

Chapter 5

Southeast Asia: The Reemergence of the South China Sea Issue

Political instabilities and changes in a number of Southeast Asian countries are affecting not just their domestic politics, but also regional security and the balance between ASEAN and external powers. In Myanmar, the general election and the establishment of a new political system have moved the country further toward entrenching the military's hold on power. The strengthening of relations between the military regime and the neighboring countries has created an environment favorable to the de facto perpetuation of its power. In Thailand, the political turmoil that has continued since 2008 has, for now, subsided. With the return of stability in national politics, the Thai government is facing the challenge of mending its relations with Cambodia and resolving the problem of its southernmost provinces. In the Philippines, Benigno Aquino was elected president in May 2010. President Aquino has indicated that he intends to continue peace negotiations with the Moro Islamic Liberation Front (MILF) and that he will reform the personnel system in the military and reassess his country's security cooperation with the United States.

The strategic environment in Southeast Asia is being tugged in opposing directions by moves toward cooperation on the one hand and increasing tensions on the other. With respect to ASEAN, which is evolving into a political-security community, positive change such as the scheduling of regular meetings of the ASEAN Defence Ministers' Meeting (ADMM) and the convening of ADMM-Plus, which includes the participation of ASEAN dialogue partners, can be noted. In addition, the ASEAN Regional Forum (ARF) is encouraging greater cooperation in dealing with non-traditional threats, particularly disaster relief. As this indicates, the ASEAN-based framework for security cooperation in the Asia-Pacific region has achieved a certain amount of progress. On the other hand, territorial disputes in the South China Sea have once again emerged as a security issue. This is again heightening concerns in the region, particularly among countries that are asserting their own territorial claims. The problem originates in the stepped up activities of the Chinese navy in the region and, because the United States has clearly become involved in the issue, the South China Sea has now taken on the dimensions of a US-China confrontation.

Weapons procurement by countries in Southeast Asia is generally on the rise, supported by their growing economies. Procurement trends in Vietnam and Malaysia reflect the impact of the South China Sea issue. Economic recovery in Southeast Asia has been rapid in the wake of the global economic crisis. Therefore,

the impact of the global economic crisis on the countries' defense budget and weapons procurement can be said to have been relatively small.

1. Political Instability and Changes: Implications for Regional Security

(1) Myanmar—An Election, and the Perpetuation of Military Power under a New Political Structure

Based on its “Roadmap to Democracy,” which was adopted in 2003, Myanmar’s military government has been taking steps to establish its own brand of representative democracy through elections. Maintaining a de facto hold on power has been its primary aim and the regime has made a number of strategic moves to ensure this result. In line with the new constitution, which was “approved” by voters in May 2008, a quarter of the seats in both upper and lower houses of the legislature are reserved for members of the military, who are appointed by the commander in chief of the armed forces. The constitution further requires that one of the three persons eligible for the presidency or vice presidency be chosen by a group made up of military appointees to the legislative branch.

The military government made it clear at the time of the constitutional referendum that elections would be held in 2010. As a prelude to voting, a series of election-related laws was enacted, which the government announced on March 8, 2010: the Union Election Commission Law, the Political Parties Registration Law, the Pyithu Hluttaw (Lower House) Election Law, the Amyotha Hluttaw (Upper House) Election Law, and the Region Hluttaw Election Law. One of these, the Political Parties Registration Law, prohibits persons who have been convicted in a court of law from participating in elections and requires parties to expel them from their rolls—a move clearly aimed at eliminating the candidacies of pro-democracy activists, particularly Aung San Suu Kyi, the leader of the National League for Democracy (NLD), who was convicted of inviting an American into her home. The Union Election Commission Law furthermore provides that the State Peace and Development Council (SPDC), the central organ of the military government, set up an election commission. As these measures indicate, the possibility of free and fair elections, independent of the influence of the military regime, was slim. Moreover, at the end of April, Prime Minister Thein Sein and twenty-six members of his cabinet resigned their military commissions and

simultaneously applied for the registration of a new political party, the Union Solidarity and Development Party (USDP). Clearly, the inner circle of the military regime had no intention of stepping aside from politics under the new system.

As the regime moved to build a situation favorable to the entrenchment of its power, all eyes were on the response of the NLD. Under the new law governing registration of political parties, existing parties had to apply to the election commission to participate in the election. Considering the election laws to be unfair, however, Aung San Suu Kyi expressed her opposition to such a filing and the NLD's central committee, on March 29, formally adopted this view. By failing to apply by the deadline of May 6, the NLD lost its standing as a political party and disbanded. Activists from the party, who aspired to bring about democracy under the new system, formed the National Democratic Force (NDF). On July 9, the election commission approved the NDF's standing as a political party. These events resulted in the demise of the NLD, a party which, since its founding in 1988, was the principal conduit of criticism of the military government and the prime mover for democratization in Myanmar. At the same time, a part of the NLD's membership was absorbed into the new political structure.

The election took place on November 7. Including the bloc reserved for members of the military, the USDP captured over 80 percent of the seats. The military regime thus maintained power while marginalizing the influence of pro-democracy forces in the legislature. With the outlook for democracy in Myanmar now increasingly unclear, there is little doubt that the military will continue to wield a dominating influence and that "democratic rule," as the military defines it, will shape the new system of Myanmar politics. It was under these conditions that Aung San Suu Kyi was released from house detention on November 13, after an imprisonment of seven and a half years.

Trends in countries bordering Myanmar are favoring the perpetuation of the military government's power. Aid and investment to Myanmar from China and India are at high levels and rising; and this is diminishing the impact of the political pressure and economic sanctions from Europe and the United States. Trips by prominent persons between China and Myanmar include, on June 2–3, 2010, a visit to Myanmar by Wen Jiabao, premier of the State Council, who met with Prime Minister Thein Sein. To mark the occasion, the countries signed fifteen bilateral memoranda of cooperation, relating to a natural gas pipeline, hydroelectric power and grant aid. On September 7–11, Myanmar's supreme ruler, SPDC

Chairman Than Shwe made his first visit to China in seven years, meeting with President Hu Jintao (general secretary of the Communist Party of China), Premier Wen, and Wu Bangguo, chairman of the National People's Congress Standing Committee. In conjunction with Than Shwe's visit, the Ministry of Foreign Affairs of China released a statement concerning Myanmar's election at its daily press briefing on the 7th, which said that, in accordance with the principle of noninterference, China would not intervene in the election, which was a domestic issue. At the same time, the statement called upon the international community to constructively support the election.

In the economic and energy sphere, the China National Petroleum Corporation announced on June 4 that it would begin construction of an oil and natural gas pipeline linking China and Myanmar. The current value of China's investments into Myanmar ranks behind only that of Thailand and Singapore, but its rapid growth is leading many to predict that China will become the top investor to Myanmar in the near future. China is also engaged in increased military cooperation with Myanmar. At meetings in Beijing on July 14 with Nyan Tun, commander of the Myanmar navy, and on September 7 with Thura Shwe Mann, the SPDC's third in line, Chen Bingde, chief of the General staff of the Chinese People's Liberation Army, indicated the PLA's willingness to cooperate in modernizing Myanmar's

military. Additional interaction included the announcement, in June, of a strengthened alliance with Myanmar's state-run weapons manufacturing company by China North Industries Corporation (NORINCO), a munitions manufacturer. Finally, on August 29, two Chinese warships, the *Guangzhou* and the *Caohu*, from China's 5th Escort Task Group, made the first-ever visit to Myanmar by the PLA navy, sailing into the port of Yangon.

Myanmar has also been expanding its economic relations with India. In fiscal 2009, bilateral trade between the two nations grew by 26.1 percent year-over-year, reaching \$1.19 billion. This made

India Myanmar's fourth most important trading partner after Thailand, China, and Singapore. On July 25–29, Chairman Than Shwe made his first official visit to the country in six years. While in India, he met with Prime Minister Manmohan Singh and signed five agreements, including accords relating to cooperation in criminal investigations, economic development, and scientific and technical cooperation. China and India's interests in ensuring security in a region that extends from South Asia to the Mekong River basin, in securing sea lanes in the Indian Ocean, and in stabilizing their national borders are compelling them to engage in pragmatic diplomacy with Myanmar—which sits in an important geopolitical position from the standpoint of such interests and possesses abundant natural resources. To strengthen these relations, both appear to be jockeying for ways to outdo the other in providing aid to the country. Such overtures may have the consequence of reinforcing the position of the military regime vis-à-vis the outside world.

Since the Barack Obama administration got underway in the United States in 2009, there have been signs that US policy toward Myanmar was changing from a hard-line stance toward a willingness to improve relations. The US government did actually hint at the possibility of direct discussions with the military government, provided that the regime took concrete steps to bring about democracy and political reconciliation. But it once again strongly denounced the military government when the regime showed that it would stop at nothing to exclude Aung San Suu Kyi from participating in the elections. At his daily press briefing on March 10, 2010, Assistant Secretary of State Philip J. Crowley, expressing his deep disappointment at the electoral process in Myanmar, said “Given the tenor of the election laws that they put forward, there's no hope that this election will be credible.” In May 2010, Assistant Secretary of State Kurt M. Campbell flew to Myanmar to convey the concerns of the United States regarding the election, meeting with Prime Minister Thein Sein and other top officials of the government and also with Aung San Suu Kyi. Finally, in response to Aung San Suu Kyi's release from detention after the election, Assistant Secretary Crowley said that the United States would be monitoring the actions of the Myanmar government hereafter and indicated that it would be continuing a policy of both engagement and sanctions.

Beside human rights, US concerns about Myanmar's military government include suspicions about a possible nuclear weapons program. Since June 2009,

rumors have emerged that a program was underway with the support of North Korea. In a press release from its Ministry of Foreign Affairs dated June 11, 2010, the Myanmar government categorically denied such rumors, emphasizing that as a member nation of ASEAN, it was a party to the Treaty on the Southeast Asia Nuclear Weapon-Free Zone. This did not dispel the suspicions of the United States. At a press conference in Hanoi during a meeting of ARF, US Secretary of State Hillary Clinton expressed concerns about Myanmar's nuclear weapons development and called on the regime to hold free and fair elections.

With respect to the elections, ASEAN has been extremely cautious. Vietnam, serving as ASEAN Chair in 2010, consistently downplayed the need to get involved in the Myanmar situation, emphasizing ASEAN's traditional principle of noninterference and considering any response by ASEAN regarding the country's politics and human rights situation to be "interference in internal affairs." This attitude of the ASEAN Chair was reflected in the manner in which the organization dealt with the Myanmar issue at various ASEAN meetings. For example, the joint declaration of the ASEAN Foreign Ministers Meeting in July adopted the following moderate tone: "We underscored the importance of national reconciliation in Myanmar and the holding of the general election in a free, fair, and inclusive manner, thus contributing to Myanmar's stability and development." The chairman's statement at the ASEAN Summit in October used similar language. On November 8, Pham Gia Khiem, Vietnam's vice premier and foreign minister, released a statement "as ASEAN Chair," in which he called the election on the previous day a meaningful first step in the realization of the "Roadmap to Democracy" and said that ASEAN welcomed Myanmar's holding of the election.

In fact, relations between Myanmar and other ASEAN member states are growing closer, particularly in the area of economic cooperation. In early April, Prime Minister Nguyen Tan Dung of Vietnam visited Myanmar. In addition to a joint declaration on bilateral cooperation, both nations signed memoranda on economic cooperation in such areas as investment, agriculture, aquaculture and finance. Thailand is also deepening its economic ties with Myanmar, much of this in the realm of energy. Natural gas accounts for 40 percent of Myanmar's total exports and significant amounts of natural gas are exported to Thailand, which is now highly dependent on Myanmar for its energy needs. In July, Thailand's state-owned oil company Petroleum Authority of Thailand entered into a 30-year agreement with the military government to purchase natural gas. On October 11,

Thailand's Prime Minister Abhisit Vejjajiva made his first official visit to Myanmar, where he met with Chairman Than Shwe, Prime Minister Thein Sein, and other high officials in the military government. His visit resulted in an agreement for the joint development of a harbor at Dawei, a city on the southeastern coast of Myanmar fronting the Andaman Sea.

That said, however, some within ASEAN are exploring ways of dealing with Myanmar's human rights problem. Indonesia and the Philippines, which advocate a more robust promotion of human rights and democracy within ASEAN, are openly critical of the military regime. For example, upon the release of Myanmar's election-related legislation in March, Alberto Romulo, secretary of Foreign Affairs of the Philippines, criticized the laws as contravening the process of democratization, while Indonesia's Ministry of Foreign Affairs expressed concerns that the election's credibility would be undermined unless it was conducted in an all-inclusive manner. At the ASEAN Foreign Ministers Meeting in July, Indonesia and Malaysia sounded Myanmar out on the possibility of an ASEAN team being sent there to monitor the election. Then, in a speech at the ASEAN Summit in October, Secretary Romulo proposed that ASEAN pressure Myanmar to democratize by demanding the unconditional release of all political prisoners. With Indonesia set to rotate into the ASEAN Chair after Vietnam, it is widely expected that ASEAN's Myanmar policy will change to more active engagement in the issue. At the present time, however, neighboring nations are generally adopting a cautious approach toward Myanmar and this international environment is enabling the military regime to build a new political structure at its own pace. From the universal perspective of human rights and democracy, the recent election can hardly be called fair. On the other hand, the election represents the limit of possibilities in Myanmar politics today. That it took place at all is a kind of achievement.

(2) Thailand—Political Chaos and Internal and External Security Issues

In Thailand, the first half of 2010 was marked by continued violent confrontation between groups supporting former Prime Minister Thaksin Shinawatra, who was ousted in a coup d'état four years ago, and the current anti-Thaksin government. Pro-Thaksin groups, led by the United Front for Democracy against Dictatorship (UDD), are seeking to overthrow the current Abhisit Vejjajiva government. In

April 2009, these pro-Thaksin groups broke into and occupied the site in Pattaya where meetings of the ASEAN+3 (Japan, China, and South Korea) Summit and the East Asia Summit (EAS) were scheduled, forcing postponement of both meetings. Then, beginning around the middle of March 2010, the UDD mobilized more than 100,000 people for a series of massive on-again, off-again demonstrations in protest against a decision by the Supreme Court related to the seizure of assets owned by the former prime minister in Thailand. In April, a group of these demonstrators stormed the Parliament House of Thailand, bringing tensions between pro- and anti-government groups to a sudden high pitch.

On April 7, the Thai government responded by declaring a state of emergency, which included a measure prohibiting public assembly. Pro-Thaksin groups ignored the order and began a sit-down strike in Bangkok's central business district. Fearing that a prolonged strike would paralyze the functioning of this district to the detriment of the Thai economy and its commerce and tourism, the government opted to use military force to crush the strike. The cleanup campaign, which was launched on April 11, met with all-out resistance from pro-Thaksin groups and resulted in a large number of deaths. Because protestors continued to sit in the streets thereafter, the military embarked on another campaign to remove them on May 19. This caused the UDD leadership to declare an end to the demonstration. The clashes which began in March claimed close to 90 lives and became the first instance of a major lethal confrontation between the military and the civilian population since the military opened fire on a crowd in 1992, causing 100 deaths and/or reports of missing persons. Since the military took its cleanup action in May, public peace in Bangkok and its environs has been temporarily restored.

This does not mean that Thailand's domestic political problems have been solved. In September, in fact, pro-Thaksin groups once again began gathering for frequent demonstrations and rallies. The causes of the political upheaval cannot be reduced to the simple hostility between pro- and anti-Thaksin factions. Rather various conflicts between social classes in Thai society, pitting the rich against the poor, traditional elites against a newly emerging middle class, cities against the countryside, and so on, have given rise to the tide which is splitting the country in half. Obviously these antagonisms will not go away overnight. In that sense, no quick remedy exists that is capable of dealing with the root causes of the conflict. That said, however, Thailand will undoubtedly take its first step toward restoring political stability when it holds fair elections, chooses a legislature and government

that reflects the will of the people, and enables the conflicts to be adjusted through the workings of the legislative process. In that sense, the nation is anxious for parliamentary dissolution and a general election but when Prime Minister Abhisit rejected the idea of dissolving parliament after the king's birthday on December 5, the year ended without an election.

In terms of national security, Thailand faces “an internal misery and an external woe,” on which little progress is being made. One reason for this failure is clearly the country's political chaos. Its “internal misery” is the issue of the southernmost provinces (of Pattani, Yala, and Narathiwat, near the border with Malaysia, and their neighboring areas), where since January 2004 soldiers, police, teachers, Buddhist monks and the public at large have been indiscriminately attacked, resulting in more than 4,000 deaths through 2010. According to a report by the US government, there is no evidence at present of cooperation between international terrorist groups and the people responsible for these attacks. Thus the possibility of the violence in the south spreading across Thailand and throughout Southeast Asia is slim.

In the southernmost provinces, minority ethnic-Malay Muslims make up the bulk of the population, so this problem has a fundamental bearing on the integration of the Thai nation. The implications are that the government will have to enact appropriate measures to deal with it and that achieving ethnic reconciliation will take a considerable amount of time. It is also true that, because of the upheaval in Bangkok, the central government has been prevented from focusing on the violence in the south and from adopting a coherent set of policies that would bring the attacks under control and deal fundamentally with national reconciliation. However, because of the temporary calm that has been restored to Thai politics since May 2010, the central government appears once again to be engaged in the issue. One sign is the change of bureaucratic jurisdiction over the Southern Border Provinces Administrative Centre from the Ministry of Interior to the Office of the Prime Minister. The outcome of the problem in southernmost regions will depend on the degree to which the government is able to muster a robust policy to address it hereafter.

The “external woe” relates to the temple at Preah Vihear which, in its most basic terms, is a border dispute between Thailand and Cambodia. In 2010 relations between the countries swung back and forth between deterioration and fence mending over the problem. The confrontation is over who has jurisdiction over the

Hindu temple. The issue flared up again in 2008 when Cambodia applied to have the temple declared a World Heritage Site. Since then, both nations have deployed their militaries to the area and a standoff continues. Between January and April 2010, the armies engaged in scattered exchanges of gunfire, resulting in people being killed and wounded on both sides. When Cambodia agreed to extradite a suspect in a Bangkok bombing in May, it appeared momentarily that relations were turning around. However, in July, the Thai government hardened its stance and bilateral relations again deteriorated when the Cambodian government submitted plan to UNESCO for the management of the temple.

Thailand and Cambodia have a fundamental difference of opinion regarding how to solve the Preah Vihear issue. Cambodia, which fears the disadvantages it would face in direct negotiations with Thailand because of the latter's greater military power, international and regional influence, and economic strength, has insisted that the problem be resolved within a regional framework of cooperation or through the intermediation of an international body. Cambodia has employed every method at its disposal to try to bring this about. In August 2010, Prime Minister Hun Sen sent a letter to the UN Security Council requesting that an international conference be held on the issue. Hor Namhong, Cambodia's Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, has taken the case to ASEAN, saying in a letter to the foreign minister of the chair nation Vietnam and to ASEAN's Secretary-General Surin Pitsuwan that a bilateral solution to the problem was not feasible and that ASEAN's support would be necessary. Although Vietnam actively ran the proposal by other ASEAN nations, Secretary-General Pitsuwan expressed the expectation that leaders of both nations would discuss the problem. In contrast to the Cambodian position, Thailand has argued consistently that, as a bilateral issue, the problem had to be solved peacefully through discussions with Cambodia. In a letter addressed to Vietnam, Thailand's foreign minister rejected third-party intermediation by ASEAN.

Besides being an international problem for Thailand, the disagreement with Cambodia over the Preah Vihear temple is deeply linked to the political turmoil within Thailand, for it arose when anti-Thaksin groups became outraged over the previous administration's (the pro-Thaksin groups') recognition of the move by Cambodia to list the temple as a World Heritage Site. So, the present government, as an anti-Thaksin administration, has been in no position to recognize Cambodia's site registration. The problem was amplified in October 2009 when Prime Minister

Hun Sen hired former prime minister Thaksin to advise Cambodia on economic issues, causing a vehement outcry by the Abhisit government and a major deterioration in bilateral relations. For the time being, resolving the Preah Vihear conflict will require that both nations take steps to move the issue to the back burner while avoiding military clashes. Beginning negotiations on fixing the border, however, will require political relations first to be rebuilt. In that sense, the announcement on August 23 that Thaksin had resigned his position as economic adviser and that relations between the two countries were once again on the mend has heightened expectations for a solution. Prime Minister Abhisit conferred with Prime Minister Hun Sen on September 24, during the opening session of the UN General Assembly. Both leaders again conferred at the Asia-Europe Meeting Summit held on October 4, where they agreed to reopen negotiations on formalizing a border between their two nations. Finally, at the Ayeyawady-Chao Praya-Mekong Economic Cooperation Strategy Summit on November 17, both leaders confirmed their intent to work to improve Thailand-Cambodia relations.

(3) The Philippines—The Advent of a New President

In the presidential election held in the Philippines on May 10, 2010, Senator Benigno Aquino, son of the late former president Corazon Aquino, emerged as the victor. Lacking any real political track record, Aquino will be watched closely as he goes about managing Philippine politics, which faces a vast array of issues ranging from corruption to fiscal deficits. In terms of national security policy, he will have to deal with the long-standing Mindanao conflict, particularly peace negotiations with the Moro Islamic Liberation Front. Negotiations between the Philippine government and the MILF resumed in December 2009 after collapsing at the end of 2008, but so far nothing substantial has been achieved.

During his campaign, President Aquino did not offer any new approaches to dealing with the MILF. Furthermore because the new administration has placed its priority on dealing with graft, observers expect it to maintain the negotiating strategies of the Arroyo administration. MILF leader Al-Hajji Murad Ebrahim expressed his hopes that the government would continue its peace negotiations with his group. In his State of the Nation Address on July 26, President Aquino declared that he would continue to search for a solution to the Mindanao conflict through dialogue. Based on this policy, he called for the MILF and the government to resume peace negotiations in September, after the end of Ramadan. However,

while the new president was clear on his intentions regarding the peace negotiations as such, he indicated that he wanted the intermediary in those negotiations to be changed from Malaysia to Indonesia, a policy which the MILF rejected.

In addition, with respect to a wide range of security issues, President Aquino has expressed a desire to reexamine the policies of the previous administration. For example, he wants to consider other ways of dealing with the New People's Army and of bringing the "military politics" which impact personnel decisions in the military to an end. He is passionate in his concern about eliminating political connections and family ties from promotion decisions, about establishing civilian control, and ending the military's involvement in politics. Regarding security cooperation with the United States, the new president indicated that he would be reassessing the Visiting Forces Agreement between the Philippines and the United States, with an eye toward revision and possible abolishment of the VFA.

Generally speaking, President Aquino made no pledges during his campaign regarding security policy, with most of his pronouncements boiling down to the challenge of resuming work on issues passed down from the previous administration and of being able to add a new twist in these efforts. He will likely have to find ways of guiding peace negotiations with the MILF to a soft landing, of steadily building a new security relationship with the United States, and especially of responding to China, which many fear is advancing once again into the South China Sea. With respect to ASEAN politics, many will be watching to see how he assumes the previous administration's mantle and expands the role of the Philippines, which, as a proponent of human rights and democracy, has advocated a robust involvement in the Myanmar issue.

2. Cooperation and Tension in the Strategic Environment of ASEAN

(1) An Expanded ASEAN Defence Ministers' Meeting—ADMM-Plus

Launched in 2006, the ADMM is widely seen as having a significant role to play in preventing conflict and cultivating trust within the region, as ASEAN engages in the process of building a political-security community. On May 11, 2010, continuing a task dealt with by the Third ADMM, the Fourth ADMM held in Hanoi made a number of important decisions aimed at concretizing the ADMM-

Plus concept. As a framework for dialogue between ASEAN and non-ASEAN nations, the ADMM-Plus takes the ADMM further down the path toward “an open, flexible and outward-looking” meeting. While the ARF meeting brings together the foreign ministers of its member nations, the ADMM-Plus is the first official framework for dialogue on security issues involving the defense ministers of all major nations in the Asia-Pacific region. Accordingly, the convening of the ADMM-Plus potentially paves the way for a multi-layered framework of dialogue and the adoption of concrete policies aimed at cultivating trust and fostering the peaceful settlement of conflict in the region. At the Sixteenth ASEAN Summit held in Hanoi on April 9, members adopted a decision to invite the following eight non-ASEAN nations into the ADMM-Plus: Japan, China, Korea, India, Australia, New Zealand, the United States, and Russia. Based on this decision, the Fourth ADMM approved two papers, one on the configuration and composition of the ADMM-Plus and the other on the modalities and procedures to be used in its operations.

The joint declaration on “strengthening ASEAN defence cooperation for stability and development of the region” which was adopted at the Fourth ADMM reaffirmed the significance of the ADMM-Plus and the need to convene a meeting at the earliest possible date. It discussed the use of military assets and capacities in humanitarian assistance and disaster relief and also referred to military cooperation in areas of nontraditional security. The declaration’s reference to the latter two topics suggests that discussions occurred on how to flesh out two concept papers adopted by the Third ADMM: “The Use of ASEAN Military Assets and Capacities in Humanitarian Assistance and Disaster Relief” and “ASEAN Defence Establishment and Civil Society Organisations (CSOs) Cooperation on Non-traditional Security.” Specifically, participants considered the possibility of strengthening joint patrols of the ocean, establishing hotlines between their respective navies and maritime police units, and carrying out joint training exercises in search and rescue. A proposal by Malaysia on strengthening cooperation among the defense industries of ASEAN nations, reportedly dealing with the joint development of weapons and equipment based on the sharing of technology and intellectual property rights, was also presented.

The first ADMM-Plus convened on October 12. Defense ministers discussed ways of cooperating on issues relating to the South China Sea and to nontraditional security, agreeing to focus on five areas: humanitarian assistance and disaster

relief, maritime security, military medicine, counterterrorism, and peacekeeping operations. The ministers further ratified the establishment of Experts' Working Groups (EWG), which would be responsible for overseeing activities and planning concrete initiatives in these areas. The countries also agreed to establish the ASEAN Defence Senior Officials' Meeting-Plus (ADSOM-Plus), comprising senior officials from all the ADMM-Plus member countries, and also the ADSOM-Plus WG, a high-level administrative working group. The ministers decided that the ADMM-Plus would convene once every three years, with the next meeting scheduled for Brunei in 2013, and that, during the interim, ADSOM-Plus would meet to discuss issues raised by the ADMM-Plus. The first ADSOM-Plus was set for 2011, in Indonesia. Additionally, the following offered to co-chair the specific subject areas in the EWGs: Vietnam and China, humanitarian assistance and disaster relief; Malaysia and Australia, maritime security; the Philippines and New Zealand, PKOs; Japan and Singapore, military medicine; and the United States and Indonesia, counterterrorism. These co-chairmanships were approved at the ADSOM-Plus WG meeting held in December.

The ADMM Plus also provided opportunities for bilateral meetings of defense ministers, including Defense Minister Toshimi Kitazawa of Japan and Chinese Minister of National Defense Liang Guanglie. This was the first opportunity for the defense ministers of the two nations to meet since the collision in September 2010 between a Japan Coast Guard patrol boat and a Chinese fishing vessel near the Senkaku Islands.

Table 5.1. Meetings of the ASEAN Defence Ministers Meeting

First (Kuala Lumpur, May 9, 2006)	Adopted the "ADMM Concept Paper" and promoted active engagement of ASEAN friends and Dialogue Partners
Second (Singapore, Nov. 14, 2007)	Adopted the "Protocol to the ADMM Concept Paper," the "Three-year Work Programme," and the "ADMM-Plus Concept Paper."
Third (Pattaya, Feb. 26, 2009)	Adoption of the "Concept Paper on the Use of ASEAN Military Assets and Capacities in Humanitarian Assistance and Disaster Relief," "ADMM-Plus Concept Paper," and "Concept Paper on ASEAN Defence Establishment and Civil Society Organisations (CSOs) Cooperation on Non-traditional Security."
Fourth (Hanoi, May 11, 2010)	Adoption of two documents on the format, composition, and procedures of ADMM-Plus, and discussion on defense industry cooperation among ASEAN members.

Source: Compiled from the ASEAN Secretariat website.

(2) The Development and Expansion of Multilateral Frameworks

In recent years, the ARF has begun working on the development of concrete mechanisms of cooperation, principally in the area of nontraditional security issues. At the Seventeenth ARF meeting, held on July 23, 2010, the foreign ministers approved the “Hanoi Plan of Action to Implement the ASEAN Regional Forum Vision Statement” which discusses at a policy level the specific actions that will have to be taken to realize the “ASEAN Regional Forum Vision Statement.” The Hanoi action plan enumerates many goals for actions designed to concretize cooperation in the area of nontraditional security—in disaster relief, counterterrorism, maritime security, and so on. As the example for disaster relief shows, however, these goals have been cast merely as abstract, nonbinding targets, whose aims are to “support the ARF inter-sessional meeting on disaster relief,” “support and contribute to the implementation of the ASEAN Agreement on Disaster Management and Emergency Response,” and “support civil-military coordination.” Consequently, the Hanoi plan is not significantly different from the large number of other abstract action plans that have been released to date by ASEAN. On this basis, it appears to some that the ARF remains a “talk shop,” where things are endlessly discussed and not accompanied by action.

However, in the area of disaster relief, ASEAN is establishing a track record of joint exercises. In May 2009, the first ARF Voluntary Demonstration of Response took place in the Philippines and a second exercise was implemented in March 2011, the latter to be jointly organized by Indonesia and Japan. Thus, even in the area of national security, where conflicting interests exist among ARF member countries, nations are exploring ways of encouraging cooperation where such cooperation is possible. Moreover, at the Seventeenth ARF meeting, the issues of Myanmar, North Korea, and the South China Sea were on the agenda, and, as discussed later in this chapter, the ministers exchanged frank views, particularly with respect to the South China Sea. So, the nations were able to turn the latest ARF meeting into a forum for discussing security issues where their interests were in conflict. Today’s ARF can thus be one day a body for maintaining the status quo and on another day a gathering for generating progress.

Even the EAS, a relatively new framework for multilateral talks, has been moving in new directions. As with the ADMM-Plus, the EAS is an ASEAN-led multilateral framework which is increasing its membership. At the ASEAN Foreign Ministers Meeting held on July 20, 2010, an announcement was made

that the United States and Russia would be officially joining the EAS at its sixth meeting in 2011. The United States, since the start of the Obama administration, has clearly indicated a desire to become more deeply engaged in the Asia-Pacific region. Secretary of State Hillary Clinton, in a speech on regional organizations in Asia given at the East-West Center in Honolulu on January 12, 2010, spoke of the importance of achievements such as the convening of the First ASEAN-US Leaders' Meeting and the accession of the United States to the Treaty of Amity and Cooperation in Southeast Asia. At the Second ASEAN-US Leaders' Meeting, which took place in New York on September 24, both sides agreed to cooperate in a wide range of areas, including economy, energy, and food.

(3) China and Southeast Asia—The South China Sea Issue Reignites

In recent years, particularly since the beginning of 2000s, China has actively sought to strengthen its relationship with ASEAN. This posture is evident in such steps toward political and economic cooperation as the signing of the China-ASEAN Free Trade Agreement and accession to the Treaty of Amity and Cooperation in Southeast Asia, as well as its furtherance of bilateral political, economic, and security relations with countries such as Myanmar, Laos, and Cambodia. What was striking in 2010, in addition to the previously discussed exchanges with Myanmar, were actions taken by China to strengthen ties with Indonesia, particularly in the area of security. With territory containing the important Malacca, Sunda, and Lombok straits, and possessing an abundance of natural gas and other natural resources, Indonesia is a regional power which is home to more than 200 million Muslims, making it the world's largest Islamic nation. On January 22, 2010, a deputy premier-level dialogue took place in Jakarta. At this meeting, the two nations agreed to cooperate on national security, particularly through their respective defense industries. In May, Guo Baixiong, vice chairman of the Central Military Commission, visited Indonesia, and signed agreements for bilateral cooperation in training, military exercises, weapons procurement, and technology transfer.

This does not mean, however, that these primarily China-inspired initiatives to improve relations with Southeast Asia have resolved areas of concern between the two parties. One of the most important of these issues is competition for territorial claims in the South China Sea. In recent years, China has become more actively

engaged militarily in the area, causing concern to grow among countries in Southeast Asia. Not only has China increased the number of submarines and surface ships operating there; it has also strengthened its presence through patrols and exercises, all while rapidly developing its naval power through the construction of submarine bases and aircraft carriers. Since March 2009, China has also deployed the *Yuzheng 311*, a fishery surveillance vessel that is a converted warship. The role of this ship is generally thought to be to protect China's sovereignty on the seas and to ensure safe operations of Chinese fishing boats.

The country most affected by this intensified focus by China on the South China Sea, and particularly by its tougher stance regarding territorial claims near the Paracel Islands, is Vietnam, which in recent years has seen many of its fishing boats seized, ships and freight confiscated, and, at times, reparations demanded. The number of such incidents has grown sharply since 2009. In that year alone, more than one hundred Vietnamese fishermen were detained. The trend continued in 2010, when, between March and May, China detained close to fifty Vietnamese fishermen in three separate incidents. The *Yuzheng* also caused tensions to rise among bordering nations by engaging in standoffs with the Malaysian and Indonesian navies over the operation of Chinese fishing boats in their waters.

China itself appears to be aware that its growing military presence in the South China Sea is creating anxiety among bordering nations, particularly those asserting territorial claims. On March 29–31, 2010, the Third China-ASEAN Security Dialogue took place under the joint auspices of the Chinese Ministry of National Defense and the PLA Academy of Military Science. According to the Xinhua News Agency, the dialogue dealt primarily with cooperation on nontraditional security problems, both operationally and from the standpoint of scientific research—with the aim of advancing security between China and ASEAN. When a participant from the Philippines raised a question regarding China's growing naval power and the change in the region's strategic environment, which everyone present understood referred to the South China Sea issue, the Chinese side responded that increased naval power was aimed at protecting China's national

interests at sea and at promoting peace and stability in the region, and that it should never, in any way, be considered a threat to ASEAN. That China desires stability near its borders for purposes of economic development is a fact. That it wishes to maintain good relations with ASEAN to ensure such stability is also undeniable. The problem lies in balancing the efforts to maintain such good external relations with the national interests that China sees in keeping and expanding its territorial possessions on land and sea. Whether the South China Sea problem will be resolved, or whether a sense of calm can be restored to the region, will rest essentially on how China strikes this balance.

In fact, inconsistent statements from the Chinese government on the South China Sea suggest that the balance may be faltering. On April 23, 2010, *The New York Times* reported on a visit to China by two senior Obama administration officials, Jeffrey A. Bader, senior director for Asian affairs on the National Security Council, and James B. Steinberg, deputy secretary of state. According to the report, Chinese officials told them that China now considers the South China Sea a part of its “core interest” of sovereignty. Because this was the first time that the Chinese labeled the South China Sea a core interest, on par with Taiwan and Tibet, this comment created a significant stir internationally and heightened fears among coastal nations on the South China Sea.

Much of the debate on territorial claims in the South China Sea revolves around the need for greater engagement by the United States, which is the one actor considered capable of dealing with China. The interest of the United States in this issue is, in fact, increasing, in response to the Chinese navy’s stepped up activity in the region and also, one may guess, in response to appeals for more involvement from the affected nations. Statements by members of the Obama cabinet point to this. For example, on June 4–6, 2010, at the Ninth Asia Security Summit (the Shangri-La Dialogue) sponsored by the UK’s International Institute for Strategic Studies, US Secretary of Defense Robert Gates described the South China Sea as “an area of growing concern,” saying that it was vital not only for the nations bordering it but for all nations with economic and security interests in Asia. Secretary Gates made it clear that US policy on the South China Sea would focus on maintaining freedom and stability of navigation and free and unhindered economic development, adding that while the United States would not take sides on any sovereignty claims, it strongly opposed the use of force and any actions that hindered freedom of navigation. Likewise, Secretary of State Hillary Clinton,

who was in Hanoi to attend the Seventeenth ARF meeting, said at a press conference on July 23 that “the United States... has a national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea” and that it “supports a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion.” She went on to express support for the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea and to encourage the countries involved to reach agreement on a full code of conduct. The issue of the South China Sea was in fact brought up at the ARF meeting and, according to those present, prompted heated exchanges, particularly between the United States and China.

The presence of the US navy in the South China Sea is also growing, largely through expanded military exchanges with Vietnam. In June 2010, US forces carried out a humanitarian exercise dubbed “Pacific Partnership 2010” in Vietnam and Cambodia. On August 8, the nuclear-powered aircraft carrier USS *George Washington* arrived off the coast of Danang, in central Vietnam, and welcomed representatives of the Vietnamese military and government aboard. On that occasion, clearly signaling that the purpose of his ship’s cruise was to restrain China’s attempts to expand control, Commanding Officer Capt. David Lausman said: “These waters belong to nobody, yet belong to everybody,” and “China has a right to operate here, as do we and as does every other country of the world.” Subsequently, on August 10, the Aegis guided missile destroyer USS *John S. McCain* docked at the port of Danang, as part of an exchange between the US Seventh Fleet and the Vietnamese navy which commemorated the fifteenth anniversary of the restoration of diplomatic relations between the two countries. Then, on the 17th, the first-ever meeting at the undersecretary level between defense officials of the United States and Vietnam took place.

Not surprisingly, these moves by the United States and Vietnam raised strong suspicions on the part of China. Following the ARF meeting, China conducted a large-scale military exercise in the South China Sea. In response to Secretary Clinton’s statements in Hanoi, a spokesman from its Ministry of National Defense repeated China’s long-held position that it opposed discussing the South China Sea within a multilateral framework and said that China would seek to resolve each dispute on a bilateral basis with the country involved. The website of China’s Ministry of Foreign Affairs then published the Chinese government’s official

policy on the South China Sea, in which Secretary Clinton's remarks were sharply criticized as "an attack on China." Finally, in a television interview, Maj. Gen. Yang Yi, former head of the Institute for National Strategic Studies at the PLA National Defense University, charged that Vietnam was trying to increase its negotiating leverage with China through the use of US power and said that it would regret this in the future.

In the face of these reactions from China, Vietnam itself is attempting to avoid excessive confrontation. In an interview published in the August 14, 2010, edition of *People's Army*, the official publication of the Vietnam People's Army, Deputy Minister of Defense Nguyen Chi Vinh characterized the Vietnamese military's interactions with the US military as merely one part of a series of exchange events between the two countries, insisting that there was no connection between them and the country's relationship with China. The vice minister visited China immediately after joint naval activities with the United States, where he met on August 25 with Ma Xiaotian, deputy chief of the General Staff, and made a courtesy call on Defense Minister Liang Guanglie. At a press conference following his meetings, Deputy Minister Vinh rejected the view that Vietnam was cooperating with the United States in order to keep China at bay.

Vietnam, as ASEAN Chair, is also attempting to improve the situation by internationalizing the South China Sea issue and placing it on the agendas of multilateral frameworks of dialogue. It has actively sought to have member countries deal with the issue at ASEAN meetings and to have them incorporate it into meeting declarations. However, because national interests and motives differ, these efforts have yielded only tepid references to the problem. For example, the Joint Declaration adopted by the Forty-third ASEAN Foreign Ministers Meeting, which took place in Hanoi on July 19–20, spoke of expectations for an early reconvening of working group-level meetings between China and ASEAN on the Declaration on the Conduct of Parties in the South China Sea. The Chairman's Statement at the ARF meeting on July 23 did touch on the South China Sea issue, but only in the context of reaffirming the importance of the 2002 declaration on the conduct of parties. Vietnam and other nations involved in the territorial disputes, along with Indonesia, allied themselves with the United States in raising the South China Sea issue at the ARF ministers meeting. This does not mean, however, that a paradigm is now in place under which ASEAN as a whole will unite with the United States in seeking a peaceful resolution of the disputes with

China. As indicated by the cautious language used in the Joint Declaration of the ASEAN Foreign Ministers Meeting, a number of countries with no direct interests in the South China Sea, but also with deep ties to China, may be taking a cautious stance on this issue. And, despite using language such as “we reaffirmed the importance of regional peace and stability,” the Joint Statement of the ASEAN-US Leaders’ Meeting of September 2010 apparently moderated the tone of a harshly worded original draft. Finally, while both the ASEAN Summit and ADMM-Plus in October reportedly discussed the South China Sea, the joint statements that emerged from both meetings limited themselves to the usual expressions about the need for a peaceful resolution.

Today, China’s policy continues to call for increasingly active engagement in the South China Sea, both militarily and diplomatically. In October it deployed its most advanced patrol boat, the *Haijian 75*, and indicated its intentions of adding more patrol boats hereafter. Also in October, Prime Minister Wen Jiabao, in Hanoi for ASEAN meetings, met with Prime Minister Hun Sen of Cambodia. While pledging to support Cambodia economically, Wen extracted from Hun Sen a statement that Cambodia would oppose the internationalization of the South China Sea issue. Because ASEAN has never been solidly united on the South China Sea, China’s policy of driving a wedge between members of the organization could have a major impact on how ASEAN responds to the problem hereafter.

Territorial Disputes in the South China Sea

The boundary treaty between France and China in the late 19th century does not explicitly establish sovereignty over the Spratly and Paracel Islands. Until the beginning of World War II, China and France, Vietnam’s colonial suzerain, were involved in disputes over the sovereignty of both island groups. Later, political volatility and social upheaval in the region caused the question of sovereignty in the Spratlys and the Paracels to remain in limbo between the 1950s and the 1960s.

At the end of the 1960s, nations bordering the South China Sea once again began to assert their claims over the islands and the conflicts grew militant. In 1968, the Philippines began to assert its rights over islands in the eastern part of the Spratlys. China seized the eastern section of the Paracels in 1956, and, after a military engagement with South Vietnamese forces, took control of the western islands in January 1974. Immediately afterwards, Vietnam occupied six islands and the Philippines five islands in the Spratlys. In 1988, China commenced its occupation of portions of the Spratlys, leading to a military clash with Vietnam in

March of that year.

In recent years, the territorial dispute over the islands has been discussed within a China-ASEAN multilateral framework. China attended the ASEAN Foreign Ministers Meeting in July 1991 as a guest of the host nations. At around the same time, it participated in an informal workshop in Bandung, Indonesia, which was organized to deal with potential conflicts in the South China Sea. This workshop gave China its first opportunity to discuss the disputes with ASEAN. After several meetings between ASEAN countries, as well as those between China and ASEAN, the sovereignty issue over islands in the South China Sea reached fruition in the form of the ASEAN-China Declaration on the Conduct of Parties in the South China Sea, which was signed by ASEAN and China at the ASEAN Summit of November 2002. Despite its abstract language, which calls for parties to resolve their disputes peacefully and prohibits the action of inhabiting on the presently uninhabited islands, the declaration is noteworthy because it sets the direction for the resolution of the issue of the Spratly Islands. The declaration, however, has limitations. It obligates none of the parties to do anything and it is not legally binding. Article 10 does, however, speak of adopting a more legally binding code of conduct, which ASEAN is aiming to develop and adopt through discussions with China.

Whether the parties are even capable of creating such a code of conduct has become an increasingly murky question in recent years. In the context of today's international politics, China is in the driver's seat on the South China Sea issue in the sense that the situation there will change depending on the kind of policy that China adopts toward it in response to external or internal factors. Backed by growing economic clout and military strength, China is seeking to expand its de facto influence in the South China Sea, causing nations with a stake in the outcome to view the territorial issue once again as a serious security problem.

3. Military Trends in Southeast Asia—A Steady Buildup of Arsenals

(1) The Impact of the South China Sea Issue

With the South China Sea issue heating up once again, some have begun to say that China's growing military power will prompt an arms race among countries in Southeast Asia because countries will be encouraged to increase their military readiness. This seems to be the case with Vietnam, whose recent strengthening of its arsenal, especially through an active program of procurements from Russia, appears related to trends in the South China Sea—which is its most important and serious security problem. Russia's state-run media reported in December 2009 that Vietnam had confirmed a purchase of six *Kilo*-class submarines and eight

Sukhoi Su-30MK2 fighters. In February 2010, Interfax reported that Vietnam had entered into an agreement for the additional purchase of twelve Sukhoi aircraft. Then in May 2010, Viking Air of Canada announced a purchase by Vietnam of six DHC-6 patrol aircraft, which are scheduled for delivery to the navy between 2012 and 2014. *The Straits Times*, Singapore's leading newspaper, reported that Vietnam had begun negotiations with Israel regarding the purchase of short-range ballistic missile systems.

Is it possible to interpret these procurements as an increase in military readiness by Vietnam in response to China's growing military power in the South China Sea? The first point to make is that the Vietnamese government obviously has not admitted officially that there is any such a cause-and-effect relationship. At a press conference on January 7, 2010, Prime Minister Dung addressed the question of his country's purchase of submarines from Russia. After speaking in generalities about how economic development has made it possible to modernize the military, Dung touched on the need to defend Vietnam's vast territorial waters. While not referring directly to the South China Sea, this statement related broadly to the territorial issue and, at the very least, did not deny the objective of protecting Vietnam's territorial interests there. Although Vietnam's military buildup would never amount to an overall deterrence against China's expanding military power, it would have an impact in the defense of territory under its *de facto* control, including in the sense of demonstrating its resolve as a nation. Also in his remarks, the Vietnamese prime minister rejected the argument that these procurements were related to an arms race in Southeast Asia.

Actions by Malaysia have also been subject to speculation that they were connected to the South China Sea issue. The Malaysian navy has purchased two *Scorpene*-class submarines, taking delivery of the first one, the *Tunku Abdul Raman*, in January 2009. From July 29 to August 6, the Malaysian navy conducted its first-ever fleet exercise, which included the *Tunku Abdul Raman*, in the South China Sea. In addition to establishing the Malaysian navy's presence there, this exercise is generally thought to have been designed to test Malaysia's emergency response plan for defending areas under its control in the Spratly Islands. The country's buildup of naval power has been moving briskly forward. The second *Scorpene*-class submarine, the *Tun Razak*, arrived at Lumut naval base on July 2. The government then announced the acquisition of three multipurpose supply ships, as part of its procurement plan for the period 2011–15. On October 18, the

Boustead Naval Shipyard announced that it would be building six next-generation *Kedah*-class coast guard cutters for the Malaysian navy. While it is manifestly clear that no country in Southeast Asia will ever have enough military power to confront China, there can be no doubt, in view of procurement trends, that the growing seriousness of the South China Sea situation is encouraging countries to strengthen their arsenals in order to police the oceans, particularly shorelines and island sectors. Two senior members of the Malaysian military, commanding officers in the navy and air force, respectively, have stated explicitly that there is a need to enhance patrol capabilities over ocean areas in order to ensure the security of the South China Sea.

(2) The Impact of the Economic Crisis on Defense Spending

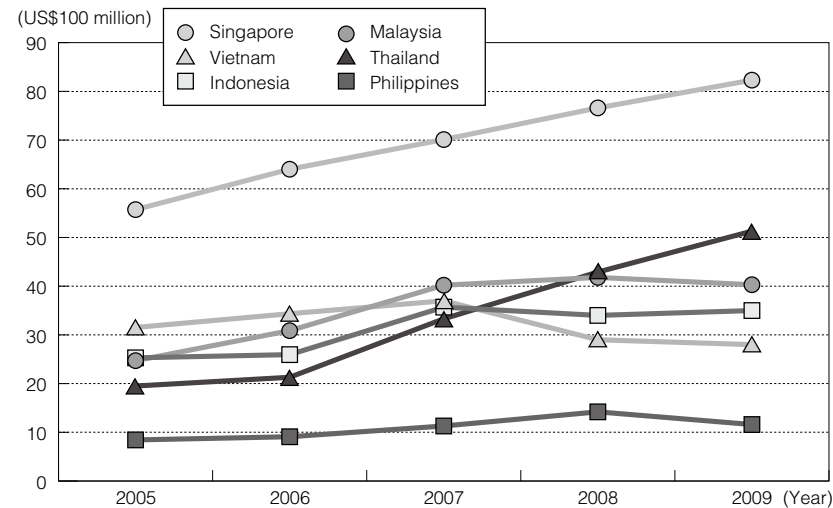
Defense spending among countries in Southeast Asia is generally on the rise. Many countries in Southeast Asia recovered quickly and began growing again after the economic crisis of 2008. The pattern of economic crisis-induced fiscal deterioration leading to reductions in defense spending is thus apparently not always applicable in Southeast Asia. In fact, on May 4, Indonesian Minister of Defense Purnomo Yusrigantoro said that his government was planning to increase defense spending from its current level of 0.8 percent of GDP to 1.2 percent in 2011 and 1.5 percent in 2014. These plans are being supported by a surging economy, which is being fueled by expanded investments from domestic and foreign sources, strong domestic demand, and oil and natural gas development. Meanwhile, Singapore increased its defense budget, the largest in Southeast Asia, by 0.1 percent year-on-year to \$11.46 billion in fiscal 2010. Thailand, meanwhile, plans to increase its fiscal 2011 defense budget by 10 percent year-on-year, to \$5.2 billion. Despite domestic political turmoil, the Thai economy grew rapidly in 2010. The Abhisit administration, moreover, needs the support of the military to remain in power. A combination of political and economic forces may thus be contributing to this growth in military spending.

With defense expenditures rising, Indonesia and Thailand are procuring new weapons and equipment at a rapid rate. To cite one example from Indonesia, in January 2010 the air force announced that it was considering purchasing, in addition to Sukhoi fighters from Russia, sixteen Super Tucano fighters from Brazil. As expected, in November, Brazil's Embraer Group announced that the

Indonesian air force would initially procure eight EMB-314 Super Tucano light attack aircraft. Minister of Defense Yushgiantoro then revealed in September that, in addition to the thirteen that were currently in service, Indonesia had plans to procure an additional 180 Sukhoi fighters over the next 15–20 years. Moreover, in July, the Indonesian government signed a memorandum of agreement with the government of South Korea relating to the joint development of the KFX next-generation fighter, under which it plans to procure around fifty aircraft over the next decade. The navy, meanwhile, announced plans to purchase one guided missile destroyer and two submarines in 2010, and is also pushing hard to acquire missile corvettes and training vessels.

In 2010, Thailand's procurements consisted primarily of fighters, helicopters and submarines. In January the Thai government approved the purchase of six Gripen fighters in the second round of acquisitions of this plane and also appropriated funds for renovation of its fleet of six F-16s. The amounts budgeted were \$492 million for the former and 6.9 billion bahts for the latter. Deteriorating economic conditions had forced the government to forgo appropriating money for procurement of the Gripen in 2009 but a better economic outlook in 2010 has enabled it to reconsider this item, and it began serious negotiations with the Swedish government during the year. Also, in March 2010, the Thai government approved the purchase of three additional UH-60L Blackhawk helicopters for the army. Including amounts spent on a previous order for three Blackhawks in 2009, this procurement is expected to total around \$150 million. Finally, the Thai navy has submitted a plan to the government for the purchase of two used submarines, beginning in 2011. Offers to sell have come from Korea and China for Type 209 and Type 39 *Song*-class submarines, respectively, but Thailand is also considering purchases from France and Russia.

Figure 5.1. Trends in defense spending by the ASEAN 5 and Vietnam



Source: International Institute for Strategic Studies, *Military Balance* (reports for 2006-2010).