

## **Chapter 4**

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### **Southeast Asia**

# **ASEAN—Pulled Between China and the United States**

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For the Association of Southeast Asian Nations (ASEAN), 2017 was its fiftieth anniversary, highlighting its many major achievements in a variety of fields. These achievements included making the region safer by deepening ASEAN's regional integration regarding politics and security, where cooperation including armed forces in nontraditional security fields such as humanitarian assistance and disaster relief (HA/DR) made the region as a whole safer. Meanwhile, the constraints derived from ASEAN principles such as noninterference in domestic affairs and decision-making through consensus remain a challenge when the association seeks to address issues related to a particular member's domestic policies. Examples continue to be seen in South China Sea issues and ASEAN's response to Myanmar's treatment of the Rohingya.

China's influence in the region continued to grow in light of Chinese economic power and military strength, and while future US involvement in the region under the Trump administration is still unclear, some Southeast Asian states seem to be seeking to adjust to growing Chinese involvement on the one hand and their traditional relationships with the United States on the other. In Cambodia, where Prime Minister Hun Sen hopes to remain in power after the 2018 general election, there is an inclination to reduce military ties with, for example, the United States and Australia in reflection of a general mistrust of the West while also responding to a variety of approaches from China, including military involvement. With the establishment of a new constitution in Thailand and enthronement of the new king, increasing attention is being given to restoration of civilian rule after the military regime. In addition, even as Thailand welcomes greater support from China, it is also directing efforts toward improving relations with the United States which had been cooled by the coup d'état. In the Philippines, the anti-US attitude of President Rodrigo Duterte has influenced not only bilateral relations with the United States but also unity within ASEAN on the South China Sea issue; US military support, however, concerning urban occupation cases in Marawi City in the south seems to have had some effect in moving relations back on track.

Looking at trends in military support from the United States and China for these three countries' efforts to boost their military capabilities, Cambodia is laying a foundation for building up its military through a number of types of support from China. The Royal Thai Navy's purchase of a submarine from China and the provision of Chinese weapons to the Philippines have drawn international

attention, but both Thailand and the Philippines are US allies. At present, both militaries basically use Western weapon systems, including basic equipment for the military, so it remains unknown how far such countries will go in strengthening ties with China as a provider of defense equipment.

## **1. ASEAN, Facing Its Fiftieth Anniversary, and Some Regional Problems**

### **(1) Half a Century of Achievements and Challenges**

On August 8, 2017, ASEAN celebrated its fiftieth anniversary. In 1967 five nations—Indonesia, Malaysia, the Philippines, Singapore and Thailand—created the regional organization, and by 2000, it had grown to cover all ten members states in Southeast Asia. From the perspective of security issues, ASEAN has blocked excessive influence of major extraregional powers and prevented war among its members by establishing the common principles of noninterference in members' internal affairs, neutrality, and settlement of differences or disputes by peaceful manner. This was in response to concerns over the survival of regional states that were prompted in the 1960s by Indonesia's military operations against Malaysia and the potential ripple effects that the conflicts in Vietnam and Cambodia posed to neighboring countries. At the same time, ASEAN has also contributed to post-conflict reconstruction of member states and regional integration. In doing so, ASEAN can be deemed successful in achieving regional security and stability, thus proving the foundation for economic growth. In fact, since the formation of ASEAN, there have been no wars or major armed clashes between member states, and the practice within ASEAN has been to resolve territorial disputes through legal frameworks such as the International Court of Justice.

ASEAN has continued to develop and deepen regional integration and in 2015 declared the establishment of the ASEAN Community, encompassing three mainstay communities: the ASEAN Political-Security Community, the ASEAN Economic Community, and the ASEAN Socio-Cultural Community.<sup>1</sup> Looking at the trend of ASEAN activities from the Declaration of ASEAN Concord II in 2003 through institution of the ASEAN Charter in 2008 and on to the establishment of the ASEAN Community in 2015, ASEAN was able to achieve cooperation in terms of political and security concerns such as HA/DR, maritime security, counterterrorism measures, dealing with environmental problems and other areas

of nontraditional security, including cooperation from various members' militaries, resulting in the creation of a safer region. Typical examples include the establishment and development of the ASEAN Defence Ministers Meeting (ADMM) in 2006 and the expanded ADMM (ADMM Plus) in 2010. Under the ADMM Plus framework, Experts Working Groups (EWG) have been able to promote practical cooperation in many fields. For example, in HA/DR operations, a more effective framework for actual circumstances has been created which enables the militaries of member states to work closer with the existing regional cooperation mechanism.

On the other hand, the ASEAN Political-Security Community Blueprint 2025, which provided the association's next targets, sought to compare past goals with actual achievements; this evaluation revealed that problems remained in such areas as human rights and fundamental freedoms, the rule of law, good governance, and other cases of basic political principles and shared values and norms. One reason for this is the shared constraints generated by conventional ASEAN principles such as noninterference in the internal affairs and consensus decision-making. While ASEAN has various levels of decision-making by its member states, such as the Permanent Representative (ambassador) level, Foreign Minister level, and the summit level, actually it is not the ASEAN Secretariat in Jakarta which guides decision-making for the various ASEAN meetings each year. Instead, it is the country serving as chair for the year, and depending on that member's outlook, the approaches taken to problems can vary greatly. Issues involving the South China Sea are an example; the reason that ASEAN does not always take a uniform approach to China on South China Sea territorial dispute is related to such variations in individual member's attitudes. In addition, intraregional cooperation on HA/DR and counterterrorism has shown progress, but when major domestic policies of a particular member state come into the mix, there can be hesitation to bring ASEAN into the issue.

China's influence will continue to grow in the future against the background of its economic and military capabilities. At the same time, many believe that the Trump administration has not yet made clear how the United States will be involved in the region. These two factors together make it vital not only for the region but for international society as a whole that the association's member countries cooperate so that ASEAN can continue to develop as a rules-based community of shared values and norms. In light of the current ASEAN response

to security issues in Southeast Asia, however, there is a risk that could endanger ASEAN's value.

ASEAN recognizes the need for self-reform. To realize its goals as a community, its Political-Security Community Blueprint points out that ASEAN should strengthen its organizational capacity and presence, and a key factor is the rationalization of business processes, raising the effectiveness, efficiency, and coordination of the operations of its mechanisms and meetings, and likewise strengthening of the Secretariat.<sup>2</sup> While the construction of the new ASEAN offices has begun, a new major problem has appeared: reforming the ASEAN budget to provide for a larger number of employees.

Regarding the decision-making process, in November 2017 ASEAN Secretary-General Le Luong Minh said ASEAN would need to respond to events more quickly and effectively.<sup>3</sup> It has been reported that Secretary-General Minh also said that on less sensitive issues such as economic cooperation, the Secretariat would consider revising the Charter to change from decisions by consensus to decisions by majority. This remark by Minh was probably based on the ASEAN Economic Community Blueprint 2025, which allowed for both a consensus and flexibility approach in the decision-making process, if appropriate in seeking to achieve certain goals.<sup>4</sup> Having said, the secretary-general also noted that consensus by all members was needed for politically sensitive issues and thus it was too early to expect that majority votes would be applied to security issues in the near future. Still, we could expect to see potential change in the organizational culture of ASEAN as a whole through its accumulation of practice in the economic field, which is more advanced in integration.

## **(2) ASEAN Involvement in South China Sea Issues**

The conflict over territorial rights in the South China Sea seems to have entered a lull, given that there have been no prominent developments in China's facility construction and weapons deployment in that region, the Philippines' stance toward China has shifted under the Duterte administration launched in June 2016, and the countries involved showed the desire to proceed with talks toward a South China Sea Code of Conduct (COC) during 2017. Moreover, ASEAN's responses to China became saliently restrained under the Philippines' chairmanship in 2017.

When President Duterte was asked whether the ASEAN Summit in Manila in April 2017 would discuss the South China Sea arbitration award by the Permanent

Court of Arbitration (PCA) in July 2016, Duterte said the reporter must be dreaming to even ask that question, and to put pressure on China to conform,<sup>5</sup> showing a reluctance to deal with this issue in ASEAN. Indeed, in the meeting on the 29th, the PCA Arbitration decision which Indonesia and Vietnam were said to have sought in the first place was never taken up.<sup>6</sup> In the Chairman's statement, the South China Sea issue was expressed as "We [the leaders of the ASEAN members] took note of concerns expressed by some Leaders over recent developments in the area."<sup>7</sup> This was a step back from the statement adopted by consensus by the ASEAN national leaders at the previous summit in Vientiane in September 2016, where the statement said, "We remain seriously concerned over recent and ongoing developments."<sup>8</sup> Just as at the previous meeting, the draft of the Chairman's statement reportedly noted emphasis on the importance of nonmilitarization and self-restraint in the conduct of activities such as land reclamation, but this was cut from the final version.<sup>9</sup> In the August 5 joint communiqué of the ASEAN Foreign Ministers' Meeting in Manila, reference to nonmilitarization and similar topics was restored, but the "concern" was attributed to "some foreign ministers," just as at the summit meeting.<sup>10</sup> In addition, in the Chairman's statement from the November 13 ASEAN Summit in Manila, expression of concern was eliminated and replaced by noting that relations between ASEAN and China were improving.<sup>11</sup>

Turning to the creation of a COC, talks on the draft framework of the COC were completed at the Fourteenth ASEAN-China Senior Officials' Meeting in Guizhou on May 18,<sup>12</sup> with the draft framework being approved at the ASEAN PMC+1 Session with China on August 6. Although the contents of the framework were not disclosed, media reported it promoted maritime cooperation and fostered self-restraint and confidence, while also pointing out that it clarified that the COC was not a means to solve territorial problems and did not mention if the COC would be legally binding or the timing of its conclusion.<sup>13</sup> The Chairman's statement of the ASEAN-China Summit on November 13 in Manila announced the parties would officially commence substantive negotiations on the text of the COC, but it remains unclear whether the parties can successfully establish effective norms for controlling the actions of each country. Nevertheless, in addition to agreement on a framework, ASEAN does seem to be stressing activities coordinated with China to aim for a cooling off on problems in the South China Sea, doing so through measures such as the establishment of a hotline between the

various parties' foreign ministries and movement toward applying a Code for Unplanned Encounters at Sea (CUES).

Turning to the relations among the disputing countries, in November a summit meeting of the Asia-Pacific Economic Cooperation (APEC) was held in Vietnam, with President Duterte of the Philippines meeting with China's President Xi Jinping on the 11th. According to President Duterte, in that meeting he informed Xi of concerns ASEAN members felt that China's militarization in the South China Sea would compromise the safety of navigation. Xi had replied not to worry because the right to freedom of navigation would be applied to everyone. The two leaders also discussed the need for the COC, and Xi said he would not bring up the issue of sovereignty in the COC talks.<sup>14</sup> On the same day, Vietnamese Prime Minister Nguyen Xuan Phuc met with Xi, as did Communist Party Central Committee General Secretary Nguyen Phu Trong on the following day. It is reported that Vietnam appealed for a peaceful resolution of the South China Sea issue, confirming that both sides would cooperate to maintain peace and stability in the South China Sea and that the COC formulation talks would proceed.

On May 24, 2017, the United States conducted its first "freedom of navigation" operations (FONOPs) under the Trump administration near Mischief Reef of the Spratly (Nansha) Islands, and it also did so on July 2 near Triton Island in the Parcel (Xisha) Islands, again near Mischief Reef on August 10, and again on October 10 around the Parcel (Xisha) Islands. In June, bearing specifically in mind the South China Sea, US Secretary of Defense James Mattis stated at the IISS Shangri-La Dialogue (originally known as the Asia Security Summit) in Singapore that Chinese conduct which undermined the rules-based order would not be acceptable.<sup>15</sup>

In a speech at the APEC summit (Da Nang) on November 10, President Trump expressed his vision of "a free and open Indo-Pacific," and while touching on historical relations between many Southeast Asian countries and the United States, he noted the necessity of upholding three principles: respect for the rule of law, individual rights, and freedom of navigation and overflight. These principles create stability and build trust, security, and prosperity among like-minded nations.<sup>16</sup> President Trump also attended the US-ASEAN summit meeting in Manila on the 13th, where South China Sea issues were also discussed. The Chairman's statement welcomed the commencement of consultations on the wording of the COC, while keeping in mind the concerns of some leaders

regarding land reclamation and similar actions, and it reconfirmed the importance of order based on rules and the freedom of navigation and flight.

In a meeting on the 12th with Vietnamese President Tran Dai Quang, President Trump said he was a good mediator and arbitrator, and he hoped that he would be notified if mediation or arbitration were necessary for the South China Sea issues.<sup>17</sup> Although the Vietnamese did not offer an official response to this statement, Philippine Secretary of Foreign Affairs Alan Cayetano expressed gratitude for it but noted that arbitration involves all parties to an issue, and no single country could make an immediate response, thus leaving the matter pending.<sup>18</sup>

Although some hold the view that the Trump administration's policy toward Southeast Asian policy is unclear, as shown above, the Trump administration seems to have shown its intention to follow the same course as the previous administration in being involved in securing the freedom of navigation in this region. While the nations of Southeast Asia seem to welcome the principles expressed through the presidential visit, they also seem to be waiting to see how the principles are expressed in concrete actions. ASEAN positions toward South China Sea issues changed during 2017 reflecting the Philippines' improved relations with China, and it is far from certain whether these ASEAN positions will continue in 2018 when the chairmanship changes. It would probably be difficult to expect any simple changes in the current China-US balance, which is leaning towards China.

### **(3) Possibility of Further Regional Cooperation and Its Limits**

The countries of Southeast Asia today share a common problem, derived from people who have been inspired by the greater levels of activity of Islamic State of Iraq and the Levant (ISIL) in the Middle East, in particular by its declaration of a caliphate in 2014 and therefore tried to take part in the Islamic State and its battles, as well as the Islamic radicals who have pledged their loyalty to ISIL. The joint declaration issued at the ADMM in Langkawi in March 2015 included a pledge for ASEAN members to cooperate in countering the imminent threat of terrorist/extremist organizations and radical groups by sharing information,

increasing surveillance, and raising public awareness.<sup>19</sup> Particularly in the case of the Maute group's occupation of urban areas in Marawi City, Mindanao, the Philippines, in May 2017 (see section 2), it had become evident that people from other countries in the region besides the Philippines had participated in the battle, meaning that urgent action was required.

It was thought that many of the combatants were smuggling themselves into Mindanao by crossing the Sulu Sea from Sabah state in Malaysia; in order to prevent this, on June 19, the Philippines, Indonesia, and Malaysia, three coastal countries facing this area, inaugurated a trilateral maritime patrol. Plans call for establishing maritime command centers (MCC) in Bongao, Philippines, Tarakan, Indonesia, and Tawau, Malaysia, to coordinate information sharing and transboundary hot pursuit.<sup>20</sup> Singapore and Brunei were present as observers in the initial meeting of the three countries' defense ministers. Singapore offered its Information Fusion Centre (IFC) and stated it would be positive toward participating if the other three countries so requested.<sup>21</sup> The trilateral air patrols also began on October 12. Personnel from all three countries took part in the patrols on each country's aircraft, around the Sulu Sea.<sup>22</sup>

**Figure 4.1. Three countries along the Sulu Sea coast**



There is precedent for such action by Southeast Asian countries. Since 2004, Indonesia, Malaysia, Singapore, and Thailand have taken similar steps to jointly guard the sea and air in the same way to cope with piracy and armed robbery in the Strait of Malacca, and they have been effective in reducing losses from piracy. The most recent efforts in the Sulu Sea achieved timely cooperation thanks in part to such experience in the Strait of Malacca as well as the regional cooperation in disaster support undertaken in 2004 during the Sumatra offshore earthquake and the Indian Ocean tsunami. These examples as well as experience in cooperation through multinational frameworks such as ADMM and the ASEAN Regional Forum (ARF) have resulted in progress in cooperation and coordination among the militaries of Southeast Asian countries.

On the contrary, the problems surrounding the Muslim population (Rohingyas) in Myanmar's Rakhine state continued during 2017. A diplomatic standoff between the government of Myanmar and the United Nations (UN) involving whether the government would accept a visit from a UN fact-finding mission regarding suspicions of Myanmar's human rights violations toward the Rohingyas following clashes between Islamic radicals and government security authorities since October 2016. Subsequently, attacks against Myanmar's security forces by the Arakan Rohingya Salvation Army (ARSA) and the military's mopping up operations of August 2017 triggered ongoing burning, murder, and assault rampant in the Muslim residential areas. Refugees forced to flee to Bangladesh exceeded 500,000 in the first month, and as of the end of 2017, the number reached around 650,000 and the situation has become an extremely serious humanitarian crisis.

Zeid Ra'ad Al Hussein, UN High Commissioner for Human Rights, on September 11 reported to the Human Rights Council that the situation in Myanmar was "a textbook example of ethnic cleansing."<sup>23</sup> The Security Council held an emergency meeting on September 13, and on November 6, the Chairman's statement condemned the attacks on security forces by ARSA and also expressed deep concern regarding the use of systematic intimidation and violence, murder, assault, and destruction of residential property against the Rohingyas, including those committed by the security forces.<sup>24</sup> Criticism has also been raised by Western countries, and the European Union (EU) is considering sanctions against Myanmar and reviewing military cooperation. The Myanmar Defence Services released a report on November 13 stating that security forces were not involved in

human rights violations,<sup>25</sup> but the United States said that after Secretary of State Rex Tillerson met with Commander-in-chief of the Defence Services Senior Gen. Min Aung Hlaing on the 15th, on the 22nd he pictured the situation as ethnic cleansing and condemned the intervention of Myanmar's security forces.<sup>26</sup> On December 21, by executive order, one of the military commanders who directed the military's security operations became subject to sanctions freezing his assets in the United States.<sup>27</sup> The Myanmar government has also denied that its military is committing human rights violations or *de-facto* forced migration. Aung San Suu Kyi, state counsellor and leader of the administration, has taken a positive stance toward implementing the August 2017 recommendations by the Kofi Annan-led Advisory Commission on Rakhine State which included the recommendation on granting of citizenship to Rohingyas, and reached an agreement with Bangladesh concerning the return of refugees. However, Myanmar still refuses to accept a UN fact-finding mission, so the conflict with the international community has not been resolved.<sup>28</sup>

In the wake of the Rohingya refugees being turned into boat people and their mass deaths after they had crossed national borders, a Special Meeting on Irregular Migration in the Indian Ocean was held in Southeast Asia in May 2015, but ASEAN has shown only sluggish action in response to this crisis. On September 24, the ASEAN Chairman issued a statement on the humanitarian situation in Rakhine that condemned "the attacks against Myanmar security forces on 25 August 2017 and all acts of violence" but did not go so far as to mention human rights violations by the security forces.<sup>29</sup> Anifah Aman, Malaysia's foreign minister, stated that the result of Myanmar authorities engaged in clearance operations all out of proportion to the attacks made on them is resulting in many deaths and many refugees. The foreign minister then continued that the Chairman's statement disregarded ASEAN members' concerns and misinterpreted that reality, and claimed that Malaysia disassociated itself from that statement.<sup>30</sup> In Indonesia, domestic Islamic organizations staged protests against the government of Myanmar, and the Indonesian government as well began to make approaches to Myanmar. Media reports indicate that this problem was discussed at the ASEAN summit conference in November, but in the Chairman's statement wrapping up the summit, such matters were presented very atypically in the remarks on the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre), and there was no mention of the actions of

the security authorities. This issue can be considered a clear indication of just how out of step with each other the ASEAN member nations can be.

The reluctance of ASEAN over the Rohingya issue is strongly related to the involvement of a government and the military as parties to the conflict. A similar example also derives from the turmoil in East Timor in 1999. After the independence movement won handily in a referendum on independence from Indonesia, the militias which had been in favor of remaining with Indonesia caused riots including burning down the town. Although the pro-Indonesia faction is said to have been supported by Indonesian military forces, the Indonesian government denied this, and since ASEAN was unable to offer any effective response to the problem, it became necessary to resort to an International Force East Timor (INTERFET) centered on Australia to restore security. The lessons learned from this case were most likely shared among the ASEAN members when ASEAN set forth a vision of forming a community around 2002, but even today when the community has been created, such issues which could infringe the basic principles of respecting sovereignty and noninterference in domestic affairs are still sensitive for the member states.

However, such a lukewarm approach by ASEAN to the Rohingya's humanitarian crisis could bring a negative impact for ASEAN's future. This "ethnic cleansing" allegation, coupled with allegations of increased "extrajudicial killings" spreading in the Philippines and Indonesia as part of counter-drug activities and further in combination with attempts in Cambodia to suppress opposition parties, could cause a loss of trust by the people of the region and the international community in the effectiveness of the decision to "continue to promote and protect human rights and fundamental freedom" (ASEAN Leaders' Declaration on the 50th Anniversary of ASEAN<sup>31</sup>). This may undermine ASEAN's unity and centrality as a political and security community.

## **2. Impact and Limitations of Strengthening Relations with China**

### **(1) Cambodia: Strengthening the Foundation of Government and Deepening Dependence on China**

In Cambodia, the national election is scheduled to be held in 2018. Prime Minister Hun Sen, who aims at continuing his long-term administration, has strengthened

his political power base for governing by encouraging economic growth through promoting infrastructure development and attracting foreign investment; he has also sought to reinforce his political system by appointing his relatives to important posts in the military and police. Further, prior to the commune elections on June 4, 2017, Hun Sen upped the pressure on the opposition Cambodian National Rescue Party (CNRP) by amending the Cambodian Political Party Law. In the election, Hun Sen's ruling Cambodian People's Party (CPP) remained dominant in more than 70 percent of the districts, although the CNRP has increased the number of votes and of districts that won the majority from its 2012 election. In doing so, the Hun Sen administration seems to have ensured the level of public support necessary for the stable governing of domestic affairs.<sup>32</sup>

Meanwhile, the Hun Sen administration has become more alert toward media and nongovernmental organizations which problematize his authoritarian approach. After the election, the Hun Sen administration forced a US-funded think tank and media outlets to close or end publication by accusing them of legal deficiencies or subjecting them to enormous taxes. Pressure on the CNRP also increased after the election, with its leader Kem Sokha arrested in September on charges of subversion, and on November 16 the Supreme Court ordered the party dissolved and 118 leaders banned from political activity for five years.

The Hun Sen administration has had a heightened distrust of the West, which seeks to engage it on human rights and democracy. In April the Ministry of Foreign Affairs and International Cooperation announced a report outlining objections to criticism from abroad.<sup>33</sup> Among other issues, some diplomatic conflicts surfaced with the United States. First of all, Cambodia was expecting the Trump administration to exempt the debt of the Lon Nol era which had been a pending problem, but this was turned down. At the ASEAN summit in November, Prime Minister Hun Sen sought to divert some of the criticism from the US government and Congress by praising President Trump's political stance, and he also sought the US "non-interference" in Cambodian domestic affairs. The United States, however, responded to the Hun Sen government's authoritarian measures against the CNRP by announcing on December 6 that it would limit the issuance of visas to individuals "involved in undermining democracy in Cambodia"; it remains unclear when the two countries will resolve the issues standing between them.

In the area of security, some commentators have pointed with concern at the possibility that the influence of the United States and its allies on Cambodia has

declined. One indication for such concern is the successive delay in conducting military exercises with the United States or Australia in 2017. In January, Cambodia postponed the joint military exercise Angkor Sentinel with the United States, scheduled for the following month, until at least 2019. Cambodia also requested the withdrawal of the US Naval Mobile Construction Battalion (Seabees), which had been involved in humanitarian activities in Cambodia for nine years. In addition, the antiterrorism exercise Dawn Kouprey with Australia which was scheduled for mid-2017 was also postponed. According to the Cambodian government, the decision for such postponement was made because the commune election was coming up in June, and the military was busy with preparations for its mission of maintaining public order, and thus the decision was not affected by any outside influence. However, Cambodia conducted the first-ever joint exercise Dragon Gold with China on HA/DR in December 2016, and from this, there has been some analysis that the general election was not the only reason behind postponement of the exercises with the United States and Australia.<sup>34</sup>

On the other hand, in recent years the Hun Sen administration has been actively accepting approaches from China. Since the establishment of a bilateral comprehensive strategic partnership of cooperation in 2010, China has more aggressively supported the supply of goods and services. At the end of 2016, the Cambodian National Election Committee (NEC) received from China \$11.7 million worth of equipment, including motor vehicles, radio equipment, and computers, which was more than the election support by Japan and the EU. In 2017, China further provided Cambodia's capital Phnom Penh with 100 buses and other vehicles for its public transport system. The two countries also conduct an active exchange at the summit level. In July 2016, Prime Minister Hun Sen met with China's Premier of the State Council Li Keqiang on the sidelines of the Asia-Europe Meeting (ASEM) in Mongolia and received an offer of approximately 3.6 billion yuan in financial aid over the three years up through 2018.<sup>35</sup> In the following October, President Xi Jinping made his first official visit to Cambodia and held a summit meeting with Hun Sen in which Xi pledged to promote Chinese investment in high-speed rail construction and other projects, discharge some \$89 million in debt, and provide roughly \$237 million in additional assistance, including around \$14 million in military aid.<sup>36</sup> On May 17, 2017, Prime Minister Hun Sen visited China to participate in the high-level Belt and Road Forum for International Cooperation; while there he also met with President Xi Jinping,

further attesting to the closeness of the two countries. At the meeting, Xi reportedly cited various areas where the two countries should strengthen their cooperation, such as the projects to promote security and counter terrorism measures or the pursuit of fleeing criminals.

Aid from the United States, especially in the field of military cooperation, is susceptible to US domestic political controversy over

Cambodian human rights and domestic affairs, bringing postponement and reductions. For example, when a Uighur asylum-seeker was forcibly returned to China in 2009, the United States halted aid for military vehicles the following year. In addition, in the 2013 national elections when the CNRP refused to accept the results for alleged electoral fraud, criticism was raised in the United States, and Cambodia informed the United States to put off part of the planned military cooperation. The economic and military aid from China now stands as an effective means to make up for such shortfalls.

Despite the temporary postponement and review of the content of its military cooperation, the United States continued bilateral military exercises until 2016, and the United States continued to provide support for education at US military schools in 2017. By various means, the United States has continued its efforts to maintain cooperative relations with Cambodia in the security area. The Trump administration's FY2018 budget, however, provided for reduction of the overall foreign aid budget, including for Cambodia; US assistance to Cambodia for peace and security purposes as planned for 2012 was about \$12.89 million, with this declining to some \$2.64 million for 2018. Responding to this, Ouch Borith, secretary of state for the Ministry of Foreign Affairs and International Cooperation, said that even a 100-percent cut would be fine. There is a need to carefully observe whether this statement was meant to show the tough stance of the Hun Sen government as part of its overall diplomatic negotiations, or a sign that Cambodia is reassessing its relationship with the United States, including security relations.<sup>37</sup>

## **(2) Thailand—Transition to a New Regime and the US-China Balance**

Since the coup in May 2014, Thailand has been cautiously searching for a way back to civilian government, and it has taken steps to avoid permitting domestic confrontation as it seeks to achieve a stable transition of government. First of all, looking at institutions, despite criticism from foreign media, the national referendum implemented in August 2016 drew support for the draft of the new constitution. In October 2016, however, Thailand's popularly revered King Bhumibol Adulyadej passed away, and Crown Prince Maha Vajiralongkorn took the throne in December. In addition, in response to the requests for amendments to the draft from the new king, the approval process for the new constitution was postponed to April 2017. It was also announced that major events had already been scheduled, such as royal cremation for the late king in October, and that elections under the new constitution and the transition from military to civilian government would be scheduled for November 2018. (Note: The Thai government announced a rescheduling of the election in January 2018.)

Prayut Chan-ocha's administration, which had outlined the process for the return to civilian government through approval of a new constitution, continued to maintain the military's influence in the transition to civilian government under the new king and sought to consolidate its legitimacy. Plans called for that influence to be maintained through fully-appointed Senators under the new constitution, and strengthening of the military was sought after 2014 through use of annual military personnel actions, including those designed to bolster Prime Minister Prayut's own power base, and this in turn helped to advance the reconciliation of the military cliques. In 2016, General Chalermchai Sitthisart, whose career had been spent in special operations, was appointed Army commander-in-chief, and reshuffles in 2017 looked likely to have brought forward some prospective successors to that position. Reports have claimed that such actions expected to promote unity within the military, and the military regime, which will face a contested environment, has prepared to take measures against the transition process in 2018.<sup>38</sup>

The problem regarding the stabilization of Thailand's domestic affairs has been how to undermine and contain the supporters of former Prime Ministers Thaksin Shinawatra and Yingluck Shinawatra. In May 2014, the National Council for Peace and Order (NCPO) seized the power of government after Prime Minister

Yingluck was removed from office when convicted by the Constitutional Court of Thailand. The NCPO's first step was taking personnel actions to remove the influence of members of, for instance, the military and the national police who were Yingluck supporters. In addition to cancelling the rice-pledging loan scheme under the Yingluck government, the NCPO also focused on identifying responsibility for causing damage to the state and making claims for compensation from persons responsible for losses under that policy. As a result, on August 25, 2017, the former Prime Minister Yingluck failed to appear before the Supreme Court, where its verdict for that complaint against her was due to be handed down. Media reports later claimed that she had fled abroad, and both Yingluck and her supporters inevitably experienced a loss of domestic influence.<sup>39</sup>

The country's Deep South and the separatist forces there remain a concern regarding public security. Although there have been some new moves regarding peace talks, it is predictable that there will be more complications for future negotiations. In April, the National Revolution Front (Barisan Revolusi Nasional or BRN), one of the armed separatist groups, issued a statement and requested use of neutral third-party institutions and monitoring by the international community as conditions for peace talk with the government. Prime Minister Prayut refused this proposal and instead gave priority to negotiations with the Pattani Advisory Council (Majlis Syura Patani or MARA Patani), which had continued to engage in a low-key dialogue. In June, through Malaysia's mediation, agreement was reached on trying to establish a "Safety Zone" as part of a temporary cease-fire framework for peace talks.<sup>40</sup> MARA Patani served as an umbrella network panel representing insurgent rebels in the Deep South, including BRN, to serve as a channel for peace talks with the government. Some of the BRN leaders, however, made it clear that they did not fall under the aegis of MARA Patani, and that while these leaders were present at the council of MARA Patani, they were not at all bound by any decisions reached there and would follow their own course. Even then, terrorist attacks and raids allegedly committed by BRN did take place, and the obvious limits on MARA Patani's power to control the separatist groups meant that progress was difficult to achieve on safety zones.<sup>41</sup>

In terms of national security and foreign affairs, the Prayut administration was faced with the problem of finding a balance between the United States and China. The United States is an ally, but ever since the NCPO took over governmental power in May 2014, the relationship had temporarily become a bit more distant,

while relations with China concerning security affairs were growing closer. US Secretary of State John Kerry stated there was “no justification for this military coup” and called on Thailand to respect freedom and human rights and immediate restoration of civilian government. The Barack Obama administration decided to postpone some assistance, such as \$3.5 million in Foreign Military Financing, and also stepped down exchanges by government and military officials. At the same time, relations with China grew closer.<sup>42</sup> The following June, the NCPO sent a delegation headed by Permanent Secretary for Defense Gen. Surasak Kanjanarat to China to discuss regional security and future cooperation. Thereafter, high-level delegations made official visits rather regularly. For example, in May 2017 Gen. Fang Fenghui, chief of the Joint Staff Department of China’s People’s Liberation Army, visited Thailand and met with Prime Minister Prayut and Chief of Defense Gen. Surapong Suwana-adth, while in September 2017, Prime Minister Prayut visited Xiamen to attend a conference and had meeting with Xi Jinping on the 4th for the second consecutive year.

Signs of improvement in Thailand’s relations with the United States appeared following the launch of the Trump administration in January 2017. In April, Prime Minister Prayut talked by phone with President Trump, who invited him to visit the United States. In the following month, Prayut met with Secretary of State Tillerson, who was visiting Thailand as part of a Southeast Asian tour, and in October he made his first official visit to the United States, meeting with President Trump on the 2nd.<sup>43</sup> Military exchanges at that point had been rather low key, but in February 2017, Commander of the US Pacific Command (PACOM) Adm. Harry Harris attended a ceremony for the Cobra Gold multinational joint training exercise, and in June, Gen. Robert B. Brown, US Army Pacific commanding general, visited Thailand and met with Thai army commander Gen. Chalermchai. Such visits resumed the contacts between ranking officers. The sale of arms to Thailand in August was recognized as a form of cooperation regarding equipment, which meant that the US Foreign Military Sales program (FMS) to Thailand was resumed. The reason for such changes in the US attitude was concern about the expansion of China’s influence in Thailand, but a more pressing issue was that Thailand would be asked to participate in economic sanctions against North Korea for their nuclear weapon and missile development. According to a study by Cornell University, Thailand was North Korea’s fourth largest importer in 2015 (2.1 percent), followed by the Philippines at fifth place (1.5 percent), making

these two countries the largest North Korean trading partners in Southeast Asia. In addition, since the report to the UN on the status of compliance with the UN Security Council resolution against North Korea was delayed, Western countries were seeking to have more stringent sanctions put in place.<sup>44</sup>

### **(3) The Philippines—Backlash toward the United States and the Security Crisis**

Since the start of the Duterte administration at the end of June 2016, Philippine diplomatic and security policy has progressed in the form of putting more distance between it and the United States while improving relations with China. This trend continued until mid-2017, but as the Philippines dealt with the urban occupation incidents in Marawi, its stance toward the United States changed visibly.

The Enhanced Defense Cooperation Agreement (EDCA) concluded in 2014 between the Philippines and United States allowed US forces to use five bases of the Philippine armed forces. In January 2017, President Duterte said he would not permit construction of permanent facilities for the US military or the stockpiling of weapons at those facilities agreed upon for US forces' use, and while he subsequently agreed to the construction of facilities, he reconfirmed that the stockpiling of ammunition was unacceptable.<sup>45</sup> In May, the annual joint military exercise Balikatan 2017 was held, but the content was reportedly limited to HA/DR.<sup>46</sup>

President Duterte received an invitation to visit the United States in a phone call with President Trump on April 29, although he did not accept the invitation immediately, citing other diplomatic travels such as a visit to Russia. However, when Congressman Jim McGovern made public in July his opposition to such a visit due to human rights problems in the Philippines, President Duterte reacted by pledging never again to visit that “lousy” country, either during his term of office or afterward. He criticized Congress and said it should look into the United States' own killing of civilians in the Middle East.<sup>47</sup> Human rights issues criticized by the US lawmakers included President Duterte's drug eradication policy, a part of which had been police tactics permitting the killing of suspects who resisted the police. President Obama's criticism of this policy as “extrajudicial killing” by the police had been one factor in the deterioration of relations with the United States. In his State of the Nation address on July 24, President Duterte justified tactics used in the drug crackdown and offered some historical criticism of the

United States. The growing number of children who were being killed by such tactics since August 2017 raised critical domestic public opinion. In September Duterte dismantled the regional police drug control teams, but only after more than 3,400 people had been killed since the inauguration of the government.

On the other hand, the Duterte government directed more attention to relations with China. Plans had been made for the president to go to the Spratly (Nansha) islands to visit Pag-asa Island, which was effectively under Philippine control and which had civilians in residence, but it was announced in April that this plan had been called off. Media reported that President Duterte valued his friendship with China. During the ASEAN Summit when the Philippines was assuming the Chairman, the Chairman's Statement issued on April 29 greatly weakened the language toward China's actions on the South China Sea issue. On May 15, President Duterte, who was in China for the Belt and Road Forum for International Cooperation, had a second meeting with President Xi Jinping since taking office and appealed for closer relations. On May 19, the Philippines held the first bilateral consultations with China on the South China Sea issue.

Amid all this, a major security incident occurred in May. On the 23rd, two Islamic militant organizations, the Maute group and the Abu Sayyaf group, which had pledged allegiance to ISIL, occupied the town of Marawi on Mindanao island in the southern Philippines. President Duterte declared martial law throughout Mindanao the same day, and military and police forces were deployed to restore security. Isnilon Hapilon, the leader of Abu Sayyaf, is said to have been nominated by ISIL as a leader in Southeast Asia, and thus this occupation attracted attention as an attempt to dominate the region just as had been done in the Middle East by Islamic extremists. Foreign nationals, including those from neighboring countries, joined in the battle. Secretary of National Defense Delfin Lorenzana announced in June that among the enemy dead had been found fighters from Saudi Arabia, Chechnya, Yemen, Indonesia, and Malaysia.<sup>48</sup> These foreign combatants are believed to have been smuggling in by sea, mainly from Malaysia's Sabah state.

The armed factions continued to battle while holding the residents hostage, and the occupation became prolonged. Martial law was initially declared for 60 days but had to be extended until the end of the year. By September the government had driven the rebels into a corner of town, killing Hapilon and Maute group leader Omar Maute in the October 16 offensive. President Duterte the next day declared

Marawi liberated, and Secretary of Defense Lorenzana on October 23 declared the end of the mopping-up operation there. This case resulted in the deaths of more than 165 military and police officers, 920 combatants, and 45 civilians.

The Philippines received assistance from many countries in responding to the incident in Marawi (see Table 4.1), including the United States, and it appears that the Philippines’ attitude toward the United States regarding security softened to some extent following this response for a real crisis. However, it was reported that Manila turned down an offer to provide armed drones that was made by Washington in August.<sup>49</sup> It is presumed that part of the reason for turning down this offer was the Philippines’ perception of the importance that it itself be engaged in the direct fighting, combined with how the image of US drone attacks in the Middle East (and collateral damage among civilians) could reduce the Muslim population’s support for the fighting and recovery.

On December 13, President Duterte extended martial law in Mindanao for another year to prevent the radicals from reestablishing themselves and spreading.

**Table 4.1. Major foreign support in dealing with Marawi incidents**

United States	Technical support by special forces, donation of bombs for airstrikes (June). Provision of drone aircraft, reconnaissance aircraft. Dispatch of P-3C (May). Announcement of dispatch of Gray Eagle drone aircraft (September).
Australia	Loan of two AP-3C patrol aircraft. Reconnaissance starts, with Philippine personnel also on board (June). Announcement of dispatch of troops for training cooperation with the Philippine military (September).
China	Announcement of plans to supply emergency relief supplies and equipment to Philippines (June). Provision of 3,000 rifles, ammunition, reconstruction funds, etc. (delivery ceremony in September). Joint training proposal (September).
Indonesia, Malaysia	Both countries commenced joint maritime patrols with the Philippines (June) and joint air patrols (October).
Singapore	Announcement of plans to dispatch a P-3C, provide urban warfare training at a facility in Singapore, and supply surveillance drones (July).

Sources: Compiled by the author based on each governments’ official releases and press reports.

At the same time, the president agreed on July 18 to establish an autonomous region in Mindanao with the Moro-Islamic Liberation Front (MILF), which has continued its opposition activities in Mindanao, and has been negotiating with the Philippine Congress to achieve it. This is a re-proposal of the Bangsamoro Basic Law (BBL), which was agreed to under the previous administration of Benigno Aquino but was not put into effect since related bills were not passed before Aquino's term expired. If enacted now, it can be expected to undercut some of the Muslim population's support for the extremist forces.

On September 28, President Duterte spoke to the subsequent relationship with the United States, saying that the American people had repented of their past doings and were helping the Philippines considerably, and thus "I'd rather be friendly with them now."<sup>50</sup> Duterte met President Trump for the first time in Vietnam as they took part in the APEC conference in November, and held his first formal talks with Trump on the 13th as he visited the Philippines for an ASEAN conference. In a joint statement both presidents reaffirmed their commitment to the US-Philippine Mutual Defense Treaty and the EDCA which strengthens the mutual treaty, as well as the defense cooperation between the two countries.<sup>51</sup> President Duterte described the drug crackdown and the United States noted that it had briefly discussed human rights issues, which the Philippine side denies.<sup>52</sup> Regarding bilateral defense cooperation, on October 5, Eduardo Año, the Chief of Staff of the Armed Forces of the Philippines, noted that the two sides had agreed in September at their regular bilateral consultations to increase the joint training in 2018 from 258 activities to 261, and in addition to HA/DR and counterterrorism, territorial defense training would also be conducted.<sup>53</sup>

The Philippines' softening of its attitude towards China has brought about "outcomes" which have mitigated tensions such as confrontation between authorities in the South China Sea, which in turn has ensured the safety of fishery activities, thereby increasing economic support and investment. So long as there is no drastic change in the situation in the South China Sea, President Duterte seems likely to maintain his current stance while he remains in office. Meanwhile, looking at the relationship with the United States, President Duterte had little personal attraction to the previous Obama administration but seems to feel little such antipathy to the Trump administration. Indeed, summit talks were conducted in November and reconfirmed the alliance between the two and the efforts to strengthen that relationship. Still, it still seems possible that the political styles of

the two presidents and individual basic differences in regard to the historical relationship between the United States and the Philippines could bring negative reactions which might generate negative effects for Duterte's policies toward the United States. This could likewise exert an influence on the US military presence in regions supposed by the EDCA or on China's behavior in the South China Sea.

### **3. Trends in Individual Countries' Equipment Procurement and Military Aid**

#### **(1) Royal Cambodian Armed Forces—Military Aid and Chinese Influence**

Cambodia's defense budget in 2017 was about 1.9 trillion riels, which was about 20 percent higher than the previous year, and it is reported that much of the increase will be devoted to soldiers' wages. According to Jane's, the Army accounts for about two-thirds of the military expenditure.<sup>54</sup> The defense budget of Cambodia was eighth out of the ten ASEAN member countries for 2015, and the Cambodian Army is currently building a foundation for its equipment and the military power. Meanwhile, against the background of tension arising along its border with Laos in April 2017, Cambodia decided to form a new brigade in Stung Treng Province, reportedly with plans to recruit some 3,850 new soldiers under that defense budget. For such reasons, the military seems to need cooperation and assistance in a wide range of fields from daily use items and basic infrastructure to education and training facilities and logistic support.<sup>55</sup>

Cambodia has long been receiving cooperation and assistance from China, but their initiation of a comprehensive strategic partnership of cooperation in 2010 has brought progress in a cooperative relationship on equipment. In 2011 Cambodia used \$1.95 billion in soft loans from China to procure twelve Z-9 general-purpose helicopters. Along with this, China has continued to provide other equipment and supplies, such as the twenty-six trucks and 30,000 military uniforms provided in 2014. In November 2015, additional new military aid was announced at the talks in Cambodia between Chinese Minister of National Defense Chang Wanquan and Deputy Prime Minister and Minister for National Defence Tea Banh, as well as provision of man-portable air-defense systems (MANPADS) from China. Provision of these items came shortly after it was reported that at the ADMM-Plus held that month, members could not agree on

whether to specifically mention pending issues in the South China Sea, which meant that adoption of a joint statement was postponed. This result gave a striking impression of the friendly relationship between China and Cambodia.<sup>56</sup>

In addition to cooperation in equipment procurement, China also offers support in a wide range of fields including construction of facilities and supply of materials. In December 2015, China donated about \$2.5 million in medical equipment, such as MRI and CT scanners, to the Preah Ket-mealea Military Hospital, with September 2016 seeing donation of the necessary equipment and materials for constructing a wireless system as a military communications backbone network at the Cambodian Ministry of Defense. In 2017 as well, according to reports in February, a military motor vehicle maintenance facility began operation thanks to Chinese cooperation in financing its construction; this illustrates how the emphasis in aid and cooperation is on immediate effectiveness at the field level.<sup>57</sup> In addition, China is also viewed as seeking to build sustainable and effective relationships by strengthening ties in education and training. Many facilities have been built by the Army Institute in Kompong Speu province since 2002 with financial support from China, and in 2009 with Chinese aid, a four-year officer education curriculum began operations for military leadership development. It is said that Chinese military advisers are responsible for the curriculum organization and guiding the teachers.<sup>58</sup> In January 2013, an infantry training school was established in the same institute, again with the help of China, and in May 2015 it was reported that Chinese trucks equipped with rocket launchers for training were presented to the institute.<sup>59</sup>

Cambodia has historically had close relations with Vietnam and has received cooperation and assistance, and in particular in 2017, the fiftieth anniversary of the establishment of diplomatic relations between the two countries, they confirmed the strengthening of their bilateral cooperation and assistance. In January, Tea Banh, Cambodia's defense minister, visited Vietnam to discuss the plan for 2017 cooperation with the country's minister of defense Ngo Xuan Lich and confirmed the importance of cooperation in both bilateral interchange and in education. In addition, as a priority, they cited the exchange of bilateral visits by delegations, defense policy consultations at the deputy ministerial level, joint marine patrols, border control, and the search for missing Vietnamese soldiers.<sup>60</sup> Vietnam has continued to provide support for education, such as the acceptance of Cambodian military exchange students, and in February 2017, as part of the

commemorative program, a lecture hall and student quarters for the school of military engineering, which had been built and funded by Vietnam, were established in the Army Institute. In July a multifunctional training center was established at the Gendarmerie of Cambodia Training Center in Kampong Chhnang province.<sup>61</sup>

Other countries involved in military assistance include South Korea, which provided 208 trucks and fourteen construction machines in March 2017. South Korea also contributed equipment in 2010 and 2012, such as military vehicles and general-purpose boats, making its presence in Southeast Asia known not only as an equipment exporter but also as a donor of equipment.

Thus, Cambodia is looking to China on the one hand for its advantage in terms of economic scale, while on the other hand also drawing on Vietnam's position as an important neighbor that wants to maintain its influence. In the case of the South China Sea, China and Vietnam are in a tense relationship, and Cambodia is skillfully maintaining a balance in relations with the two and is actively receiving aid from each.<sup>62</sup>

## **(2) Royal Thai Armed Forces—Background of Procurement from China**

In February 2017 the Thai Ministry of Defence announced its “Modernisation Plan: Vision 2026” to lay out the national defense plan for the next ten years. Details of the plan were not disclosed and information on the necessary military assets and a list of concrete defense capability were not released, but it does note that in ten years, the ministry will aim to increase national defense expenditures from the current level of 1.4 percent of Gross Domestic Product (GDP) to 2 percent. It will also be necessary to engage in business restructuring for more efficient operation of the Ministry of Defence, and the modernization plan is also said to plan for coordination with related undertakings such as modernization of Thailand's defense industries. By the ten-year mark, domestic defense industries should have experienced a stronger domestic base for their operations, greater use of the private sector and dual-use technology, technology transfer from foreign enterprises seeking to use new opportunities for equipment exports to Thailand, and greater defense industry cooperation with other ASEAN members.<sup>63</sup> The national defense budget for FY2018 seeks about 222.4 billion baht, up about 5 percent from the previous year and was approved in June. According to the

breakdown used by the budget bureau, the 2017 budget allotment to personnel expenditure is 43 percent, operating expenditure is about 13 percent, and facilities construction and equipment investment is 3 percent, with other categories at about 40 percent. Budgetary breakdowns by application are reported to include about 35 percent for strengthening defense capability through equipment procurement and the like, with about 16 percent to domestic security missions and 1 percent to research and development.<sup>64</sup> Given that Thailand's national budgets had been declining, the Royal Thai Armed Forces have actively promoted modernization of their equipment since 2014, but among them the procurement of Chinese Yuan-class submarines approved in March 2017 has attracted attention.

The Royal Thai Navy has been showing new levels of interest in submarines, and attention in 2011 was regularly turned to procuring German- or South Korean-made submarines, but the plans were canceled by Prime Minister Yingluck. In 2015, however, such plans were raised again by Deputy Prime Minister and Defense Minister Prawit Wongsuwan, and the Navy made its request to the government in April of that year. A committee was established under Chief-of-Staff of the Navy Adm. Thanarat Ubon and reportedly identified a Chinese Yuan-class submarine as the best candidate for the intended purposes.<sup>65</sup> When the procurement plan was announced in 2015, public opinion turned very negative toward it, the plan was temporarily suspended, but the next year it was announced that Deputy Prime Minister/Defense Minister Prawit would procure three submarines at about 36 billion baht. In the end, budget was approved for the purchase of one submarine. The Thai government stated that it had selected the Chinese submarine as a comprehensive judgment including economic reasons. Discussion of procurement of the Yuan-class submarine took place in November 2014 when Prawit visited China as well as in February 2015 when the Chinese Minister of National Defense Chang Wanquan visited Thailand, and China was said to offer frequent proposals about the procurement. For Thailand's Ministry of Defence, which was seeking to move forward with modernization of its major equipment without using the credit facilities prepared by foreign governments, conditions such as the "friendship price" indicated by China and payment term of ten years, coupled with comprehensive logistical support service, seemed very attractive.<sup>66</sup>

The Navy started preparing to operate the submarine even before approval of procurement of the submarine itself. In 2012, the Navy purchased a Combat

Information Centre (CIC) and a submarine command team trainer (SCTT) from the German defense equipment company Rheinmetall AG and in July 2015 opened a submarine base and training center in Sattahip, Chonburi Province. Then in 2017, the Navy procured from Rheinmetall a naval warfare training simulator which could be connected with its existing SCTT and antisubmarine simulator, with the new training center to be opened in 2019.

Thailand's relationship with China is also making progress for land equipment. Approval was given in June 2016 for Thailand to procure twenty-eight VT-4 Main Battle Tanks (MBT) from China North Industries Corporation (NORINCO), and in addition to further procurement of the VT-4 in April 2017, Thailand also received approval for a procurement program for thirty-four of NORINCO's VN-1 Armored Personnel Carrier (APC). With the aim to updating the old M41A3 light tank, the MBT procurement program initially procured the T-84 Oplot MBT from Ukraine, but fighting in Crimea and other sources of confusion hindered the delivery as scheduled, and the program switched to the VT-4. Regarding the procurement of equipment made in China, Royal Thai Army Commander-in-Chief Gen. Chalermchai denied speculation that it represented a policy of shifting equipment procurement from the West to China.<sup>67</sup> He explained that it wasn't a matter of Defense Minister Prawit saying that something was made in China so we're going to buy it; he judged comprehensively from a number of angles, including performance and especially price. In this case, in addition to price, Chinese cooperation with and contribution to Thailand's domestic defense industries also seems to have worked favorably for China at the time of selection.<sup>68</sup> When Prawit visited in December 2016 and met with Minister of National Defense Chang Wanquan, Chang proposed construction of a factory in Thailand to provide maintenance and manufacture parts for Chinese equipment, and preparations are said to be currently underway.<sup>69</sup> Meanwhile, in June 2017 there were reports of a plan by the Ministry of Defence to reconfigure the Defense Technology Institute to establish a new organization that not only deals with research and trial production and domestic industrial policy but also can serve as a new system for administration of equipment procurement. Such an arrangement presumably would strengthen the system for using foreign equipment procurement as an opportunity to promote technology transfer and strengthen linkage with the domestic base.<sup>70</sup>

In 2017, signs of improvement of relations with the United States were also seen in equipment procurement. In June Gen. Chalermchai announced that he had

sounded out the United States on the sale of four UH-60 general-purpose helicopters and was awaiting approval by the US Congress. In August, the US Defense Security Cooperation Agency (DSCA) decided to approve the sale of the RGM-84 Harpoon antiship missile system, and FMS, which had been suspended since the coup in 2014, was resumed.

In the field of aircraft, relations are developing with emerging equipment exporters. By 2016, twelve of the JAS-39 Gripen fighters had been delivered, and in February 2017, a contract was signed with the Swedish Defense Material Administration (FMV), the export handler for such items, concerning the provision of operational support services until 2019. In July, approval was given for the procurement of eight more of the South Korean T-50TH training aircraft, in addition to the four which are planned for delivery by 2018. In addition, in August, a modernization and renovation program was approved for fourteen F-5E fighters, with Thai Aviation Industries (TAI) as the primary contractor, but the main components to be used will be procured from Israel's Rafael Advanced Defense Systems, Elbit Systems, and similar manufacturers.<sup>71</sup>

As we have seen above, Thailand's military attracted much attention for its equipment procurement from China in recent years, but its equipment and infrastructure systems basically conform to Western specifications, and Army Commander-in-Chief Gen. Chalermchai has denied there is any likelihood that Thailand will shift to China for all its procurement. Meanwhile, since Thailand is aiming at improving domestic operational capacity and strengthening its domestic industrial base, it is quite possible that there will be a growing number of opportunities for procurement from emerging equipment exporters, including those in China, that are active in logistical support and technical cooperation.

### **(3) The Philippines—US and Chinese Assistance against Terrorism and Its Level**

Since taking office, President Duterte has frequently expressed his doubts about procuring equipment and military assistance from the United States, and Secretary of National Defense Delfin Lorenzana has noted concerns that US transfer of weapons to the Philippines might become more complicated due to the bipartisan opposition in the US Congress to the weapons possibly being used in the war on drugs.<sup>72</sup> Meanwhile, when President Duterte visited China in May to attend the Belt and Road Forum for International Cooperation, media reports indicated that

he received proposals from China to provide the Philippines with \$14 million worth of equipment and a credit facility of about \$500 million. The Philippine side said it would like to draw on the credit facility only when its defense budget was insufficient, but also said there was no problem with the provision of equipment.<sup>73</sup> In May the Philippines reached agreement with Russia on wide-ranging defense cooperation, including defense industry cooperation with mention of the possibility of future equipment cooperation.<sup>74</sup> When Secretary of National Defense Lorenzana visited Russia in April, he reached broad understanding with Russian Defense Minister Sergei Shoigu, which was later formally signed by President Duterte during a visit to Russia. In recent years, Israel has been increasing its presence in the Southeast Asia equipment market, and in February the Philippines announced that it would make emergency procurement of 1,190 sets of protective vests from Israel in the form of an intergovernmental agreement in order to improve the combat capabilities of the Philippines' counter-terrorism units. This measure was described as complying with a memorandum on logistical aid and defense industry cooperation and a mutual procurement agreement on defense materiel reached with Israel's Defense Ministry. Regarding relations with Japan, the Japanese government in March 2017 transferred two Maritime Self-Defense Force TC-90 training craft to the Philippine Navy in view of the Philippines' HA/DR activities and as support for improving Philippine capacity on transportation and maritime domain awareness. Three more aircraft are scheduled for delivery in March 2018.

As described above, the Duterte administration has sought to strengthen relations with countries other than the United States for equipment cooperation and military aid. Nevertheless, on May 23, the collision between the Maute group and the Philippines' military and security forces which occurred in Marawi and the counterinsurgency operations displayed once again the closeness of the relationship between the US military and the Philippine army and the high level of the US military's support.

In June it was reported that the United States had worked through the Joint US Military Assistance Group (JUSMAG), which has provided each of the Philippines' military services with assistance in such forms as provision of equipment and counterterrorism training, to offer three hundred M4 carbines, four M134D Minigun machine guns, and one hundred M203 grenade launchers.<sup>75</sup> JUSMAG had continued to provide support even before the insurgency; in January

JUSMAG donated grenade launchers and sniper guns, in February the RQ-11B Raven small unmanned aircraft systems, and in May twenty-five Combat Rubber Raiding Craft (CRRC). In the battle with the Maute group, the Philippine armed forces took advantage of the lessons learned from these equipment and training programs and received technical advice from US special forces to conduct unfamiliar cleanup operations in urban areas.<sup>76</sup> The following July, a Philippine Air Force C-130 transport aircraft dispatched to Tucson, Arizona, returned home with support supplies such as ammunition for use in aerial bombing. This was implemented because bombing is effective against barricaded troops, but when bombing was actually conducted, it was noticed with concern that the stockpiles of ammunition and other supplies fell rapidly, creating the need for urgent resupply.<sup>77</sup> In August, the Philippine Navy received a complete Tethered Aerostat Radar System (TARS), and in addition, the United States reportedly sent a Gray Eagle unmanned aircraft system in September.<sup>78</sup>

In July President Duterte thanked the United States and China for their cooperation and aid in fighting against the Maute group and acknowledged that in the future, the Philippines would continue to seek cooperative relations with China and Russia in equipment and other fields. In doing so, it was reported that Duterte noted that little could be assumed about any alliances, because of the existence of the US-Philippines Mutual Defense Treaty.<sup>79</sup> Until the previous month, President Duterte, who had attended the handover ceremony of the first military goods from China, had made negative remarks on support from the United States. Now, his remarks seemed to be an admission of the usefulness of the alliance in what seemed to be recognition that maintaining a close relationship with the US military contributed to the Philippines' own security by providing practical guidance and prompt logistical support to the Philippine military.<sup>80</sup> In addition, US aid to the Philippines stands out from that of other countries in terms of scale, and it planned to provide aid of \$54 million for peace and security in the FY2017 budget. Plans for equipment cooperation included provision of two 208B reconnaissance aircraft to the Philippine Air Force in August in an effort to improve counterterrorism operational capabilities.

President Duterte announced that he would move steadily forward with modernization plans for the Philippine Air Force, as the battle with the Maute group once again demonstrated the importance of air combat capabilities. The Air Force was in a state where many old-fashioned aircraft such as the OV-10 Close Air

Support (CAS) aircraft and the MD-520 MG light attack helicopter had to make sortie on air strikes during the counterinsurgency operations. Currently, the Air Force is advancing a capability modernization plan called “Flight Plan 2028,” and attention is being directed toward the progress in the first phase (2015-2022). In June, the Ministry of Defense announced that the EMB-314 Super Tucano had been selected under the procurement program as the new CAS aircraft. As with some other programs, the aircraft’s procurement process suffered a delay between the Air Force stating its preference and the actual bidding, but it did become possible to procure it within the first phase. In contrast, procurement of the new maritime reconnaissance craft saw bidding in July, although this had been carried over from 2016 due to a number of factors such as budget problems and failure to meet some requirements for overseas bidders. Even in 2017 the bidding process was not problem-free, and given the situation, actual procurement will be difficult.<sup>81</sup>

In this way, President Duterte reassessed the close relationship between the militaries of the United States and the Philippines, but he is expected to continue to seek cooperative relations involving equipment with countries such as China and Russia. Meanwhile, the equipment and infrastructure system of the Philippine Army, like that of Thailand, basically conforms to the standards of the West. In fact, the NORINCO rifles and ammunition provided as aid by China reportedly conform to North Atlantic Treaty Organization (NATO) specifications.<sup>82</sup> Currently, attention is being paid not only to the trends in aid from each country, but also to how the modernization plans for the Philippine military will respond to the influences of political demands on the one hand and military needs on the other.

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