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Asia in Review

(3/1/2018)

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Dear Reader,

Please let me invite you to the third January issue of Asia in Review (AiR) 2018 which will update you on major developments in law and politics in South-, Southeast and East Asia.

Among the topics reported this week on law and (international) politics are India's creeping judicial crisis and the recurring specter of caste-related unrest and suppression, (anti)corruption issues in China, South Korea and various Southeast Asian countries, the state-managed internet in China and its possible impact on global internet governance, developments in Japanese and South Korean party politics, the Chinese military build-up, nuclear strategy and relations with Russia, the South Asian geopolitical order in flux and Laos' foreign policy between China and Vietnam.

Please share with us your ideas on our format and visit CPG´s website and Facebook page for upcoming events and news on CPG and its partners.

I wish you an enjoyable read of the recent trends and developments and remain with my best regards,

Henning Glaser

Director, German-Southeast Asian Center of Excellence for Public Policy and Good Governance (CPG)

Main Sections

- Law and Politics in South Asia

- Law and Politics in South East Asia
- Law and Politics in East Asia
- International Relations, Geopolitics and Security in Asia
- Background Reading

Law and Politics in South Asia

India: Creeping judicial crisis

(hg) The Supreme Court – conventionally regarded as a pillar of the rule of law and constitutional identity in India –, is in a deep crisis. Related to a series of scandals that much involved the Chief Justice (CJ) himself, four active Supreme Court judges, including the one being slated to become the next CJ have now unprecedentedly expressed their criticism at a press conference to be quickly joined by four former top judges releasing an open letter in their support. Criticizing the way the top court was being run especially by the CJ, one of the still active Supreme Court judges went so far to warn that the nation's democracy was under threat. [Channel New Asia]

In November last year the rift within the court became obvious in the context of a corruption scandal. An NGO requested the Supreme Court to probe into alleged judicial corruption at a high court at which – then – the later CJ was sitting. According to due conventions, the responsible two-judge bench referred the case to a five-judge constitutional bench ordering the case to be heard by five of the senior-most judges of the Supreme Court – not including the Chief Justice. The latter, however, set up a separate five-judge bench overturning his colleague's order in a surprising and highly contested maneuver.

Being central to the current crisis, this scandal is accompanied by at least two other contentious issues having been brought forward in the press conference that involve constitutional politics at a high level: [Asia Times]

The first pertains to the constitutional position of the judiciary regarding judicial appointments. Currently, the judges of the Supreme Court and the High Courts are appointed by the Supreme Court´s five senior-most judges, a practice which had become debated between the government and the judiciary since 2015 with the government seeking to play a role as well. One day before the CJ´s disputed decision on the handling of the corruption case, he had headed a bench of three judges that passed a highly controversial judgment - R P Luthra vs Union of India - that also overturned a first order of a competent Supreme Court bench. The latter had unequivocally underlined the need of a strict separation of powers and a further judicial decision on the matter of appointments to the highest courts and issued a respective court order - only to see the CJ setting up a three-judge panel less than a month later which recalled the order.

The second issue relates to the death of a trial judge three years ago who was hearing a case that was linked to India´s ruling party´s highest echelons. The judge who died under mysterious circumstances was hearing a controversial case dealing with an allegedly staged encounter by the Gujarat state´s police when now Prime Minister Modi was the chief minister of Gujarat and Amit Shah, the current president of Modi´s ruling BJP, having been the state's home minister and one of the accused in the case. Reportedly, the dissenting Supreme Court judges have also referred to this issue during the press conference triggering new discussions on a highly sensitive matter for the government.

Beyond these developments, the present crisis has been long in the making to the emergence of an opaque and hermetic system of judicial politics created in a judicial environment with a high degree of institutional autonomy, periodic activism and an own institutional culture and power structure. [Live Mint]

India: The recurring specter of caste-related unrest and suppression

(hg) Despite all long-implemented constitutional, other legal and political efforts, caste issues remain a recurring factor of Indian politics. That has been

proven again in the state of Maharashtra over clashes between Dalit and right-wing groups, and the police´s alleged reaction.

Dalits, formerly dubbed the 'Untouchables', clashed with Hindu right-wingers on occasion of the 200th-anniversary celebrations of the Battle of Bhima-Koregaon in 1818 when Dalits sided with British colonial forces to defeat upper-caste rulers. After the celebrating Dalits were attacked by Hindu extremists, Dalit protest ensued across the state to be heavy-handedly responded by the police that is accused to not effectively advance against the upper-class Hindu extremists while arbitrarily acting against Dalits. In 2016, across India 40,801 atrocities against Dalits were reported up from 38,670 in 2015. [Al Jazeera]

India's gay prince opens his palace to LGBTQ people in need

(hg) Prince Manvendra Singh Gohil, India's only openly gay prince and a gay rights advocate who has appeared even in The Oprah Winfrey Show, has announced to open up his ancestral palace in Gujarat to those having been ostracized for being LBBTQ. [NPR]

Indian Supreme Court ends national anthem´s compulsory playing

(hg) While the Supreme Court has toppled the legal requirement to play the anthem before cinema screenings having been introduced by Prime Minister Modi´s Hindu right-wing Bharatiya Janata Party (BJP) government, it has, however, specified that audiences stand briefly if cinemas still decide to play it. The government´s own home ministry had asked the Supreme Court to examine the issue after attacks on Muslim and disabled occurred who did not stand up for the song that has been written by India´s great philosopher and writer Rabindranath Tagore. [Deutsche Welle]

Maldives: Bleak outlook for democratic governance in times of geo-strategic importance

(hg) A recent EU mission to the Maledives addressing concerns about the status of democracy and rights marks the country´s rising geo-strategic importance, which also is a topic in the section on international relations, geopolitics and security in this AiR - issue below. The mission has been led by the by the European External Action Service´s (EEAS) Deputy Managing Director for Asia, the EEAS Head of Division for South Asia and been accompanied by the Head of the EU Delegation to the Maldives. [RAAJJE]

After a short democratic intermezzo, inaugurated by the 2008 elections and ended with the ouster of President Mohammad Nasheed in 2012, Abdulla Yameen, a half-brother of former long-term dictator Maumoon Abdul Gayoom, took over in 2013. Since then, Maldives constitutional politics were marked by political unrest, Islamic radicalization, and an increasing climate of fear amidst practices of intimidating, harassing and even murdering government critics. [The Diplomat]

Law and Politics in South East Asia

(Anti-)Corruption in Southeast Asia: New legislation, scandals and the dangers of politicization

(ls) A new anti-corruption bill has been introduced in Thailand and it has already passed its first reading in the National Legislative Assembly. The law would ban civil servants and their immediate family from receiving gifts, benefits or offers, such as a special discount, interest exemption, or remission. In a country where personal relations are often

strengthened by making small presents, the question arises as to how the stringent rules will be implemented in the everyday lives of millions of civil servants. [Straits Times 1]

In Singapore, a major corruption scandal involving a subsidiary of the government-linked conglomerate Keppel Corp has stirred up debates about the country's corruption laws. An agreement with American authorities, who were investigating the case under the US Foreign Corrupt Practices Act (FCPA), resulted in the payment of US$422 million to settle the case. That is about eight times more than what would have to be paid under Singaporean law. [Straits Times 2]. Singapore's Minister for Home Affairs and Law suggested the introduction of so-called deferred prosecution agreements (DPAs) that could be offered to corporations as long as they comply with specific requirements. The DPAs could result in much higher fines than currently possible [Straits Times 3].

In Indonesia, however, the fight against corruption may be under threat of being abused for political purposes, argues Johannes Nugroho. Taking the example of Setya Novanto, the former Speaker of the House of Representatives, who was arrested on corruption charges, he examines the political power exercised by the country's Corruption Eradication Commission (KPK), which has long been envied by the other law-enforcement agencies, particularly the Indonesian Police (Polri) and the Atttorney General Office. [Today Online]

Cambodia: How will Hun Sen respond to new opposition movement?

(ls) The former leader of the now-dissolved opposition Cambodia National Rescue Party (CNRP), Sam Rainsy, has announced the formation of a new movement, the Cambodia National Rescue Movement (CNRM). Currently, CNRM members include Mr. Rainsy, his wife Saumura Tioulong, and two former deputy presidents of the CNRP. Rainsy said that the movement would be organized as a secret network. Cambodian Interior Minister Sar Kheng announced that the government will investigate whether the movement is legal. [Khmer Times]

Rainsy also called for a postponement of the July election, at which Prime Minister Hun Sen is expected to easily extend his 33 years in power. "This would avoid both violence and Cambodia becoming a pariah state," he added. [Reuters] In an apparent reference to

the protests foreshadowed by the newly announced CNRM, also Prime Minister Hun Sen issued a warning that there could be no elections in a "chaotic country". [Phnom Penh Post]

Malaysia: Updates on the new special court for human trafficking

(ls) Malaysia is creating a special court to tackle rising numbers of human-trafficking cases. The court is expected to be set up as early as May in the central state of Selangor, with a dedicated judge to hear cases. That pilot project will then be gradually rolled out in other parts of the country. Malaysia relies heavily on foreign domestic workers as well as laborers from countries including Indonesia, Bangladesh and Nepal for jobs shunned by locals including work on plantations and in construction. [South China Morning Post]

Philippines: Critical news website Rappler loses licence

(ls) On Monday, the Securities and Exchange Commission of the Philippines (SEC) ordered the closing of the independent online news website "Rappler". The SEC stated that Rappler had circumvented a constitutional rule that restricts ownership of media entities to Filipinos. The ruling will take effect after 15 days. Additional criminal charges against individuals might be brought. Since the beginning of its existence in 2012, Rappler has reported Philippine and Indonesian politics with a pronounced and critical view. Particularly, the news website tracked and traced the bloody "war against drugs" ordered by Duterte. [New York Times]

In response to criticism about the SEC's decision, Duterte's spokesman Harry Roque urged Rappler reporters to reinvent themselves as bloggers, rejecting allegations Manila was cracking down on the free press. He added, however, that they would then have to seek government accreditation as bloggers. [Straits Times]

In an interesting piece, Lauren Etter describes how the Duterte administration turned Facebook into a weapon. From inside the Malacañang Palace, a special team of social media officers is methodically taking down opponents, including Rappler's co-founder Maria Resser. The phenomenon, sometimes referred to as

"patriotic trolling," involves the use of targeted harassment and propaganda meant to go viral and to give the impression that there is a groundswell of organic support for the government. [Bloomberg]

Philippines: The next step on the way to constitutional reform

(ls) In its effort to deliver on President Rodrigo Duterte' promise to reform the country's constitution and introduce a federal system of government, Philippine lower house lawmakers voted on Tuesday to convene the chamber as a constitutional assembly. Besides federalization, the constitutional reform aims at an expansion of the two legislative chambers, longer terms for all elected officials, greater fiscal autonomy for provinces, a prime minister as the head of government, and a separately elected president. [Reuters]

In response to criticism President Duterte might want to prolong his tenure through the constitutional reform, Duterte responded that he is not interested in extending his six-year term or canceling elections next year. Duterte's term ends in 2022. [Voice of America]

Thailand: Orders of military junta will remain part of Thai law

(ls) Thailand's National Legislative Assembly (NLA) is likely to pass about 50 "Section 44" orders into law to ensure they remain in effect after the dissolution of the National Council for Peace and Order (NCPO), following this year's parliamentary election. After the military coup of May 2014 and since the enactment of an interim constitution, Section 44 gave NCPO Chief and Prime Minister Prayut Chan-o-cha the power to override laws and regulations, without the possibility of judicial review. Critics argue that the Section was used mainly to silence the opposition. [Bangkok Post]

Vietnam: Migrant crisis because of climate change?

(ls) Though governments and communities in developing countries around the world have already begun taking action to manage climate change impacts through adaptation, rising temperatures and sea levels

threaten to exacerbate the existing trends of economic migration. In Vietnam's Mekong Delta, the impacts are expected to be particularly severe. The co-authored article shows how various groups of people would be forced to migrate from the Mekong, partly even due to decisions originally taken to protect them from the climate. The authors describe how the poor and the landless can no longer find fish to eat and sell, and that the dykes prevent free nutrients being carried on to paddies by the flood. [The Conversation]

Law and Politics in East Asia

China: 'State-managed internet' and its possible impact on global internet governance

(dql) International companies reported that their China offices have recently repeatedly been facing disruptions while trying to access the global internet via virtual private networks (VPNs) which the companies use to circumvent government censorship. To access the access they to resort to costly international roaming services or to state-approved VPNs exposing them to government scrutiny. These reports shed light on growing efforts of the government to control online data and information flows within and in and out of the country. Defying critics of violating internet freedom, China insists on its cyber sovereignty pursuing the concept of a 'managed internet' with the state as focal point of internet governance.

With China representing more than 20% of internet users worldwide and a resurgent stress on national

sovereignty, this concept and the ensuing policies of the Chinese government will inevitably transform global internet governance under Chinese sign unless an alliance can be formed upholding multi-stakeholder governance and free internet access as human rights, Scott Shackelford. [Financial Times] [China Policy Institute: Analysis]

China: New facial-recognition surveillance system in Xinjiang tested

(dql) Government authorities in Xinjiang have started to test in Muslim-populated villages a new facial recognition system that is claimed to be able to alert authorities when targeted people leave designated "safe areas", such as an individual's home and workplace, further than 300 meters. Security cameras are linked to a database of people who have attracted the attention of authorities and whose movements are tracked within a particular area. This is the latest step in a development of the recent years that has transformed Xinjiang in a virtual police state exercising surveillance to an unprecedented degree, including harvesting of biometric data, smartphone scanners, voice analysis and compulsory satellite-tracking systems for vehicles. [Bloomberg] [The Guardian]

China's zero tolerance in terms of political loyalty and discipline

(dql) Following the closure of a three-day closed meeting on Saturday, China's anti-corruption agency, the Central Commission for Discipline Inspection, has issued a communiqué setting securing political loyalty and discipline of officials and fighting political corruption of interests groups , which undermine state power and party unity, as top priorities of the Commission's policy. The meeting was the first gathering of the members of the Commission since they had been elected at the National Party Congress back in October last year. [South China Morning Post]

China bans children in predominantly Muslim county from attending religious events during winter holidays

(dql) Government authorities in a Muslim-majority county in China's North-Western Gansu province have

issued a notification banning children from attending religious events and prohibiting them from reading religious texts in classes and religious premises during their winter break. This step follows last year's revised laws on religious affairs aimed at tightening control over religious education and activities [Reuters]. AiR last week reported on the recent demolition of two Christian churches in two Northern provinces.

China: Human rights and democracy activists detained

(dql) Yu Wensheng, one of the most outspoken human rights lawyer and critic of the Communist Party rule in China, has been arrested on Friday. The 50-year-old attorney who tried to sue authorities for failing to protect citizens from pollution openly criticized Xi Jinping as "marching backwards" and "unfit for office". [The Guardian]

Meanwhile, Joshua Wong and Raphael Wong, two of Hong Kong's most vocal democracy activists, have been sentenced to three months and four-and-a-half months imprisonment for obstructing a court order to clear a demonstration site during the Umbrella Movement in 2014. [Hong Kong Free Press]

Japan: Top court allows limited disclosure of secret state funds

(dql) In a landmark decision, Japan's Supreme Court on Friday has ordered the government to partially disclose documents related to its secret funds, a budget that can be used flexibly for the implementation of national operations. Formally known as Cabinet Secretariat compensation expenses, the secret funds are spent by the Cabinet Secretariat. The Court had been called on in lawsuit by members of a civic group seeking the disclosure on the use of a total of 24.5 million USD in secret funds spent under three chief Cabinet secretaries in 2005 and 2006, in 2009 and in 2013. Although the scope of the ordered disclosure is unlikely to reveal the names of the recipients, following the Court's decision the public will for the first time ever have access to classified records. Court's decision, the public will for the first time ever have access to classified records. [The Japan Times]

Japan: Opposition party merger failed

(dql) Only two days after the leadership of the Democratic Party (DP) and the Hope Party had agreed to form a joint opposition group in the Diet which would replace the Constitutional Democratic Party of Japan (CDPJ) as biggest opposition group [The Japan Times 1], rank-and-file lawmakers from both parties on Wednesday disapproved of the plan due differences pertaining to security laws and constitutional revision. [The Japan Times 2]

South Korea: Will the center-left and center-right party merge?

(dql) The leaders of center-left People's Party and the center-right Bareun Party on Thursday announced the plan to merge both parties in an attempt to establish "a political force that drives out conservatives only angling for power". The merger, if realized, would lead to a group with 49 members in the 299-member parliament and a major political realignment less than half a year ahead of the local elections. The plan, however, faces internal opposition from within both parties due to different ideological leanings and policy stances. [Yonhap]

South Korea: Former president the real target of corruption case prosecutions?

(dql) Aides of former President Lee Myung-bak have been indicted and arrested over bribery and corruption allegations. Jun Byung-hun, Lee's aide for political affairs, is facing trial for forcing companies to donate 550 million won (US$514,260) between 2014 and 2017 to the Korea e-Sports Association, over which he practically held control. Kim Paik-joon, senior secretary for administrative affairs under Lee and widely viewed as Lee's 'butler', was arrested on charges of receiving more than 400 million won (US$375,000) from the National Intelligence Service between 2008 and 2012. Kim Jin-mo, was also arrested Tuesday on charges of taking about 50 million won in NIS money which had been used to silence a whistleblower government official. Former President Lee denounced the investigations against his former aides as directed against himself and as politically motivated reprisal of the ruling Democratic Party against him. [Yonhap 1] [Yonhap 2]

International Relations, Geopolitics and Security in Asia

China: Military build-up, nuclear strategy and relations with Russia

(dql) China's military has been undergoing a large-scale reform and modernization under Xi Jinping and his aspiration to make the Chinese armed forces a world-class force by mid of the century. Decisive the for further modernization of China's military will be to accommodate technological advancement – having the incorporation of artificial intelligence into war technology as the core – with reforms in military education and training, and innovation in doctrine and tactics, argues Kevin McCauley in his assessment of the modernization status of the PLA. [China Brief: The Jamestown Foundation]

In a related development, the PLA National University of Defense Science and Technology stated an experiment involving approximately two dozen of small fixed-wing unmanned aircraft. According to an official PLA publication, the test consisted of the entire group of drones acting as a swarm to complete a simulated reconnaissance mission [The Drive]. Meanwhile, Nan Li sees China's nuclear forces currently transforming into an effective, survivable force. With nuclear capabilities advance comes the critical question of the nuclear strategy and whether to stick to or abandon the "No Use First" strategy. [China Brief: The Jamestown Foundation 2]

While the close Sino-Russian relations in 2017 have been celebrated on both sides as having reached a historic climax, the internal relative power between the two countries is clear, with China in the lead and Russia to follow, due to shifting trade conditions and military-strategic calculations. Gas-producing Central-Asian states offer possibilities for Beijing to replace the Russian market if required, and China's advancement in the modernization of its military has made obsolete Russia's traditional strategic resting on a military confrontation with China. [China Brief: The Jamestown Foundation 3]

Japan-Australia relations: Deepening security and economic ties

(dql) Australian Prime Minister Turnbull's visit to Japan paved the way for deepening both countries security cooperation. He and Prime Minister Abe confirmed in a joint statement that a Status of Forces Agreement (SOFA) is being negotiated allowing Australian forces to start training at bases in Japan. It would the Japan's second SOFA after Japan's SOFA with the USA was concluded in 1960. This outcome of Turnbull's visit suits Abe's push for revision of Japan's Constitution to insert Japan's Self-Defence Forces formally into the Constitution. [The Conversation]

Turnbull also announced that he and Abe shared the commitment to signing an Asia-Pacific trade deal by March with countries in the region ready to forge a pact to replace the derailed Trans Pacific Partnership (TPP). Talks aiming to overcome obstacles to such an agreement are scheduled for next week in Tokyo. [The Straits Times]

South Asian geopolitical order in flux

(hg) South Asia – at land as well as at sea – has become increasingly contested in terms of Sino-Indian great power competition. Against the backdrop of India's North-South Transport Corridor (NSTC) and the much bigger Chinese One Belt One Road project, both giants increasing regional assertiveness has once more manifested in a number of developments reflecting their race for influence in South Asia, namely in Nepal and Bangladesh, Sri Lanka and the Maldives. These dynamics coincide with new signs of escalation in Indian – Pakistani and Indian – Chinese relationships.

Intensifying Indian-Israel ties despite Indiás relations to Iran

(hg) After a history of enmity in the 1970s, Israel and India have established diplomatic relations 25 years ago initiating growing bilateral relations. Today, India is the biggest buyer of Israeli weapons in the world while bilateral trade stands at US$5 billion annually with Israel having invested more than US$100 billion over the past decade in India. [Straits Times]

Nevertheless, India has long kept at a low profile to not upset Islamic Middle Eastern powers on which it depends for oil having also supported the UN General Assembly resolution condemning Washington's recognition of Jerusalem as Israel's capital some weeks ago.

The visit of Prime Minister Netanyahu in India reflects the other, the more sustaining positive side of still intensifying bilateral relations in times where a domestically challenged Netanjahu markedly advances against India´s partner Iran with which India has just signed a 2 billion USD contract regarding the Iranian rail sector. [Xinhua]

Accompanied by a 130-strong business delegation, Netanyahu did not visit Prime Minister Modi's home state of Gujarat by accident. In particular, the chemistry between the two leaders seems to work well out for their country´s common cause (see the Israeli ambassador to India´s statement in the [Hindustan Times]) which is which thrives on both rigid right-wing leaning and their shared anti-Islamist notion. After PM Modi has made the first trip to Israel by an Indian prime minister ever, last year PM Netanyahu made the first visit by an Israeli prime minister to India for 15 years now. Its success is already reflected by Netanyahu having announced that the Indian government had decided to put a formerly suspended $500 million anti-tank missile deal back on track. [Reuters]

Soaring tension between India – China/Pakistan

The cross-border rhetoric between India and Pakistan on the one side, and India and China on the other has rapidly deteriorated in the last couple of days. After Indian General Bipin Rawat has fiercely dismissed assertions that Pakistan's tactical nuclear weapons had effectively countered India's ability to impose a conventional invasion, the Pakistani army responded likewise. India: "We will call their bluff. If given the task, we will not say we cannot cross the border because they have nuclear weapons". – Pakistan: "Should they

wish to test our resolve, they may try and see it for themselves." [Voice of America]

A Chinese Communist Party newspaper has meanwhile called for "harsh punishment from the Chinese army" if India would continue to make provocations along the border. [Times of India]

Such is the background music for the ongoing arms race in South Asia. Updating its border security, India has now not only launched a spy satellite designed to produce intelligence on border activities (see below) but also decided to raise 15 new battalions for its border guarding forces at the Pakistan, Chinese and Nepalese borders. [Economic Times 1]

Meanwhile, the sad normalcy of violent eruptions in the Pakistan-Indian cross-border area manifested once more in gunfights between Indian security forces and pro-Pakistan militants at two spots in Jammu and Kashmir [Economic Times 2] soon to be followed by cross-border shelling of both Indian and Pakistani forces. [McClatchdyk]

India's space capabilities

Highlighting both economic and security related significance, India has just launched its 100th satellite into space. The Indian satellite is an earth-mapping tool having been delivered into orbit with 30 others, all micro- and nano-satellites of various Western partners.

While the latter represents the Indian bid as a global low-cost provider of space services from an economic perspective, the Indian satellite is designed to enhance border surveillance and support Indian security agencies to track military activities in neighboring Pakistan, China, Bangladesh Sri Lanka and Nepal. [Reuters] [Space]

India beefing up its naval and especially submarine capabilities

With increasing Chinese naval and especially submarine presence in the Indo-Pacific – coinciding with NATO members finding reason to express their concern on Russian submarine activities in the North Atlantic -, Indian defense strategy undergoes a tectonic shift from a focus on its land-borders to also include the country's 4,700-mile southern coastline. In this process, India is currently enhancing its Navy's anti-submarine warfare potential by increasing its aerial-surveillance capabilities as well as its own submarine force. The purchase of US-made advanced sub-hunting planes and the building of diesel-electric attack

submarines designed by a French provider reflects this focus. Currently, India has also one operational carrier - a Russian Kiev-class carrier-cruiser - and is pursuing its first domestically built carrier. [Business Insider]

Meanwhile, India and Japan hold a smaller joint Coast Guard exercise in the Indian Ocean with observers from Sri Lanka and the Maldives. [NHK News]

Maneuvering along great powers spheres of influence: Nepal and Bangladesh, the Maldives and Sri Lanka between India and China

(hg) With the decisive **election victory of the Nepalese communist** two-party coalition and the defeat of the pro-Indian Nepali Congress, the new government, which is still to be formed, will most likely enhance relations with China. Despite maintaining a buffer state posture, Nepal´s relations with India have already heavily deteriorated in recent years especially due to an alleged Indian orchestrated month-long blockade of the India-Nepal border in 2015 which caused a severe economic and humanitarian crisis. [CNBC]

A recent expression of the ongoing shift towards China is Nepal´s connection to the Chinese internet which is ending India's former internet monopoly. It is, however, only one China-supported connectivity issue amid many others. Examples are growing Chinese investments in roads and hydropower projects and the 2016 initiated use of Chinese ports by the landlocked Nepal to trade goods with third countries, ending the latter's sole dependence on India for overland trade. Last year as Nepal officially joined the Belt and Road Initiative. Adding the new reality of a communist governed Nepal gives reason enough to ask how close the country will go on to move on towards China. [Economic Times]

For **Bangladesh,** a first important background observation is its ambitious military modernization drive that took off 2009 after the country had largely focused on building its economy paying only minor attention to its defense capabilities. This changed with the 2009 released “Forces Goal 2030” which called for a massive enhancement of all three military branches that has been revised in 2017 with a significant number of arms purchases mostly involving Russian and Chinese products.

Arguably most noteworthy however was the purchase of two refurbished Ming-class type 035B **submarines from China** to the displeasure of both India and Myanmar with the navy planning to increase its subs inventory to eight units and set up a large submarine

base while it has already started an own aviation wing. Notwithstanding that the country officially pursues a neutral foreign policy, it has had repeatedly sometimes highly tensioned cross-border issues with both neighbors, India and Myanmar. For India, its enhanced naval capabilities represent a threat the more serious the more the country aligns with China. [The Diplomat]

The complicated and fluid state of the great power competition in South Asia is once more reflected by recent reiterations of Bangladesh´s Foreign Minister stressing India as Bangladesh's most important partner. Noteworthy however is the claim that the country will also continue to forge effective partnerships with other countries such as China on the hand and India, Japan, the UK and the US and Europe on the other. [Dhaka Tribune]

A similar foreign policy twist regarding the increasingly assertively advancing spheres of influence can currently be observed at the example of the **Maldives**. Here, the government just assured the Indian leadership of its 'India first policy' amid a trend to foster ties with China including a surprising recent FTA with China. [The Quint] [Times of India]

The same geopolitical pattern are displayed in **Sri Lanka** with its strategically important location in the Indian Ocean astride the main shipping lanes. Increasing great power attention has surfaced just a week ago when Japanese Foreign Minister Kono visited Prime Minister Wickremesinghe. On occasion of this first visit of a Japanese foreign minister in 15 years, Kono reiterated the Western 'Open Indo-Pacific Policy' to secure the freedom of navigation also offering the promotion of bilateral maritime security and defence relations. [Daily Mirror]

This, however, comes at the same time that Colombo has received 97.365 million US dollars from China Merchant Port Holdings as the second installment of the Hambantota Port deal after it had received US $ 292.1 million as the first payment only last month. Under the 99-year lease agreement, China Merchants Port Holdings Company Ltd. (CMPort) will agree to invest an amount of up to US$ 1.12 billion with the CMPort owning 85% while the Sri Lankan Ports Authority remains with 15% of the stakes. [Colombo Gazette] Additionally, the first phase of the China-built Matara-Kataragama railway extension project has been. [Xinhua]

Moreover, the chief of staff of the Pakistani army just visited Sri Lanka on invitation of his Sri Lankan counterpart. Besides a call on the Sri Lankan President as well as on the Prime Minister to discuss regional

security issues, he visited the headquarters of all three branches of the Sri Lankan armed forces for talks with the respective commanders stressing that only Pakistan and Sri Lanka had truly understood what it means to defeat a terrorist threat. [Pakistan Tribune]

Indonesia, Malaysia, Thailand: Stand-off with EU over palm oil

(ls) The governments of Indonesia, Malaysia and Thailand are considering their response to the European Union in the dispute over palm oil exports, to the extent of threatening to retaliate with a ban on imports from European countries. “If these hate campaigns and discriminatory policy against palm oil were to go on, we can also retaliate. Malaysia, Indonesia and Thailand are collectively big purchasers of EU products,” said Malaysian Plantation Industries and Commodities Minister Datuk Seri Mah Siew Keong. [New Straits Times]

Last year, the EU Parliament enacted a resolution to phase out the use of palm oil based biodiesel by the end of 2020 in order to prevent further deforestation in palm oil-producing countries. The three Southeast Asian countries, all major palm oil exporters, however, claim that thousands of small farmers rely on the trade with the EU and are not engage in clearing forests for oil palm cultivation. One Malaysian economist opines that Malaysia might have been unfairly targeted. [Free Malaysia Today]

Indonesia: Ready for a more active role in diplomacy and development cooperation?

Indonesia has created a dedicated foreign aid agency ("Indonesia Aid") for the first time. The move underscores the country’s recent push to play a bigger role in global affairs, Krithika Varagur argues, and sums up how the Indonesian government was very vocal in its opposition against US President Trump’s recognition of Jerusalem as Israel’s capital, how it was one of the few countries to criticize Myanmar's treatment of the Rohingya Muslims last year and how it has recently offered to partner with the Philippines for counterterrorism. Moreover, Indonesia plans to bid for a U.N. Security Council seat next year. [Voice of America]

Laos' foreign policy between China and Vietnam, and in partnership with Myanmar

(ls) John McBeth describes in the Asia Times how Laos skillfully balances its foreign policy between its mighty neighbors China and Vietnam. Whereas China is heavily invested in mining, hydro power and a (planned) new railway line connecting Kunming and Vientiane, the Lao government agreed to a similar rail link from Savannakhet to the Vietnamese border town of Lao Bao. Also, Vietnam's foreign direct investment in Laos, mostly in hydro-power, mining, transportation and plantations still claims to match China's FDI in the country. One explanation for the close Laos-Vietnamese ties is that most Politburo members in Laos are Vietnamese-trained war veterans, and Lao officials still mostly study in Vietnam, not China. [Asia Times]

Regarding Laos' relations with its other neighbor, Myanmar, the governments of the two countries agreed to enhance bilateral ties and cooperation on the occasion of Laos Prime Minister Thongloun Sisoulith's official visit to the country. The documents comprised MoUs on electricity cooperation, science and technology cooperation, and anti-corruption cooperation. [Eleven Myanmar]

Terrorist arbitrage in Southeast Asia

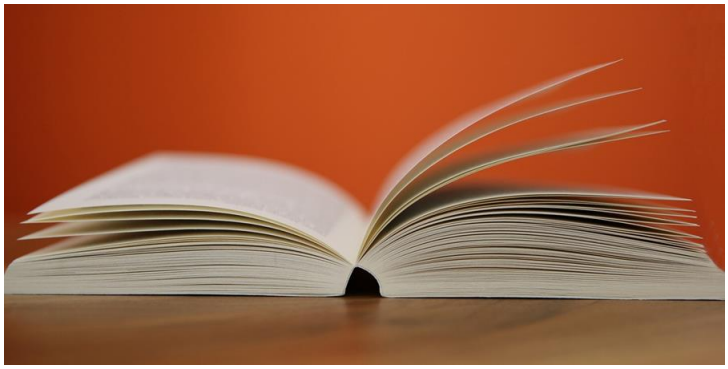
Quinton Temby describes how transnational terrorists engage in a type of triangular arbitrage in Southeast Asia to exploit the geopolitical differences between Indonesia, Malaysia, and the Philippines. He argues that, instead of being motivated by profits, the terrorists seek to marshal scarce resources for attacks against their ideological enemies, and rely on the failure of the three major states to cooperate as well as on their knowledge of the different costs of mobilising resources across the fragmented archipelagic geography of maritime Southeast Asia. [New Mandala]

Terrorism: Maldives promises to get control of radicalization

The government in Malé has promised to block websites seeking to radicalize the country´s Sunni population as US sources warned that extremist

groups may launch attacks in the islands issuing an updated travel warning. While the government has long refrained from intervening, President Abdulla Yameen warned in 2016 that violent Islamic extremism posed one of the biggest threats to the island's Muslims having one of the greatest rates of foreign fighters in Syria per capita in the world. [The Peninsula Qatar]

Background Reading



Watch online: The earliest film ever made in China

Recently, the probably earliest film ever made in China, was discovered in a shop basement in the north of England. In the film, young men in Qing Dynasty mandarin attire laugh and joke as they glance at the camera. Since the film was recorded on celluloid, China has experienced nearly 120 years of momentous change. [Channel News Asia]

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