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# ASEAN Economic Community through Prism of Regional Integration Theories



## Niranjan Chandrashekhar Oak

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ASEAN as an experiment in regional integration marks a new milestone in its evolution as it sets about establishing the ASEAN Economic Community (AEC) by the end of this year. AEC envisages the following key characteristics - a single market and production base, a highly competitive economic region, a region of equitable economic development and a region fully integrated into the global economy.<sup>1</sup>

Though at the beginning, there was an ideological underpinning to the grouping, over the period of time, its character changed. In world politics, there was a new wave of regionalism since 1985. At the same time, the end of the Cold War reduced the salience of politico-security factors to the regional institutions.<sup>2</sup> On the backdrop of this, The ASEAN Free Trade

Agreement (AFTA) was put in place in 1992. AFTA aimed to promote the region's competitive advantage as a single production unit. It committed members to free trade within a 15-year timeframe through the elimination of tariff and non-tariff barriers, thus promoting greater economic efficiency, productivity and competitiveness.<sup>3</sup>

Association of Southeast Asian Nations (ASEAN) was formed with the signing of the Bangkok Declaration in 1967 by leaders of five Southeast Asian countries.<sup>4</sup> It was initially an anti-communist block, a security community.<sup>5</sup> Since then, the regional organization has expanded to its current membership of ten. Brunei Darussalam joined ASEAN on January 7, 1984, just six days after its independence. The end of the Cold War, however, led to a major expansion in the late 1990s. Vietnam became a member of ASEAN on 28 July 1995; Laos and

<sup>1</sup> Association of Southeast Asian Nations official website, available at <http://www.asean.org/communities/asean-economic-community>

<sup>2</sup> Meidi Kosandi, Parallel Evolution of Practice and Research on ASEAN Economic Integration: From Paradigm Contestation to Eclectic Theorization, The International Studies Association of Ritsumeikan University: Ritsumeikan Annual Review of International Studies, 2012. ISSN 1347-8214. Vol.11, pp. 101-133 available at [http://www.ritsumei.ac.jp/acd/cg/ir/college/bulletin/e-vol.11/04\\_Meidi.pdf](http://www.ritsumei.ac.jp/acd/cg/ir/college/bulletin/e-vol.11/04_Meidi.pdf)

<sup>3</sup> Rosabel B Guerrero, Regional integration: the ASEAN vision in 2020, IFC Bulletin No 32, pp. 52-58, available at <http://www.bis.org/ifc/publ/ifcb32c.pdf>

<sup>4</sup> These were Indonesia, Malaysia, the Philippines, Singapore and Thailand.

<sup>5</sup> Karl Deutsch, Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience, Princeton University Press, 1957

Myanmar on 23 July 1997; and Cambodia on 30 April 1999.<sup>6</sup>

### **Why AEC?**

#### ***Low intra-regional trade***

In the context of ASEAN integration, it is probably the economic aspects that have been most successful. However, economic needs and development priorities differ greatly between the member states. Despite the fact that intra-regional trade has grown over the last 20 years, over 70% of trade by ASEAN states remains with non-members. In comparison, intra-regional in the European Union (EU) oscillates around 60% of total trade volumes.<sup>7</sup>

#### ***Asian financial crisis***

The 1997-1998 Asian financial crisis is often regarded as the direct cause for the rise in regionalism in Asia. The crisis painfully showed that the East Asian economies were closely related. Further integration was the need of an hour although the de-facto integration had already started in the region with multinational companies shifting their production activities to Southeast Asian nations to take advantage of cheap labor.

#### ***End of cold war***

The end of the Cold War was extremely important in the rapprochement process with former communist states in the

region, which then became ASEAN members. So, by the end of the 1990s, the political playing field was sufficiently prepared for further economic integration initiatives in the region.

#### ***Response to other regional trading blocks***

By creating the AEC, ASEAN endeavored to respond to other regional trading blocs, such as the European Union (EU) and North American Free Trade Agreement (NAFTA). The enlargement of the EU for example, created fears of FDI diversion, i.e. an increasing share of European foreign direct investment flowing into the new member states rather than into ASEAN. Even more challenging was the competition from other low cost producers in Asia, such as China and India. These new economic giants did not only dispose of an abundant supply of cheap labor, but also witnessed the emergence of an enormous domestic consumer market. By establishing an economic community, ASEAN leaders hope to integrate the national markets of the member states.<sup>8</sup>

### **Theories of Regional Integration**

Theories of regional integration find their origins in functionalism and neofunctionalism. David Mitrany, the main proponent of functionalism, proposed the development of activities in the areas of agreement such as growth of specialized technical organization that cross national borders. According to this approach, technological and economic

<sup>6</sup> Uttara Sahasrabuddhe, Regionalisation Processes in South and Southeast Asia: A Comparative Study, The Asian Scholar, Number 6, 2012, available at <http://www.asianscholarship.org/asf/ejournal/articles/Sahasrabuddhe.pdf>

<sup>7</sup> Emanuel Ingold, Beyond Trade: The ASEAN Economic Community, Pinpoint Politics, April 27, 2014, available at <http://pinpointpolitics.co.uk/beyond-trade-the-asean-economic-community/>

<sup>8</sup> Ludo Cuyvers, Philippe De Lombaerde, Stijn Verherstraeten, From AFTA towards an ASEAN economic community... and beyond, CAS Discussion paper No 46, ResearchGate, January 2005, available at [http://www.researchgate.net/publication/252363506\\_From\\_AFTA\\_towards\\_an\\_ASEAN\\_Economic\\_Community\\_\\_and\\_beyond](http://www.researchgate.net/publication/252363506_From_AFTA_towards_an_ASEAN_Economic_Community__and_beyond)

development lead to more supranational structures as states seek practical means to fulfill necessary functions.<sup>9</sup>

In this particular case, ASEAN as a regional organization has been assigned a mandate to look after many areas like acceleration of economic growth, social progress, cultural development, promotion of active collaboration in the field of technology and science among many others.

So, by envisioning creation of AEC, ASEAN is trying to give birth to a specialized organ within its framework which will specifically focus on the economic integration of the region. Similarly by creating the ASEAN Security Community and the ASEAN Socio-Cultural Community, ASEAN is trying to form specialized bodies to look after other specialized functions in the region. This fits well into Mitrany's theory of functionalism.

Neofunctionalists argue further that economic integration generates political dynamic that drives integration further which result into "functional spillover". Neofunctionalism aims to reach a political community larger than nation-state. This

"functional spillover" looks difficult in the case of ASEAN because of its unique "ASEAN-Way" to deal with member nations which include traditions of consultation and consensus-building and, in particular, the norm of non-interference in each other's internal affairs.<sup>10</sup> This shows that national sovereignty is paramount principle for ASEAN nations which have different internal political structures ranging from authoritarian regimes to nascent democracies.

### Conclusion

In case of economic regionalism, it is necessary that every region continuously reinvents itself to remain relevant in changing times. By creating AEC, ASEAN is trying, on the one hand, to better its performance as a region in the economic sphere and on the other hand, to accept the challenge of emerging economic regionalism. ASEAN represents the ideal case of Karl Deutsch's pluralistic security community which exists when nation-states, by retaining the legal independence of separate governments and maintaining their separate national identities, pursue common goals and harmonize their policies to achieve joint economic rewards. It will remain so even after becoming economic community.

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<sup>9</sup> Engin Sorhun, Omit Hacioglu, Hasan Dincer, Regional Economic Integration and the Global Financial System, IGI Global

<sup>10</sup> Lee Jones, ASEAN and the Norm of Non-Interference in Southeast Asia: A Quest for Social Order, Nuffield College Politics Group Working Paper, March 2009, available at <http://www.nuffield.ox.ac.uk/politics/papers/2009/Jones.March2009.pdf>

## South East Asia

### Act East Policy

#### Foundation for Indo-Bangladesh telecom link laid in Tripura

In an effort to create a hassle-free and potent internet link for the North-eastern states, Indian Union Communication and IT Minister Ravi Shankar Prasad on July 11 laid the foundation stone in Agartala for an international internet gateway through Cox's Bazar in Bangladesh.

Agartala, Tripura's capital city, would be the third international internet gateway in India after Mumbai and Chennai.

"After the establishment of the Optical Fibre Cable (OFC) link between Akhaura (along Agartala) and Cox's Bazar, there would not only be a sea change in the internet and telecommunication connectivity in Northeast India, but the other parts of the country would also be benefited by getting additional internet bandwidth," Bharat Sanchar Nigam Limited (BSNL) chief general manager (NE one circle) D.P. Singh said.

The official also said that the central government would spend Rs.19.14 crore to create the infrastructure, which included laying of OFC to avail the 10 gigabit bandwidth from Bangladesh Submarine Cable Company Limited (BSCCL).

Mr Singh informed that India had to give around Rs.8 crore per year as rental fee to

BSCCL to avail the telecommunication linkages.

In the presence of Prime Minister Narendra Modi and his Bangladeshi counterpart Sheikh Hasina, an agreement was signed in Dhaka on June 6 between BSCCL and BSNL for leasing of international bandwidth for internet at Akhaura.

Akhaura is the second largest trading point and check post between India and Bangladesh after Petrapole-Benapole trade centre and check post along West Bengal.

India had set up a multi-purpose integrated check post at a cost of around Rs.80 crore in Agartala adjacent to Akhaura. The Indian government also embarked upon to lay 15 km railway track to link Agartala railway station with Akhaura railway station in eastern Bangladesh.<sup>1</sup>

#### India begins work on bridge linking Bangladeshi ports

India started preliminary work, including making Detailed Project Report, to build a bridge over Feni River in Tripura to access Bangladeshi ports to carry goods and heavy machineries for the northeast region.

"We have started preliminary work and making DPR (Detailed Project Report) to build the all-important bridge over Feni river," Sunil Bhowmik, chief engineer, Tripura Public Works Department said on July 5.

"After preparing the DPR within two months, it would be submitted to Tripura's industries and commerce department, which is a nodal department for the project," he added.

Prime Minister Narendra Modi and Bangladesh Premier Sheikh Hasina jointly laid the

<sup>1</sup> Foundation for Indo-Bangladesh telecom link laid in Tripura, ETTelecom.com, July 11, 2015, available at <http://telecom.economictimes.indiatimes.com/news/policy/foundation-for-indo-bangladesh-telecom-link-laid-in-tripura/48034267>

foundation stone of the Feni river bridge on June 6 during Mr Modi's two-day visit to Dhaka.

The 150-metre (490 feet) road bridge over the Feni River would connect the Sabroom border town (135 km south of Agartala) of southern Tripura with Ramgarh town in Bangladesh.

After completion, the bridge, located north of the Chittagong international sea port, would provide a significant road link to India's north-eastern states and facilitate greater trade and exchanges between the two countries.

During Mr Modi's Dhaka visit, India and Bangladesh signed a memorandum of understanding promising that Bangladesh would allow use of Chittagong sea port and Mongla river port for the movement of goods to and from India and Mongla port might be used by waterways, rail, road or multi-modal transport.<sup>2</sup>

## ASEAN

### Southeast Asia to set up fund to help boat people

It was decided in a follow up meeting to an emergency conference on the boat people in Bangkok in May that Southeast Asian countries would establish a humanitarian fund to help boatloads of Rohingya Muslims and Bangladeshi immigrants who had landed in Indonesia, Malaysia, Myanmar and Thailand. The meeting was held in Kuala Lumpur on July

2. Singapore pledged \$200,000 to the fund.

Since early May, more than 4,600 boat people from Myanmar and Bangladesh had come ashore in Southeast Asian waters, after human smugglers abandoned their boats amid a regional crackdown. Some of them were Bangladeshis while many were Rohingya Muslims from Myanmar.

In a statement, Malaysia said that the trust fund would be administered by the 10-member Association of Southeast Asian Nations secretariat based in Jakarta. The fund would be open to voluntary contributions from ASEAN states and members of the international community to "support the humanitarian and relief efforts involved in dealing with challenges" from the refugee crisis.

Malaysian Home Affairs Minister Zahid Hamidi said that the regional countries alone should not carry the burden of the refugees. So, he proposed that each Southeast Asian nation contribute \$100,000 to the fund.

Myanmar, who was represented by Deputy Home Affairs Minister Kyaw Kyaw Tun, pledged to work with neighbouring countries to bust human trafficking syndicates. However, the treatment of Rohingya Muslims in Myanmar wasn't discussed at the meeting.<sup>3</sup>

### Japan pledges 6.1bn dollars aid for five Southeast Asian countries

Japan on July 4 pledged USD 6.1 billion in financial aid to the "Mekong Five" countries as it pushed infrastructure exports and courted influence in a region where rival China had an increasing presence.

<sup>2</sup> India begins work on bridge linking Bangladeshi ports, daijiworld.com, July 5, 2015, available at [http://www.daijiworld.com/news/news\\_disp.asp?n\\_id=333169](http://www.daijiworld.com/news/news_disp.asp?n_id=333169)

<sup>3</sup> Southeast Asia to set up fund to help boat people, mailonline, July 2, 2015, available at <http://www.dailymail.co.uk/wires/ap/article-3146937/Southeast-Asia-set-fund-help-boat-people.html>

Prime Minister Shinzo Abe unveiled the pledge at a summit with his counterparts from Cambodia, Laos, Myanmar, Thailand and Vietnam - fast-growing economies through which the lower section of the Mekong river flows.

He said that Japan would contribute to infrastructure development of the region in both quality and quantity.

In a separate deal, Japan, Thailand and Myanmar signed an accord for a Special Economic Zone (SEZ) in Dawei, south-eastern Myanmar. When completed, the zone on the Andaman Sea coast would have a total area of 200 square kilometres, making it one of the largest SEZs in Southeast Asia and a gateway for the Mekong region's trade with India, the Middle East and Africa.

Abe has upped efforts to sell highways, train systems and power plants around the world, a key element in his bid to bolster the economy and Japan's standing abroad and to counter Beijing's growing clout in the region.<sup>4</sup>

#### **The 48th foreign ministerial meeting of the Association of Southeast Asian Nations in Malaysia concluded**

The 48th foreign ministerial meeting of the Association of Southeast Asian Nations in Malaysia concluded on August 6 by releasing a joint communique only at the eleventh hour, narrowly averting a repeat

of the unprecedented non-issuance of such a statement at the July 2012 edition of the ministers' meeting.

The joint communique supported legitimate rights of Palestinian people. It hailed Iran Nuclear deal and rejected extremist movements in Middle East among other issues.

On the issue of South China Sea, the communique warned China that its land reclamation activities in the South China Sea "have eroded trust and confidence, increased tensions and may undermine peace, security and stability" in the region. It took note of Indonesia's proposal to establish a "hotline of communications" between ASEAN and China to address emergency situations on the ground. It also endorsed the implementation of a Code of Conduct in the South China Sea.<sup>5</sup>

#### **Turkey interested in joining ASEAN**

President Recep Tayyip Erdogan visited Jakarta on July 31, where, along with the signing of a number of agreements to cement the bilateral relationship with Indonesia, he uttered Turkey's interest in building closer ties with the Association of Southeast Asian Nations (ASEAN).

"We aim to boost our relations with the region," said Turkey's president, "Indonesia, due to the size of its economy and its leading position in ASEAN, has a special place in our eyes. We, Turkey, would like to be a member of ASEAN, not a dialogue partner. I would like to express that we are ready for this."

<sup>4</sup> Japan pledges USD 6.1 bn aid to Mekong Five countries, Business Standard, July 4, 2015, available at [http://www.business-standard.com/article/pti-stories/japan-pledges-usd-6-1-bn-aid-to-mekong-five-countries-115070400485\\_1.html](http://www.business-standard.com/article/pti-stories/japan-pledges-usd-6-1-bn-aid-to-mekong-five-countries-115070400485_1.html)

<sup>5</sup> ASEAN's Joint Communique: It's Not Just About China or the South China Sea, Mong Palatino, The Diplomat, August 14, 2015, available at <http://thediplomat.com/2015/08/ASEANs-joint-communique-its-not-just-about-china-or-the-south-china-sea/>



Party to the ASEAN Treaty of Amity and Cooperation back in 2010, having a resident ambassador accredited to the association and embassies in all ASEAN capitals except Vientiane, Turkey wants to be a full-fledged partner to the association. While the association's charter rules out full membership on geographical grounds, dialogue partnership can still be possible.

At the bilateral level, Turkey sought to reinforce its relations with the two Muslim-majority heavyweights of ASEAN, Indonesia and Malaysia. Improved ties with these countries were expected to strengthen Turkey's bid to establish some form of partnership with ASEAN.<sup>6</sup>

## ASEAN-India

### India affirms commitment to boost engagement with ASEAN

India, on August 5, affirmed its commitment to provide momentum to its engagement with the "close-knit" ASEAN community, as the 10-member economic bloc agreed on a new action plan in areas like IT and healthcare.

Minister of State for External Affairs V K Singh told the ASEAN-India ministerial meeting in Kuala Lumpur that the year 2015 had a special significance for ASEAN-India strategic partnership.

"We set up our independent mission to ASEAN in March, which I believe will help bring more focus, synergy and momentum

to our engagement with ASEAN," he said.

"With the ASEAN Summit in November this year, we will see the coming together of ASEAN as a close-knit economic community," he said at the meet at Putra World Trade Centre.

Mr Singh said that India was looking forward to adopt the new plan of action for the next five years at the 13th ASEAN-India Summit in November. The current five-year plan (2010-2015) to implement ASEAN-India partnership for peace, progress and shared prosperity, would expire at the end of 2015.<sup>7</sup>

### India at Fifth East Asia Summit Foreign Ministers' Meeting in Malaysia

Minister of State for External Affairs Gen. (retd) V.K. Singh said in a statement at the Fifth East Asia Summit Foreign Ministers' Meeting in Kuala Lumpur, that both sides (ASEAN and India) agreed to set up an ASEAN-India Civil Aviation Task Force to oversee optimisation of air connectivity in all its dimensions.

"Our civil aviation experts should find ways to complete the unutilised 18 sectors connecting Tier II and Tier III cities in India to tourist and business destinations in ASEAN," he said.

India and ASEAN have made considerable progress in enhancing connectivity cooperation, including beginning negotiations on an India-Myanmar-Thailand Motor Vehicles Agreement and an ASEAN-India Maritime Transport Cooperation Agreement.

He said, following up on the announcement by Prime Minister Narendra Modi at the 12th ASEAN-India Summit in Nay Pyi Taw in

<sup>6</sup> Turkey keen on partnering with ASEAN, Asia Times, August 12, 2015 available at <http://atimes.com/2015/08/turkey-keen-on-partnering-with-ASEAN/>

<sup>7</sup> India affirms commitment to boost engagement with ASEAN, The Economic Times, August 5, 2015, available at <http://economictimes.indiatimes.com/news/economy/foreign-trade/india-affirms-commitment-to-boost-engagement-with-ASEAN/articleshow/48366229.cms>

November 2014 that India and ASEAN were working out modalities for setting up a special facility to promote connectivity projects in ASEAN and would seek active support of their governments in partnering the initiative.

“As part of our digital connectivity initiatives, we are exploring the setting up of information highways or i-ways between India and ASEAN.”

He said that the economic and trade ministers had a very productive meeting on the Regional Comprehensive Economic Partnership Agreement (RCEP) in Kuala Lumpur in July.

The economic ministers agreed to revive the Trade Negotiating Committee (TNC) to undertake a comprehensive review of the ASEAN-India Trade-in-Goods Agreement signed in 2010.<sup>8</sup>

### **India announces US\$100m fund for Indian investors to enter CLMV countries**

India announced US\$100 million fund to assist Indian investors penetrate the CLMV (Cambodia, Laos, Myanmar, Vietnam) countries in the ASEAN region. Minister of State for Commerce and Industry Nirmala Sitharaman said that the special-purpose vehicle would handhold Indian investors who wish to go to these countries.

“Just created a couple of months, the initial fund will assist those heading for

these markets,” she said after attending the 12th ASEAN Economic Ministers India consultations.

She added that the ASEAN-India Business Council was revived. During the meeting, the economic ministers agreed on 11 areas of interest which should be tackled to boost the trade and investment level.

On the ratification of the ASEAN –India FTA trade in services and investment agreements, Ms Sitharaman said that ASEAN countries would stand to benefit from the internationally-recognised skills of the Indian professionals.<sup>9</sup>

### **India urges the Philippines to help with APEC membership**

India urged the Philippines, the chair of the Asia-Pacific Economic Cooperation (APEC) forum, to facilitate India’s inclusion in the forum of 21 Pacific Rim member economies. Anil Wadhwa, secretary (East) in the External Affairs Ministry said that the APEC was one of the major groupings where “India was conspicuous by its absence”.

“We believe India can play an important role within APEC of growth, development and stability of the Asia-Pacific region. India can also inject dynamism into APEC and make it truly reflective of the 21st century realities,” Wadhwa said at the ASEAN-India Eminent Person Lecture on “India-Philippines Relations: Ways and Means of Strengthening it” delivered by Philippines Foreign Secretary Mr Evan Garcia on July 17 in New Delhi.

APEC includes Canada, Mexico, Russia and the US and accounts for about 40%t of the world’s

<sup>8</sup> India-Myanmar-Thailand motor vehicles accord in offing, Business Standard, August 6, 2015, available at [http://www.business-standard.com/article/news-ians/india-myanmar-thailand-motor-vehicles-accord-in-offing-115080601685\\_1.html](http://www.business-standard.com/article/news-ians/india-myanmar-thailand-motor-vehicles-accord-in-offing-115080601685_1.html)

<sup>9</sup> India sets US\$100m fund for Indian investors to enter CLMV countries, Rupa Damodaran, New Strait Times Online, August 23, 2015, available at <http://www.nst.com.my/news/2015/09/india-sets-us100m-fund-indian-investors-enter-clmv-countries>

population, 55% of global gross domestic product and 44% of world trade.<sup>10</sup>

## Brunei

### Pakistan, Brunei keen on enhancing defence cooperation

High Commissioner of Brunei Darussalam to Pakistan, Mahmud Saidin on July 9 called on Pakistani Secretary Defence (Retd) Lieutenant General Muhammad Alam Khattak in Rawalpindi. Both the countries showed keen interest in increasing defence cooperation between Pakistan and Brunei during the meeting.

Speaking on the occasion, the Secretary Defence said that Pakistan attached great importance to its relations with Brunei. Pakistan valued forum of Pakistan-Brunei Joint Defence Working Committee which was useful in enhancing military and defence cooperation.

The High Commissioner appreciated Pakistan's efforts in establishing and maintaining peace in the region. He said that Pakistan remained a stronger partner in international community in its fight against terrorism.<sup>11</sup>

Brunei and Pakistan have inked a Memorandum of Understanding on defence cooperation on May 19, 2004, which serves as a framework for fostering

closer defence relations and cooperation between the two countries.<sup>12</sup>

## Cambodia

### Cambodia, Vietnam boost Defence ties

The Military Command of the Vietnam's Central Highland province of Lam Dong and Cambodia's Siem Reap province Military Sub-region signed a Memorandum of Understanding to strengthen their partnership.

Under the document, which was signed by the two units' commanders in Lam Dong's Da Lat city on August 26, the two sides decided to regularly exchange information and experience.

They also decided to work together to put forth measures to prevent and combat trans-national crimes, terrorism, drug and weapon trafficking and actions that threaten each country's security.

The Lam Dong provincial Military Command resolved to assist the Siem Reap provincial military sub-region in upgrading and building barracks as well as supplying daily necessities to the unit. They determined to regularly inform each other about flood prevention, rescue efforts as well as national disaster and disease situations directly associated with the armed forces in each country.

Apart from boosting cultural and sports exchanges with the Lam Dong Military Command, the Cambodian side decided to

<sup>10</sup> India urges 'friend' Philippines to help with APEC membership, Business Standard, July 18, 2015, available at [http://www.business-standard.com/article/news-ians/india-urges-friend-philippines-to-help-with-apec-membership-115071800727\\_1.html](http://www.business-standard.com/article/news-ians/india-urges-friend-philippines-to-help-with-apec-membership-115071800727_1.html)

<sup>11</sup> Pakistan, Brunei keen to enhance defence ties, The Frontier Post, July 10, 2015, available at <http://www.thefrontierpost.com/article/318077/pakistan-brunei-keen-to-enhance-defence-ties/>

<sup>12</sup> Brunei, Pakistan keen on bolstering defence ties, Rabiatal Kamit, The Brunei Times, July 13, 2015, available at <http://m.bt.com.bn/news-national/2015/07/13/brunei-pakistan-keen-bolstering-defence-ties>

provide information about Vietnamese soldiers and volunteers who lost their lives during the war in Siem Reap.<sup>13</sup>

## East Timor

### US Navy, Timor-Leste Defence Force conduct CARAT

The U.S. Navy and Timor-Leste Defence Force (F-FDTL) conducted the third Cooperation Afloat Readiness and Training (CARAT) exercise in Dili, Timor-Leste, in the vicinity of Port Hera Naval Base on July 27-28.

CARAT Timor-Leste was part of an annual bilateral exercise series between the U.S. Navy and the armed forces of nine partner nations, including Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Timor-Leste.

As a longstanding exercise series in Southeast Asia, CARAT enabled regional navies to work together through cooperative training events, exchanges, and symposia. “CARAT Timor-Leste provides an outstanding venue to broaden our partnership with the Timor-Leste Defence Force based on shared security interests,” said Rear Adm. Charlie Williams, commander, Task Force (CTF)

73. CARAT was one aspect of the growing U.S. and Timor-Leste partnership.<sup>14</sup>

## Indonesia

### Indonesia sinks 34 foreign boats to curb illegal fishing

Indonesia sank 38 fishing vessels on Aug 18 to demonstrate the government’s seriousness concerning the protection its territorial integrity. The action was carried out in several places across Indonesia as part of the commemoration of Indonesia’s 70th Independence Day.

The vessels were from Vietnam, the Philippines, Thailand, Malaysia and Indonesia. There were 34 foreign boats and four Indonesian-registered ones.

In a statement, Indonesia’s Minister for Maritime and Fisheries, Ms Susi Pudjiastuti, said that maritime sovereignty was a key factor to ensure Indonesia’s unity.

Ms Susi added that as Indonesia was an archipelago whose territory comprised of two-thirds water, it must have sovereignty over its territorial waters. “We have to be able to show that we can be triumphant on the sea because the sea is the future of our nation,” she said.

Low explosives were used to sink the boats so as not to completely destroy them.<sup>15</sup>

<sup>13</sup> Vietnamese, Cambodian localities beef up military ties, Vietnamplus, August 27, 2015, available at <http://en.vietnamplus.vn/vietnamese-cambodian-localities-beef-up-military-ties/80802.vnp>

<sup>14</sup> US Navy, Timor-Leste Defense Force Conduct CARAT, [navaltoday.com](http://navaltoday.com), July 28, 2015, available at <http://navaltoday.com/2015/07/28/us-navy-timor-leste-defense-force-conduct-carat/>

<sup>15</sup> Indonesia sinks 34 foreign boats to curb illegal fishing, Channel NewsAsia, August 18, 2015, available at <http://www.channelnewsasia.com/news/asiapacific/indonesia-sinks-34/2058834.html>

## Laos

### PM receives New Zealand Foreign Minister

On 20 August, Prime Minister Thongsing Thammavong received Mr. Murray McCully, the Minister of Foreign Affairs of New Zealand at his office in Vientiane.

At the reception, PM Thongsing said the visit to Laos by Mr. Murray McCully was a big contribution to further strengthening the friendly relations and effective cooperation between Laos and New Zealand and especially between the Ministries of Foreign Affairs of the two countries.

Mr. Murray McCully was on a visit to Laos – primarily to take part in a meeting to mark the 40th Anniversary of New Zealand’s formal partnership with ASEAN.<sup>16</sup>

## Malaysia

### Malaysia seeks UN resolution on downing of flight over Ukraine

The president of the UN Security Council, Ambassador Gerard van Bohemen, the permanent representative of New Zealand, said on July 2 that Malaysia intended to introduce a draft resolution, touching off an anticipated “months” of debate, on the downing of Malaysian

Airlines flight MH17 over Ukraine, which killed all 298 people on board.

“Malaysia briefed the council members this (July 2) morning of their intention to present a resolution in relation to MH17,” he said. “This was presented on behalf of the members of the Joint Inspection Team (JIT) in which Malaysia, Australia, Netherlands, Belgium and Ukraine is seeking to find a mechanism to deal with criminal accountability in relation to the downing of the aircraft”, he continued. The final JIT report was expected to be released in October.

Controversy swirls around the downing of MH17 flight from Amsterdam to Kuala Lumpur on July 17, 2014.<sup>17</sup>

### Malaysia, Vietnam agree to upgrade ties to strategic partnership

Vietnamese Prime Minister Nguyen Tan Dung and his Malaysian counterpart Najib Rajak agreed to develop the Vietnam-Malaysia relations into a strategic partnership. The two premiers made the agreement at their talks in Kuala Lumpur on August 8, where PM Dung was on a two-day visit.

The host and guest expressed their delight at the sound development of the bilateral ties between the two countries, and discussed measures to strengthen their current comprehensive partnership. They agreed to increase exchanges of high-ranking delegations, expand cooperation, and prepare an action plan towards setting up a strategic partnership between the two countries.

<sup>16</sup> PM receives New Zealand guest, BruDirect.com, August 22, 2015, available at <http://www.brudirect.com/0-southeast-asia/southeast-asia-laos/item/31456-pm-receives-new-zealand-guest>

<sup>17</sup> Malaysia seeks UNSC resolution to find who downed flight MH17 over Ukraine which killed 298, The Economic Times, July 3, 2015, available at [http://articles.economictimes.indiatimes.com/2015-07-03/news/64067968\\_1\\_eastern-ukraine-draft-resolution-controversy-swirls](http://articles.economictimes.indiatimes.com/2015-07-03/news/64067968_1_eastern-ukraine-draft-resolution-controversy-swirls)

The two sides also agreed to the early establishment of a deputy ministerial-level defence dialogue mechanism and the signing of a memorandum of understanding on joint patrol, hotline contact, search and rescue coordination, and other important issues.

Both the PMs stressed the need to have a cooperation mechanism to address sea-and-ocean-related issues. They also agreed to establish a hotline on illegal fishing, and cooperate in joint patrol at bordering and overlapping sea areas.

They affirmed that both countries abide by the commitment of not allowing any individuals and organizations to use each country's territory to conduct actions against the other. The twos shared concerns over developments in the South China Sea, which had caused negative impacts on peace, security and stability in the region.

They shared the same view that all disputes related to the South China Sea should be settled based on international law, including the 1982 United Nations Convention on the Law of the Sea.

After their talks, the two PMs signed a joint statement on the Vietnam-Malaysia strategic partnership framework.<sup>18</sup>

## Myanmar

### Myanmar rejects UN rights body proposal on Rohingya Muslim

The Myanmar government rejected a proposal from the UN Human Rights Council regarding Myanmar's ethnic Rohingya Muslims by the Organization of Islamic Countries (OIC), submitted in the meeting at Geneva, Switzerland.

Earlier in June, the UN branch had unanimously approved a proposal from Pakistan to draw attention to the plight of the Rohingya minority in the country.

Myanmar's foreign ministry released a statement on July 3 rejecting the resolution saying that the decision violated the state's sovereignty and the accusations about human rights abuses were incorrect.<sup>19</sup> Myanmar's permanent representative to UN had strongly rejected the decision, saying that Burma could not accept the proposal.<sup>20</sup>

### Myanmar to purchase fighter jets from Pakistan

Myanmar will become the first foreign purchaser of the Sino-Pakistan jointly produced fighter, JF-17 Thunder multirole fighter aircraft.

The PAC JF-17 is a lightweight, single-engine, multi-role combat aircraft developed jointly by

<sup>18</sup> Vietnam, Malaysia agree to upgrade ties to strategic partnership, tuoitrenews, August 8, 2015, available at <http://tuoitrenews.vn/politics/29721/vietnam-malaysia-agree-to-upgrade-ties-to-strategic-partnership>

<sup>19</sup> UN proposal rejected, The Burma Times, July 5, 2015, available at <http://burmatimes.net/un-proposal-rejected/>

<sup>20</sup> Burma rejects UN proposal on Rohingya Muslims, reliefweb, July 4, 2015, available at <http://reliefweb.int/report/myanmar/burma-rejects-un-proposal-rohingya-muslims>

the Pakistan Aeronautical Complex (PAC) and the Chengdu Aircraft Corporation (CAC) of China. The JF-17 can be used for aerial reconnaissance, ground attack and aircraft interception.<sup>21</sup>

Myanmar is looking to purchase a license to domestically produce the JF-17 aircraft, which is called the FC-1 Xiaolong in China.

Myanmar is likely to use the JF-17 jets in part to help combat the Kachin Independence Army (KIA) insurgency in northern Myanmar. The purchase of the JF-17 will also help Myanmar keep parity with neighbouring Bangladesh, which is expected to expand its air force in the coming years through the purchase of Russian or Chinese-made aircrafts.<sup>22</sup>

### **Myanmar, India agree to fight 'terrorism' jointly**

Myanmar and India agreed to fight "terrorism and insurgent activity in all its forms and manifestations" during the visit of Myanmar foreign minister U Wunna Maung Lwin to New Delhi, following discussions with Sushma Swaraj on July 16. India agreed to help in the modernization of the Myanmar army and even help build up a navy for Myanmar. Lwin met Prime Minister Modi and NSA Ajit Doval on July 15.

The visit, the first after India's cross-border raids into Myanmar to destroy insurgent camps was a sign that both sides wanted to minimize gaps in political and security engagement between them. While foreign secretary S. Jaishankar had visited Myanmar before the army operation, National Security Adviser Ajit Doval had gone post raids to thank Myanmar and soothe ruffled feathers within their system.

An enhanced political and security engagement was felt to be necessary given that Naga insurgents, along with ULFA leader Paresh Barua were apparently using Myanmar territory to target India. It was also important for India, because a rift between India and Myanmar would only benefit China, which was believed to be playing a dubious role in the rise of violence in the northeast.

A joint statement issued after the meeting with Sushma Swaraj decided on following things – one, there would be "regular meetings of the bilateral Regional Border Committee" for better border management. Two, negotiations should start on "a bilateral Memorandum of Understanding on Movement of People across the Land Border" and three, the unsettled boundary pillars would be resolved by an "India-Myanmar Joint Boundary Working Group, with a mandate to address all outstanding boundary issues" which would meet in New Delhi.<sup>23</sup>

<sup>21</sup> Myanmar to purchase fighter jets from Pakistan, Mizzima, July 10, 2015, available at <http://www.mizzima.com/news-domestic-regional/myanmar-purchase-fighter-jets-pakistan>

<sup>22</sup> Burma to Purchase Chinese-Pakistani JF-17 Fighter Jets, Zachary Keck, The Diplomat, June 25, 2014, available at <http://thediplomat.com/2014/06/burma-to-purchase-chinese-pakistani-jf-17-fighter-jets/>

<sup>23</sup> India, Myanmar agree to fight 'terrorism' jointly, Indrani Bagchi, The Times of India, July 16, 2015, available at <http://timesofindia.indiatimes.com/india/India-Myanmar-agree-to-fight-terrorism-jointly/articleshow/48099886.cms?>

## Philippines

### Philippines plans record defence spending to bolster claims in South China Sea

The government of Philippine sought to increase its military spending by nearly 30% in 2016.<sup>24</sup> The proposed 2016 national budget, which President Benigno Aquino presented to parliament for approval on July 29, reserved a record 25 billion pesos (\$552 million) for defence spending. Funds would be used to acquire navy frigates and patrol aircraft.

“We need to protect what is clearly within our territorial jurisdiction,” Budget Secretary Florencio Abad said, when asked if the increase was due to the Philippines’ maritime row with China.<sup>25</sup>

In his fifth State of the Nation Address on July 27, Aquino had vowed to continue implementing the modernization program of the Armed Forces of the Philippines.

### Philippines wants India at “head table” to tackle China’s maritime moves

Worried at China’s fast usurping contested islets in the South China Sea, Philippines urged India to “be at the head table” in regional forums to ensure that Beijing adhered to international maritime laws.

Philippines Foreign Secretary Evan Garcia, addressing an ASEAN-India talk in New Delhi on July 17, also praised India for settling its land and maritime dispute with Bangladesh and said that India had “shown the way to peaceful resolution of disputes”, including through implementation of the Land Boundary Agreement.

He said that India’s “expression of full understanding of the Philippines position on the South China Sea was a considerable development” in ensuring maritime and navigational rights in the sea that China lays full claim over.

Mr. Garcia said that in view of the “evolving landscape and seascape” in the region, India and the Philippines should look to each other as common partners and to ensure a region of greater peace and prosperity. He also suggested greater cooperation between “VIP” countries - Vietnam, India and the Philippines.

The Philippines and China are at loggerheads over small rock features in the South China Sea, in a zone that Manila claims as its own, that China has been swiftly developing into large bases for its navy and air force.<sup>26</sup>

## Singapore

### Thailand hands over co-ordinatorship of ASEAN-China relations to Singapore

At the end of the ASEAN-China Post Ministerial

<sup>24</sup> Philippine defense expenditure to rise by 30 pct in 2015, ShanghaiDaily, July 30, 2015, available at [http://www.shanghaidaily.com/article/article\\_xinhua.aspx?id=232538](http://www.shanghaidaily.com/article/article_xinhua.aspx?id=232538)

<sup>25</sup> Philippines in record defence spending plan to bolster claims in South China Sea, The Economic Times, July 21, 2015, available at <http://economictimes.indiatimes.com/news/defence/philippines-in-record-defence-spending-plan-to-bolster-claims-in-south-china-sea/articleshow/48154537.cms>

<sup>26</sup> Philippines wants India at ‘head table’ to tackle China’s maritime moves, Business Standard, July 18, 2015, available at [http://www.business-standard.com/article/news-ians/philippines-wants-india-at-head-table-to-tackle-china-s-maritime-moves-115071800732\\_1.html](http://www.business-standard.com/article/news-ians/philippines-wants-india-at-head-table-to-tackle-china-s-maritime-moves-115071800732_1.html)



Conference, held in Kuala Lumpur on August 5, Thailand handed over coordinatorship of ASEAN-China relations to Singapore.

Singapore hoped to promote relations between ASEAN and China, including cooling down tensions in the South China Sea

This was especially as China had raised concerns in the region with its reclamation of several reefs into islands, at least one of which was large enough to accommodate a military airstrip. Beijing, for its part, had been incensed by Manila's taking it to the United Nations arbitration court over its claims.

Singapore hoped to facilitate improved ties between ASEAN and China, including by aligning different interests members might have when it came to the world's second-largest economy.<sup>27</sup>

### **Singapore celebrates 50th foundation day anniversary**

Singapore held nationwide events to mark 50 years since it became an independent state. Tens of thousands of people attended an outdoor parade, watching on as fighter jets whizzed through the sky and a huge convoy rumbled past.

Singapore became independent when it

was ejected from the Federation of Malaysia amid social unrest in 1965. In 50 years, the former British colony transformed itself into one of the world's wealthiest countries.<sup>28</sup>

Heads of states and foreign dignitaries from 18 countries attended August 9 Parade, for the first time since 1969. They included Malaysian Prime Minister Najib Razak, Brunei's Sultan Hassanal Bolkiah and Prince Andrew, the Duke of York, as Queen Elizabeth's representative.<sup>29</sup>

The parade included a special tribute to Lee Kuan Yew, who led Singapore into independence and was its Prime Minister until 1990. The much-respected leader died in March 2015, prompting public mourning.

### **Singapore and US conduct joint maritime exercise**

On July 13, the U.S. and Singapore navies began a joint maritime exercise at Changi Naval Base.

The 21st annual Cooperation Afloat Readiness and Training (CARAT), Singapore exercise involved 1,400 personnel from both countries. It was part of a series of bilateral naval exercises conducted by the U.S. Navy (USN) with partners which involves nine countries in South and Southeast Asia – Bangladesh, Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand and Timor-Leste.<sup>30</sup>

According to Singapore's Ministry of Defence (MINDEF), the exercise focused on honing

<sup>27</sup> Thailand Hands Over Coordinatorship of ASEAN-China Relations to Singapore, The Government Public Relations Department, August 6, 2015, available at [http://thailand.prd.go.th/ewt\\_news.php?nid=1983&filename=index](http://thailand.prd.go.th/ewt_news.php?nid=1983&filename=index)

<sup>28</sup> Singapore marks 50 years since independence, BBC News, August 9, 2015, available at <http://www.bbc.com/news/world-asia-33815132>

<sup>29</sup> Singaporeans celebrate 50th National Day with nostalgic and touching Parade at the Padang, The Strait Times, August 9, 2015, available at <http://www.straitstimes.com/singapore/singaporeans-celebrate-50th-national-day-with-nostalgic-and-touching-parade-at-the-padang>

<sup>30</sup> US, Singapore Launch Maritime Warfare Exercise, Prashanth Parameswaran, The Diplomat, July 14, 2015, available at <http://thediplomat.com/2015/07/us-singapore-launch-maritime-warfare-exercise/>

conventional maritime warfare capabilities – including anti-air, anti-surface and anti-submarine operations.<sup>31</sup> In terms of assets, the Republic of Singapore Navy (RSN) and the Republic of Singapore Air Force contributed five ships, a submarine, a naval helicopter, a maritime patrol aircraft and a fighter aircraft, while the USN and U.S. Marine Corps contributed three ships, a submarine, three naval helicopters and a maritime patrol and reconnaissance aircraft.

### **Singapore, UK agree to increase cooperation in cyber security**

Singapore and the United Kingdom on July 29 signed a Memorandum of Understanding (MoU) to increase cooperation in cyber security.

The UK-SG Cyber Security Cooperation MoU was signed between the UK Cabinet Office and Singapore's Cyber Security Agency, and witnessed by Singapore Prime Minister Lee Hsien Loong and UK Prime Minister David Cameron.

The agreement covered cooperation in four broad areas, including cyber security incident response and cyber security talent development. It was decided that there would also be joint cyber research and development collaboration between the UK and Singapore, with funding being doubled over three years, from £1.2

million to £2.4 million (S\$5.1 million).

The specific deliverables under the four areas were being discussed, and would be finalised during the next UK-Singapore Cyber Dialogue.<sup>32</sup>

## **Thailand**

### **Thailand, India discuss ways for joint venture in defence manufacturing**

Thailand and India discussed the possibility of a joint venture in defence manufacturing during the visit of Sushma Swaraj, External Affairs Minister of India, to Thailand.

She said on June 30 that India wanted to go beyond joint naval exercises and move into defence manufacturing.

During her visit, Ms Swaraj co-chaired the Joint Commission Meeting between the two countries after a break of three years and wide-ranging discussions were held on economic and commercial cooperation, culture, science and technology, agriculture, legal and consular matters.

The two sides signed several agreements, including a double-taxation avoidance treaty, and finalised the extradition treaty drafted in 2013, which provided for extradition of criminal fugitives.

A trilateral highway project between India, Thailand and Myanmar was also discussed. The project was targeted for completion by 2019.<sup>33</sup>

<sup>31</sup> Singapore and US conduct joint maritime exercise, Channel NewsAsia, July 13, 2015, available at <http://www.channelnewsasia.com/news/singapore/singapore-and-us-conduct/1980718.html>

<sup>32</sup> Singapore, UK agree to increase cooperation in cyber security, Kimberly Spykerman, Channel NewsAsia, July 29, 2015, available at <http://www.channelnewsasia.com/news/singapore/singapore-uk-agree-to/2014622.html>

<sup>33</sup> Thailand, India to pursue joint defence manufacturing, Bangkok Post, June 30, 2015, available at <http://www.bangkokpost.com/lite/news/608428/thailand-india-to-pursue-joint-defence-manufacturing>

## Blast rocks Bangkok

A bomb on a motorcycle exploded on August 17 just outside a Hindu shrine in Bangkok, killing at least 15 people. There was no immediate claim of responsibility. The Erawan shrine located on a busy corner near top hotels, shopping centres and offices, is a major tourist attraction, especially for visitors from East Asia. Many ordinary Thais also worship there.

“The perpetrators intended to destroy the economy and tourism because the incident occurred in the heart of the tourism district,” Defense Minister Prawit Wongsuwan said.

Thai forces are fighting a low-level Muslim insurgency in the predominantly Buddhist country’s south, although those rebels have rarely launched attacks outside their ethnic Malay heartland.<sup>34</sup>

## Thailand, India agree to enhance naval cooperation

India and Thailand, which share a maritime boundary, on July 25, identified exchange of white shipping information to complement each other’s maritime domain awareness and also agreed to explore bilateral cooperation in shipbuilding projects.

India’s Chief of Navy Staff Admiral R K Dhowan was on a four-day official visit to Thailand at the invitation of Admiral Kraison Chansuwanit, Commander-in-Chief of the Royal Thai Navy. He held high

level talks with senior Thai government and armed forces officials.

Both sides reviewed the cooperation between the two navies and agreed to enhance the same.

Taking into account the high degree of dependence of both the countries on maritime trade and the emerging asymmetric challenges in the maritime domain, the two sides identified exchange of white shipping information to complement each other’s maritime domain awareness, greater degree of coordinated patrols, and anti-piracy as areas of immediate importance and also explored the possibility of cooperation in hydrographic surveys.

Expanding the scope of cooperation in training and education was also discussed during various interactions. Both sides also decided to explore bilateral cooperation in shipbuilding and ship construction projects. The two sides exchanged views on developing a road map for defence cooperation.<sup>35</sup>

## Vietnam

### Vietnam, Cambodia officials discuss border issues

The two chairmen of the Joint Committee on Demarcation and Boundary Markers on the Vietnamese – Cambodian Border agreed on a series of issues in Phnom Penh during their three day meeting that wrapped up on July 9. Deputy foreign Minister Ho Xuan Son represented Vietnam, while Cambodia brought Var Kimhong, senior minister in charge of border affairs, to the table.

<sup>34</sup> Blast rocks Bangkok, The Hindu, August 18, 2015, available at <http://www.thehindu.com/news/international/major-bomb-explosion-in-bangkok/article7550627.ece>

<sup>35</sup> India, Thailand agree to enhance naval cooperation, The Economic Times, July 25, 2015, available at <http://economictimes.indiatimes.com/news/defence/india-thailand-agree-to-enhance-naval-cooperation/articleshow/48216951.cms>

The two sides reviewed work on demarcation and border-marker placing between 2006 and 2015. The countries were able to identify boundaries along 920 km out of the total 1,137 km border.

The officials remained divided on how to deal with seven sections of the border line, including one that separated Vietnam's Gia Lai Province and Cambodia's Rattanakiri Province. Mr. Son and Mr. Kimhong agreed to intensify their marker-placing work, as well as their own meetings. They committed to finish the bilateral demarcation and border-marker talks by the end of 2015.<sup>36</sup>

### **Vietnam, Bangladesh vow to enhance trade ties**

Vietnam and Bangladesh issued a joint statement on August 10 on the occasion of Bangladeshi President Abdul Hamid's Vietnam visit from August 9-13.

During their talks, Vietnamese President Truong Tan Sang and his Bangladeshi counterpart expressed their desire to broaden cooperation and extend it to potential areas. They agreed to promote political links between the two countries. They underscored the need to facilitate all-level visits and people-to-people exchanges.

They committed to push forward policy consultations, exchanges and dialogues while strengthen cooperation in national defence-security.

The Bangladeshi side thanked Vietnam for its support to Bangladesh's bid to become an official member of the Asia-Europe Meeting (ASEM) and a member of the UN Human Rights Council for the 2015-2017 tenure.

Both sides reiterated joint efforts for intensified coordination between ASEAN and the South Asian Association for Regional Cooperation (SAARC) in diverse areas for the sake of peace, cooperation and development in Asia. Vietnam took note of Bangladesh's call for support for its bid as a dialogue partner of ASEAN and encouraged Bangladesh to propel its specific and effective links with ASEAN.

They also stressed the importance of maintaining peace and stability and respecting the fundamental principles of international law in addressing disputes on maritime safety and freedom.<sup>37</sup>

## **Oceania**

### **Australia**

#### **Australia to accelerate Naval Build-up**

Australia decided to accelerate construction of a fleet of warships as part of an ambitious build-up meant to more closely integrate its military with the U.S. and respond to instability in Asia.

Prime Minister Tony Abbott on August 4 said that his conservative government would start work on a 20 billion Australia dollar (US\$14.6 billion) fleet of nine advanced frigates within five years and also would begin construction of 20

<sup>36</sup> Vietnam, Cambodia meet to discuss border demarcation, vietnambreakingnews, July 10, 2015, available at <http://www.vietnambreakingnews.com/2015/07/vietnam-cambodia-meet-to-discuss-border-demarcation/>

<sup>37</sup> Vietnam, Bangladesh issue joint statement, vietnamplus, August 10, 2015, available at <http://en.vietnamplus.vn/vietnam-bangladesh-issue-joint-statement/75956.vnp>

large offshore combat vessels. “This is about ensuring that we have a strong surface fleet to deal with whatever naval contingencies we face indefinitely. This is a message of hope and confidence to the people of our country”, Mr Abbott said.

A strategic blueprint to be released in September laid out a modernized fleet of 40 surface warships and submarines that would allow Canberra to take a larger security role, as called for by the U.S., in the face of unease over China’s rise and island-building in the South China Sea.

Australia was building air warfare destroyers worth A\$8.5 billion and introducing two 29,000-metric-ton transports each able to carry up to 1,000 amphibious troops, as well as helicopters, tanks and vehicles. It was also spending more than A\$20 billion on eight submarines and A\$10 billion on thousands of new armoured ground vehicles.<sup>38</sup>

## Fiji

### **Australian Navy ship arrives in Fiji, the first in eight years**

An Australian Navy vessel arrived in Fiji for a nine-day seabed mapping operation on July 11, the first visit by an Australian Navy ship in eight years.

The HMAS Leeuwin reached Fiji to conduct seabed mapping operations with

the Fiji Hydrographic Office as well as various activities with the Fijian military. “This visit builds on talks between Fiji’s Minister for Defence and the Vice Chief of the Australian Defence Force last (2014) December on the renewed maritime security partnership between Australia and Fiji,” the statement by the Australian High Commission revealed.

It was the first visit by an Australian vessel since military ties between the two countries were renewed in 2014. In June, a delegation led by the Fiji Military Chief of Staff, Captain Viliame Naupoto, travelled to Canberra for a week of defence cooperation talks.<sup>39</sup>

## New Zealand

### **NZ eyes closer ties with Cambodia**

Cambodia and New Zealand pledged to promote bilateral cooperation in education and agriculture on August 19.

The pledge was made during a meeting between Cambodian Deputy Prime Minister and Foreign Minister (FM) Hor Namhong and visiting New Zealand Foreign Minister Murray McCully in Phnom Penh, Cambodia.

Deputy PM and FM Hor Namhong called for continued support from New Zealand for Cambodia in training manpower, funding the operation of the special court for Khmer Rouge trial, bomb clearance and the preservation of the Angkor Wat relic site.

For his part, FM Murray McCully said New

<sup>38</sup> Australia to Accelerate Naval Buildup, Rob Taylor, The Wall Street Journal, August 4, 2015, available at <http://www.wsj.com/articles/australia-to-accelerate-naval-buildup-1438670512>

<sup>39</sup> Australian Navy ship arrives in Fiji, the first in eight years, Radio New Zealand International, July 11, 2015, available at <http://www.radionz.co.nz/international/pacific-news/278518/australian-navy-ship-arrives-in-fiji,-the-first-in-eight-years>

<sup>40</sup> Cambodia, New Zealand boost bilateral cooperation, vietnamplus, August 19, 2015, available at <http://en.vietnamplus.vn/cambodia-new-zealand-boost-bilateral-cooperation/80445.vnp>

Zealand will continue granting scholarships to Cambodian students and would consider providing training scholarships for Cambodian officials in the energy sector. He also agreed on boosting cooperation in agriculture development with Cambodia. The two sides shared the view that the two countries should boost trade and tourism ties.<sup>40</sup>

## Papua New Guinea

### United States and Papua New Guinea strengthen Defence Partnership

Representatives from the U.S. Department of Defense and the U.S. Embassy met with key Papua New Guinea (PNG) Government and Defense Force personnel for bilateral defense talks in July. The discussions focused on improving U.S. support, assistance, and capacity building for Papua New Guinea's Defense Force.

Brigadier General Gilbert Toropo, Commander PNG Defense Force (PNGDF), the American Ambassador, Walter North, and their respective teams discussed mutual defense agreements, military training opportunities and exchanges, as well as the success of three combined defense exercises during 2015 – Pacific Resilience, Pacific Angel, and Pacific Partnership. The talks highlighted

Papua New Guinea and U.S. cooperation priorities.

Papua New Guinea and the United States have a long and effective defense relationship.<sup>41</sup>

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<sup>41</sup> United States And Papua New Guinea Strengthen Defense Partnership, Papua New Guinea Today, July 28, 2015 available at <http://news.pngfacts.com/2015/07/united-states-and-papua-new-guinea.html>

## 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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