

Southeast Asia *News Review*

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SOUTHEAST ASIA

CAMBODIA

Cambodia, Thailand to Open New Permanent Checkpoint Along the Border; Cambodia, China Determined to Enhance Bilateral Cooperation; ASEAN Defence Senior Officials' Meeting Held in Cambodia

On 14 February 2012, the 5th Thai- Cambodian Joint Boundary Commission's meeting was successfully concluded. During the meeting it was decided that a new permanent checkpoint will be opened at Nong-ian in Thailand's Sa Kaeo and Stung Bot in Cambodia's Bantey Meanchey on 5 March 2012. According to the reports, during the meeting 'the two sides also discussed taking aerial photographs and agreed that technicians will specify qualifications and select a company to do the task, paving the way for border demarcation.'¹

The commitment to enhance bilateral cooperation in all possible fields was made once again during the Cambodia visit of Ma Mingqiang, Secretary General of ASEAN- China Center. This was a landmark visit since the launch of ASEAN- China Center in November 2011. The visit aimed at promoting ASEAN- China cooperation in education, investment, trade and tourism sectors.²

On 23 February 2012, the ASEAN defence senior officials' meeting plus dialogue partners kicked off in Phnom Penh. The meeting- aimed to strengthen cooperation for regional peace and security. Senior officials from ASEAN member countries, China, Japan, South Korea, India, Australia, New Zealand, Russia and the US participated in the meeting. During the meeting, the draft concept paper on Review of Frequency of ASEAN Defence Ministers' Meeting Plus (ADMM Plus) meeting for convening the ADMM Plus once in every two years instead of every three years was also discussed.³

¹ 'Cambodia, Thailand agree to open new permanent border checkpoint', *MCOT*, 14 February 2012, http://www.mcot.net/cfcustom/cache_page/331213.html

² 'Cambodia, China willing to further cooperation in all fields: officials' *Xinhua*, 20 February 2012, <http://www.asean-cn.org/Item/4586.aspx>

³ 'Cambodia kicks off three-day meeting of senior ASEAN defence officials', *The Cambodia Herald*, 21 February 2012, <http://www.thecambodiaherald.com/cambodia/detail/1?page=11&token=ZjcwYmUoMzZiMTYyMzM4MzE1YzFmMDZmMjYxNDIo>

INDONESIA

Indonesian Economy Reaches Fifteen- Year Peak; Bali Bombing Suspect Facing Trial in Indonesia; The US Lists Indonesia's Jemaah Anshorut Tauhid a Terrorist Organization; Indonesia Refuses to Ban Jemaah Anshorut Tauhid; Gayatri Projects Finalises Coal Deal with Indonesian Firm; Court Rejects Ba'asyir's Appeal

According to the reports, the Indonesian economy grew by 6.5 percent in 2011- its biggest expansion since 1997-98. The size of the Indonesian economy was Rp 7,427.1 trillion at the end of 2011. The major reason behind strengthening of the economy is an increase in household consumption.⁴

The alleged mastermind of the 2002 Bali blasts- Umar Patek was put on trial in early February 2012. Umar Patek is accused of premeditated murder, bomb- making and illegal firearms possession, and might be given capital punishment. Patek was arrested in Abbottabad in Pakistan in January 2011. Patek is believed to have played a key role in 2000 church bombings also, which killed at least twenty people.⁵

On 23 February 2012, the US officially listed Indonesia's Jemaah Anshorut Tauhid (JAT) as a terrorist organization. Explaining the reasons for the decision, the US State Department said that the group was 'responsible for multiple coordinated attacks against innocent civilians, police and military personnel in Indonesia... JAT has robbed banks and carried out other illicit activities to fund the purchase of assault weapons, pistols and bomb-making materials.' Evidently, the organization's chief patron, Abu Bakar Ba'asyir is believed to be having a key role in running of terror networks in Indonesia.⁶

In relation to the US decision regarding JAT, Indonesia refused to ban the organization. Stating that the Indonesian police is still investigating the church bombing case, Indonesia's National Police spokesman Saud Usman Nasution said, 'it is right of the

⁴ 'Indonesia economy reaches 15 year high', *Jakarta Globe*, 7 February 2012, http://article.wn.com/view/2012/02/07/Indonesia_Economy_Reaches_15Year_High/

⁵ 'Bali bombing suspect Umar Patek on trial in Indonesia', *BBC News*, 13 February 2012, <http://www.bbc.co.uk/news/world-asia-17008398>

⁶ 'US officially brands JAT a terrorist organisation', *The Jakarta Post*, 25 February 2012, <http://www.thejakartapost.com/news/2012/02/25/us-officially-brands-jat-a-terrorist-organization.html>

United States to make such a statement, but the group is allowed to carry on in Indonesia as long as it is not breaking the law.⁷

The Indian infrastructure company- Gayatri Projects has signed an agreement with an Indonesian coal producer company PT Bayan Resources. According to the reports, the project is being set up with an outlay of Rs 6,869 crore and funded through a debt component of Rs 5,151 crore and Rs 1,718 in equity. The agreement is for ten years and the supplies are expected to begin from 2014. Gayatri's subsidiary Thermal Powertech Corporation (India) is in the lead for setting up the project.⁸

The Supreme Court of Indonesia rejected Abu Bakar Ba'asyir's appeal, and upheld the sentence on him. Ba'asyir is sentenced fifteen-year jail term for running a training camp in Aceh.⁹

LAOS

Laos, Vietnam Celebrate 2012 as 'Year of Friendship'; Laos Plants Border Landmarks with Vietnam

A delegation from Vietnam, headed by the director of Communist Party of Vietnam visited Vientiane. The seven day long visit started on 7 February 2012. The two sides reviewed bilateral cooperation in a number of fields, and the possible initiative to celebrate the friendship year in 2012.¹⁰

Laos and Vietnam have completed building fifty-eight out of one- hundred- twenty-five landmarks along the Son La- Hua Phan- Luang Prabang borderline. Most of these landmarks are in the mountainous terrain.¹¹

⁷ 'Indonesia ignores US terror ban', *The Telegraph*, 25 February 2012, <http://www.dailytelegraph.com.au/terrorists-not-banned-by-indo/story-fn6e1m7z-1226281168274>

⁸ 'Gayatri seals coal supply deal with Indonesia co', *DNA India*, 25 February 2012, http://www.dnaindia.com/money/report_gayatri-seals-coal-supply-deal-with-indonesia-co_1654433

⁹ 'Court rejects Ba'asyir's appeal', *The Jakarta Post*, 27 February 2012, <http://www.thejakartapost.com/news/2012/02/27/court-rejects-ba-asyir-s-appeal.html>

¹⁰ 'VN, Laos celebrate friendship year 2012', *Tuoitre News*, 8 February 2012, <http://tuoitrenews.vn/cmlink/tuoitrenews/politics/vn-laos-celebrate-friendship-year-2012-1.60771>

¹¹ 'Lao, Vietnam plant more border landmarks', *Baomoi*, 22 February 2012, <http://en.baomoi.com/Home/sport/english.vovnews.vn/Laos-Vietnam-plant-more-border-landmarks/235650.epi>

MALAYSIA

Malaysia to Sign Bridge Deal with Bangladesh; Malaysia, China Renewed Currency Swap Agreement; Thailand, Malaysia Hold Talks on Border Unrest; Massive Protests Against Rare Earth Refinery in Malaysia

Malaysia and Bangladesh are likely to sign a deal by the end of February wherein, the country will finance RM 6.6 billion for constructing Bangladesh's Padma Bridge. The Malaysian support is considered crucial after the World Bank's suspending of the aid due to rampant corruption in Bangladesh. Padma Bridge would cost Bangladesh US \$ 2.9 billion.¹²

On 22 February 2012, the People's Bank of China and Bank Negara Malaysia- the central banks of the two countries announced that they had extended a currency swap agreement. The move is likely to reinforce financial cooperation between China and Malaysia. The agreement, first signed in February 2009, allowed the two countries to swap eighty billion Yuan in three years.¹³

Thai Prime Minister Yingluck Shinawatra and her counterpart Najib Razak discussed ways to tackle unrest along the Thai- Malaysian border during formers one-day visit to Kuala Lumpur. It is also believed that the visit aimed to track down the terrorists involved in the 14 February 2012 Bangkok blast.¹⁴

According to the reports, around 3,000 Malaysians protested against a refinery for rare earth elements. The Australian mining company Lynas is involved in the project. The protest march, considered as one of the biggest, was motivated by fears regarding radioactive contamination. The government is under severe pressure on the matter.¹⁵

¹² 'KL to give RM 6.6 b for Padma Bridge', *The Financial Express*, 5 February 2012, http://www.thefinancialexpress-bd.com/more.php?news_id=97204&date=2012-02-05

¹³ 'China, Malaysia extend currency swap agreement', *China Daily*, 8 February 2012, http://www.chinadaily.com.cn/bizchina/2012-02/08/content_14562697.htm

¹⁴ 'Thai, Malaysian leaders hold talks on border unrest', *Voice of America*, 20 February 2012, <http://www.voanews.com/english/news/asia/southeast/Thai-Malaysian-Leaders-Hold-Talks-on-Border-Unrest-139698653.html>

¹⁵ 'Malaysians protest against rare earth refinery', *Guardian*, 26 February 2012, <http://www.guardian.co.uk/world/2012/feb/26/malaysians-protest-rare-earth-refinery>

MYANMAR

US Waives Some Sanctions Imposed on Myanmar; Myanmar Government Approves Aung San Suu Kyi's Participation in the Elections; India Appreciates Myanmar Reforms; EU Begins Lifting Sanctions Imposed on Myanmar; UN Envoy Urges Lifting of Sanctions; First Myanmar- India Car Rally in March; Myanmar Government Reaches Preliminary Peace Agreement with Mon Ethnic Rebels

The US, on 6 February 2012, waived some sanctions imposed on Myanmar. The decision will help Myanmar government to work with the World Bank and other global financial institutions to revitalise its economy.¹⁶

On 6 February 2012, the Election Commission of Myanmar officially approved the opposition leader Aung San Suu Kyi's candidature, stating that she would be allowed to contest for the elections. The elections are scheduled for April 2012 to fill 48 seats in the parliament.¹⁷

The Indian foreign secretary Ranjan Mathai on 14 February 2012 said that the ongoing reforms in Myanmar have been seen positively. He added that the new path taken by the Thein Sein government would help strengthen ties between the two countries. That, he opined, would also help in increasing the Indian investments in Myanmar.¹⁸

On 17 February 2012, the European Union lifted travel sanctions against President Thein Sein and other top officials of Myanmar. It is widely believed that by April, the EU as an organization and its member countries individually, will review their sanctions policy towards Myanmar. That would, of course, depend on the outcome of the by-elections due in April 2012.¹⁹

¹⁶ 'Myanmar: Government Panel approves opposition leader's run for parliament', *New York Times*, 6 February 2012, http://www.nytimes.com/2012/02/07/world/asia/myanmar-panel-approves-aung-san-suu-kyis-run-for-parliament.html?_r=1

¹⁷ 'Suu Kyi campaigns for Burma polls as US eases sanctions', *BBC*, 7 February 2012, <http://www.bbc.co.uk/news/world-asia-16921340>

¹⁸ 'India says Myanmar's democratic path will strengthen bilateral ties', *The Economic Times*, 15 February 2012

¹⁹ 'EU starts lifting Myanmar sanctions, rewards reforms', *The Star*, 17 February 2012, http://thestar.com.my/news/story.asp?file=/2012/2/17/worldupdates/2012-02-17T125844Z_1_TRE81GoQD_RTROPTT_o_UK-EU-MYANMAR&sec=Worldupdates

Appreciating the Thein Sein government's attempts in making Myanmar a more democratic country, the UN's special advisor Vijay Nambiar said that the international community should lift the sanctions imposed on Myanmar. However, during his four day Myanmar visit, he added that the Sein government must deliver on socio-economic needs of its citizens, and that the time has come to 'build conditions for sustaining the reform for the betterment of people of Myanmar.'²⁰

On the sidelines of proposed trade and tourism conference- to be held in March 2012, the North East Federation on International Trade is planning to organize the first Myanmar- India car rally. The car rally is being organized to promote trade, tourism and cultural ties between the two countries. The Guwahati- Yangon- Guwahati car rally will cover 5,000 kilometres.²¹

According to the Myanmar government's state media, the government has reached a preliminary peace agreement with the Mon rebel groups. The peace deal was signed on 25 February 2012. The two sides agreed to hold talks within next forty-five days. The government and the Mons had signed initial ceasefire in early February after state-level mediators held talks with the Mon leaders. Apparently, similar peace agreements have been signed lately with Karen, Shan, Chin, Wa and Kokang minorities.²²

THE PHILIPPINES

Terrorists Killed in US- Led Operations in the Philippines; Arroyo Pleads 'Not Guilty' to Election Fraud; Philippines, Vietnam Hold Joint Commission on Maritime Cooperation

A joint US- Philippine anti-terror operation in Sulu Island of the Philippines killed a dozen armed men including two Jemmah Islamiya bombers and a senior Abu Sayyaf

²⁰ 'UN envoy urges lifting of Burma sanctions' *Voice of America*, 24 February 2012, <http://www.voanews.com/english/news/asia/UN-Envoy-Urges-Lifting-of-Burma-Sanctions-140355173.html>

²¹ 'First Myanmar-India car rally in March', *Zee News*, 26 February 2012, http://zeenews.india.com/news/nation/first-myanmar-india-car-rally-in-march_760624.html

²² 'Myanmar government reaches preliminary peace agreement with Mon ethnic rebel groups', *Washington Post*, 27 February 2012, http://www.washingtonpost.com/world/asia-pacific/myanmar-government-reaches-preliminary-peace-agreement-with-mon-ethnic-rebel-group/2012/02/27/gIQAwDU3cR_story.html

leader. The operations happened on 2 February in the terrorist infested Sulu Island, and are considered a major success in the Philippine government's anti-terror operations. Noted terrorists, Zulkifli bin Hir, also known as Marwan, and Indian Abdullah Ali, alias Muawiyah, were killed in the operations.²³

The former Philippine President Gloria Macapagal Arroyo has filed a 'not guilty' plea in her defence on the election fraud case. Arroyo is accused of graft for violating the norms in helping congressional allies win the 2007 elections. She is currently undergoing medical treatment, and is facing the trial on rigging charges.²⁴

To ease tensions on maritime disputes, The Philippines and Vietnam held a joint commission meeting on maritime and ocean cooperation. The meeting, first ever under the joint commission banner, was held on 20 February 2012. The two sides agreed to take cooperative measures to ensure peace in the region. The two sides also discussed the Philippine proposal for a Zone of Peace, Freedom, Friendship and Cooperation and the establishment of a Code of Conduct on the West Philippine Sea. It is likely that the joint commission will assume the work of Joint Permanent Working Group on maritime and ocean concerns and continue discussions on the outstanding issues and identify the new agenda items.²⁵

SINGAPORE

Singapore Signs Memorandum of Understanding (MoU) on Education with the US; Singapore, Malaysian Navies Conduct Joint Naval Exercises; Singapore to Scrap Gold Tax

On 7 February 2012, Singapore and the US inked MoU on education to promote cooperation and collaboration between the two countries. Singapore's Minister for Education Heng Swee Keat and US Secretary of Education Arne Duncan signed the bilateral MoU in Washington, D.C. The MoU is believed to help build on the first

²³ 'JI, Sayyaf terrorists killed in Us-led military ops in the Philippines', *The Mindanao Examiner*, 2 February 2012, http://www.mindanaoexaminer.com/news.php?news_id=20120202041727

²⁴ 'Former Philippine President Pleads 'not guilty' to election fraud', *Voice of America*, 23 February 2012, <http://www.voanews.com/english/news/Former-Philippine-President-Pleads-Not-Guilty-to-Election-Fraud-140127373.html>

²⁵ 'Ph, Vietnam hold joint commission on maritime cooperation', *The Philippine Star*, 26 February 2012, <http://www.philstar.com/Article.aspx?articleId=781168&publicationSubCategoryId=63>

Singapore- US MoU on education involving teaching and learning of mathematics and science that was signed in 2002.²⁶

Taking a major step to attract refiners, Singapore has decided to exempt investment-grade gold and other precious metals from a seven percent goods and services tax. The move is aimed to lure bullion refiners, which might also attract trading houses to open storage facilities in the country. The proposed change will take effect in October.²⁷

A bilateral maritime exercise, codenamed *Exercise Malapura* involving Singaporean and the Malaysian Navy is being held from 27 February to 7 March 2012. Singapore is hosting the 2012 exercise, which is held annually since 1984. It is reported that 540 personnel from Singapore and Malaysia are part of the ten-day exercise. The two navies are working closely to enhance security in the Malacca.²⁸

THAILAND

Thailand Holds Multinational Military Exercise with the US; Thai Opposition Warns of the Situation in Southern Thailand; Bomb Blasts Rock Thailand; Thailand Questions Iranian Suspects

A joint military exercise involving the US, Japan, Singapore, Malaysia, Indonesia, and South Korea was hosted in Thailand. The ten day long exercise, largest of its kind in Southeast Asia, commenced on 7 February 2012. It involved 13,180 personnel. Nearly 9,000 of them were from the US and more than 3,600 from Thailand.²⁹

Showing concerns about the ongoing situation in Southern Thailand, the leader of the opposition Abhisit Vejjajiva, on 13 February 2012 said that the government should be more consistent in its policy on the turbulent region. He criticized the Shinawatra government for not keeping the promise of providing compensation to the victims. He

²⁶ 'Singapore and The United States sign MoU on education', *Asian Scientist*, 8 February 2012, <http://www.asianscientist.com/academia/singapore-heng-swee-keat-usa-arne-duncan-mou-on-education-2012/>

²⁷ 'Gold hub: Singapore to scrap tax', *The Indian Express*, 20 February 2012.

²⁸ 'Singapore and Malaysia navies conduct joint exercise', *Asia One*, 27 February 2012, <http://www.asiaone.com/News/Latest%2BNews/Singapore/Story/A1Story20120227-330445.html>

²⁹ 'Thailand hosts U.S.- led military exercise', *Xinhua*, 7 February 2012, http://news.xinhuanet.com/english/world/2012-02/07/c_131396449.htm

added that the government appointed committee had agreed to pay up to 7.5 million baht in compensation for the casualties in Southern Thailand during the past eight years. He added that cabinet's not deciding on the resolution has led to confusion and might aggravate the situation by creating discontent among the people.³⁰

On 14 February 2012, three bomb blasts rock the Thai capital Bangkok. According to the media reports, the bomb blasts were targeted at foreign nationals. The blasts injured five people including one of the bomb suspects, who also got bruised in the incident. Apparently, just a day before the Bangkok blast, similar attacks happened in India and Georgia also. It is widely believed that these attacks are connected in some ways, probably in terms of the agencies involved in the incident.³¹

The Thai police are questioning more Iranians, who are in some ways linked to the bomb blasts that happened in Bangkok lately. Three Iranian nationals have already been held responsible for the bomb blasts. Earlier, Israel had blamed Iran for the bomb blast targeted at its officials in Thailand, India and Georgia.³²

VIETNAM

Vietnam President Concludes Visit to Laos; Vietnam- China to Boost Diplomatic Exchanges; Vietnam Likely to Ban Indian Agricultural Products

Vietnamese President Truong Tan Sang concluded his three- day visit to Laos on 11 February 2012. During his visit the events to celebrate Vietnam- Laos Solidarity and Friendship year 2012 were flagged off. The friendship year is to mark fifty years of establishment of the Vietnam- Laos diplomatic ties.³³

³⁰ 'Abhisit warns South conflict is escalating', *Bangkok Post*, 14 February 2012, <http://www.bangkokpost.com/news/security/279687/abhisit-warns-south-conflict-is-escalating>

³¹ 'Three bomb blasts rock city', *Bangkok Post*, 15 February 2012, <http://www.saigon-gpdaily.com.vn/National/2012/2/99764/> <http://www.bangkokpost.com/news/security/279849/three-bomb-blasts-rock-city>

³² 'Thailand questions more Iranians in bomb plot', *Aljazeera*, 27 February 2012, <http://www.aljazeera.com/news/asia-pacific/2012/02/201222762926747476.html>

³³ 'Vietnam President concludes Laos visit', *Saigon Daily*, 12 February 2012, <http://www.saigon-gpdaily.com.vn/National/2012/2/99748/>

During the three-day visit of the Vietnamese foreign minister, Vietnam and China agreed to promote high-level diplomatic exchanges. His visit started on 12 February at the invitation of Chinese foreign minister Yang Jiechi. On the boundary issue they appreciated the developments on the matter. They also agreed to urge the relevant agencies to work on inking an agreement to facilitate free travel of ships at the Bac Luan River and tap its tourism and resource potential.³⁴

As Indian agricultural products are not able to meet Vietnam's phyto-sanitary norms, Vietnam is likely to ban the poor quality Indian products. In response to the complaints made by the Vietnamese authorities, an Indian trade delegation visited Vietnam from 5 to 10 February 2012. The delegation found that the agricultural products were actually sub-standard. However, India has assured Vietnam that such things will not be repeated in future.³⁵

³⁴ 'Vietnam, China boost diplomatic exchanges', *Saigon Daily*, 13 February 2012, <http://en.baomoi.com/Info/Vietnam-China-boost-diplomatic-exchanges/2/232080.epi>

³⁵ 'Vietnam likely to ban agri imports from India', *Rediff News*, 24 February 2012, <http://www.rediff.com/business/report/vietnam-likely-to-ban-agri-imports-from-india/20120224.htm>

OCEANIA

AUSTRALIA

Kevin Rudd Resigns from the Australian Cabinet; Julia Gillard Defeats Kevin Rudd in Leadership Ballot

Australia's foreign minister Kevin Rudd resigned from his position on 22 February 2012, amidst his ongoing feud with Prime Minister Julia Gillard. It is believed that the tussle between the two leaders has been going on since June 2010, when Gillard ousted Rudd.³⁶

Subsequent to Kevin Rudd's resignation, the Australian Prime Minister Julia Gillard called for a leadership ballot in the Australian Labor Party on 27 February 2012. Prime Minister Gillard won by seventy-one to thirty-one votes in elections and put an end to the controversy.³⁷

NEW ZEALAND

New Zealand One of the Top Tax Heavens Outside India: Central Bureau of Investigation; China Becomes the Biggest Source of New Zealand Imports

Director of India's Central Bureau of Investigation (CBI), on 14 February 2012 cited New Zealand as one of the biggest tax heavens outside the country. However, he didn't specify how much money is hidden in New Zealand.³⁸

³⁶ 'Australia's Foreign Minister Kevin Rudd resigns', *BBC News*, 22 February 2012, <http://www.bbc.co.uk/news/world-asia-17123397>

³⁷ 'Australia leadership: PM Gillard defeats Kevin Rudd', *BBC News*, 27 February 2012, <http://www.bbc.co.uk/news/world-asia-17173079>

³⁸ 'NZ called a heaven for illegal Indian cash', *Stuff News*, 14 February 2012, <http://www.stuff.co.nz/business/world/6414213/NZ-called-a-haven-for-illegal-Indian-cash>

On 27 February 2012, Statistics New Zealand released the trade figures, according to which China has surpassed Australia as biggest source of New Zealand's imports. It is believed that China's emergence as an economic superpower and the New Zealand-China free Trade Agreement have contributed to the growth in New Zealand's imports from China.³⁹

³⁹ 'China passes Australia as biggest source of NZ imports', *The National Business Review*, 27 February 2012, <http://www.nbr.co.nz/article/china-passes-australia-biggest-source-nz-imports-rm-111060>