again relations with Myanmar. However, one may concede that this is in keeping with India's geographical proximity to Myanmar and its high strategic value and

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obvious significance for India to be able to look east clearly.

The author gives the reader the gist of India's 'Look East' policy but does not make reference to India's Northeast or neighbouring Bangladesh in this section which is odd considering this is a recent publication. One expects a monograph such as this to have within it information that has been updated to include current discourses on the subject. Granted that India's desire to look east was initially motivated by one, the 'East Asian Miracle', and two, the country undergoing its own set of economic reforms, but we have come a long way since then and policy-makers and academics alike have stressed the need for said policy to benefit the Northeast as well as the importance of Bangladesh in executing India's look

east objective effectively. Bangladesh and the Northeastern region are naturally cited in the portion on the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) in the monograph. The "China Factor", too, is given consideration under a separate heading.

While Mahendra Ved's monograph should be judged as one (and not as a book), it should not, however, be mistaken for an academic treatise. It is largely anecdotal and employs a narrative journalism style which makes it extremely reader-friendly but offers (one supposes) little by way of revelations to the specialist. That should in no way diminish the worth of the publication because although one expects it to be generally seen in the hands of a non-specialist, it may well be a welcome break from the dry, often dispiriting, texts academics are expected to read on a day-to-day basis.

## ASEAN

### IMF cuts ASEAN growth forecast for 2013

The International Monetary Fund (IMF) downgraded its growth forecast for Southeast Asia on the back of current downside risks, as well as the appearance of new threats to growth that include slowing credit and tighter financial conditions.

In its July World Economic Outlook (WEO) update, the IMF said the ASEAN 5 (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) is now expected to hit an average growth of only 5.6 per cent in 2013, a 0.3-percentage-point drop from the April WEO estimate of 5.9 per cent.

However, the region's average growth is expected to be higher at 5.7 per cent in 2014. This is a 0.2-percentage-point increase over IMF's April estimate of 5.5 per cent.<sup>1</sup>

### ASEAN region on track for integration by 2015

The member states of ASEAN are on track to finishing the measures needed for the integration of their economies by 2015, according to the 2012-2013 annual report released by the regional economic and political bloc.

In his annual report message, ASEAN Secretary General Le Luong Minh

remarked that in the economic pillar, ASEAN has already implemented nearly 80 per cent of the measures in the ASEAN Economic Community (AEC) Blueprint, with significant progress across sectors, as of March 2013.

By 2015, ASEAN envisions an "ASEAN Economic Community" which will be defined as having a single market and distribution base, a highly competitive economic region with equitable economic development, and a region fully integrated into the global economy.<sup>2</sup>

### Norway signs Treaty of Amity and Cooperation in South East Asia

In Brunei on July 1, Norway acceded to the Treaty of Amity and Cooperation in Southeast Asia (TAC) in a ceremony attended by Norwegian Foreign Minister Espen Barth Eide and the ten ASEAN foreign ministers.

Following the signing ceremony, Mr Eide said that "accession to the TAC is a natural extension of our longstanding engagement in the region and our commitment to multilateralism".

"As an outward-looking trading nation, globally engaged in maritime issues, energy and climate, as well as a major investor, Norway already has a significant presence in Southeast Asia", said Mr Eide.

Yet further engagement with ASEAN was needed in view of global trends:

"In today's interconnected world, regional organizations are proving their relevance. The building of norms and values, peaceful settlement of disputes and the promotion of

<sup>1</sup> "IMF cuts Asean growth forecast for 2013", *Business Mirror*, July 9, 2013 (<http://businessmirror.com.ph/index.php/en/news/economy/16207-imf-cuts-asean-growth-forecast-for-2013>)

<sup>2</sup> "Asean region on track for 2015 integration", *Inquirer Business*, July 7, 2013 (<http://business.inquirer.net/130941/asean-region-on-track-for-2015-integration>)

economic integration are increasingly taking place at the regional level. Hence, contact between as well as within regions is important to understand and influence the global agenda”, Eide said.

Foreign Minister Eide also announced that Norway wanted to further its engagement with ASEAN by establishing a Norwegian ASEAN Regional Initiatives Fund.

Mr Eide emphasised that “the fund will be geared towards supporting selected cross-cutting issues of regional importance and in line with ASEAN’s roadmaps.”

The details of the cooperation will be reflected in an ASEAN-Norway Joint Declaration on enhanced cooperation.

The Treaty of Amity and Cooperation (TAC) is a non-aggression and cooperation pact between ASEAN members and their partners. The Treaty was first signed in February 1976 by the leaders of the then members of ASEAN (Indonesia, Malaysia, Thailand, Singapore, Philippines) and has since been amended three times to include non-ASEAN members and more recently regional organisations. Today, the non-ASEAN parties to the TAC are Papua New Guinea, China, India, Japan, Pakistan, South Korea, Russia, New Zealand, Mongolia, Australia, France, East Timor, Bangladesh, Sri Lanka, North Korea, United States, EU and the United Kingdom.<sup>3</sup>

### ASEAN defence ministers cautious on South China Sea

At a meeting of regional states at Brunei on August 29, India’s minister of state for defence, Jitendra Singh, reminded China that it could not unilaterally write the rules in the region.

Addressing the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus) on the same day, many of whose members fear the rising power and assertiveness of China, Singh said that territorial claims in the South China Sea could not block “unimpeded right of passage”, which were “accepted principles of international law.” “These principles should be respected by all. We oppose the use or the threat of use of force. We hope that all parties to disputes in the South China Sea region will abide by the 2002 Declaration on Conduct in the South China Sea,” said Singh.

The Indian public sector oil major, ONGC Videsh, is partnering Vietnam Oil and Gas Group in prospecting for oil in the Phu Khanh Basin in the South China Sea. So far no oil has been found; and Beijing has asserted that these are disputed waters.

Earlier in August, China’s foreign minister, Wang Yi, warned against hurrying through the envisaged “Code of Conduct.” China prefers to negotiate bilaterally with regional countries rather than having them ranged against it in a block. But there is little unified will for confronting China. On August 28, Malaysia, which, along with Brunei—and in contrast to Vietnam and the Philippines—has traditionally downplayed tensions with China, declared that Chinese naval patrols are not threatening.

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<sup>3</sup> “Norway signs Treaty of Amity and Cooperation in South East Asia”, *Ministry of Foreign Affairs, Norway*, July 1, 2013 ([http://www.regjeringen.no/en/dep/ud/press/news/2013/treaty\\_asean.html?id=731986](http://www.regjeringen.no/en/dep/ud/press/news/2013/treaty_asean.html?id=731986))

Bloomberg News quotes Malaysia's defence minister, Hishammuddin, as saying that "just because you have enemies, doesn't mean your enemies are my enemies." The Chinese "can patrol every day, but if their intention is not to go to war," it is of little concern.

The ASEAN Defence Ministers Meeting-Plus (ADMM-Plus) brings together the defence ministers of India, Australia, China, Japan, New Zealand, South Korea, Russia, and the US with those of the 10 ASEAN countries. The grouping has identified five non-controversial areas for cooperation-counterterrorism, humanitarian assistance and disaster relief, maritime security, military medicine, and peacekeeping. The Brunei meeting added on a sixth area-humanitarian mine action.

The meeting was the second ADMM-Plus gathering, after its 2010 inaugural at Hanoi, Vietnam. The current meeting resolved to meet every two years.<sup>4</sup>

## ASEAN-India

### Working hard on financial connectivity between ASEAN, India: Salman Khurshid

Ahead of the India-ASEAN Post Ministerial Conference, External Affairs Minister Salman Khurshid on July 1 said that the government was working very hard on achieving physical, digital and

financial connectivity between ASEAN and India. "I want to take forward the certain thing, a potential growth in trade and investment. We are working very hard on physical, digital and financial connectivity between ASEAN and India," Khurshid said.

Khurshid further said that trade pact, to be signed in August, would prove to be a major stepping-stone in strengthening ties between ASEAN countries. "The terms were difficult to negotiate, as they always are because there are a lot of interest that pull in different directions and you have to harmonise them when you negotiate, so we had tough negotiations, which came to a good and reasonable conclusion before the commemorative summit," he said.

"Now it remains to sign and then to take forward. We certainly think that the potential for growth and trade and investment is enormous, we are working very hard on physical, digital and financial connectivity between ASEAN and India and this will be a major stepping stone in achieving that," he added.

Khurshid arrived in Brunei on June 30 to take part in the 11<sup>th</sup> India-ASEAN ministerial meeting, the third East Asia Summit ministerial meeting of foreign ministers, and the 20<sup>th</sup> meeting of the ASEAN regional forum between 1 and 2 July.<sup>5</sup>

### Khurshid to hold talks with North Korea, China, Bangladesh counterparts

External affairs minister Salman Khurshid will hold bilateral talks on July 1 with the foreign

<sup>4</sup> "Asean defence ministers cautious on South China Sea", Business Standard, August 30, 2013 ([http://www.business-standard.com/article/economy-policy/asean-defence-ministers-cautious-on-south-china-sea-113083000037\\_1.html](http://www.business-standard.com/article/economy-policy/asean-defence-ministers-cautious-on-south-china-sea-113083000037_1.html))

<sup>5</sup> "Working hard on financial connectivity between ASEAN, India: Salman Khurshid", *Business Standard*, July 1, 2013 ([http://www.business-standard.com/article/news-ani/working-hard-on-financial-connectivity-between-asean-india-salman-khurshid-113070100279\\_1.html](http://www.business-standard.com/article/news-ani/working-hard-on-financial-connectivity-between-asean-india-salman-khurshid-113070100279_1.html))

ministers of North Korea, China and Bangladesh, who are in Brunei for a series of engagements with the 10-member ASEAN grouping.

According to a programme of engagements that Khurshid will have on July 1 is a meeting with the North Korean representative attending the East Asia foreign ministers' meeting and the ASEAN Regional Forum meeting in the Brunei capital Bandar Seri Begawan.

Two people familiar with the programme separately confirmed the meetings, both declining to be identified.<sup>6</sup>

#### **India, ASEAN natural partners: Salman Khurshid**

India and ASEAN have natural and mutually enhancing partnership where both historical basis and future ambitions make the vectors of “our interests congruent in an unparalleled manner”, External Affairs Minister Salman Khurshid said on July 1.

“We often say that our partnership with ASEAN is the foundation of our Look East policy,” Khurshid said in his address at the ASEAN-India Foreign Ministers' meeting in Brunei.

“We all share the vision of a stable, secure and prosperous Asia Pacific region,” he said adding the decision of the ASEAN leaders and Prime Minister Manmohan

Singh to upgrade the relationship into a strategic partnership was a natural progression to the ground covered since India became a Sectoral Partner of the ASEAN in 1992, Dialogue Partner in 1996 and Summit Level Partner in 2002.

He said it is a collective strength that ASEAN and India are natural partners.<sup>7</sup>

#### **Dip in ASEAN-India trade should be wake up call, says Khurshid**

India said on July 1 its trade relations with ASEAN have witnessed impressive growth—10 times in 10 years—but a slight decline in bilateral trade in 2012 with the 10-member Southeast Asian bloc should serve as a wake-up call.

External Affairs Minister Salman Khurshid, addressing the 11<sup>th</sup> ASEAN-India Foreign Ministers' Meeting in Bandar Seri Begawan, emphasised India's keenness to further the process towards setting up the ASEAN Community by 2015. He announced the setting up of the ASEAN-India Centre in New Delhi, which would serve as a “resource to assist us, in particular, in implementing connectivity projects across the three dimensions: geographic; institutional; and people-to-people”.

He said India-ASEAN economic and commercial engagement “has seen very impressive trade growth, 10 times in the 10 years, since we launched our Summit level partnership in 2002. But it is very important that we do not rest on our laurels”.

<sup>6</sup> “Khurshid to hold talks North Korea, China, Bangladesh counterparts”, *Live Mint*, July 1, 2013 (<http://www.livemint.com/Politics/3AbKmhAVtL7B2xMVXCVDdL/Salman-Khurshid-to-hold-talks-North-Korea-China-Bangladesh.html>)

<sup>7</sup> “India, ASEAN natural partners: Salman Khurshid”, *The Economic Times*, July 1, 2013 (<http://m.economictimes.com/news/economy/foreign-trade/india-asean-natural-partners-salman-khurshid/articleshow/20862210.cms>)

Khurshid said that “one of the most progressive developments under the chairmanship of Brunei Darussalam is that we have initiated the annual ASEAN Connectivity Coordinating Committee (ACCC)-India Meeting to facilitate coordination and policy decisions on connectivity issues”. The meeting, he said, would discuss the idea of “a possible maritime transport route linking India, Myanmar, Thailand, Cambodia and Vietnam and has suggested the setting up of a Joint Working Group on Maritime Connectivity to explore linkages to complement the ASEAN Roll-On/Roll-Off (RO-RO) Shipping Network”.

On the Mekong India Economic Corridor, he said the ASEAN governments need to provide incentives, including setting up of SEZs, to attract our private sectors to invest in these connectivity corridors.

He said India’s commitments to the Trilateral Highway linking India-Myanmar-Thailand are proceeding as planned. “We are looking forward to engage with the ASEAN in the upcoming seminars on connectivity in Thailand in July and November as also in Brunei Darussalam in August”. On tourism, he said India is discussing the feasibility of providing a link from ASEAN to the Buddhist sites in India to facilitate tourist arrivals from ASEAN.<sup>8</sup>

### **Sartaj Aziz meets Indian Foreign Minister in Brunei**

Pakistan Prime Minister’s Special Advisor on Foreign Affairs Sartaj Aziz on July 2 said that it was necessary for Pakistan and India to discuss all outstanding issues through confidence building measures to ensure lasting peace and security in the region. He met with Indian External Affairs Minister Salman Khurshid in Brunei on the side-lines of the ASEAN Regional Forum (ARF) meeting said he reviewed the confidence building measures with India, which is the desire of the people of two countries.<sup>9</sup>

### **Singapore terms India a close ASEAN partner**

Underscoring the importance of bilateral ties, Singapore has termed India its close ASEAN partner, noting that relations with New Delhi are multi-faceted and on an upward trend.

Prime Minister Lee Hsien Loong, who met visiting External Affairs Minister Salman Khurshid, further noted that business links and trade between the two countries has increased, and there is scope for further growth, said Lee. Lee also encouraged India to expand its collaboration with ASEAN and the East Asia Summit member countries beyond existing initiatives, a media report said.

Khurshid, who ends his three-day visit on July 5, also called on Emeritus Senior Minister Goh Chok Tong and Singapore’s Deputy Prime

<sup>8</sup> “Dip in ASEAN-India trade should be wake up call, says Khurshid”, *IBN Live*, July 2, 2013 (<http://ibnlive.in.com/news/dip-in-aseanindia-trade-should-be-wake-up-call-says-khurshid/403350-7.html>)

<sup>9</sup> “Sartaj Aziz meets Indian Foreign Minister in Brunei”, *Business Recorder*, July 3, 2013 (<http://www.brecorder.com/top-news/109-world-top-news/126214-sartaj-aziz-meets-indian-foreign-minister-in-brunei.html>)

Minister and Minister for Home Affairs Teo Chee Hean. Goh and Khurshid exchanged views on the security and economic outlook for the Asia-Pacific region. They also discussed ways to advance bilateral relations, and how the trade and investment between India and ASEAN can be improved.

Teo and Khurshid reaffirmed the close and multi-faceted bilateral relations between Singapore and India, with many high-level visits between both countries and good people-to-people exchanges.

A Channel News Asia report said the two leaders discussed how to further strengthen the cooperation between both countries, especially on the economic front.

Khurshid also addressed the Institute of South Asia Studies and Singapore Indian Chamber of Commerce and Industry during his visit to Singapore.<sup>10</sup>

### **India, with eye on ASEAN, looks to deepen ties with Malaysia**

With two years to go for further economic integration among ASEAN into an economic community, India is looking to deepen ties with all countries in the region, especially Malaysia, which it views as a natural stepping stone to the bloc with a combined estimated gross domestic product of \$3.8 trillion.

“With Malaysia, we have what I would call a full-service relationship. We view

the country as a stepping stone into the ASEAN and the ASEAN Economic Community, especially as Malaysia will be the chair of the ASEAN in 2015 when the economic integration is expected to happen,” Vijay K. Gokhale, Indian High Commissioner to Malaysia, told a group of visiting Indian journalists in Kuala Lumpur recently.

By 2015, ASEAN is expected to coalesce into the ASEAN Economic Community, characterised by a single market and production base besides “a competitive economic region of equitable economic development and a region fully integrated into the global economy,” according to the regional bloc’s website.

India, Asia’s third largest economy, is building stronger political, economic and strategic ties with Malaysia, seen a moderate Muslim nation with a population of approximately 28 million, clocking growth rates of an annual 5% on an average.”<sup>11</sup>

### **ASEAN-India FTA falters just before finalisation**

India may not get its sought-after services pact with ASEAN this August because of concerns shown by both parties. The details of the broad agreement finalised in December last year are being worked out. Issues related to movement of professionals under mode 4 and mutual recognition of qualification in medical and education are believed to be the main roadblocks.

India and the 10-member ASEAN grouping had in December finalised the much-awaited free

<sup>10</sup> “Singapore terms India a close ASEAN partner”, *The Hindu Business Line*, July 5, 2013 (<http://www.thehindubusinessline.com/news/singapore-terms-india-a-close-asean-partner/article4883917.ece>)

<sup>11</sup> “India, with eye on Asean, looks to deepen ties with Malaysia”, *Live Mint*, July 8, 2013 (<http://www.livemint.com/Politics/tLPg8A3zzomuda6J71RT2H/India-with-eye-on-Asean-looks-to-deepen-ties-with-Malaysia.html>)

trade agreement in services and investments. “The signing looks a bit difficult now. The negotiating team is legally scrutinising the text, where there are minor issues related to one or two services and investment”, it was told to *The Economic Times*. But a senior official in the commerce and ministry played down the issue. “We have had two rounds of legal scrubbing and made some progress, and signing depends upon domestic procedures of all the members. So, after it is concluded and legally scrutinized, each of the member states goes through its domestic procedures and then it will be signed”, he said.<sup>12</sup>

#### **India to link with Myanmar port to boost ASEAN connectivity**

In its push for greater connectivity with ASEAN countries, India is focussing its attention on a deep-sea port in southern Myanmar that would provide a much shorter sea route to the economically vibrant Southeast Asian region and help boost trade. The Dawei deep sea port and special economic zone is slated to give a huge boost to connectivity and trade in the Southeast Asian region when it is commissioned in a few years. The \$8-billion project is being developed jointly by Myanmar and Thailand.

“The Dawei deep sea port, when complete, will provide India an alternative sea route to Southeast Asia and reduce dependency on the congested Strait of Malacca and cut transport time,” an official told IANS. The Dawei port is part of the southern

corridor of the Mekong India Economic Corridor. India is concentrating on the southern economic corridor, which would connect Ho Chi Minh City in Vietnam, Phnom Penh in Cambodia, Bangkok in Thailand to Dawei in Myanmar.

“When Dawei port is ready, India is planning to connect it with Chennai. There will be no need to go through the Strait of Malacca then,” said the official, unwilling to be named.

During Prime Minister Manmohan Singh’s visit to Thailand last May, the Thai government invited Indian business to invest in the Dawei Special Economic Zone, especially in areas where Indian companies have expertise, such as steel, manufacturing, power, petrochemicals and services. Thailand’s construction giant Italian-Thai Development Co has been involved in construction of the deep-sea port, which is designed to accommodate ocean-going cargo ships that pass through the Indian and Pacific oceans, cutting short the maritime distance over a relatively long detour via Singapore. The Dawei Special Economic Zone Development Co, jointly owned by Thailand and Myanmar, will be assigned to run the project.

India is involved in the 1,400-km Trilateral Highway, linking India, Myanmar and Thailand, that is slated to become a reality by 2016. The highway—from Moreh in Manipur to Mae Sot in Thailand via Myanmar—would open up India’s landlocked northeast to Southeast Asia. The project is being funded by the Asian Development Bank.

The highway is expected to allow freight and container trucks to move across the borders

<sup>12</sup> “India-Asean FTA falters just before finalization over services pact”, *The Economic Times*, July 19, 2013 ([http://articles.economictimes.indiatimes.com/2013-07-19/news/40681419\\_1\\_10-member-asean-asean-countries-indian-professionals](http://articles.economictimes.indiatimes.com/2013-07-19/news/40681419_1_10-member-asean-asean-countries-indian-professionals))

from India to Myanmar and Thailand and play a crucial role in boosting trade and investment in the three countries.

Among other connectivity projects with the bloc, India is also helping Myanmar upgrade the 160 km Tamu-Kalewa-Kalemyo road, repairing 71 old bridges in Myanmar, besides building the Kaladan multi-modal transit transport project. The Kaladan project, expected to be completed in 2014, will connect Kolkata port with Sittwe port in Myanmar by sea and also link Sittwe to Mizoram via river and road transport.<sup>13</sup>

## BRUNEI DARUSSALAM

### ASEAN edict targets violence

A new declaration on the prevention of violence against women and children is set to be signed by all ASEAN countries this October. The ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC) finalised the draft declaration during their ACWC meeting held from July 22 to 24.

ACWC chairman and Brunei representative Datin Paduka Intan Kassim said it was an enhancement to the declaration made in 2004 which was expected to be signed by ASEAN leaders during the ASEAN Summit in Brunei.

“With the signing of the declaration, we hope that there will be more effort expended to protecting the rights of both women and children in ASEAN countries”, she said.<sup>14</sup>

### Myanmar and Bangladesh foreign ministers meet

The foreign ministers of Myanmar and Bangladesh have met in Brunei to discuss various bilateral issues. In the side-lines of the 20th Regional Forum Ministerial Meeting, the foreign ministers of both the neighbouring countries sat together for bilateral discussion, said a diplomatic source. In the bilateral meeting, the Bangladeshi foreign minister Dipu Moni offered her Myanmar counterpart Wunna Maung Lwin cooperation in various socio-economic activities in Myanmar including the Bangladesh bordering Myanmar province of Arakan (also known as Rakhine). She also urged the foreign minister of Myanmar to resume the voluntary repatriation of refugees from Bangladesh.<sup>15</sup>

## CAMBODIA

### Cambodia wants better ties with Pakistan

Cambodian Prime Minister Hun Sen has expressed his desire to see better relations with Pakistan, particularly in economics, trade, and tourism. The premier made the remarks during a meeting with newly-designated ambassador of Pakistan to Cambodia Amjad Ali Sher at the Peace Palace in Phnom Penh. He said the two

<sup>13</sup> “India to link with Myanmar port to boost ASEAN connectivity”, *DNA*, August 11, 2013 (<http://www.dnaindia.com/india/1873123/report-india-to-link-with-myanmar-port-to-boost-asean-connectivity>)

<sup>14</sup> “Asean edict targets violence”, *New Straits Times*, July 25, 2013 (<http://www.nst.com.my/nation/general/asean-edict-targets-violence-1.326119>)

<sup>15</sup> “Burma and Bangladesh foreign ministers meet in Brunei”, *Narinjara*, July 4, 2013 (<http://www.narinjara.com/main/index.php/burma-and-bangladesh-foreign-ministers-meet-in-brunei/>)

countries signed an agreement on investment protection and promotion in April 2004 during the visit of former Prime Minister of Pakistan Mir Zafarullah Khan Jamali to Cambodia. Cambodia wanted to see investments from Pakistan, he said, urging the ambassador to help attract Pakistani investors to the country.<sup>16</sup>

### **Chinese entrepreneurs visit Cambodia for business opportunities**

Two dozen Chinese entrepreneurs in the World Eminence Chinese Business Association have been visiting Cambodia to look for possibilities to broaden trade and investment ties between the two countries. The delegation's visit was to explore potential sectors for investment in Cambodia and to further enhance China-Cambodia relations and cooperation as this year marked the 55th anniversary of the establishment of diplomatic relations between China and Cambodia. The delegation was eyeing business opportunities in energy, mineral resources, agriculture, tourism, culture, and real estate development.<sup>17</sup>

### **Cambodian election body rejects opposition chief's wish to vote and run in polls**

Cambodia's national election body rejected a late bid by the country's opposition leader to register as a candidate

and vote in the general election. The National Election Committee said in a letter to Sam Rainsy, head of the Cambodia National Rescue Party, that he had missed the deadlines for both running and voting in the July 28 polls. Rainsy and his lawyers had applied for him to vote and be on the ballot.

Prime Minister Hun Sen's Cambodian People's Party is expected to maintain its large majority in parliament, but the vast and enthusiastic crowds that greeted Rainsy's return suggest the opposition may make its strongest showing ever. Rainsy returned from self-imposed exile after arch-rival Hun Sen arranged to pardon him for convictions that would have put him in prison for 11 years. Rainsy had called his convictions politically inspired.

Hun Sen has been in power for 28 years and says he has no intention of stepping down soon.<sup>18</sup>

### **Cambodia to set up independent poll investigation**

The two rival parties claiming victory in Cambodia's general election reached an agreement with the state National Election Committee (NEC) to investigate polling irregularities on August 3. In a move that could pave the way to ending the country's political deadlock, NEC Secretary-General Tep Nytha announced an agreement in principle to form an independent investigative body after meeting with senior members of the ruling Cambodian People's Party and the opposition Cambodia National Rescue Party.

<sup>16</sup> "Cambodia wants better ties with Pakistan in economics, trade, tourism: PM", *Global Times*, July 1, 2013 (<http://www.globaltimes.cn/content/792869.shtml#.Uf6LLdJHJMZ>)

<sup>17</sup> "Chinese entrepreneurs visit Cambodia for opportunities", *China Daily.com.cn*, July 1, 2013 ([http://www.chinadaily.com.cn/business/2013-07/01/content\\_16699553.htm](http://www.chinadaily.com.cn/business/2013-07/01/content_16699553.htm))

<sup>18</sup> "Cambodian election body rejects opposition chief's bid to vote and run in next week's polls", *The Washington Post*, July 22, 2013 ([http://www.washingtonpost.com/world/asia\\_pacific/cambodian-election-body-rejects-opposition-chiefs-bid-to-vote-and-run-in-next-weeks-polls/2013/07/22/fe6f9a72-f2cb-11e2-8464-57e57af86290\\_story.html](http://www.washingtonpost.com/world/asia_pacific/cambodian-election-body-rejects-opposition-chiefs-bid-to-vote-and-run-in-next-weeks-polls/2013/07/22/fe6f9a72-f2cb-11e2-8464-57e57af86290_story.html))

The ruling party contends that provisional results show it won 68 parliamentary seats to the opposition's 55 in the July 28 election, while the opposition claims there was widespread cheating and that it won a 63-seat majority.

Prime Minister Hun Sen, in power for 28 years, has made clear that he believes the final results, due in mid-August, will favour him and he will have another term in office. There had been speculation that opposition lawmakers might try to block the formation of a new government by failing to take their seats in the 123-seat National Assembly and denying the body a quorum, which some interpret to mean the presence of at least 120 members.<sup>19</sup>

#### **Cambodia election committee confirms Hun Sen win**

Cambodia's election committee has confirmed the ruling party's election win, despite opposition protests. The National Election Committee said PM Hun Sen's Cambodian People's Party (CPP) secured a narrow victory in the 28 July polls.

But the opposition Cambodia National Rescue Party (CNRP) said it would not accept the results unless allegations of electoral fraud were addressed. The poll results are the worst for the ruling CPP in over a decade.

The election committee said the ruling party secured 3.2m votes to the opposition's 2.9m votes. The final allocation of seats for the 123-member parliament remains unclear and has yet to be announced.

Political parties could still file complaints over the results, the election committee said.<sup>20</sup>

#### **Cambodia Suspends Military Programs with U.S.**

Cambodia has suspended international military cooperation programs with the United States and others following that country's recent, disputed election, the State Department said on August 12. The reason for Cambodia's action was not immediately clear. State Department spokeswoman Marie Harf told reporters that Cambodia's Defence Ministry has postponed or cancelled a number of programs. She provided no details.

It could be a pre-emptive move after U.S. lawmakers called for cuts in direct aid to Cambodia's government if the vote was not free and fair. But Harf said the U.S. does not regard this as a suspension of overall military ties. "We haven't indicated that's something we want," Harf said. "We are going to keep watching the process as it unfolds and see where it goes from here."

The State Department has expressed concerns about reported election irregularities and has called for them to be investigated fully and transparently.<sup>21</sup>

<sup>19</sup> "Cambodia to set up independent poll investigation", *Business Standard*, August 3, 2013 ([http://www.business-standard.com/article/pti-stories/cambodia-to-set-up-independent-poll-investigation-113080300695\\_1.html](http://www.business-standard.com/article/pti-stories/cambodia-to-set-up-independent-poll-investigation-113080300695_1.html))

<sup>20</sup> "Cambodia election committee confirms Hun Sen party win", *BBC*, August 12, 2013 (<http://www.bbc.co.uk/news/world-asia-23663005>)

<sup>21</sup> "Cambodia Suspends Military Programs with U.S.", *TIME*, August 12, 2013 (<http://world.time.com/2013/08/12/cambodia-suspends-military-programs-with-u-s/>)

## INDONESIA

### Indonesia's stocks most vulnerable according to Morgan Stanley

Global financial firm Morgan Stanley says that Indonesia's stock market is the most vulnerable in Southeast Asia to capital flight due to expensive valuations and large holdings by foreign investors. Indonesia's equities were reduced to underweight from equal weight, according to a report by Jonathan Garner, the New York-based firm's head of Asia and emerging-market strategy, as reported by Bloomberg.<sup>22</sup>

### Indonesia proposes Australia asylum talks

Indonesia's president has offered to hold a regional meeting on people-smuggling, at talks with new Australian leader Kevin Rudd. The talks should involve countries of origin, transit and destination, a joint communiqué said. In recent months the number of asylum seekers arriving by boat in Australia via Indonesia has increased. It is expected to be a key issue in Australia's general election, due later this year.<sup>23</sup>

### Tata Motors eyes Indonesia as biggest export market

Indian automotive giant Tata Motors is looking to start filling Indonesia's streets with its products later this year in an attempt to make Indonesia its biggest overseas market in the next four years. Tata Motors will start bringing in both its passenger and commercial vehicles in September, following the official launch of its brand in Indonesia last year.<sup>24</sup>

### Indonesia's coal export to India up 40%

Indonesia said it exported around 77 million tonnes of coal to India in 2012-13, registering a jump of 40 per cent over the previous fiscal. "Indonesia has maintained its position as number one exporter to India, accounting at around 77 million tonnes (MT) in 2012-13 (40 per cent increase from 2011-12)," Indonesian Ambassador in India Rizali W Indrakesuma said during a conference organised by the PHD Chamber in New Delhi.<sup>25</sup>

### Indonesian bank starts operations in Mumbai

The Bank Internasional Indonesia (BII) launched its operations in India on July 10 by opening a branch in Mumbai. Dato Khairussaleh Ramli, BII president, said the Mumbai branch would open up new business opportunities as India is considered one of the

<sup>22</sup> "Indonesia's stocks most vulnerable: Morgan Stanley", *The Jakarta Post*, July 4, 2013 (<http://www.thejakartapost.com/news/2013/07/04/indonesia-s-stocks-most-vulnerable-morgan-stanley.html>)

<sup>23</sup> "Indonesia proposes Australia asylum talks", *BBC News Asia*, July 5, 2013

<sup>24</sup> "Tata Motors eyes Indonesia as biggest export market", *The Jakarta Post*, July 8, 2013 (<http://www.thejakartapost.com/news/2013/07/08/tata-motors-eyes-indonesia-biggest-export-market.html>)

<sup>25</sup> "Indonesia's coal export to India up 40% at 77 MT in FY13", *The Economic Times*, July 10, 2013 ([http://articles.economictimes.indiatimes.com/2013-07-10/news/40492350\\_1\\_low-grade-coal-coal-export-annual-coal-output](http://articles.economictimes.indiatimes.com/2013-07-10/news/40492350_1_low-grade-coal-coal-export-annual-coal-output))

fastest growing economies in Asia and the world. “The activation of BII Mumbai is in line with the Group’s mission in humanising financial services across Asia”, Ramli said.<sup>26</sup>

### **Indonesia temple blast protests violence against Myanmar Muslims: Government**

A small bomb exploded at a Buddhist temple in Indonesia’s capital, slightly injuring three people, in protest against violence against Rohingya Muslims in Buddhist-majority Myanmar, a government official said. The device was detonated late on August 4 at the entrance of the Ekayana temple in West Jakarta as people were praying inside, while another bomb failed to explode, police said.

The blast caused minor damage. Indonesian Religious Affairs Minister Suryadharma Ali said a note was found at the site saying: “We hear the screams of the Rohingya.”

Thousands of Rohingyas flee Myanmar each year on rickety boats seeking refuge and jobs in Muslim-majority Indonesia, Thailand and Malaysia, but the number has swelled since unrest in Myanmar last year that killed at least 167 people. Indonesia is also a common transit point for people seeking asylum in Australia.

Indonesia, Myanmar, Thailand and Malaysia are all members of ASEAN

which last year warned that continuing violence in Myanmar could destabilise the region.<sup>27</sup>

### **Ertiga success in Indonesia fuels Maruti’s plan to export WagonR**

Encouraged by the strong success of India-made Ertiga in Indonesian market, Maruti Suzuki will start exports of the WagonR in a completely knocked-down (CKD) form to Southeast Asia’s fastest growing car market from September. WagonR, which is the fourth-largest selling car in India, will be offered in a 1-litre K-series engine under Indonesia’s recently announced low-cost green car (LCGC) programme. “It’s a growing market, and the recently announced LCGC programme in Indonesia means that there will be almost zero duties on small cars. The company will start exports of CKD kits of WagonR in August-September. It is targeting substantial volumes,” an industry source in the know told the Financial Express.

The Indonesian car market, which touched an all-time high of 1.12 million units in 2012, is significant for Maruti at a time when sales in India are sluggish on back of a depressed consumer sentiment and slowing macro-economic growth.<sup>28</sup>

### **Top Indian CEOs to visit RI to boost ties**

A high-powered business delegation, mainly CEOs of top Indian corporate houses, from India will be visiting Jakarta between August

<sup>26</sup> “Indonesian bank starts operations in Mumbai, to boost India-Asean business”, *Business Standard*, July 10, 2013 ([http://www.business-standard.com/article/news-ians/indonesian-bank-starts-operations-in-mumbai-to-boost-india-asean-business-113071000556\\_1.html](http://www.business-standard.com/article/news-ians/indonesian-bank-starts-operations-in-mumbai-to-boost-india-asean-business-113071000556_1.html))

<sup>27</sup> “Indonesia temple blast protests violence against Myanmar Muslims: government”, *Reuters*, August 5, 2013 (<http://ca.reuters.com/article/topNews/idCABRE97408520130805>)

<sup>28</sup> “Ertiga success in Indonesia fuels Maruti’s plan to export WagonR”, *Indian Express*, August 12, 2013 (<http://www.indianexpress.com/news/ertiga-success-in-indonesia-fuels-maruti-suzuki-plan-to-export-wagonr/1154003/>)

25-27 to strengthen trade and investment relations between the two maritime neighbours, an Indian Embassy representative said. “The aim is to enhance high level business-to-business [B2B] contact well as meet the political leaders of Indonesia,” the embassy said in a press release sent to The Jakarta Post on August 23.

The 24-member CEO mission from the Federation of Indian Chamber of Commerce and Industry (FICCI) will be led by Naina Lal Kidwi, FICCI president and executive director and country head of HSBC India. Conglomerate representatives include Modi Enterprises chairman K K Modi, Indo Rama Synthetics (I) Limited managing director O P Lohia, Mahindra & Mahindra Ltd president Rajeev Dubey and Tata Motors Indonesia president director Biswadev Sengupta are members of the delegation.

The Indian delegation is scheduled to meet Vice President Boediono, Trade Minister Gita Wirjawan, Industry Minister M S Hidayat as well as executives from the ASEAN Secretariat, Indonesian Chamber of Commerce and Industry (KADIN) and Investment Coordinating Board (BKPM).

With US\$20.21 billion bilateral trade last year, Indonesia is India’s second biggest trading partner in ASEAN after Singapore. India’s trade with ASEAN in 2012 stood at \$75.6 billion, a slight increase from \$74.6 billion in 2011. On the investment side, India’s FDI in

ASEAN reached \$2.6 billion in 2012, while India’s cumulative FDI (foreign direct investment) from April 2000 to August 2012 reached \$608 billion.<sup>29</sup>

## LAOS

### Vietnamese investments in Laos

Online Trade and Investment Portal and Consulate General of Lao will hold a workshop in Champasak Province, Laos to introduce a Trade, Tourism and Investment Programme from July 22-26, to tap the rich potential market in Laos.

According to ITPC, Laos is a potential market with rich mineral resources, besides having a common border with Vietnam stretching 2,067 kilometres. In the past few years, Vietnam has heavily invested in Laos thereby becoming the second largest investor after China. However, in the commercial sector, Vietnamese goods have not expanded as expected with limited representative agencies in Laos. To overcome this disadvantage, ITPC will constantly hold investment promotion programmes for Vietnamese goods to be able to access the Laotian market and increase exports.<sup>30</sup>

### Vietnam, Laos complete border demarcation

The last border marker on the Vietnam-Laos borderline will be inaugurated at a ceremony at the gate separating the Vietnamese town of Thanh Thuy in Nghe An province and the Lao town of Nam On in Bolykhamxay province on July 9. Prime Minister Nguyen Tan Dung and his Lao counterpart Thongsing Thammavong

<sup>29</sup> “Top Indian CEOs to visit RI to boost ties”, *The Jakarta Post*, August 24, 2013 (<http://www.thejakartapost.com/news/2013/08/24/top-indian-ceos-visit-ri-boost-ties.html-0>)

<sup>30</sup> “Vietnam steps up investments in Laos”, *Saigon Giai Phong*, July 8, 2013 (<http://www.saigon-gpdaily.com.vn/Business/Economy/2013/7/105543/>)

will attend the ceremony to celebrate the completion of building border markers along the two countries' shared border, which is seen as a key constituent of their cooperation for development.

Vietnam and Laos share a border which stretches 2,067 kilometres running across 10 Vietnamese provinces. The line also passes 10 Lao provinces. The two countries first signed a 10-year agreement on border demarcation in July 1977 following which the two sides planted 214 markers in 199 positions. The success was recognised in the protocol on border demarcation and border marker planting signed by the two neighbours in October 1987.<sup>31</sup>

### Thailand, Laos to resume border talks

Thailand and Laos will resume talks on border issues in August after suspension for six years. According to a press release from the Thai Foreign Ministry, Thailand will host the Thai-Lao Joint Boundary Commission between August 15 and 16 in Bangkok. Deputy Prime Minister and Foreign Minister Surapong Tovichakchaikul will co-chair the meeting with his counterpart Thounloun Sisulit. The two ministers agreed earlier this year to reopen talks.<sup>32</sup>

### Laos, China pledge to deepen friendly ties

Laos and China vowed to boost all-round

cooperation and deepen bilateral ties based on the friendly relations initiated and fostered by older generation of leaders of the two countries.

During his meeting with Chinese Foreign Minister Wang Yi on August 3, Choummaly Saygnasone, general secretary of the Central Committee of the Lao People's Revolutionary Party (LPRP) and president of Laos, hailed China's remarkable achievements in development and continuously growing influence in the world. The success of the 18th National Congress of the Communist Party of China, which pointed out the direction for China's next phase of development, has greatly enhanced Laos' confidence in sticking to a socialist road with the country's own characteristics, the president said. He added the LPRP and Lao government hope to work along with China's new leadership and deepen the two countries' highly reliable and friendly relationship.

Wang Yi pointed out that the Laos-China ties are of unique strategic significance. In face of the complex and volatile international situation, China's new leadership is willing to strengthen strategic communication and deepen strategic cooperation with Laos, safeguard the two countries' mutual benefits, and push forward the bilateral comprehensive strategic cooperative partnership, he said.<sup>33</sup>

## MALAYSIA

### Malaysia likely to invest Rs 9500 crore on Indian Expressway Project

Uttar Pradesh may look forward to a large dose

<sup>31</sup> "Vietnam, Laos complete border demarcation", *Saigon Giai Phong*, July 8, 2013 ([http://www.saigon-gpdaily.com.vn/Culture\\_Art/2013/7/105549/](http://www.saigon-gpdaily.com.vn/Culture_Art/2013/7/105549/))

<sup>32</sup> "Thailand, Laos to resume border talks", *philstar.com World News*, July 26, 2013 (<http://www.philstar.com/world/2013/07/26/1016771/thailand-laos-resume-border-talks>)

<sup>33</sup> "Laos, China pledge to deepen friendly ties", *China Daily*, August 4, 2013 ([http://africa.chinadaily.com.cn/world/2013-08/04/content\\_16869015.htm](http://africa.chinadaily.com.cn/world/2013-08/04/content_16869015.htm))

of foreign investment from Malaysia for the proposed Agra-Lucknow Expressway project. In a press statement, Chief Minister Akhilesh Yadav said that Malaysia had shown interest for a hefty investment in the Agra-Lucknow Expressway project. “The investment is expected to be a huge Rs 9500 crores”, the CM told the press.

The expressway will connect Agra with Lucknow via Firozabad, Etawah, Mainpuri, Kannauj, and Hardoi. As per the initial plans, the expressway will pass through city outskirts and the city centres will be connected through by-pass roads. The project aims to promote the local industry in these cities such as bangle trade in Firozabad.<sup>34</sup>

### **Religious Bill Splits Malaysia’s Cabinet After Divisive Vote**

Some of Malaysian Prime Minister Najib Razak’s cabinet have spoken out against a bill that would allow a single parent or guardian to convert their child to Islam without their partner’s consent. The proposed change has sparked protests from the prime minister’s biggest coalition partners, as well as leaders of religious and ethnic minorities in the Muslim-majority nation. The row comes as parliament resumed last week after May’s general election which witnessed support for the

government slide to its lowest level in over 55 years.<sup>35</sup>

### **Malaysia’s Anwar Ibrahim condemns Bodh Gaya attacks**

Malaysia’s opposition leader Anwar Ibrahim has condemned the recent terror attacks at the Mahabodhi temple in Bodh Gaya while reminding Muslims that Islam forbade acts of violence against any place of worship. “The recent attacks on Buddhism’s holiest shrine in Bodh Gaya are despicable acts of terror and sacrilege which must be condemned by all. The culprits must be brought to account to face the full force of the law,” Anwar said in a statement. “Whatever may be the reasons for these attacks, it is to be stressed that Islam forbids such acts of violence and enjoins all parties to resort to peaceful means to resolve differences,” online Malaysia Chronicle quoted him as saying. Terrorists had attacked the world-renowned Mahabodhi temple and surrounding pilgrim spots in Bodh Gaya in Bihar on July 7, setting off nine blasts. The blasts left two persons injured.<sup>36</sup>

### **Malaysia to build ‘tourism gateway’ near Thai border**

Malaysia is to develop a new tourist site on its border with Thailand, in a bid to reverse a fall in Thai visitor numbers. The new tourist development will be located in Bukit Kayu Hitam, Kedah, which is opposite the Sadao

<sup>34</sup> “Malaysia likely to invest Rs 9500 crore on Agra-Lucknow Expressway project”, *The Times of India*, July 1, 2013 ([http://articles.timesofindia.indiatimes.com/2013-07-01/lucknow/40306750\\_1\\_agra-lucknow-expressway-malaysia-project](http://articles.timesofindia.indiatimes.com/2013-07-01/lucknow/40306750_1_agra-lucknow-expressway-malaysia-project))

<sup>35</sup> “Religious Bill Splits Malaysia’s Cabinet After Divisive Vote”, *Bloomberg*, July 4, 2013 (<http://www.bloomberg.com/news/2013-07-04/religious-bill-splits-malaysia-s-cabinet-after-divisive-election.html>)

<sup>36</sup> “Malaysia’s Anwar condemns Bodh Gaya attacks”, *Business Standard*, July 16, 2013 ([http://www.business-standard.com/article/pti-stories/malaysia-s-anwar-condemns-bodh-gaya-attacks-113071600783\\_1.html](http://www.business-standard.com/article/pti-stories/malaysia-s-anwar-condemns-bodh-gaya-attacks-113071600783_1.html))

checkpoint, the primary land link between the two countries at Ban Dan Nok in Sadao district of Songkhla province and the northern Malaysian state.

Bukit Kayu Hitam currently has a duty-free shopping centre operated by Quintmas Sdn Bhd, but the Northern Corridor Implementation Authority (NCIA) of Malaysia plans to add more attractions to the 283 hectare (2.83 square kilometres) site near Changlun town, the government's *Bernama* news agency reported.

According to Mohd Johari Baharun, special advisor to the Malaysian prime minister, the project will attract Thais across the border to spend money in Malaysia, and will create jobs for locals. "Right now we only have a duty-free area in Bukit Kayu Hitam. We see many Malaysians travel across the border to Thailand for shopping. Now, it's time for us to woo Thais to our side of the border," Mr Mohd Johari said.

Around 1.33 million Malaysians came to Thailand in the first half of this year, a 14% increase from the same period in 2012, according to the Thai Tourism Department.<sup>37</sup>

### **Malaysia's opposition signals willingness to work with government**

Malaysia's opposition indicated on August 30 it was softening its stand towards the government for the first time since a disputed May election, saying it was willing to help tackle a range of problems.

The opposition led by former finance minister Anwar Ibrahim has refused to accept the election victory of the ruling coalition, which extended its 56-year rule but saw its parliamentary majority reduced.

Anwar said in an Independence Day message that the opposition maintained its "strong protests about the validity" of the vote, but, for the first time, he indicated willingness to heal divisions the election brought. "We are prepared to put aside our differences for the sake of the nation's wellbeing and future," Anwar said.

Prime Minister Najib Razak's coalition lost the popular vote in the election, although it still won the most seats, and the opposition maintains it was cheated out of victory by widespread fraud. It has yet to concede defeat. Anwar listed problems facing the country including flagging public finances, slowing economic growth, surging rates of crime and corruption. He also referred to an increasing number of media reports of "race baiting". "Not only is there a lack of leadership in ameliorating the situation but it appears that the government is encouraging this phenomenon to worsen," Anwar said.

Relations between majority ethnic Malays and ethnic Chinese and ethnic Indian minorities are a sensitive issue. Ethnic Malays tend to support the ruling coalition while many members of the economically important ethnic Chinese minority rallied to the opposition in the last polls.

"We believe that it is imperative for the prime minister to convene without the slightest delay a round-table meeting between the ... government and Pakatan Rakyat in order to deliberate on the issues raised and formulate a

<sup>37</sup> "Malaysia to build 'tourism gateway' near Thai border", *Bangkok Post*, August 6, 2013 (<http://www.bangkokpost.com/news/asia/363295/malaysia-to-woo-thai-tourists>)

comprehensive solution,” Anwar said, referring to the alliance he heads.

Government spokesmen were not available for comment.<sup>38</sup>

## MYANMAR

### Myanmar government bans Time magazine

More than a thousand people rallied in Yangon over the weekend in support of a government ban on the latest edition of Time magazine. The demonstrators included Buddhist monks and supporters of the Buddhist nationalist group, 969. Time was banned last week because it ran a cover photo of a radical Buddhist monk and titled it as ‘Face of Buddhist Terror’. The monk has been accused of fomenting anti-Muslim sentiment in Myanmar amid a string of bloody sectarian attacks. Ye Htut, a spokesman for the government, says his government banned the issue because they were afraid it could contribute to violence. “We’re banning the Time Magazine issue to stop the unnecessary events,” Mr Htut said. “By banning this issue, we want to send a strong signal to the society that the government takes the necessary action.”<sup>39</sup>

### Myanmar frees children from the armed forces

Myanmar has discharged 42 children and young people from its armed forces, UN agencies said on July 8, urging increased efforts to free child soldiers as the country emerges from military rule. The formerly junta-run nation has decreased – but not yet stopped – the recruitment of children to the armed forces, according to a statement from the United Nations. “We expect the Tatmadaw [Myanmar Armed Forces] will now be in a position to speed up the release of all children,” said Ashok Nigam, the UN’s resident coordinator in Myanmar.<sup>40</sup>

### Myanmar Govt, Suu Kyi slam attack on Mahabodhi Shrine

The Myanmar government and Opposition leader Aung San Suu Kyi expressed unhappiness about the terror attacks in Bodh Gaya which damaged the Mahabodhi shrine and injured a young Myanmar monk on July 7.<sup>41</sup>

### Myanmar to free all political prisoners by year end

Myanmar President Thein Sein has said that all political prisoners would be freed by the end of the year and that a ceasefire with ethnic groups was possible within weeks. The former junta general’s comments, made during his first

<sup>38</sup> “Malaysia’s opposition signals willingness to work with government”, *Reuters*, August 30, 2013 (<http://ca.reuters.com/article/topNews/idCABRE97ToDU20130830>)

<sup>39</sup> “Myanmar government bans Time magazine; more than a thousand rally”, *Australia Network News*, July 1, 2013 (<http://www.abc.net.au/news/2013-07-01/myanmar-time-magazine-ban/4791840>)

<sup>40</sup> “Myanmar frees children from the armed forces: UN”, *NDTV.com*, July 8, 2013 (<http://www.ndtv.com/article/world/myanmar-frees-children-from-the-armed-forces-un-389363>)

<sup>41</sup> “Myanmar govt, Suu Kyi slam attack on Buddhist shrine”, *The Times of India*, July 9, 2013 ([http://articles.timesofindia.indiatimes.com/2013-07-09/india/40468490\\_1\\_ranjan-mathai-general-min-aung-hlaing-india-and-myanmar](http://articles.timesofindia.indiatimes.com/2013-07-09/india/40468490_1_ranjan-mathai-general-min-aung-hlaing-india-and-myanmar))

visit to London, appear to be the latest in reforms that Thein Sein has made since taking office in 2011. “I guarantee to you that by the end of this year there will be no prisoners of conscience in Myanmar,” Thein Sein told an audience at the Chatham House think-tank in London.<sup>42</sup>

### **Indo-Myanmar Regional Border Committee Meet**

As part of the Indo-Myanmar Regional Border Committee Meet, the Spears Corps Commander of Indian Army, Lt Gen Arun Kumar Sahni handed over material for the construction of seven bailey bridges to North-West Commander of Myanmar Army, Maj. Gen Soe Lwin. The materials were handed over by the Indian Army to their Myanmar counterparts after signing an agreement during a ceremony held at the headquarters of Red Shield Division, Leimakhong, Manipur. Eighteen high ranking officers of the Myanmar Army led by Maj Gen Soe Lwin attended the two-day Indo-Myanmar Regional Border Committee Meet that began on July 23 at Leimakhong.<sup>43</sup>

### **Myanmar’s second cabinet reshuffle in 30 months**

Myanmar President U Thein Sein has

brought about his second cabinet reshuffle, reassigning four ministers, dropping two deputy ministers and appointing or reshuffling 10 deputy ministers. According to an announcement from the President’s Office, rail transportation minister U Zeya Aung was reassigned as minister of energy, Xinhua reported. Other reassignments were Minister of Labour, Employment and Social Welfare U Maung Myint as Minister of Industry, Minister of Industry U Aye Myint as Minister of Labour, Employment and Social Welfare and Minister of Energy U Than Htay as Minister of Rail Transportation. Two deputy ministers were dropped. Of the 10 other deputy ministers, five were newly appointed and five were given other jobs.<sup>44</sup>

### **Myanmar student rebels in ceasefire**

Myanmar student rebels on August 5 signed a ceasefire with the government, days before the 25<sup>th</sup> anniversary of the 1988 student-led uprising in the country. More than 40 members of the outlawed All Burma Students’ Democratic Front (ABSDF) attended the peace talks with the government in Yangon.

“We believe this is not the time to be fighting each other,” said Myo Win, vice chairman of ABSDF. “Without a ceasefire, the political problems cannot be solved and we want to focus on the current political problems.”<sup>45</sup>

<sup>42</sup> “Myanmar to free all political prisoners by year end: President Thein Sein”, *NDTV.com*, July 16, 2013 (<http://www.ndtv.com/article/world/myanmar-to-free-all-political-prisoners-by-year-end-president-thein-sein-392727>)

<sup>43</sup> “Indo-Myanmar meet Bridge components handed over”, *The Sangai Express*, July 24, 2013 (<http://www.thesangaiexpress.com/tseitm-28627-indomyanmar-meet-bridge-components-handed-over/>)

<sup>44</sup> “Myanmar’s second cabinet reshuffle in 30 months”, *Business Standard*, July 26, 2013 ([http://www.business-standard.com/article/news-ians/myanmar-s-second-cabinet-reshuffle-in-30-months-113072600157\\_1.html](http://www.business-standard.com/article/news-ians/myanmar-s-second-cabinet-reshuffle-in-30-months-113072600157_1.html))

<sup>45</sup> “Myanmar student rebels in ceasefire”, *Bangkok Post*, August 5, 2013 (<http://www.bangkokpost.com/news/asia/363144/student-rebel-group-ends-fight-against-myanmar-govt>)

### Myanmar commemorates 25 years since 1988 student protests

A 3-day ‘Silver Jubilee for the Four Eights Democracy Movement’ ceremony kicked off on August 6 at the Myanmar Convention Centre in Yangon, attended by around 3,000 people including exiled political parties, representatives from ethnic armed groups and former political prisoners.

In his opening speech, former student leader Min Ko Naing said that the ceremony serves as a bridge between the past, present and the future to allow the young generation to value the sacrifices made in the historic student uprising. “The future generation who don’t clearly know about the 1988 incident should listen and look at the photos. They will see the images of families who lost [their loved ones] and people who were injured in the incident. As everyone knows, the military government belittled this movement as anarchy, looting, unrest, and violence,” said Min Ko Naing of 88 Generation Peace and Open Society Organisation.

The 1988 pro-democracy movement began with the death of Phone Maw, a student from Rangoon Institute of Technology who was shot and killed by the police. His death started a series of student protests and later joined by wide sections of the public. At its height, hundreds of thousands of people marched in downtown Yangon on August 8, 1988 to protest against the military regime. The

protests were brutally attacked by the military government who shot and killed thousands of unarmed peaceful demonstrators.

The ceremony there was attended by political activists, MPs, and former student activists from the 88 Generation.<sup>46</sup>

## THE PHILIPPINES

### Philippines Rebukes China for ‘Militarisation’ in South China Sea

The Philippines has hit out at China over the “increasing militarisation” of the South China Sea as tensions between the neighbours flared amid slow-moving regional efforts to forge a compromise between the two sides. The rebuke by Philippine Foreign Minister Albert del Rosario at a regional summit in Brunei came a day after China’s state media warned of an inevitable “counterstrike” against the Philippines if it continued to provoke Beijing. Friction between China and the Philippines over disputed territories in the oil and gas rich sea has surged since last year due to several naval stand-offs and fraying diplomatic efforts to forge a regional agreement on maritime conduct.<sup>47</sup>

### Philippines pushes for stronger ASEAN-US ties

Amid the intensifying political tensions between the Philippines and China, Foreign Affairs Secretary Albert del Rosario is pushing for stronger ties between ASEAN and the United States especially on maritime security matters. He emphasised during the ASEAN-US Post

<sup>46</sup> “Myanmar commemorates 25 years since 1988 student protests”, *Eleven Myanmar*, August 7, 2013 (<http://www.elevenmyanmar.com/national/2989-myanmar-commemorates-25-years-since-1988-student-protests>)

<sup>47</sup> “Philippines Rebukes China for ‘Militarization’ in S.China Sea”, *Voice of America*, June 30, 2013 (<http://www.voanews.com/content/philippines-rebukes-china-for-militarization-in-south-china-sea/1692159.html>)

Ministerial Conference in Bandar Seri Begawan, Brunei Darussalam that “maritime security is gaining greater importance in the dialogue partnership”. Del Rosario also highlighted the importance of following the provisions of the Declaration on the Code of Conduct (DOC), which was signed by Beijing and ASEAN in 2002 to reduce tensions in the resource-rich region.<sup>48</sup>

### **Philippines says UN tribunal will look into its territorial dispute with China**

A United Nations arbitration tribunal has convened in The Hague to look into a complaint lodged by the Philippine government questioning the legality of China’s large territorial claims in the South China Sea. Philippine Department of Foreign Affairs spokesman Raul Hernandez told a news conference that the five-member tribunal under the U.N. Convention on the Law of the Sea approved a set of rules to look into the legal challenge the Philippines launched against Beijing in January. China and the Philippines, along with Brunei, Malaysia, Taiwan, and Vietnam have overlapping claims across the strategic and resource-rich South China Sea, with Beijing claiming sovereignty over virtually all of it.<sup>49</sup>

### **Philippines and rebels sign a ‘wealth deal’**

The Philippines and the Moro Islamic

Liberation Front that has waged a guerrilla war since the 1970s have reached a crucial “wealth-sharing” deal, the government said, making a deal to end the conflict more likely. Chief peace negotiator Miriam Coronel-Ferrer said the government was cautiously optimistic of a final pact within weeks after it compromised with the rebel group following six days of talks. “This signing indicates that both sides are really committed to finish the peace negotiations. Nobody wants this not to reach its fruition,” Ferrer told the AFP news agency after the deal was signed.<sup>50</sup>

### **Coastguard works to contain huge diesel spill**

Philippine authorities said they are working to contain a huge diesel spill that shut down parts of Manila Bay’s vital fishing industry. Ryan Santos, a district official at one of the hard-hit coastal villages, said the fuel polluting the water had dissipated noticeably a day after it was released, but its pungent stench remained. “A few local fishermen are putting to sea again, but have to go much further out to reach the fish,” Santos said by telephone. However, most stayed at home. “They are complaining that the slick is fouling up their boat hulls and nets,” he added.

Local officials said fish and other marine life floated up dead and some residents fell sick from the fumes after an estimated 500,000 litres of the fuel cast a slick across 20km of coastline near the capital Manila from August 8. The coastguard said the slick, which by

<sup>48</sup> “Philippines pushes for stronger Asean-US ties”, *Sun Star*, July 2, 2013 (<http://www.sunstar.com.ph/breaking-news/2013/07/02/philippines-pushes-stronger-asean-us-ties-290337>)

<sup>49</sup> “Philippines says UN tribunal has convened to look into its territorial dispute with China”, *The Gazette*, July 16, 2013 (<http://www.montrealgazette.com/news/Philippines+says+tribunal+convened+look+into+territorial/8664847/story.html>)

<sup>50</sup> “Philippines and rebels reach ‘wealth deal’”. *Al Jazeera Asia-Pacific*, July 14, 2013 (<http://www.aljazeera.com/news/asia-pacific/2013/07/201371473745138809.html>)

August 9 had covered a 300 sq. km area, was likely released by either a fuel depot in the area or an oil tanker that had unloaded its cargo at the terminal.

The bay is the country's most important waterway in a region where about 30mn people, nearly a third of the Philippines' population, live.<sup>51</sup>

### **Pentagon Urges Philippines to Allow U.S. Troop Presence**

U.S. Defence Secretary Chuck Hagel on August 30 pressed the case to the Philippines to allow a rotating U.S. troop force to return to the country, an effort that would build up the U.S. presence in Southeast Asia and provide stepped-up training opportunities to the Philippine military. U.S. and Philippine officials are negotiating a framework agreement that would let American forces use the Philippines' military bases, though Mr. Hagel emphasised there would be no permanent bases or troop presence.

Negotiations were made public earlier in August. A final agreement on the troop deal is expected ahead of a planned visit by President Barack Obama to Southeast Asia, the dates and specifics of which have yet to be announced. U.S. defence officials are eager to conclude the deal, which Philippine officials say would give American forces regular access to its military bases, allowing American forces to operate in the critical strategic area.

"The United States does not seek permanent bases in the Philippines—that would represent a return to an outdated Cold War mentality," Mr. Hagel said. "Instead we are using a new model of military-to-military cooperation benefiting two great allies and partners."

The Philippines is trying to rebuild its own military in the face of territorial disputes with China over portions of the South China Sea. Philippine Defence Secretary Voltaire Gazmin said the agreement to bring the U.S. back to the Philippines would speed the modernisation of his country's military forces.<sup>52</sup>

## **SINGAPORE**

### **PSA Singapore to bid for JN Port terminal again**

Singapore-based port operator PSA International, which backed out of the fourth container terminal at Jawaharlal Nehru Port, Mumbai after winning the project in a global tender last year, is interested in bidding for the same project again. A port official said PSA is among the half-a-dozen parties that responded to the request for qualification sought by the port again for the Rs 8,000 crore project. Others in the race include DP World, Dubai, APM Terminals (both are existing terminal operators at JN Port) and Adani Group.<sup>53</sup>

### **Singapore's L&W Construction acquires land in Bangalore**

International property consultants Jones Lang LaSalle has facilitated a purchase of 25 acres

<sup>51</sup> "Coastguard works to contain huge diesel spill", *Gulf Times*, August 10, 2013 (<http://www.gulf-times.com/asean-philippines/188/details/362404/coastguard-works-to-contain-huge-diesel-spill>)

<sup>52</sup> "Pentagon Urges Philippines to Allow U.S. Troop Presence", *Wall Street Journal*, August 30, 2013 (<http://online.wsj.com/article/SB10001424127887323324904579044940877839058.html>)

<sup>53</sup> "PSA Singapore to bid for JN Port terminal again", *The Hindu Business Line*, July 1, 2013 (<http://www.thehindubusinessline.com/industry-and-economy/logistics/psa-singapore-to-bid-for-jn-port-terminal-again/article4870154.ece>)

of prime land at Devanhalli, Bangalore. L&W Construction Pvt Ltd, a 100 per cent subsidiary of Singapore's Lee Kim Tah Woh Hup Pte Ltd, has acquired the land from a Bangalore-based industrial group. The transaction value is Rs 100 crore and the Singapore company has picked up this land parcel to develop a high-end residential project. Mayank Saksena, Managing Director – Land Services, Jones Lang LaSalle India, said: "This is an extremely strategic acquisition for L&W Construction Pvt Ltd, and one of Bangalore's largest land deals of 2013 to date." "The location of this land on NH7 at Devanhalli is among Bangalore's most promising growth corridors by virtue of its proximity to the Bangalore International Airport," he added.<sup>54</sup>

### **Singapore appoints new high commissioner to India**

Singapore has appointed Lim Thuan Kuan as its new high commissioner to India. Lim will assume his post on August 12, the foreign ministry said in a statement. He will replace Karen Tan, who has been appointed as Singapore's permanent representative to the United Nations. Lim was Singapore's ambassador to Vietnam from 2005 to 2008 and served as Singapore's permanent representative to ASEAN in 2009. He holds a Bachelor of Law (Honours) degree from the National University of Singapore and a Master of

Arts in area studies on South East Asia from the School of Oriental & African Studies at the University of London, the UK.<sup>55</sup>

### **Singapore and Indonesia hold discussions on Maritime Boundaries**

Singapore and Indonesia have completed the Seventh Round of Technical Discussions on Maritime Boundaries in the Eastern Part of the Strait of Singapore. The respective delegations met in Singapore from July 2-3 as a follow-up to the Sixth Round of Technical Discussions, held in Lombok, Indonesia between March 14 and 15. The Indonesian delegation was led by Mr. Octavino Alimudin, Director for Treaties on Political, Security and Territorial Affairs, Ministry of Foreign Affairs. The Singapore delegation was led by Mr. Pang Khang Chau, Director-General (International Affairs Division), Attorney-General's Chambers. At the Seventh Round of Technical Discussions, the delegations continued discussions on the Terms of Reference and other issues relating to the territorial sea boundary in the eastern part of the Strait of Singapore. Both Heads of Delegation acknowledged that the progress reached at the discussions would contribute to strengthening bilateral relations between the two countries.<sup>56</sup>

### **SpiceJet in talks with Singapore's Tiger Airways for a tie-up**

Kalanithi Maran-run low-cost carrier SpiceJet is in talks with Singapore budget airline Tiger Airways for a possible deal on the

<sup>54</sup> "Singapore's L&W Construction acquires land in Bangalore for Rs 100 cr", *The Hindu Business Line*, July 4, 2013 (<http://www.thehindubusinessline.com/companies/singapores-lw-construction-acquires-land-in-bangalore-for-rs-100-cr/article4880109.ece>)

<sup>55</sup> "Singapore appoints new high commissioner to India", *The Times of India*, July 22, 2013 ([http://articles.timesofindia.indiatimes.com/2013-07-22/india/40726922\\_1\\_singapore-new-high-commissioner-permanent-representative](http://articles.timesofindia.indiatimes.com/2013-07-22/india/40726922_1_singapore-new-high-commissioner-permanent-representative))

<sup>56</sup> "Singapore and Indonesia hold discussions on Maritime Boundaries", *Asia One News*, July 3, 2013 (<http://news.asiaone.com/News/Latest+News/Singapore/Story/A1Story20130703-434437.html>)

lines of the Jet-Etihad tie-up. According to sources, representatives from both the airlines are doing the rounds of the civil aviation ministry to get a first-hand feel of regulatory hurdles and other impediments that could come their way so that they can avoid the pitfalls of the Jet-Etihad case.

A top civil ministry official said that the representatives informally met civil aviation authorities recently. However, SpiceJet's spokesperson refused to comment or share any details concerning a possible tie-up. According to sources, a broad understanding has been reached between promoters of both the carriers but they are unlikely to sign a deal soon. Industry sources have confirmed that SpiceJet promoters have been seeking investment through a strategic partner.

A civil aviation ministry official said that in case of a tie-up, Tiger Airways and SpiceJet will have to compete with the AirAsia Tata Group joint venture as both Southeast Asian carriers operate broadly in the same market. "AirAsia too is looking at southern and central Indian market, which both SpiceJet and Tiger Airways are eying. They all want to expand within the Asia Pacific region," the official said. SpiceJet is looking to partner with a foreign carrier as its debt has more than doubled from Rs 650 crore in the financial year 2011-12 to Rs 1,429 crore in 2012-13.<sup>57</sup>

### **Singapore to connect 'Global South Asians'**

Singapore will host the second South

Asian Diaspora Convention (SADC) from November 21-23 on the theme of "Connecting Global South Asians". The event will be organised by The Institute of South Asian Studies (ISAS), which is part of the National University of Singapore. It will witness prominent personalities discussing critical issues that will shape South Asia's future and its role in global geopolitics in the 21st century, said the release from ISAS.

"The inaugural SADC event in 2011 was very well received with close to 1,000 delegates. This year we expect to welcome over 1,500 delegates from around the globe," said Ambassador Gopinath Pillai, chairman of ISAS and chairman of SADC Organising Committee. Besides business and politics, the sessions will also delve into the fields of journalism, arts, culture, and sports.

The event will be inaugurated by Singapore's Deputy Prime Minister and Coordinating Minister for National Security and Minister for Home Affairs Teo Chee Hean, who will deliver the keynote address. Singapore's President Dr. Tony Tan Keng Yam will be the Guest-of-Honour at the SADC gala dinner.

The prominent speakers at the event will include the Indian Finance Minister P.Chidambaram, India's Minister of State for Human Resource Development Shashi Tharoor, State Bank of Pakistan's Governor Yaseen Anwar, Singapore's Deputy Prime Minister and Minister for Finance Tharman Shanmugaratnam and Gowher Rizvi, International Affairs Adviser to the Bangladesh prime minister.

Others will also include S. Gopalakrishnan, co-founder and executive vice chairman, Infosys, and president of the Confederation of Indian

<sup>57</sup> "SpiceJet in talks with Singapore's Tiger Airways for a tie-up", *Business Today*, August 6, 2013 (<http://businesstoday.intoday.in/story/spicejet-may-tie-up-with-singapore-tiger-airways/1/197518.html>)

Industry (CII), Malvinder Mohan Singh, executive chairman, Fortis Healthcare, Sarath Amunugama, Sri Lanka's minister (senior) for international monetary cooperation, Sri Lanka, and K Shanmugam, Singapore's foreign affairs and law minister.<sup>58</sup>

## THAILAND

### Thailand to host ITU Telecom World 2013

The organiser of ITU Telecom World has chosen to host the next edition in Thailand, with the aim of boosting information and communication technology (ICT) progress in the region. The Ministry of ICT, the Royal Thai Government, and the International Telecommunication Union (ITU) have signed a Host Country Agreement to mark the official cooperation between Thailand and the organiser. The event will be held from 19-22 November at the Impact Arena Exhibition and Convention Centre, Bangkok, and will co-locate with Connect Asia-Pacific Summit 2013. Dubai hosted the previous event in 2012, while the 2011 show took place in Geneva.<sup>59</sup>

### Thailand may reduce troop levels in South

Thailand is considering reducing the number of troops in its insurgency-hit

South if a lull in violence holds, the deputy prime minister has said. "We won't withdraw troops from the area but we can reduce the number and focus on development rather than fighting," Deputy Prime Minister Pracha Promnong, who oversees national security, told reporters. His remarks came after the Thai government and the Barisan Revolusi Nasional (BRN) Muslim rebel group agreed to curb violence during Ramadan. So far, in the first week of the holy month "there was very little violence and no loss of life, only injuries," he added. "We can say that the BRN is sincere to a certain extent based on its behaviour," he said.

Nearly a decade of conflict in Thailand's southernmost provinces has left more than 5,700 people dead. Thailand has about 60,000 troops stationed in the south.<sup>60</sup>

### Thailand urges China Sea peace

Prime Minister Yingluck Shinawatra has stressed Thai policy for a peaceful solution to conflicting territorial claims in the South China Sea according to government spokesman Teerat Ratanasevi. The Thai position was conveyed by the prime minister directly to Fan Changlong, vice-chairman of the Chinese Central Military Commission, who is on a three-country visit which also includes Myanmar and Kazakhstan. He arrived in Thailand from Myanmar. Ms Yingluck said Thailand supports using existing mechanisms to secure safe maritime passage through disputed islands. She spoke with Gen Fan as

<sup>58</sup> "Singapore to connect 'Global South Asians'", *Business Standard*, August 22, 2013 ([http://www.business-standard.com/article/news-ians/singapore-to-connect-global-south-asians-113082200117\\_1.html](http://www.business-standard.com/article/news-ians/singapore-to-connect-global-south-asians-113082200117_1.html))

<sup>59</sup> "Thailand to host ITU Telecom World 2013", *Exhibition World*, July 2, 2013 (<http://www.exhibitionworld.co.uk/newsdetails/2837/thailand-to-host-itu-telecom-world-2013>)

<sup>60</sup> "Thailand may reduce troop levels in south", *AFP*, July 15, 2013 (<http://www.google.com/hostednews/afp/article/ALeqM5icBUoCxwV5B6xAXPIYyBqEx48juw?docId=CNG.39647e5727d5827a18be2e373e83273a.231>)

defence minister. The Chinese general said he hoped for deepening defence ties and cooperation between the Thai and Chinese armed forces, the spokesman told the media.<sup>61</sup>

### Thailand firm to gold plate Bodh Gaya dome

A Thailand-based company has begun work to inlay with gold the dome of Bodh Gaya's 1,500-years old Mahabodhi temple. Kreing Thavorn Containers Co Ltd is doing the work, said N. Dorjee, secretary of the Bodh Gaya temple management committee.

Dorjee said some Buddhist pilgrims of Thailand first made the offer a year ago but the work could begin only recently after clearance from the Archaeological Survey of India (ASI). According to him, the first phase of the work involving chemical treatment had been completed to prepare the foundation for gold plating.

Bihar Chief Minister Nitish Kumar had previously said the temple's dome will be inlaid with gold. A string of low intensity bombs exploded in the temple complex in July. There were no casualties and no damage was caused to the structure.

The ancient structure of the Mahabodhi temple is estimated to have been built between the 5<sup>th</sup> and 6<sup>th</sup> century AD. It was lost and rediscovered in the 19<sup>th</sup>

century by Alexander Cunningham, who founded the ASI in 1861. It is the holiest pilgrimage centre for Buddhists.<sup>62</sup>

### Truce in south Thailand turns out to be short-lived

The successful raid on a Malay-Muslim militant camp in the remote jungles of Thailand's troubled Muslim-majority south was a small victory for its embattled security forces. It took place on July 21 and 22, when a ceasefire was supposed to be in operation in the region.

The Thai authorities and the insurgent group Barisan Revolusi Nasional Patani Melayu (BRN) had agreed on July 12, at negotiations facilitated by Malaysia, to refrain from "any aggressive actions" during the month of Ramadan from July 10 to Aug 8. The agreement covered the provinces of Yala, Narathiwat—where the raid took place—Pattani, and five districts of Songkhla.

General Paradon Pattanabutra, the head of Thailand's National Security Council (NSC) which is leading peace talks that began in February with the BRN and had agreed to the ceasefire, was caught "clueless", said a source. He had not known the operation was being carried out. The Thai authorities—while taking part in the talks, which are still at a confidence-building stage—are unsure whether the BRN leaders based in Malaysia have any real command over young fighters in the Thai provinces. The ceasefire was in part to test this.<sup>63</sup>

<sup>61</sup> "Thailand urges China Sea peace", *Bangkok Post*, July 24, 2013 (<http://www.bangkokpost.com/news/security/361354/chinese-top-brass-reminded-of-peaceful-means-on-south-china-sea>)

<sup>62</sup> "Thailand firm to gold plate Bodh Gaya dome", *Business Standard*, August 5, 2013 ([http://www.business-standard.com/article/news-ians/thailand-firm-to-gold-plate-bodh-gaya-dome-113080500405\\_1.html](http://www.business-standard.com/article/news-ians/thailand-firm-to-gold-plate-bodh-gaya-dome-113080500405_1.html))

<sup>63</sup> "Truce in south Thailand turns out to be short-lived", *The Jakarta Post*, August 5, 2013 (<http://www.thejakartapost.com/news/2013/08/05/truce-south-thailand-turns-out-be-short-lived.html>)

### Buddhist sites to be mapped by India and Thailand

In a bid to promote tourism at Buddhist historical sites spread across South East Asia, including India, the National Atlas and Thematic Mapping Organisation (Natmo) is coming up with a detailed map along with loads of information on such hotspots located in 11 nations. “This is probably for the first time that such an initiative has been taken in the world. It is a joint initiative of the Indian and Thai governments and is being funded by the Centre’s science and technology department. Work on the map started after green light was received from Prime Minister Manmohan Singh,” said Baisakhi Sarkar, deputy director of Natmo in Kolkata.

While the project kicked off only a month ago, it would have to be completed within two years. The map would not only contain Buddhist archaeological sites but also detailed information which tourists usually seek—accessibility, time to visit, accommodation, historical perspective among others. “It would not only have a mention of the popular and oft-quoted archaeological sites but even the lesser-known ones spread across South East Asia,” she added.

Some of the sites which could be mapped include Bodh Gaya, Sarnath, Sanchi, Ajanta in India, Lumbini in Nepal, Anuradhapura and Polonnaruwa in Sri Lanka, Ayutthaya in Thailand, Angkor Thom in Cambodia, Borobudur in Indonesia, Nara in Japan and Lung-men

caves in China.

At least 30 such sites would be covered in India. Apart from this, each of the 11 nations would contribute with at least 8-10 sites in the project. Countries such as Bangladesh, where there are not many sites, have assured to identify 2-3 sites.

“While eight countries including Vietnam, Thailand and Myanmar have already joined the league, others would join in soon. The issue is being discussed at the government level with those countries,” Sarkar said.

To prepare the map, experts are taking the help of satellite images from Cartosat—an Indian earth observation satellite.

“Even though we are now including only the existing archaeological sites, in future, new sites which are being excavated and discovered by archaeologists would be included in the map,” the official said.

There are more than 400 million Buddhists across the world with a significant number of them living in South East Asian countries.<sup>64</sup>

## VIETNAM

### India invites Vietnam to set up electronics cluster city

The Indian Government has asked Vietnam to set up an electronics cluster in India. India and Vietnam signed two memoranda of understanding (MoU) for partnership in the field of information, communications and technology (ICT). The first MoU was on telecom regulation between the Telecom Regulatory Authority of India and the Vietnam Telecommunications Authority. The second

<sup>64</sup> “Buddhist sites to be mapped”, *Hindustan Times*, August 8, 2013 (<http://www.hindustantimes.com/India-news/Kolkata/Buddhist-sites-to-be-mapped/Article1-1105063.aspx>)

was on spectrum management between Wireless Planning & Coordination Wing (WPC), DoT and the Authority of Radio Frequency Management, Vietnam.

Accordingly, Communications and IT Minister Kapil Sibal and his counterpart from Vietnam Nguyen Bac Son have decided to set up a six-member joint committee to work on a roadmap for collaboration in the field of ICT. “We have suggested that they should set up an electronics cluster in the form of a city,” Sibal said, adding that the joint committee would set out specific programmes through which this collaboration will take place. He said the cluster can come up on the Delhi–Mumbai corridor, and that it could be named as ‘Ho Chi Minh’. Both the ministers said that a significant work for cooperation could be ready by later this year when a high level of Vietnam leaders will visit India.<sup>65</sup>

### **Vietnam’s weapons-grade uranium removed**

The United States says experts have removed the last batch of uranium from Vietnam that terrorists could have used to make a nuclear bomb. US Energy Secretary Ernest Moniz says the highly enriched uranium, from the Dalat Nuclear Research Institute, has gone to Russia where it will be turned into low-enriched reactor fuel. Moniz did not say when the removal occurred.

But other officials at an International Atomic Energy Agency conference on nuclear security said two batches had been removed totalling 16 kilograms, with the first shipment taken out six years ago. That is more than half of what is needed for a crude nuclear weapon. The US and Russia have taken the initiative in many such operations worldwide.<sup>66</sup>

### **Vietnam leader opposes China Sea claims**

Vietnam’s president has voiced firm opposition to China’s claims in the South China Sea but declined to back a Philippine bid to take the row to a UN tribunal. On a visit to Washington, President Truong Tan Sang rejected China’s so-called “nine-dash line” through which it claims virtually all of the strategic sea including islands close to neighbouring countries. “We cannot find any legal foundation or scientific basis for such a claim and therefore it is the consistent policy of Vietnam to oppose the nine-dash line plan by China,” Sang told the Centre for Strategic and International Studies.

But Sang declined to comment when asked if Vietnam would join the Philippines which in January said it was asking an arbitration panel of the UN Convention on the Law of the Sea to declare China’s claims invalid. “As a member of the United Nations, the Philippines has the legal right to carry on with any proceedings they would like,” Sang said. The Philippines and Vietnam have led criticism of what they consider increasingly assertive claims by China in the South China Sea.<sup>67</sup>

<sup>65</sup> “India invites Vietnam to set up electronics cluster city”, *The Hindu Business Line*, July 4, 2013 ([http://www.thehindubusinessline.com/industry-and-economy/info-tech/india-invites-vietnam-to-set-up-electronics-cluster-city/article4881622.ece?ref=wl\\_industry-and-economy](http://www.thehindubusinessline.com/industry-and-economy/info-tech/india-invites-vietnam-to-set-up-electronics-cluster-city/article4881622.ece?ref=wl_industry-and-economy))

<sup>66</sup> “US: Vietnam’s weapons-grade uranium removed”, *Business Standard*, July 2, 2013 ([http://www.business-standard.com/article/pti-stories/us-vietnam-s-weapons-grade-uranium-removed-113070200573\\_1.html](http://www.business-standard.com/article/pti-stories/us-vietnam-s-weapons-grade-uranium-removed-113070200573_1.html))

<sup>67</sup> “Vietnam leader opposes China sea claims”, *Channel News Asia*, July 26, 2013 (<http://www.channelnewsasia.com/news/asiapacific/vietnam-leader-opposes/756990.html>)

### **Vietnam, China say sea disputes will be settled peacefully**

The foreign ministers of Vietnam and China have affirmed that all disputes on the East Sea, internationally known as the South China Sea, will be settled through peaceful and friendly negotiations. Minister of Foreign Affairs Pham Binh Minh held talks with his Chinese counterpart Wang Yi in Hanoi on August 4.

Minh said that both sides should persist in addressing sea-related disputes “on the basis of the Vietnam–China agreement on basic principles guiding the settlement of sea-related issues,” and international law. He said this referred especially to the 1982 United Nations Convention on the Law of the Sea, and the spirit of the Declaration on the Conduct of Parties in the South China Sea (DOC). He said all these measures were looking towards the building of a Code of Conduct of Parties in the East Sea (COC).

During their talks, the two FMs discussed measures to speed up the implementation of agreements, especially the action plan to realize a Vietnam–China comprehensive strategic co-operative partnership, *Vietnam News Agency* reported.<sup>68</sup>

### **India–Vietnam extradition treaty comes into effect**

The extradition treaty between India and Vietnam officially came into effect on August 12 after exchange of the documents of ratification. The treaty was signed during a visit of Vietnamese

President Truong Tan Sang to India in 2011.

Speaking at the occasion, Indian Ambassador to Vietnam Ranjit Rae noted the event marked a milestone in the India–Vietnam comprehensive partnership which has grown in all fields since its establishment five years ago, Xinhua reported. This is an important move forward of the two countries’ law enforcement agencies, which are about to put a treaty of criminal transfer into practice, he added.

Vietnamese Deputy Foreign Minister Ho Xuan Son expressed his hope that both sides would continue working closely to implement the document effectively to reinforce the traditional friendship and comprehensive cooperation for both countries’ prosperity.<sup>69</sup>

## **AUSTRALIA**

### **Australia enforces stricter visa rule for foreign workers**

Australia has implemented a new stringent visa regime for hiring of foreign workers, allowing businesses to recruit expatriates only after exhausting all local options, besides increasing the visa fees. As for the existing 457 visa scheme, the employers will now have to declare that they could not find an Australian for a particular job before hiring any foreign worker. Under the new rule, companies will have to advertise for four months in a newspaper for a position before sponsoring a foreigner, *Sydney Morning Herald* reported. The Department of Immigration and Citizenship (DIAC) said there was concern that certain employers were

<sup>68</sup> “Vietnam, China say sea disputes will be settled peacefully”, *Thanh Nien News.com*, August 6, 2013 (<http://www.thanhniennews.com/index/pages/20130805-vietnam-china-fms-say-to-settle-sea-disputes-peacefully.aspx>)

<sup>69</sup> “India–Vietnam extradition treaty comes into effect”, *DNA*, August 12, 2013 (<http://www.dnaindia.com/india/1873626/report-india-vietnam-extradition-treaty-comes-into-effect>)

sourcing their skilled labour needs from outside Australia without first checking the availability of labour locally. “While not unlawful, these actions were not in line with the principles of the subclass 457 programme,” it said. The employers will now also have to give details on how many workers they will sponsor and whether a new nominee meets the English language requirement.<sup>70</sup>

### **Australia welcomes Air India plans for direct flights**

Australia has welcomed Air India’s plans to deploy its newly-acquired Boeing 787 aircraft to the country from next month. “The direct Air India flights are yet another example of the strength in the Australia-India relationship, and the rapidly expanding people-to-people links between our two countries,” High Commissioner Bernard Philip said. “We expect Indian visitor numbers to Australia to nearly double by 2020, so these direct flights will benefit many Indian business travellers, students, migrants, tourists and families,” he added.

The national carrier plans to operate direct daily flights between India and Australia from Aug 29, 2013. There were around 450,000 people of Indian origin living in Australia in 2012. India is also the largest source of skilled migrants to Australia. In 2012, India was the tenth

largest source of visitors to Australia, with 159,000 people travelling, and around 180,000 Australians visit India each year.<sup>71</sup>

### **Australia turning away illegal boat migrants**

Australia is now out of bounds for people who reach the continent using illegal boats wanting to settle in the country as refugees. Acting Australia’s consul general for South India Stuart Campbell told reporters that all those entering Australia illegally through the sea route would be settled only in Papua New Guinea and that they would never see Australia. “We want to dissuade people from taking the dangerous journey through illegal boats and in the process get drowned in the ocean. Further, we also want to protect them from falling prey to smugglers who charge anything from Rs 1 lakh and make false promises,” he said, adding that asylum seekers should go to them only through United Nations High Commissioner for Refugees. “It is not just Lankan Tamils, who come to Australia in illegal boats. We have many coming to our country seeking asylum from Iran, Afghanistan, Syria and Iraq using illegal boats,” he added. While the country is now providing asylum to 20,000 refugees a year, Waters said it could increase it to 27,000, if the recent policies were successful. According to Immigration and Citizenship officer Jose Alvarez, Australia will provide financial and technical support to Papua New Guinea to accommodate refugees.<sup>72</sup>

<sup>70</sup> “Australia enforces stricter visa rule for foreign workers”, *The Economic Times*, July 1, 2013 ([http://articles.economictimes.indiatimes.com/2013-07-01/news/40307954\\_1\\_visa-rule-foreign-workers-ravi-lochan-singh](http://articles.economictimes.indiatimes.com/2013-07-01/news/40307954_1_visa-rule-foreign-workers-ravi-lochan-singh))

<sup>71</sup> “Australia welcomes Air India plans for direct flights”, *Business Standard*, July 19, 2013 ([http://www.business-standard.com/article/news-ians/australia-welcomes-air-india-plans-for-direct-flights-113071900769\\_1.html](http://www.business-standard.com/article/news-ians/australia-welcomes-air-india-plans-for-direct-flights-113071900769_1.html))

<sup>72</sup> “Australia cracks whip on illegal boat migrants”, *Deccan Chronicle*, July 25, 2013 (<http://www.deccanchronicle.com/130725/news-current-affairs/article/australia-cracks-whip-illegal-boat-migrants>)

### Australia's Rudd Faces Defeat in Marginal Seats, Newpoll Shows

Support for Australia's Labor Party has collapsed on the east coast, according to a Newpoll that signals Prime Minister Kevin Rudd will be defeated at a Sept. 7 general election. Opposition leader Tony Abbott's Liberal-National coalition may pick up 20 additional seats in just the east coast states of New South Wales and Victoria, the Weekend Australian reported when it published Newpoll surveys on August 31. Abbott's coalition needs to win just four extra electorates to claim power.

Rudd, campaigning on August 31 in Australia's most northern city of Darwin, said Abbott "thinks he has the election in the bag." Newpoll surveys were conducted in 13 marginal Labor-held seats. They show the coalition leads Labor on a two-party-preferred basis 53 percent to 47 percent in five coastal New South Wales electorates, 53 percent to 47 percent in three Victorian seats and 57 percent to 43 percent in five western Sydney divisions. The surveys have a margin of error of 3.5 percent.

A separate Newpoll published on August 26 showed Abbott's coalition leading Rudd's Labor nationally by six percentage points on a two-party-preferred basis. Online bookmaker Sportsbet said this week it was already paying out bets on the coalition winning the election, conceding it is convinced Labor has no chance of victory.<sup>73</sup>

### Australia to play key role in Syria

Australia is set to play a pivotal role in forging consensus on the response to Syria's chemical weapons use, Prime Minister Kevin Rudd says. Mr Rudd had taken time out from the election campaign on August 29 to return to Canberra to receive more briefings from intelligence and foreign affairs officials about the Syria situation.

Speaking to ABC radio beforehand, Mr Rudd said Australia will take up the United Nations Security Council presidency for what will be a "vital month" in the long-running crisis. UN Ambassador Gary Quinlan will have the job of securing consensus on a response to Syria's chemical weapons use, Mr Rudd said. Mr Rudd says the UNSC president can seek to forge consensus among members for passage of a formal resolution—but concedes that's unlikely to succeed because of opposition from Russia and China.

"In the absence of a formal resolution from the council they often use a device in New York which is called a presidential statement and that's supposed to represent the broad sentiment of the council," he said. "We are in there among it with the other nation states on the council working out the right way forward."

Mr Rudd said Mr Quinlan was working with China and Russia to maximise the degree of concurrence. "You can't stand idly by while a regime somewhere in the world decides to open up on its domestic population with chemical weapons."<sup>74</sup>

<sup>73</sup> "Australia's Rudd Faces Defeat in Marginal Seats, Newpoll Shows", *Bloomberg*, August 31, 2013 (<http://www.bloomberg.com/news/2013-08-31/australia-s-rudd-faces-defeat-in-marginal-seats-newpoll-shows.html>)

<sup>74</sup> "Australia to play key role in Syria", *Sky News.com.au*, August 29, 2013 (<http://www.skynews.com.au/national/article.aspx?id=901085>)

## NEW ZEALAND

### New Zealand spy legislation criticised

New Zealand's government faces criticism from opposition lawmakers and civil rights groups over a plan to give the nation's foreign intelligence agency more power to spy on its citizens. The country aims to make it legal for the spy agency to intercept New Zealanders' phone calls and emails, and track their electronic communications, when investigating national security threats such as possible terrorist activity. Companies operating phone and Internet networks would also be required to hand over details of any communication deemed threatening to the nation's interest.<sup>75</sup>

### New Zealand increases agriculture presence in China

Primary Industries Minister Nathan Guy said after a meeting with Chinese Vice Minister of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) Wei Chuanzhong that two new Ministry for Primary Industries (MPI) staff would be stationed in China by the end of the year along with "a number of locally engaged staff". The meeting at AQSIQ in Beijing followed Guy's meeting with Chinese Minister of Agriculture Han Changfu earlier. "China

is New Zealand's largest export market, and dramatic growth has seen our trade triple in the past five years. This has been driven by China's economic growth, the Free Trade Agreement with China and New Zealand's strong reputation for food safety", he said.<sup>76</sup>

### New Zealand troops to consider joining Australian-U.S. military exercise

Twelve New Zealand troops will attend as observers at a major Australia-U.S. joint military exercise this year with New Zealand forces possibly joining as a third partner in the future, New Zealand's Defence Minister Jonathan Coleman has said. "The New Zealand Defence Force (NZDF) is sending observers to Exercise Talisman Saber 2013, one of Australia's major biennial exercises, to further develop our amphibious capability," Coleman said in a statement. Approximately 28,000 personnel would take part in the biennial Australian and U.S. training exercise, which tests combined and joint fighting capabilities in "a complex high-end environment" conducted in Australia and Hawaii between July 15 and August 5. The move followed an agreement between New Zealand and Australia's defence ministers at their annual meeting last year to develop practical cooperation, he said.<sup>77</sup>

### New Zealand's Fonterra fined in China after price review

New Zealand-based Fonterra Co-operative Ltd said on August 7 it had been fined NZ\$900,000 (\$705,000) by China's top economic planning

<sup>75</sup> "New Zealand Spy Legislation Draws Critics", *The Wall Street Journal*, July 1, 2013 (<http://online.wsj.com/article/SB10001424127887323297504578578931916097320.html>)

<sup>76</sup> "New Zealand steps up agriculture presence in China", *China Daily USA*, July 2, 2013 ([http://usa.chinadaily.com.cn/business/2013-07/02/content\\_16707895.htm](http://usa.chinadaily.com.cn/business/2013-07/02/content_16707895.htm))

<sup>77</sup> "New Zealand troops to consider joining Australian-U.S. military exercise", *Xinhuanet.com*, July 15, 2013 ([http://news.xinhuanet.com/english/world/2013-07/15/c\\_132543009.htm](http://news.xinhuanet.com/english/world/2013-07/15/c_132543009.htm))

agency after a review of pricing practices for consumer dairy products in mainland China.

“We accept the NDRC’s (National Development and Reform Commission) findings and we believe the investigation leaves us with a much clearer understanding of expectations around implementing pricing policies, which is useful as we progress our future business plans,” Kelvin Wickham, President of Fonterra Greater China and India, said in a statement.

The company is currently embroiled in a contamination scare over some of its products exported to eight countries, including China.<sup>78</sup>

### **New Zealand opposition leader David Shearer quits ahead of elections next year**

New Zealand’s political opposition leader said on August 22 he’s leaving the top job because he doesn’t think he has the support of his colleagues ahead of national elections next year. David Shearer led the centre-left Labour Party for 20 months but appeared to struggle at times in the spotlight. Opinion polls indicate he never gained much support among New Zealanders as preferred prime minister.

Prime Minister John Key, on the other hand, continues to enjoy high levels of

support after first taking office in 2008. Shearer will remain in Parliament as a lawmaker. He hasn’t yet said if he’ll contest his seat next year. In a statement, he said it was time for a change.

The Labour Party plans to pick a replacement in the coming weeks. Among those expected to vie for the role are deputy leader Grant Robertson and associate finance spokesman David Cunliffe.

Shearer was elected to Parliament in 2009. He previously worked for the United Nations and was named “New Zealander of the Year” by the New Zealand Herald newspaper in 1993 for his work in Somalia.<sup>79</sup>

## **FIJI**

### **Concern over government powers in Fiji constitution**

A group of young professionals from Bua in Fiji are worried about provisions in the new constitution which affect the rights of indigenous landowners. The Bua Urban Youth Network have written to the chairman of the iTaukei Affairs Board expressing dismay that the new constitution appears to give the government more of a say in development matters than landowners.

Spokeswoman Vani Catanasiga has told Radio Australia’s Pacific Beat the issue of land rights is a very sensitive one for all Fijians. “What we particularly asked for was to build into the constitution a clause that makes it mandatory

<sup>78</sup> “New Zealand’s Fonterra fined in China after price review”, *Euronews*, August 7, 2013 (<http://www.euronews.com/business-newswires/2061410-new-zealands-fonterra-fined-in-china-after-price-review/>)

<sup>79</sup> “New Zealand opposition leader David Shearer quits ahead of elections next year”, *The Washington Post*, August 22, 2013 ([http://www.washingtonpost.com/world/new-zealand-opposition-leader-david-shearer-quits-ahead-of-elections-next-year/2013/08/21/3d824254-oad8-11e3-89fe-abb4a5067014\\_story.html](http://www.washingtonpost.com/world/new-zealand-opposition-leader-david-shearer-quits-ahead-of-elections-next-year/2013/08/21/3d824254-oad8-11e3-89fe-abb4a5067014_story.html))

that...consent of landowners is sought before their natural resources are used for development programs, and that's not something that appears in this constitution." Ms Catanasiga says sections of the new constitution prioritise economic interests rather than Fijians' right to decide how to best use their land. "We see that more as the easy option," she said.

"But in reality it costs more for people to give up something like land for mining because, in the end, future generations will have to pay twice as much or even more for the loss of their livelihoods, their ability to practice their culture." "Things like this we have to take into consideration and not just short-term economic benefits."

"For us, it's more the issue of...developing meaningfully for the long term; then we have to be able to research what kind of developments are effective, but also protects the interest of future generations."

In January Fiji's military-backed regime scrapped the Yash Ghai draft constitution written after national consultations, saying it was not suitable. Last week Fiji's interim Attorney General, Aiyaz Sayed-Khaiyum, released the final version of the country's new constitution .

The interim government says the new document will pave the way for elections by the end of September 2014.<sup>80</sup>

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<sup>80</sup> "Concern over government powers in Fiji constitution", *Australia Network News*, August 30, 2013 (<http://www.abc.net.au/news/2013-08-30/an-concerns-over-land-clause-in-fiji-constitution/4926336>)

## 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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