

## Chapter 4

# Southeast Asia

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### Readjusting External Relations

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In Southeast Asia during 2018, regarding the South China Sea issue, while the Association of Southeast Asian Nations (ASEAN) adhered to a stance that placed emphasis on balanced relationships with countries outside the region under the chairmanship of Singapore, there was a lack of meaningful steps to halt China's militarization of reclaimed features in the South China Sea and conclude a Code of Conduct in the South China Sea (COC). Opinions of individual Southeast Asian countries on this issue differ, and ASEAN is striving to sustain its own unity while taking into account countries with concerns about causing conflicts with China. Meanwhile, it is necessary to strengthen maritime security in order to address the proliferation of terrorism. Japan, the United States, Australia, and other countries are helping to improve the capabilities of Southeast Asian countries via international cooperation and exchanges, and China is also seeking to bolster ties with ASEAN and each of its member countries through such cooperation. Nevertheless, the United States has an advantage in training, equipping, and other assistance because it has given practical cooperation over many years.

From the perspective of the importance of democracy, a shared ASEAN value, attention will be paid to the political situations in Malaysia, Indonesia, and Myanmar, which are each at different stages of democratization, and their security implications. Malaysia realized its first-ever change of government in the general election held in May. While the new government decided to review major development projects with China, it is unclear whether this will lead to a change in the security stance toward China as well. Military involvement in domestic public order increased in Indonesia amid rising calls for tougher anti-terrorism policies after the occurrence of consecutive terrorist attacks. Additionally, the government is pursuing proactive measures to prevent social divisions caused by intolerance. While Myanmar needs to reach peace arrangements with ethnic armed groups and deal with the repatriation of Rohingya refugees and repression allegations, there is currently no outlook for revision of the military's political role stipulated in the Constitution that heavily affects these matters.

Looking at military capability developments in these three countries, Malaysia is reorganizing weaponry and units for its Navy and Air Force to achieve a smart organization and efficient operations, and the new Defence Minister has begun reforms for the military and the Ministry of Defence. Indonesia has formed a Joint Regional Defense Command to ensure effective

and cross-service utilization of military resources that are spread out in remote areas and is also implementing a plan to reorganize each of the military services into a structure with three regional commands. Amid stalled military interaction with Western countries due to the Rohingya problem, Myanmar is working to strengthen relations with India and China, and expanding cooperative relations with Russia on military equipment.

## 1. Regional Cooperation Trends and Security Issues

### (1) ASEAN's Policy Trends Over the South China Sea Issue

In the South China Sea, where four Southeast Asian countries and China claim territorial rights, while there were some new developments toward the conclusion of the COC between ASEAN and China, China continued to advance militarization too. These conditions might lead to China bringing ASEAN to its side or a split within the group, and ASEAN needs to respond carefully.

In ASEAN, Singapore took over the chairmanship from the Philippines in 2018. On January 25, the ASEAN-India Commemorative Summit was held in New Delhi for the first time with leaders from all 10 ASEAN countries attending. The Delhi Declaration issued jointly from the meeting specifically listed freedom of navigation and overflight in the region, compliance with international laws, and early conclusion of the COC in the South China Sea.<sup>1</sup> The ASEAN-Australia Special Summit was held in Sydney in March, and its Joint Statement issued on the 18th covered similar points as the Joint Declaration with India, such as freedom of navigation and overflight in the region, compliance with international laws, and early conclusion of the COC in the South China Sea, and also mentioned non-militarization and exercise of self-restraint in the conduct of activities.<sup>2</sup>

The Chairman's Statement of the ASEAN Summit held in Singapore on April 28, regarding the South China Sea issue, "took note of the concerns expressed by some Leaders on the land reclamations and activities in the area, which have eroded trust and confidence, increased tensions and may undermine peace, security and stability in the region" and emphasized the importance of non-militarization and self-restraint by claimants and all other states.<sup>3</sup> Even though this expression is more restrained than the unanimous concern expressed

by ASEAN leaders in the Chairman's Statement of the ASEAN Summit held in September 2016 (Vientiane), return of the term "concern" that had disappeared from the Chairman's Statement of the ASEAN Summit in Manila in November 2017, along with the supports obtained from India and Australia, suggests a rebalance from the overly conciliatory stance toward China led by the Philippines in the previous year. The ASEAN Summit held in Singapore on November 13, 2018 utilized a similar expression as April's.<sup>4</sup>

Chinese activities in the South China Sea attracted considerable attention right after the Summit in April 2018. CNBC, an American news agency, reported on May 2 that China installed anti-ship cruise missiles and surface-to-air missile systems for the first time on three manmade islands it controls in the Spratly Islands, according to sources with direct knowledge of US intelligence reports.<sup>5</sup> Furthermore, the People's Liberation Army Air Force (PLAAF) bombers, including the H-6K, conducted takeoff and landing training for the first time in the South China Sea on Woody Island in the Paracel Islands on May 18.<sup>6</sup> According to assessments of the US-based Center for Strategic and International Studies (CSIS), the range of these missiles covers the Spratly Islands area and the H-6K combat radius covers the entire Southeast Asia region.<sup>7</sup> Once it begins operating these resources, China will obtain the ability to not only threaten freedom of navigation and overflight in the South China Sea, but also to directly attack many Southeast Asian countries with the aforementioned bombers. In response, on May 23, the US Defense Department spokesperson noted the Chinese bomber exercises, criticized China's continuing militarization in the South China Sea, and announced the withdrawal of an invitation to the Chinese Navy to participate in the Rim of the Pacific (RIMPAC) exercise that started in June.<sup>8</sup> US Defense Secretary James Mattis strongly criticized China's actions in a speech delivered at the IISS Shangri-La Dialogue in Singapore on June 2, saying that China's weapon deployments are for military use, namely, intimidation and coercion, and are in clear contradiction to President Xi Jinping's assurance at the White House in 2015 not to militarize the Spratly Islands.<sup>9</sup> Furthermore, on May 27, the US Navy conducted Freedom of Navigation Operations (FONOPs) in the waters of the Paracel Islands, involving two vessels for the first time.<sup>10</sup>

In reactions by Southeast Asian countries, Vietnam's Ministry of Foreign Affairs issued a protest statement on May 21 that China is raising tensions by infringing on Vietnam's sovereignty and violating agreements with Vietnam

and with ASEAN, and needs to halt such activities and militarization.<sup>11</sup> The Philippines' Department of Foreign Affairs, meanwhile, explained on May 21 that it conveyed condemnation and concern in appropriate language through diplomatic channels but that it is not its policy to publicize every action taken by the government.<sup>12</sup> National Security Adviser Hermogenes Esperon Jr. stated on May 30 that the Philippines did not need to protest because this was a training and not aimed at the country,<sup>13</sup> demonstrating a restrained posture. Malaysia, Brunei, and other Southeast Asian countries have not given official reactions. ASEAN itself has also not issued a clear reaction. At the ASEAN Foreign Ministers' Meeting in Singapore on August 2, media sources reported that Vietnam called for mentioning concerns about militarization in the Joint Communiqué,<sup>14</sup> but language in the disclosed statement was similar to content from the Chairman's Statement of the Summit in April<sup>15</sup> and did not directly or indirectly cite these activities by China.

This type of reaction by the ASEAN side appears to be linked to developments in COC discussions with China regarding the South China Sea. At the ASEAN-China Post Ministerial Conference (PMC) in Singapore on August 2, it was announced that an agreement was reached on the "Single Draft COC Negotiating Text" at the 15th ASEAN-China Senior Officials' Meeting on the Implementation of the Declaration on the Conduct of Parties in the South China Sea in Changsha held on June 27.<sup>16</sup> The countries plan to prepare a draft proposal from this document. Undisclosed content, meanwhile, simply stated the positions of the various countries, according to media report. In a press conference, Singapore's Foreign Minister Vivian Balakrishnan, who chaired the Foreign Ministers' Meeting, explained that it was still premature to set a deadline for completing negotiation.<sup>17</sup> While it is likely to still take a considerable amount of time to complete and conclude the COC, ASEAN might have become more cautious toward criticizing Chinese action in light of differences in the positions of member states and a desire to maintain negotiating momentum for the COC with China by ASEAN as a whole, including states that have expressed a closer stance to China. Nevertheless, Philippine Foreign Affairs Secretary Teodoro Locsin stated at a joint press conference with Chinese Foreign Minister Wang Yi, who was visiting Davao City, on October 29, "perhaps, we will not be able to arrive at a legally-binding COC."<sup>18</sup> This comment indicates that it might not be easy for ASEAN to sustain a uniform stance. Furthermore, while State Council of

the People's Republic of China Premier Li Keqiang noted in a speech given on November 13 in Singapore, where he was visiting for ASEAN-related Summit Meetings, that China hoped to complete the COC negotiations within three years,<sup>19</sup> the Chairman's Statement of the ASEAN-China Summit on the next day (November 14) did not mention a clear deadline.<sup>20</sup> As such, the three-year timeframe appears to be China's wish.

It has been reported that, in the Single Draft COC Negotiating Text, China advocates the regular holding of exercises with ASEAN and exclusion of countries outside the region. According to AFP, in the draft document they confirmed, China proposes to hold joint military exercises with the 10 ASEAN countries regularly and asserts that countries outside the region should not be involved in the drills, unless the parties concerned are notified beforehand and express no objection.<sup>21</sup>

The COC negotiation process will decide whether the proposal is accepted or not. It is unclear whether the exclusion of countries outside the region only applies to the proposed joint exercises or could have a broader effect. However, a key point to notice is that China is leveraging the COC negotiations to position itself as an "intra-regional country" on the same side as ASEAN and the United States and others as "extra-regional interfering forces." In fact, Chinese Foreign Minister Wang Yi commented at a press conference on August 3 that China and ASEAN countries have the ability to secure peace and stability in the South China Sea, and that disturbances from the outside need to be eliminated in order to accelerate COC negotiations.<sup>22</sup> At the East Asia Summit (EAS) Foreign Ministers' Meeting on the next day (August 4), Foreign Minister Wang Yi reportedly asserted that the presence of the US military in the South China Sea is the source of trouble.<sup>23</sup> He overtly named the United States in a press conference on the same day in criticism of sending massive strategic arms to the region, and particularly the South China Sea, to demonstrate its military power as well as intimidate and pressure countries in the region including China.<sup>24</sup>

While the United States and China are both "dialogue partners" from outside of the region for ASEAN, if China is attempting to bring ASEAN to its side by offering this type of unique categorization, or is using resolution of the South China Sea issue to separate ASEAN from the United States and its allies or divide ASEAN internally based on whether member countries support this view or not, ASEAN will likely be required to make tougher choices. Of interest in this

context is the announcement made at the ASEAN Defence Ministers' Meeting (ADMM) held in Singapore on October 19, 2018 that the ASEAN-US maritime exercise will be conducted in 2019.<sup>25</sup> As explained in the next subsection, the first ASEAN-China maritime exercise was held on October 22. Just before this exercise, ASEAN welcomed both the ASEAN-China and ASEAN-US exercises by listing them both in the ADMM Joint Declaration, and it shows the effort by ASEAN to strike a balance between the United States and China. Nevertheless, in his 2019 New Year Message delivered at the end of December, Prime Minister Lee Hsien Loong of Singapore, which ended its chairmanship, explained that forcing individual countries to take sides between the United States and China could sever the open and connected global order and harm all countries. This is a shared concern of all ASEAN countries. ASEAN will probably find it necessary to deal with this challenge for a lengthy period.

## **(2) New Developments Related to Regional Cooperation and Joint Exercises**

The Southeast Asia region needs to bolster maritime security in order to deal with the spread of terrorism. Each country hence is working to build capabilities through international cooperation, training, assistance, and other activities with internal and external partners. Additionally, China is also seeking to strengthen relations with ASEAN and its member countries even amid ongoing tensions in the South China Sea.

With regard to disturbances in 2017 by an armed group of the Maute brothers in Marawi, located on Mindanao Island in the Philippines, evidence shows that militants were recruited across borders and brought weapons onto the island. There have also been reports that some members of the armed group escaped the encirclement by authorities and got away from Marawi just before the group was repressed.<sup>26</sup> This event raised awareness again of the necessity of enhancing Maritime Domain Awareness (MDA) in the Sulu Sea and Celebes Sea areas. In addition to piracy, cross-border crimes, illicit trades, and other illegal activities, the risk that local bandits have linked with the Islamic State in Iraq and the Levant (ISIL) and other international terrorists had been pointed out in this area which is adjacent to the territorial waters of the Philippines, Indonesia, and Malaysia. Nonetheless, the initiative to create a patrol cooperation framework had been delayed, because undefined border lines are included in these waters.<sup>27</sup> However,

with a common goal of stopping the spread of terrorism, these three countries began the joint Trilateral Maritime Patrol in June 2017 and also conducted the joint Trilateral Air Patrol in October 2017.<sup>28</sup> Following a review of information sharing on terrorism in the region, the ASEAN members established a platform called “Our Eyes Initiative” with leadership from Singapore and Indonesia in January 2018.<sup>29</sup>

As ASEAN-wide cooperation, the ASEAN Multilateral Naval Exercise (AMNEX) took place around Sattahip Naval Base in the northern part of the Gulf of Thailand, along with the ASEAN International Fleet Review as a part of commemoration of ASEAN’s 50th anniversary, in November 2017.<sup>30</sup> While ASEAN and member countries previously hosted multilateral naval exercises, such as the Joint Exercise of the expanded ADMM (ADMM Plus) and the KOMODO multilateral joint exercise hosted by the Indonesian Navy that began in 2014,<sup>31</sup> AMNEX attracted attention as the first naval field training exercise that was conducted among only the ASEAN member countries.

The joint naval exercise between China and ASEAN stood out in cooperation with countries outside the region. China and ASEAN agreed on the conduct of a joint naval exercise in an informal meeting between China and ASEAN, which was held coinciding with the ADMM Retreat on February 6, 2018. Singapore’s Defence Minister Ng Eng Hen, the chairman, announced implementation of the exercise as a practical way of deepening cooperation. The table-top exercise was implemented on August 2-3 at Singapore’s Changi Naval Base, and the field exercise took place off the coast of Zhanjiang in China’s Guangdong Province on October 22.<sup>32</sup> Due to media reports that China proposed to the ASEAN side that they hold regular military exercises without the involvement of countries outside the region in August (referred in the previous subsection), Western experts and others expressed concern that this might lead to a relative decline in the presence of the United States in the Southeast Asia region.<sup>33</sup>

Meanwhile, the United States has had a historically strong relationship with the region through provision of continuous assistance and cooperation, such as Cooperation Afloat Readiness and Training (CARAT) bilateral exercises, mainly in Southeast Asia, on a rotating basis and Cobra Gold multilateral military exercises co-hosted with the Royal Thai Armed Forces. The trainings conducted by the United States aim to enhance practical capabilities. For example, at the Southeast Asia Cooperation and Training (SEACAT) exercise conducted in August

2018, a demonstration was given of the US military's Combined Enterprise Regional Information Exchange System (CENTRIXS) in order to improve attendants' capability in information sharing of MDA.<sup>34</sup> Furthermore, in the RIMPAC exercise from June to August 2018, while China's participation was shelved although it had participated since 2014, Malaysia dispatched a ship for the first time, Indonesia participated with two ships and the Philippines took part in the exercise for the first time ever as an official participant with two ships, sustaining a high level of cooperation.<sup>35</sup> There was also an announcement of the planned joint naval exercise between the United States and ASEAN member countries in 2019 at the ADMM in October 2018. These developments suggest that the relationship between the United States and the ASEAN member countries has even strengthened.

In addition to training cooperation, the United States also provides equipment and other assistance. In February 2018, it decided to give four units of the unmanned ScanEagle, which was utilized in dealing with the Marawi disturbances, to Indonesia, and in March 2018, it transferred six units to the Philippines as well. Furthermore, at the ASEAN Regional Forum (ARF) meeting on August 4, US Secretary of State Mike Pompeo stated that the United States will supply \$290 million of Foreign Military Financing (FMF) as part of the Maritime Security Initiative (MSI) and the additional US security funding for the Indo-Pacific region being promoted by the US Defense Department. Besides the United States and China, Australia, India, and other countries are conducting exercises with ASEAN and its member countries and deepening involvement in this area. Multidimensional views are required to analyze the relations between ASEAN and its member countries, and countries outside of the region.

Table 4.1. Major joint exercises involving ASEAN member countries (2018)

Month	Name	Host and ASEAN participating countries [Other participating countries]	Implementation site	Comments
Joint exercises with the US				
February	Cobra Gold	US, Thailand, Singapore, Indonesia, Malaysia, Brunei, Cambodia, Laos, Vietnam [Japan, China, South Korea, etc.]	Thailand's Chonburi Province, etc.	Co-hosted by US/Thailand (every other year) Total 29 countries Observers dispatched by Brunei, Cambodia, Laos, and Vietnam
April	Guardian Sea	US, Thailand	Andaman Sea	Anti-submarine warfare exercise
May	Balkatan	US, Philippines	Philippine Navy education/training command Around Scarborough Reef (Philippines), etc.	Japan and Australia joined in some exercises
June to August	RIMPAC	US, Thailand, Indonesia, Singapore, Philippines, Malaysia, Brunei, Vietnam [Japan, UK, France, Germany, Canada, Australia, New Zealand, South Korea, India, Brazil, Israel]	Off Hawaii and off the Southern California coast, US, etc.	Hosted by the US (every other year) First-ever participation by Vietnam and Sri Lanka Indonesia, Singapore, Philippines, and Malaysia dispatched ships Total 26 countries, 47 ships Five submarines, 200+ aircraft
June to November	CARAT	US, Brunei, Cambodia, Indonesia, Malaysia, Singapore, Philippines, Thailand [Bangladesh, Timor-Leste]		Similar exercise conducted with Vietnam
August	SEACAT	US, Thailand, Indonesia, Singapore, Philippines, Malaysia, Brunei, Vietnam [Bangladesh]		
Joint exercises with China				
August and October	China-ASEAN Maritime Exercise	China, ASEAN member countries	Off Zhanjiang, Guangdong Province, China	First time, table top exercise in August, field exercise in October Eight ships, three aircraft (helicopters) Ships dispatched by Thailand, Singapore, Philippines, Brunei, Vietnam
October	Peace and Friendship	China, Malaysia, Thailand	Off Port Dickson, Malaysia (Strait of Malacca)	Bilateral exercise between China and Malaysia since 2015 Thailand joined in 2018
Joint exercises with Australia				
July	Chapel Gold	Australia, Thailand	Chiang Mai, Thailand	Jungle warfare, counterinsurgency exercise
July	Pitch Black	Australia, Thailand, Indonesia, Singapore, Philippines, Malaysia [Japan, US, Canada, South Korea, India, New Zealand, Germany, France, Netherlands, Sweden]	RAAF Base Darwin, RAAF Base Tindal, Bradshaw Field Training Area, and Delamere Air Weapons Range, Australia	Hosted by Australia, every other year Total 16 countries, 140 aircraft First-ever participation by India
August to September	KAKADU	Australia, Indonesia, Philippines, Singapore, Vietnam [Japan, US, Canada, China, South Korea, India, New Zealand, France, Bangladesh, UAE, etc.]	Northern Australian Exercise Area off Darwin, etc.	Hosted by Australia, every other year Total 27 countries, 23 ships First-ever participation by China
November	Trident	Australia, Singapore	Shoalwater Bay Training Area, Australia	Field training exercise including landings
Joint exercises with India				
March	MILES/Milan	India, Thailand, Singapore, Malaysia, Myanmar [Australia, Bangladesh, Sri Lanka]	Around the Andaman and Nicobar Islands	Hosted by India, every other year First MILES (Milan Exercise Sea)
March	INMEX	India, Myanmar	Bay of Bengal	
November	SIMBEX	India, Singapore	Andaman Sea, Bay of Bengal	
December	Samudra Shakti	India, Indonesia	Off Java Island, Indonesia	First time
Exercises among ASEAN member countries				
April	Eagle Indopura	Singapore, Indonesia	Strait of Singapore	
May	KOMODO	Indonesia, Vietnam, Philippines [US, Canada, Russia, India, Pakistan, etc.]	Off Lombok Island, Indonesia	Hosted by Indonesia, every other year Total 37 countries
June	Singsiam	Singapore, Thailand	Gulf of Thailand	Every other year
November to December	Malapura	Singapore, Malaysia	Strait of Malacca	
Exercises in other frameworks				
April to May	Bersama Shield	Singapore, Malaysia [UK, Australia, New Zealand]	Malaysia-Singapore Training Area	Five Power Defence Arrangements (FPDA)
October	Bersama Lima	Singapore, Malaysia [UK, Australia, New Zealand]	Malaysia-Singapore Training Area and South China Sea	FPDA

Source: Compiled by the author from various media reports.

## Column

## Japan's Defense Equipment and Technology Cooperation

As an initiative related to Japan's defense equipment and technology cooperation with ASEAN member countries, Japan and the Philippines reached an official agreement on the transfer of JMSDF TC-90 training planes and other matters in 2016 and Japan transferred two planes in March 2017 and the remaining three planes in March 2018 to the Philippine Navy. This transfer was the first case of applying a stipulation in the Self-Defense Forces Act, which allows for the transfer of unnecessary equipment at no charge and took effect in June 2017. Additionally, Japan provided training for Philippine Navy pilots at the JMSDF Tokushima Air Base through March 2018 and dispatched engineers from Japanese private-sector companies to the Philippines to assist in maintenance activities from April 2017. In June 2018, based on a request from the Philippine Defense Department, Japanese and Philippine Defense Ministers confirmed no-charge provision to the Philippine Air Force of UH-1H multipurpose helicopter's parts that were no longer needed, and equipment bureaus from the two countries signed a letter of agreement (LOA) in November.

## 2. Developments on Democratization and National Security

### (1) Malaysia: First-ever Change of Government since Independence

In Malaysia, the defeat of the ruling Barisan Nasional (BN; the National Front) coalition, led by the United Malays National Organisation (UMNO) that had ruled the country since the independence of the Federation of Malaya in 1957, resulted in a change of government for the first time in its history. Criticism from the general public had risen amid allegations that Prime Minister Najib Razak, who headed the BN government since 2009, siphoned off a massive amount of money from a state-owned company 1Malaysia Development Berhad (1MDB). In response, former Prime Minister Mahathir Mohamad (who had retired after

his term during 1981-2003) announced in January 2018 his intention to run for Parliament and in the Prime Ministerial race as a representative of opposition alliance Pakatan Harapan (PH; Alliance of Hope) in the next general election.

Prime Minister Najib dissolved the Parliament on April 7, and a general election was set to take place on May 9. The government reviewed the allocation of constituency to be favorable to the ruling coalition prior to the dissolution and ordered Mahathir's political party to halt activities due to inadequate documentation. The Parliament also passed an "Anti-Fake News Act." These actions signaled the government and ruling party's intention to clamp down on their critics in relation to 1MDB.

Despite these hardline efforts by the government, voting results on May 9 showed a victory for the opposition coalition with PH securing a majority of seats alone and Mahathir became the country's seventh Prime Minister on May 10. Prime Minister Mahathir immediately began an investigation into the 1MDB-related scandal and disclosed national debt of more than one trillion ringgit on May 23. Former Prime Minister Najib was arrested and charged over allegations of graft and fraudulent diversion of 1MDB funds in July.

Malaysia, a multi-ethnic country with three major ethnic groups (Malay, Chinese, and Indian), consistently formed governments based on a coalition of ethnic political parties that received confidence from the general public through elections since its founding of the nation. This framework lifted the economic standing of Malays, who are the country's indigenous people and represent a majority of the population but have a weaker economic position because of the history of British colonial rule. It also gave political consideration to minority Chinese and Indian peoples, thus helping stabilize ethnic relations within the country. Thanks to the New Economic Policy under the former Mahathir government and economic development by Southeast Asia from the 1980s, Malaysia's economy grew and economic position of the Bumiputera (Malays and natives in Borneo), who are given a special position as an indigenous people in the Constitution, was raised with affirmative action for them. In recent years, however, problems surfaced due to disparities within the Malay community and marginalization of minorities (particularly Indians).

Given this context, the former ruling parties' acceptance of defeat and orderly transition of administration based on the law without violence or excessive use of power indicates that democracy is working and there is political and social

stability in Malaysia. In particular, the Chief of Navy and the Inspector-General of Police issued statements to their military and police personnel respectively just before the voting day to vote freely in accordance with their own views.<sup>36</sup> While the armed forces and the police had previously been seen as a powerful foundation of ruling party support, the statements of a neutral position appeared to be a meaningful step in fostering the atmosphere for a fair election. This peaceful transfer of political regime is likely to favorably affect the implementation of democracy in nearby ASEAN countries too.

A number of points deserve mention on security, including from a mid- to long-term perspective, though the new government had not presented new measures or policies on security and defense at the end of 2018 (except for new trends in building defense capabilities referred in Section 3). The first point is diplomacy with China. The former Najib government planned massive domestic development projects with Chinese investments against a backdrop of close ties with China. Prime Minister Mahathir, meanwhile, decided in July to reconsider those major projects, such as the railway project on the east coast of the Malay Peninsula, with the aim of reducing the massive deficit and he officially told this stance to the Chinese side on a visit to China in August. In national security, although there was no specific mention of China, Mahathir commented that Malaysia preferred if there were no warships within its waters in the South China Sea and Straits of Malacca.<sup>37</sup> It bears watching whether policy revisions to the close relationship with China under the previous government will change Malaysia's national security stance toward China. The second point is domestic stability. The PH has a stronger profile of being a coalition of political parties that cuts across ethnic groups than the BN, and its supporters often voted for candidates other than their ethnic group under the single-member constituency. This time the electorate voted heavily for the PH as an expression of its anti-Najib stance. It is important to see whether this experience leads to political realignment into parties that go beyond ethnic boundaries and seek to represent broader interests of the general populace or conversely whether political and social fluidity and instability occur due to dissatisfaction with ethnic interests not being adequately represented. In this regard, opposition parties strongly dissented with the statement by Prime Minister Mahathir at the United Nations in September that Malaysia would ratify the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) on the basis that



People participating in a rally at the anti-ICERD demonstration in Kuala Lumpur (Kyodo News)

this could affect the existing special position of the bumiputera. The government's subsequent retraction of the ratification policy demonstrates that relations among ethnic groups are still a very sensitive topic. The third point is the domestic trend of Islamism. Parti Islam se Malaysia (PAS; Malaysian Islamic Party), a major Malaysian political party, is an

Islamic party that calls for a state governed by Islamic law. It runs several state governments in the northern part of the Malay Peninsula. The UMNO, which was voted out, is a Malay party with almost all members being Muslim, but adopts secularism. The PAS and the UMNO collaborated in organizing an anti-ICERD demonstration with more than 50,000 participants (police announcement) in Kuala Lumpur in December.<sup>38</sup> A key question is whether and how the situation on Islamism will develop, such as the UMNO aligning itself more closely with Islamic views, stronger emphasis on Islamism by PAS, and radicalizing activities to suppress non-Muslim residents in PAS-led states, all in order to obtain support from Malays and Muslims; and whether these trends will affect the tolerance of Malaysian society.

## (2) Indonesia: Challenges Related to Islam

Indonesia confronted a series of terrorist attacks in May 2018 allegedly linked to Jamaah Ansharut Daulah (JAD), a terrorist organization that pledges allegiance to ISIL. On May 9, prisoners staged a riot at a detention center at the Mobile Brigade Corps headquarters in Depok, West Java and killed some police officer hostages.<sup>39</sup> Aman Abdurrahman, the leader of JAD, who had allegedly been directing multiple terrorist attacks behind the scenes, was detained in this center and some have noted the possibility that JAD



Surabaya church attacked by a suicide bomb (Xinhua News Agency/Newscom/Kyodo News Images)

members led the riot and it was not a spontaneous outbreak. Suicide terrorist bombings occurred at three Christian churches in Surabaya located in East Java on May 13, a terrorist bombing occurred at the Surabaya police headquarters on May 14, and an armed group attacked the regional police headquarters in Riau province on May 16.<sup>40</sup> JAD planned terrorist attacks at various locations in the past and reportedly dispatched members to the uprising that took place in Marawi (Philippines) in 2017. These events boosted calls for tougher anti-terrorism measures.<sup>41</sup> Debate on an amendment of Anti-Terrorism Measures Act, that had been stalled in the People's Consultative Assembly (parliament) moved forward after the series of terrorism incidents, and the Regional Representative Council (the Upper House) approved the bill on May 25, 2018,<sup>42</sup> with gaining the support of public opinion. The proposed amendments included expansion of police investigative authority and criminal composition elements, extension of the length of pre-charge detention, and reinforced the military's mandate for counter-terrorism. They broadened the role of the military in maintaining internal security that had been reduced in the process of democratization reforms during the post-Suharto period from 1998.

Concerns about retaliatory terrorism increased after a court reached a death penalty decision for imprisoned Aman for violation of the Anti-Terrorism Measures Act in June and the South Jakarta District Court certified JAD as an illegal organization and ordered its disbandment in July.<sup>43</sup> During this period nationwide local head elections were held, while the 18th Asian Games were also held in Jakarta and Palembang in August and September. The authorities therefore continued strict controls amid worries about terror and detained many suspects.<sup>44</sup> The arrests included a case of three JAD members, including former Riau University students, making explosive devices on the university premises. A major issue for domestic security in Indonesia is finding ways to stop growing inroads by extremism into young people.<sup>45</sup>

Besides extremism, divisions in society due to intolerance are also a major obstacle for stabilizing domestic politics. In post-Suharto administrations, ethnic and religious issues have readily been used as power struggle tools and become sources of domestic security problems, and it was not unusual to mobilize Islamists as a strategy in election campaigns. Nonetheless, overall, democratic election systems, including presidential elections, were generally taking hold in Indonesia. However, social tensions emerged in the Jakarta gubernatorial election

of 2017 because hardline Islamists maligned incumbent Chinese Christian Basuki Tjahaja Purnama and stirred up ethnic sentiment in the election campaign process that began in October 2016. A video showing Basuki allegedly desecrate the Quran spread on social media and led to large-scale protest demonstrations through the end of 2016. This forced President Joko Widodo to take steps to calm the situation down. In the second-round vote for a final decision in the gubernatorial election held in April 2017 involving Governor Basuki and former Education and Culture Minister Anies Baswedan, Anies ended up defeating Basuki, who initially led the race, for the reasons explained above. In this process, authorities prosecuted Basuki for blasphemy and hateful comments in November 2016, and he received a prison sentence of two years by the North Jakarta District Court in May 2017 after the election.<sup>46</sup>

Buni Yani, who uploaded the Basuki video and was at the time an academic lecturer, meanwhile, was sentenced to one year and six months in prison in November 2017 due to spreading information that elicits hatred concerning “SARA” (Suku, Agama, Ras, Antar-golongan or ethnic, religious, racial, class relations) over the Internet.<sup>47</sup> Related to SARA, members of a group called Muslim Cyber Army were arrested for spreading fake news in February 2018. In July, the Jakarta State Administrative Court rejected a petition against the presidential decision by Hizbut Tahrir Indonesia (HTI), thus confirming a directive to disband the organization. HTI is the Indonesian branch of a global organization aimed at establishing a caliphate and had launched a petition against the presidential decision that HTI violated the principles of Pancasila, which ensures national unity.<sup>48</sup> These measures demonstrated to the opposition the stance of the Joko administration ahead of the presidential election planned for April 2019. The Joko government has recognized the serious threat of social division and destabilization from SARA-related fake news and intolerance, and responded actively, while taking into account Muslim sentiment. Candidate notifications for the presidential election started in August 2018, and there was considerable focus on President Joko’s choice as the vice president candidate. Amid questions about the credentials of then Vice President Muhammad Jusuf Kalla, the media speculated that he would choose from people related to existing interest groups with heavy influence on government activities, such as the heads of political parties who might join in a coalition, business leaders, and former senior military officers. President Joko ultimately selected Ma’ruf Amin, the chair

of Majelis Ulama Indonesia (MUI; Ulama Council of Indonesia), Indonesia's highest Muslim clerical body close to the government, as his partner.<sup>49</sup> This choice reflected growing awareness of the importance of properly securing the support of conservative Muslims to stabilize political activities.

### **(3) Myanmar: Challenges for National Reconciliation**

Myanmar transitioned from a military regime to a civilian government in 2011. The National League for Democracy (NLD), the democratization force led by Aung San Suu Kyi, who resisted military rule, then came to power in the general election held in 2015. However, the realization of democratization is still partial. One of the main hurdles is the position of the military stipulated in the country's Constitution. The ruling party aims to amend the Constitution ahead of the next general election in 2020, but there are many difficulties.

The Constitution formulated in 2008 defines basic principles for the military participating in the national political leadership, specifying responsibility for the Defence Services in safeguarding the non-disintegration of the Union, the non-disintegration of national solidarity, and the perpetuation of sovereignty and safeguarding the Constitution, providing the Defence Services with the right to independently administer and adjudicate all affairs related to the armed forces, and making the Commander-in-Chief of the Defence Services the Supreme Commander of all armed forces. These principles justify the military's political involvement and provide a basis for the military to act independently of the government. While the President is the head of the executive branch, the Constitution establishes the National Defence and Security Council led by the President with a majority filled by the military commanders or military-related ministers. This format effectively means that the military is capable of exercising veto power through the Council on important presidential powers, such as provision of amnesty, formation and cessation of diplomatic relations, military action against invasions, and appointment of the Commander-in-Chief of the Defence Services. It is also essential to mention that all legislative, administrative, and judicial powers transfer from the President to the Commander-in-Chief of the Defence Services in emergency situations such as crises of disintegration of the Union, disintegration of national solidarity, and the loss of sovereignty.

The Constitution also allocates 25% of the seats in the House of Representatives (the lower house) and the House of Nationalities (the upper house) each

to military members designated by the Commander-in-Chief of the Defence Services in the Assembly of the Union. Amendment of clauses in the Constitution requires approval from more than 75% of all Assembly members. This creates a structural constraint preventing revision of the Constitution without approval from military members of the Assembly.

Win Myint, the country's new president who assumed this post on March 30, 2018 after the resignation of the previous president, outlined priority goals for the government of amending the Constitution as well as "rule of law and improvement of the socio-economic life of the people," and "national reconciliation and internal peace".<sup>50</sup> State Counselor Suu Kyi commented at the World Economic Forum held in Hanoi in September 2018 that the Assembly's military seats did not fit with democratic values and all seats should be filled via free elections. However, she also spoke about the prospect for requiring an incremental process through negotiations with the military from the standpoint of the importance of national reconciliation and reforms through legal frameworks.<sup>51</sup>

The Myanmar military possesses strong influence domestically because it is their duty to deal with activities by ethnic armed groups trying to divide the country. The priority of the government is national reconciliation through achievement of peace with ethnic armed groups, which have fought with the government hoping to obtain independence or expand autonomy, out of the more than 130 ethnic groups in Myanmar. The former Thein Sein administration concluded a nationwide ceasefire agreement (NCA) with eight groups from the country's 15 ethnic armed groups in October 2015. The NLD administration carried on the results and held a Union Peace Dialogue Joint Committee meeting or "21st Century Panglong conference" with the subject eight groups in August 2016. This meeting adopted the name of the Panglong conference, which brought together ethnic forces ahead of Burma's independence in 1947. It aims to have the government, the military, and ethnic armed groups engage in political dialogue for ending civil war. While the initial schedule called for meeting every half a year thereafter, actual meetings have lagged this pace with the second one in May 2017 and the third one, including two new participating groups, in July 2018. These meetings put aside proposals from ethnic minority groups, such as establishing a federal army, of which they want to be a part in their own state.<sup>52</sup> Seven groups active near the Chinese border that have not concluded the NCA, including the Ta'ang National Liberation Army (TNLA), the United

Wa State Army (UWSA), and the Kachin Independence Army (KIA), have repeatedly clashed with the Myanmar military, but participated in the meeting as observers through the intermediation of the Chinese government.<sup>53</sup> Meanwhile, on December 21 the Myanmar military announced a unilateral ceasefire that would take immediate effect and last until April 30, 2019.<sup>54</sup> This is the first time for the military to take this step since the transition to a civilian government. Attention should be given to whether it helps advance negotiations with the remaining armed groups.

Myanmar's national reconciliation needs all groups to suspend fighting and participate in the peace process. China's brokering and economic involvement has positive implications in stabilizing the lives of ethnic minority groups and fostering an environment for ceasefires and peace, but increased Chinese influence, as a result, might adversely affect future national unity and integration.

Another major issue facing national reconciliation is the situation of Islamic residents in Rakhine (Rohingyas). More than 720,000 Rohingya refugees have fled into Bangladesh since August 2017. In January 2018, the Myanmar and Bangladesh governments agreed to seek completion of the repatriation of refugees within two years. In October 2018, they confirmed the start of repatriation in mid-November. However, media reports indicate that many refugees refuse to return due to worries about their safety after moving back. Besides a few exceptions, repatriation based on the agreement was not taking place as of the end of 2018.

A unique aspect of the Rohingya refugee issue is that the Myanmar government and most of Myanmar people view the Rohingyas as illegal immigrants and do not include them in the scope of national integration. While the repatriation framework includes a review of provision of citizenship, many Myanmar people are against giving them citizenship. Hate speech that depicts Islam as the enemy by radical Buddhist monks and hate incitement by military-related people via fake Facebook accounts have been reinforcing this sentiment.<sup>55</sup>

The international community, meanwhile, has been continuously criticizing burning, murders, violence, and many other human rights violations in the mopping-up operations implemented by Myanmar security forces in response to attacks by the Arakan Rohingya Salvation Army (ARSA) in August 2017, which sparked the refugee outflow. The Myanmar military initially denied involvement, but in January 2018, it announced the detention of soldiers who illegally killed 10 residents. The Myanmar government, which rejected an international role in

an investigation into Rohingya persecution, formed an independent commission of four people from inside and outside the country, including Kenzo Oshima, former Japanese Ambassador to the United Nations in August. The United Nations Human Rights Council's international investigative team issued a report calling for bringing a case of genocide crimes against the military leaders to the International Criminal Court (ICC) in September, and the US State Department also disclosed a report citing planned and organized violence in the same month. Even ASEAN, which had not yet expressed a clear opinion, cited the humanitarian situation in Rakhine State as a "matter of concern" for the first time in the Chairman's Statement of the Summit Meeting held in November. It offered assistance to promote safe repatriation of refugees and requested that the above-mentioned independent commission conduct an "independent and impartial" investigation into human rights violation and be held accountable.<sup>56</sup> In this way, the Myanmar government and international community still disagree on the truth of whether persecution occurred. Furthermore, there has been extensive criticism from a "freedom of press" standpoint of the arrest in December 2017 of two Reuters journalists looking into earlier mentioned murders of local residents and the receipt of guilty verdicts of seven-year imprisonment in September 2018.

As explained above, with the Rohingya issue, the current government is caught in between international criticism as a human rights and humanitarian issue and domestic pressure against repatriation. The government needs to move ahead with repatriation while rooting out terrorism by Muslim and Buddhist sides, eliminate intolerance and foster an inclusive national identity for all including the Rohingyas.

### 3. Trends in Individual Countries' Military Modernization

#### (1) Malaysia: Reforms under the New Government

The Royal Malaysian Navy (RMN) is implementing the 15-to-5 Fleet Transformation Programme. The transformation aims to reduce the number of classes of ships from 15 to five by 2045 and achieve smarter organizations and operations. By 2020, the RMN plans to have three littoral combat ships (LCSs) and three littoral mission ships (LMSs), including two ships already built. By

2045, it also intends to procure 12 LCSs, 18 LMSs, 18 new-type patrol boats, four multi-role support ships (MRSSs), and four submarines.<sup>57</sup>

For the LCSs, the RMN held the launching ceremony for its first Maharaja-Lela Class LCS in August 2017, which is scheduled to be commissioned in the first half of 2019.<sup>58</sup> This ship was developed based on France-based Naval Group's (then DCNS) Gowind family of corvettes (see Section 4 in Chapter 5 of East Asian Strategic Review 2016). In 2011, the Boustead Naval Shipyard, a subsidiary of Malaysia-based defense equipment firm Boustead Heavy Industries Corporation (BHIC), concluded a contract to build six ships for about \$2 billion. All of the ships will be commissioned by 2023. BHIC and a Swiss subsidiary of Rheinmetall, a German defense firm, formed a joint venture in June 2017, which has been supporting project management for this plan. Additionally, it was reported in April 2018 that the ship is being outfitted with Norwegian defense firm Kongsberg's naval strike missile (NSM) as the anti-ship missile system.<sup>59</sup>

For the LMSs, when Prime Minister Najib visited China in November 2016, he reached an agreement to procure two ships from China and make the third and subsequent ships in Malaysia through technology transfer. Attention was drawn to the fact that, despite the tensions in the South China Sea, a decision was made to procure equipment from China, a party in the South China Sea dispute.<sup>60</sup> However, the contract from Malaysia's perspective, along with China's infrastructure investment plan in Malaysia, incorporated a diplomatic aspect aimed at stabilizing relations between the two countries as well as the pursuit of economic rationality. Malaysia reduced its defense budget by 15.2% in fiscal 2017 compared to the previous year in light of difficult economic and fiscal conditions. While the budget rose 5.3% in fiscal 2018, the government targets a 10% cutback in the fiscal 2019 budget announced in November 2018 compared to the previous year, putting it at about 20% less than the fiscal 2016 level. There is an analysis that it is no wonder Malaysia procures the hull from the supplier with the best economic terms while still giving priority to maintaining Western systems and components in order to implement the program described above within these budget constraints.<sup>61</sup> The first LMS keel laying ceremony took place in Wuhan in August 2018. Malaysia announced the dispatch of supervisory staff and Boustead Naval Shipyard technical personnel in charge of domestic production.<sup>62</sup>

The Royal Malaysian Air Force (RMAF) initially planned to strengthen its

military capabilities by retooling outdated MiG-29 planes and procuring up to 18 new multirole combat aircraft (MRCA) with a budget of \$2 billion. Due to tough budget constraints, however, it revised the priority order and delayed this plan.<sup>63</sup> The policy change reflected the urgent need to bolster MDA capabilities as an air force, including the decision to conduct three-country aircraft patrols in areas around the Sulu Sea and the Celebes Sea.<sup>64</sup> The RMAF's maritime patrol aircraft (MPA) B200T had an accident in December 2017, and it only operates three of the same model planes as of the end of 2018. To address this situation, it is expected to procure 4-6 new MPA with longer flight distance over the next three years. There is also a media report on a plan to convert existing CN-235 transport planes to MPA as a provisional measure.<sup>65</sup>

In August 2018, Malaysia's new administration released the RMAF long-term development plan Capability Development 55 (CAP 55), which clarifies procurement goals through 2055.<sup>66</sup> CAP 55 calls for reorganization of fighter planes into five squadrons with two plane types (MRCA and light combat aircraft (LCA)) and helicopters into two squadrons with one type. It also aims to create one wing each for new MPAs, long-range UAVs, and airborne early warning and control aircraft in order to strengthen intelligence, surveillance and reconnaissance (ISR) capabilities. As ground facilities, it mainly plans for introduction of nine air defense radar stations and surface-to-air defense systems.

While the RMAF rushed to expand capabilities and primarily newly procured key equipment up to now, there has also been discussion of its weak operational and logistical support capabilities. Defence Minister Mohamad Sabu explained in a statement to the Parliament in July 2018 that only four of the country's 18 main fighter planes Su-30MKM were currently capable of flying because of maintenance difficulties and expensive spare parts.<sup>67</sup> In CAP 55, the RMAF likely aims to lower procurement and operational costs through pursuit of economies of scale and common parts, as does the RMN's reform program.

Defence Minister Mohamad is also actively promoting Defence Ministry reforms as a member of the new administration and instructed the establishment of a special audit committee in June. Former Auditor-General Ambrin Buang is leading an investigation into internal fraud, including suspicious past procurement programs.<sup>68</sup> With regard to equipment procurement, Defence Minister Mohamad indicated that politicians will concentrate on reviewing the priority order of budgets and programs and necessity of procurement, and that matters involving

expertise such as model selection will be left to the military.<sup>69</sup> He called for the need to clearly distinguish between administrative and military roles in order to curtail corruption and streamline equipment systems. The Ministry announced plans to formulate a White Paper in August, and media sources reported that it should be issued in 2019. In contrast to the National Defence Policy formulated and disclosed in 2011, the White Paper reportedly will focus on the Ministry's accountability to the people.<sup>70</sup>

## **(2) Indonesia: Reorganization Aimed at Joint Operation**

The Indonesian Air Force announced an operation and procurement plan for fiscal 2018 in December 2017. The content includes procurement of new equipment and reassignments of units and equipment and reportedly aims to support the government's strategy of establishing itself as a maritime nation by placing units and equipment at sites not equipped with aircraft up to now and providing air support. As the future organization, it plans to expand the fighter aircraft units by three squadrons to 11 squadrons, establish two squadrons each in the transport units for strategic transport, mid-sized transport, and tactical transport planes, and newly create a helicopter squadron and a UAV squadron. As for other military assets, it intends to newly procure early warning and control planes, aerial refueling planes, amphibious aircraft, etc. Media sources report it also plans to deploy 12 radar systems as ground equipment.<sup>71</sup>

For the next-generation fighters, with the aim of realizing equipment modernization goals from the Strategic Plan Phase 2 (2015-19) within a limited budget, state-owned trading company PT Perusahaan Perdagangan Indonesia (Persero) and Russia's state-owned defense holding company Rostec signed a memorandum of understanding (MOU) in February 2017 on a countertrade deal for procurement of 11 Russian Sukhoi SU-35 Flanker E, in which some payments are covered by some goods or services from Indonesia, rather than cash. The agreement reportedly includes domestic procurement of some materials and deployment of maintenance, repair, and overhaul (MRO) facilities in Indonesia as part of the offset transactions. The Indonesian Air Force, which operates many Sukhoi planes, hopes that this format will help lower lifecycle costs.<sup>72</sup> However, the government has not reached a final decision yet because of the need emphasized by Wiranto, Indonesia's Coordinating Minister for Political, Legal and Security Affairs, to assess the impact of the Countering America's

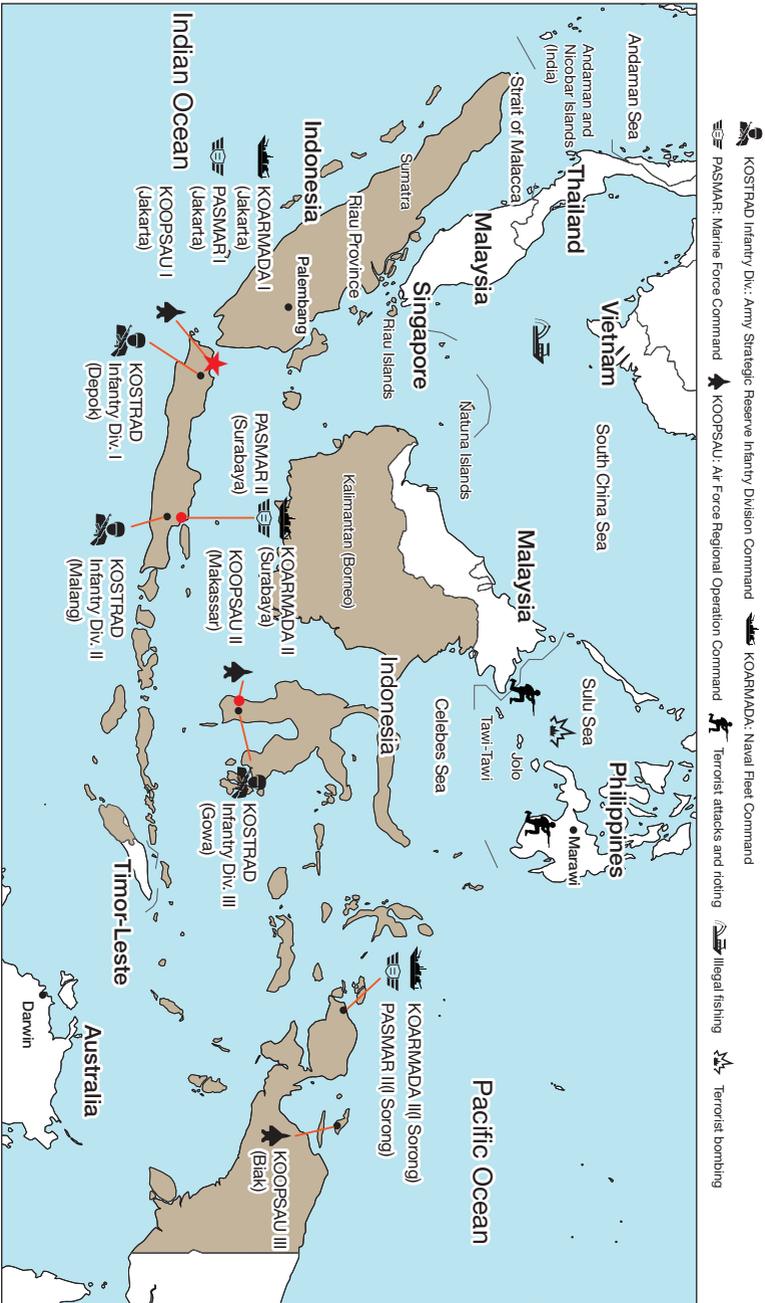
Adversaries Through Sanctions Act (CAATSA) adopted by US President Donald Trump's administration, as of August 2018.

In February 2018, the Indonesian Navy submitted a proposal to President Joko to reorganize itself from the current organization with two fleet commands (Western fleet in Jakarta and Eastern fleet in Surabaya) into three fleet commands with the First Fleet for the Western area (Jakarta), the Second Fleet for the Central area (Surabaya), and the Third Fleet for the Eastern area (Papua), according to media reports.<sup>73</sup> This was raised in the "TNI-AL Blueprint 2004-2013" in 2004 and presented as a draft to President Joko in February 2015. After three years of preparing necessary legal systems, budget measures, and assets, the plan has reached a stage of being filled out.<sup>74</sup> For main equipment, meanwhile, the initial plan in 2007 called for building the minimum essential force (MEF) with a request for procurement of up to 274 ships and 12 submarines by 2024. In a speech given by Admiral Ade Supandi, the new commander of the Indonesian Navy, in November 2017, he mentioned that it was vital to have 151 ships as the very minimum requirement.<sup>75</sup> There have also been media reports about reviewing a reduction from 12 (initially) to eight submarines. The Indonesian government hence has been reviewing goals based on fiscal conditions and changes in the national security environment and operational policy.<sup>76</sup>

The Air Force and Naval reorganizations described above were planned in line with the establishment of a joint regional defense command (Kogabwilhan), and all services are making adjustments to be capable of carrying out operations with readiness forces based on the Integrated Tridimensional Concept.<sup>77</sup> The joint regional defense command aims to effectively relocate various military resources distributed regionally throughout Indonesia, which has many islands and lengthy territorial waters that extend from East to West, for cross-service utilization in necessary locations and situations. Following the Navy, the Army newly formed the third infantry division command in the Indonesian Army Strategic Reserve Command (KOSTRAD) in May 2018, and the Air Force created the third Air Force Operational Command (KOOPSAU) in June 2018. Indonesia aims to complete reorganization plans for the entire military by 2024.<sup>78</sup>

Some observers think the future reorganization process needs to invest a lot of resources near national borders in Sumatra and Kalimantan in order to deal with external threats.<sup>79</sup> The Assembly approved construction and functional enhancements of Navy and Air Force bases in these areas for the purpose of

Figure 4.1. Indonesian military's posture



Source: Prepared by the author from various media reports.

guaranteeing economic activities and sovereignty in the exclusive economic zones (EEZ) near the Riau Islands Province off Sumatra in 2016. Media sources reported in February 2018 that Indonesia selected the Czech-made VERA-NG as a new warning control system for a radar unit monitoring the nearby airspace at Raden Sadjad Air Base on Natuna Island in the Riau Islands Province.<sup>80, 81</sup> Furthermore, at a press conference during a visit to inspect the facility in March, Air Marshall Hadi Tjahjanto explained that a Marine Corps unit would be formed on Natuna Island and that even though it was planned as a company-sized unit, it might be expanded to a battalion with multifaceted capabilities in the future in order to deal with diverse threats.<sup>82</sup> The Army is bolstering its resource investment plan in this region too. Media sources reported that the Army intends to locate four of the eight procured AH-64E attack helicopters in the Riau Islands, the first three of which it received delivery of in May 2018.<sup>83</sup>

### **(3) Myanmar: Modernization in a Difficult International Environment**

The Armed Forces of Myanmar (Tatmadaw) is promoting modernization with the aim of transforming itself into a “Standard Army.” While the meaning of “standard” is unclear, in the Armed Forces Day Speech in March 2018, Senior General Min Aung Hlaing, Commander-in-Chief of Defence Services, noted compliance with the 2008 Constitution, NCA, and other arrangements, recalled the military’s role in achieving independence and its difficult history, emphasized the importance of cooperation from the people of Myanmar, and explained that the military intended to continue its efforts to build modern forces based on military technology and professionalism.<sup>84</sup> The speech did not have any direct mention of the military’s difficult position amid international criticism regarding the deteriorating human rights and humanitarian conditions in Rakhine State. Meanwhile, the US Defense Department explained Myanmar’s observer presence in Cobra Gold multilateral military exercises, conducted in February 2018, as not equivalent to official participant status, in response to questioning by the US Congress. The Australian military has struggled to maintain ties with the Armed Forces of Myanmar, amid calls from the Australian Parliament and human rights organizations to halt ongoing educational assistance in non-combat fields for the Myanmar military. In this way, growing military exchanges and cooperation between the Armed Forces of Myanmar and Western countries since Myanmar’s democratization in 2015 is likely to remain sluggish for the time

being. Additionally, Western powers have announced sanctions against, among others, senior officers of the Armed Forces of Myanmar and the Myanmar Police Force, including the European Union (EU) in June 2018, the United States in August 2018, and Australia in October 2018. The Armed Forces of Myanmar are facing an increasingly difficult position.<sup>85</sup>

Meanwhile, major regional powers India and China, bordering with Myanmar, are actively increasing interaction with the Myanmar military. During a visit by Admiral Tin Aung San, Commander-in-Chief, Myanmar Navy, to India in September 2017, there was discussion of equipment and training cooperation. Following this meeting, the two countries held their first bilateral naval exercise INMEX-18 in India's Visakhapatnam at the end of March and during April 2018. Myanmar and China conducted their first bilateral naval exercise in Myanmar's Gulf of Martaban in May 2017. There are also media reports that the two countries discussed a higher level of interaction and cooperation on border security in a meeting with Chinese Minister of Defense Chang Wanquan when Admiral Tin Aung San visited China in January 2018.

Within this international environment, the Armed Forces of Myanmar held a major joint forces exercise, Sinbyushin, on the Andaman Sea coast in western Patheingyi, Ayeyarwady to improve inter-service coordination and combined war-fighting capabilities in February 2018.<sup>86</sup> This was a divisional-level exercise of large-scale landing maneuvers supported by air and naval assets and coordinated by a Joint Command Center, and aimed to present results of Myanmar's military modernization internally and externally at a time of limited interaction and cooperation with Western countries.

In procurement of new equipment, Myanmar announced the commissioning into services of six Russian Yak-130 jet trainers that can also be used as light-attack planes, two ATR 42-320 transport planes jointly developed by France and Italy, and two Fokker 70 transport planes from the Netherlands at the commemoration of the 70th anniversary of the Air Force in December 2017 in light of the growing role of the Air Force in supporting ground troops in asymmetric battles and amid calls for its modernization.<sup>87</sup> Myanmar also reportedly confirmed new procurement of Yak-130 in January 2018.<sup>88</sup> The Yak-130 jet trainers offer capabilities that substantially exceed the K-8 light-attack planes jointly developed by China and Pakistan that Myanmar procured in the late 1990s, and are likely to be used for missions such as close air support (CAS)

in mountainous periphery areas. Meanwhile, since Myanmar faces a security situation encompassed by armed ethnic rebel groups in all directions, transport planes are expected to bolster air transport capacity by providing rapid logistical assistance and accelerating the dispatch of additional troops. In fact, Myanmar utilized ATR planes commissioned as private-sector domestic planes to handle troop dispatches from central and northern Myanmar to western Rakhine State in August 2018.<sup>89</sup>

In equipment cooperation, while the United States, EU, and others are continuing arms export bans as of the end of 2018, Myanmar is strengthening its cooperative relations with Russia, its primary source of advanced equipment. The Russian side guarantees necessary logistical support for the above-mentioned Yak-130 during the operating period. Furthermore, Myanmar reportedly handled MRO for Mi-24 attack helicopters, albeit just a few, at an Air Force facility in Meiktila, Mandalay, with Russian assistance.<sup>90</sup> Media sources reported that Myanmar concluded a procurement contract for six Su-30 planes from Russia as its next-generation main fighters in January 2018.<sup>91</sup> The two sides reached an agreement in negotiations when Russian Defense Minister Sergei Shoigu and Myanmar Commander-in-Chief General Min Aung Hlaing met in Myanmar. They also reportedly discussed training cooperation, mutual ship visits, and closer technology cooperation.<sup>92</sup>

In procurement of equipment by the Navy, Myanmar announced the commissioning into service of one offshore patrol vessel (OPV), two landing craft utility (LCU), and four landing craft tank (LCT) at the commemoration of the 70th anniversary of the Tatmadaw (Navy) in December 2017. Myanmar reportedly built the OPV at the Naval dockyard in Thanlyin, Yangon, with technology assistance from a company located in Singapore. It is maintaining access to those foreign companies for which cooperating with Myanmar is possible, and also striving to acquire domestic production capabilities.<sup>93</sup>

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