



Regional Overview:

Rule of/by Law?

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The rule of law took a few huge hits during the year's second trimester, as Beijing chose to ignore the UNCLOS Arbitral Tribunal's ruling that negated many of its South China Sea claims (including the infamous 9-dashed line), while Pyongyang displayed its usual disdain for UN Security Council Resolution 2270 with a series of ballistic missile launches, highlighted by a submarine-launched ballistic missile test that landed in Japan's exclusive economic zone (EEZ). There were also a number of significant multilateral forums, addressing regional security (ASEAN Regional Forum) and economic (G7, G20) issues, or both (ASEM), along with the ASEAN Ministerial and various ASEAN Plus One sessions. Most in some form also touched upon the SCS and Korean Peninsula, even as ASEAN danced around the Tribunal's ruling. Meanwhile in the battle of who gets to make trade rules (we prefer to say "set the standards"), the Chinese-backed Regional Comprehensive Economic Partnership (RCEP) seemed to fare only slightly better than the US-driven Trans-Pacific Partnership (TPP), the objection to which seems to be the only thing the two US presidential candidates agree upon.

Philippines-1, China-0 . . . or is it?

The most highly anticipated and potentially significant event of this reporting period was the July 12 award by the UNCLOS Arbitral Tribunal at the Permanent Court of Arbitration in The Hague in the case brought by the Philippines against China's excessive claims and activity in the South China Sea. As anticipated, the ruling went against China. Not anticipated was the depth and breadth of the ruling. According to the Permanent Court of Arbitration's [press release](#), the nonpartisan international body's five-judge tribunal unanimously ruled that:

- to the extent China had historic rights to resources in the waters of the South China Sea, such rights were extinguished to the extent they were incompatible with the exclusive economic zones provided for in the Convention.
- although Chinese navigators and fishermen, as well as those of other States, had historically made use of the islands in the South China Sea, there was no evidence that China had historically exercised exclusive control over the waters or their resources.

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- there was no legal basis for China to claim historic rights to resources within the sea areas falling within the “nine-dash line”.
- none of the Spratly Islands is capable of generating extended maritime zones [i.e., EEZs]. ... [and]the Spratly Islands cannot generate maritime zones collectively as a unit.
- China had violated the Philippines’ sovereign rights in its exclusive economic zone by (a) interfering with Philippine fishing and petroleum exploration, (b) constructing artificial islands and (c) failing to prevent Chinese fishermen from fishing in the zone.
- fishermen from the Philippines (like those from China) had traditional fishing rights at Scarborough Shoal and that China had interfered with these rights in restricting access ... [and] Chinese law enforcement vessels had unlawfully created a serious risk of collision when they physically obstructed Philippine vessels.
- China had caused severe harm to the coral reef environment and violated its obligation to preserve and protect fragile ecosystems and the habitat of depleted, threatened, or endangered species.
- China's recent large-scale land reclamation and construction of artificial islands was incompatible with the obligations on a State during dispute resolution proceedings, insofar as China has inflicted irreparable harm to the marine environment, built a large artificial island in the Philippines’ exclusive economic zone, and destroyed evidence of the natural condition of features in the South China Sea that formed part of the Parties’ dispute.

The Tribunal’s report also noted that “absence of a party or failure of a party to defend its case shall not constitute a bar to the proceedings” and that Chinese complaints notwithstanding, “the Tribunal found that it has jurisdiction to consider the Parties’ dispute concerning historic rights and the source of maritime entitlements in the South China Sea.” Those interested in reading the entire 479-page report can find it [here](#). Noted international law professor Jerry Cohen has forcefully argued that, “like it or not, UNCLOS arbitration is legally binding for China.” For its part, Beijing argues that it is honoring and protecting international law when it rejects the ruling, a logic which seems to resonate only to China and a handful of others.

In discussing the implications of the ruling, Hong Thao Nguyen, professor of international law at the Diplomatic Academy of Vietnam, had the following useful observations:

- It restores international justice in the interpretation and application of UNCLOS. The award finds that claims of historic rights to natural resources cannot displace the legal status of maritime institutions created by UNCLOS, such as exclusive economic zones (EEZ) or continental shelves. Unilateral political actions cannot supplant agreements approved by the majority of the international community.
- It finds that Mischief Reef and Second Thomas Shoal, as well as other low-tide elevations, do not generate maritime zones of their own, as extensive Chinese land

reclamation has not modified their legal status. By that conclusion, the verdict removes obstacles to freedom of navigation, overflight, and trade near those features. Additionally, it affirms that access to waters beyond a vicinity of 500 meters from artificial islands is legal for commercial as well as military vessels. The United States' freedom of navigation operations will, of course, benefit.

- It minimizes the scope of maritime disputes. The overlap in claimed maritime zones in the South China Sea has dropped from the vast majority of the region's waters to only the 12nm territorial seas around the high-tide features in the Spratly Islands. The possibility of having high seas in the semi-enclosed South China Sea has been revived by the verdict. Beyond the limits of 200nm EEZs claimed from the coasts of bordering nations and 12nm territorial seas emanating from high-tide features of the Spratly Islands, every state will now enjoy the freedoms provided to the high seas under UNCLOS.
- It creates a chance for the region to escape from the deadlock that is preventing negotiation of an acceptable solution. The parties now have the opportunity to further clarify the scope of their disputes and finalize a code of conduct for the South China Sea.

While many feared the worst after the ruling announcement – increased Chinese assertiveness, to include the possible establishment of a SCS Air Defense Identification Zone and more in-your-face US freedom of navigation operations – thus far the primary response has been diplomatic. Whether this will still be the case after the China-hosted G20 meeting in early September is anyone's guess, however.

Ruling? What ruling?

Other chapters will go into more detail on how China, the Philippines, and other claimants have responded to the ruling. We will focus here on ASEAN's response (or general lack thereof – it still has not issued an official statement and is unlikely to ever do so). The insistence on full consensus has allowed a single ASEAN state – in this case, Cambodia, which has clearly been acting as a proxy in accordance with Chinese wishes/demands – has generally prevented reference to the Tribunal's award from even being mentioned in ASEAN gatherings, such as the ASEAN Plus One meeting with China in Kunming on June 13 (before the ruling) or the July 24 ASEAN Ministerial Meeting (AMM), which precedes the annual ASEAN Regional Forum international gathering of foreign ministers.

At the Kunming meeting, Chinese Foreign Minister Wang Yi reportedly warned Southeast Asian states against issuing a statement on the South China Sea following the Tribunal's award, while challenging the much-prized notion of ASEAN centrality, according to Prashanth Parameswaran in *The Diplomat*. He claims that the ASEAN ministers, miffed at China's behavior, initially decided to issue their own statement instead of jointly with Beijing – an unprecedented move – which reportedly noted: “We look forward to working together with China to bring ASEAN-China cooperation to the next level. But we also cannot ignore what is happening in the South China Sea as it is an important issue in the relations and cooperation between ASEAN and China.” Working through its Cambodian and Laotian surrogates, Beijing suppressed the ASEAN statement; no joint statement was issued.

At the July ministerial, Cambodia once again made sure that there would be no reference to the Tribunal's ruling, tying up the proceedings and almost causing the ministers, for a second time (the first being at the 2014 AMM in Cambodia) to not issue a statement at all. China actually publicly thanked Cambodia for supporting its position, demonstrating how deeply Phnom Penh has sunk into Beijing's pocket.

The AMM's [joint communiqué](#) nonetheless noted that the ministers “remain seriously concerned over recent and ongoing developments and took note of the concerns expressed by some ministers on the land reclamations and escalation of activities in the area, which have eroded trust and confidence, increased tensions and may undermine peace, security and stability in the region.” The ministers called for “self-restraint in the conduct of activities and avoid actions that may further complicate the situation, and pursue peaceful resolution of disputes in accordance with international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS)” while emphasizing “the importance of non-militarisation and self-restraint in the conduct of all activities, including land reclamation that could further complicate the situation and escalate tensions in the South China Sea.”

China's heavy hand was also in evidence at the 11th Asia-Europe Meeting (ASEM) Summit held on July 15-16 in Ulaanbaatar, Mongolia. Discussions there focused on the theme “20 years of ASEM: partnership for the future through connectivity.” (Sharp-eyed inclined readers will note a discrepancy between the number of years of ASEM and the number of meetings: ASEM meets every other year.) The meeting was China's first multilateral encounter since the Tribunal ruling and Beijing let it be known that it thought South China Sea issues should not be mentioned at the conclave. In their statement, the 51 Asian and European countries agreed to uphold a “rules-based” global order, and called for stronger economic cooperation and enhanced regional connectivity – but there was not mention of the South China Sea disputes. One has to question the credibility of international forums that refuse to even acknowledge, much less address, one of the most far-reaching important developments of the day.

On a more potentially positive note, a subsequent ASEAN-China meeting on Aug. 16 – the 13th Senior Officials Meeting on the implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC) in Inner Mongolia's Manzhouli city – reported several “breakthroughs” regarding the South China Sea, suggesting that the Tribunal's ruling is having some impact on Chinese behavior. China and ASEAN agreed to complete a draft framework for a binding Code of Conduct (COC) by the middle of next year – the first time a timeline has been officially set – while also agreeing to initiate an emergency hotline and adopt a code for unplanned encounters in the South China Sea (CUES), at least for their respective navies. To be really effective of course, coast guards and other maritime enforcement agencies will also need to be included. This all remains to be seen, of course. Given the manner in which most claimants have repeatedly violated the DOC, it is hard to be optimistic about a COC, especially if it contains no enforcement mechanisms or punishment for gross violations.

ARF: More of the same

The annual ASEAN Regional Forum ministerial was pretty much a non-event. One would be hard-pressed to even find a reference to it in the international media. Blame it on the location –

Vientiane, Laos – and a “more of the same” agenda. Despite the best efforts of the Philippines, Vietnam, United States, and no doubt others, there was not a single reference to the Tribunal’s ruling in the July 26 Chairman’s Statement of the 23rd ARF. References to the South China Sea essentially repeated those from the ASEAN Ministers’ Joint Communiqué, almost verbatim. Even Secretary of State John Kerry’s report as co-chairman of the ASEAN-US side ministerial meeting was fairly tepid, noting only that “Ministers affirmed ASEAN’s full respect for diplomatic and legal processes to peacefully resolve disputes. Several stressed that both parties in the Philippines-China arbitration should abide by the decision and uphold international law.” Even less is expected at the annual East Asia Summit since Philippine President Rodrigo Duterte has already said he would not push for a discussion of the Tribunal’s ruling when the 18 leaders (including President Obama, for the last time) meet in Vientiane on Sept. 6-8.

Despite the presence of the DPRK foreign minister in their midst, the ARF Chairman’s Statement “reiterated ASEAN’s support for the denuclearization of the Korean Peninsula in a peaceful manner. *Most Ministers* [emphasis added] also urged the DPRK to comply with all relevant UNSC resolutions, including the UNSC Resolution 2270 and called on all parties to exert common efforts to maintain peace and security in the said region and create an environment conducive to the early resumption of the Six-Party Talks to make further progress in denuclearization of the Korean Peninsula in a peaceful manner.” Of note, the ministers also “stressed the importance of addressing humanitarian concerns.”

DPRK: even more of the same

Pyongyang’s response to the newest round of UNSC sanctions – UNSCR 2270, imposed in March joins a long list of sanctions resolutions (1718 in 2006, 1874 in 2009, and 2087 and 2094 in 2013) against the hermit state’s nuclear and missile violations – was highly predictable: defiance, defiance, and more defiance. Quite frankly, we have lost count of the number of missile launches since that time – the Korean press is citing 30, just in the time Kim Jong Un has been in power – all in direct violation of 2270 and earlier prohibitions.

One violation stands out. On Aug. 24, the North Koreans conducted what has been assessed to be the first successful (and fourth attempted) firing of a submarine-launched ballistic missile into the Sea of Japan (East Sea). The ROK military reported that it was fired in the early morning hours from a location near Sinpo, South Hamgyong Province, and appears to have flown about 500km. Many interpreted the launch’s timing as a protest to the US/ROK joint military exercise *Ulchi Freedom Guardian*, scheduled from Aug. 22-Sept. 2. The North had threatened a “pre-emptive nuclear strike” against the military exercise.

While the SLBM’s flight was much shorter than its estimated maximum range (2,000-2,500km), it has still been seen as a success (it is not uncommon to conduct test launches at a higher angle and with less fuel than normal to keep splashdown in the open ocean while avoiding overflying Japan or some other country). The ROK military had earlier estimated that the North’s SLBM capacity “was in its earliest stages, lacking actual ability to fly the missile for a significant range.” According to a *Korea Herald* [news analysis](#), the North’s success has considerably moved up the expected timeline of the SLBM’s actual deployment -- originally put at around 3-4 years – with some estimating that it could be deployed as early as later this year.

The ROK, over strenuous Chinese objections, decided that it had the right and the responsibility to take measures to defend itself and its US ally against the growing missile capability, especially given the fact that Pyongyang has claimed that it already has the ability to miniaturize nuclear warheads and put them on missiles capable of hitting the ROK, Japan, Guam, and Hawaii, if not the US mainland itself. While few believe that North Korea has achieved that level of capability yet, the ROK and US have learned not to underestimate the North's growing nuclear and missile capabilities and to prepare for a worst case not-too-distant future.

The US government has been offering to provide the Chinese with technical briefings that would demonstrate that THAAD has virtually no ability to impact Beijing's second-strike capability – a Pacific Forum CSIS briefing to the Chinese in June demonstrated (we think convincingly) that THAAD would not be able to detect launches from China or even the warhead in flight, but merely 10 seconds of the second stage rocket; the Chinese left that meeting better informed but not convinced. In the bluntest of terms, the Chinese position comes down to this: the ROK better not take steps to defend itself from a real and growing threat because of the (remote) possibility that such measures might in some way limit China's ability to strike the US with nuclear weapons. When put in those terms, it's pretty easy to understand why the Chinese argument fails to resonate in Seoul or Washington. Nonetheless, when the UNSC met to respond to the SLBM firing in violation of the above-cited resolutions, it failed to reach agreement on a statement of condemnation, with Beijing insisting that language also be inserted opposing the deployment of THAAD to the Peninsula.

Since their inception, this Regional Overview has assessed the prospects and progress (if any) of the currently moribund Six-Party Talks aimed at denuclearization of the Korean Peninsula. Never have the prospects appeared this slim. Pyongyang has made it clear that it no longer has any interest in discussing the topic (at least not until after the US signs a Peace Treaty with the DPRK) and in mid-August confirmed that it had resumed plutonium production and had no plans to stop nuclear tests as long as perceived threats from the United States continue. It also reacted harshly in July when the US put Kim Jong Un on its list of sanctioned individuals for human rights abuses, stating that the US has “crossed the red line” and effectively “declared war” on the North. In response it announced that it was cutting off its only channel of communication with Washington – the so-called New York channel (via its UN representatives), stating that “all matters related to the United States,” including the handling of US citizens detained by Pyongyang, will be conducted under “wartime law.” It also threatened a “physical response” if THAAD was deployed in the South.

G20: boilerplate and ballistic missiles

Shortly after our reporting period ended but before *Comparative Connections* was put on line, Pyongyang sent one more message to demonstrate its disdain not only for the West and UNSC, but toward China as well when it saluted the assembled grandees for the China-hosted G20 summit by launching three medium-range ballistic missiles on Monday, Sept. 5. Not only were the launches a reminder of Pyongyang's potential to roil the region, but they were a deliberate poke in the eye to Beijing, North Korea's erstwhile ally. The play for international attention cast

a shadow over the summit, reminding the world of Pyongyang's capacity for mischief and highlighting Beijing's inability to do much about it.

The G20 summit, hosted by Chinese President Xi Jinping in Hangzhou, China Sept. 5-6 was not without drama. The meeting began with reported protocol sleights to US President Barack Obama and National Security Advisor Susan Rice, but they were overshadowed by the climate agreement that the two men struck soon after. Indeed, as is so often the case at such summits, the real work was done not at the multilateral leader-level discussions, but in the bilateral meetings that took place on the sidelines. In addition to the Obama-Xi sit-down, which was labeled "candid," diplomat-speak for contentious and characterized more by disagreement than agreement – attention was focused on the meetings between Obama and Russian President Vladimir Putin – "candid, blunt and businesslike" as well – and between Xi and Abe, at which the two men appeared noticeably warmer than at their previous encounters.

The official motto of this year's G20 was "Towards an innovative, invigorated, interconnected and inclusive world economy," a phrase that literally says it all. The leaders endorsed that message, acknowledging that global growth was sluggish and weak, urging governments to take more direct fiscal action to stimulate growth, agreeing to coordinate macroeconomic policies, but – surprise, surprise – articulating few concrete proposals to do that. They also agreed to oppose protectionism – a staple of such gatherings – and support multilateral trade mechanisms. In one of the few specific measures agreed, the group backed creation of a global forum to address excess capacity in steel production and encourage adjustments. Other downside risks include terrorism, immigration, and the UK exit from the European Union.

Abe makes Japan's case at the G7

The G20 served as a bookend to the other major economic gathering held in Asia during this trimester, the G7 gathering of the world's leading industrialized countries hosted by Japanese Prime Minister Abe Shinzo at Kashiko Island in Shima, Japan May 26-27. We detailed the lead-up to the G7 Summit in our last issue and the meeting itself offered few surprises. Abe used the summit to press Japan's role as a key player in international economic and diplomatic management, as well as make his case for the more controversial elements of his Abenomics economic program – namely the loose money policy that some governments view as an attempt to artificially dampen the value of the Japanese currency and sustain the competitiveness of Japanese export industries. His prediction that "Abenomics will be deployed throughout the world" was controversial, but may be more on the mark than more staid policy makers want to admit. Despite nervousness about global conditions – the final declaration characterized global growth as "below potential" and noted that "risks of weak growth persist" – his claim that the world faced a situation reminiscent of the pre-Lehman Brothers collapse was dismissed as self-serving rhetoric to justify the delay in the consumption tax hike.

More generally, the leaders promised "to collectively tackle current economic challenges while laying out foundations for stronger long-term global growth," which will be achieved with a "forceful mix" of fiscal and financial policies and structural reforms. No specifics were provided, although leaders reiterated their commitment to freer and fairer world trade.

On political issues, the G7 statement seemed equally profound and vague but the intent seemed more pointed. The final declaration noted that “We remain bound together as a group guided by our common values and principles, including freedom, democracy, the rule of law, and respect for human rights.” Even without identifying China, the reference could not be clearer. Russia was called out explicitly: the group endorsed a diplomatic settlement to the conflict in Ukraine and condemned the “illegal annexation of Crimea.” Other issues highlighted in the 32-page [final declaration](#) included: migration and refugees, infrastructure, health, women, cybersecurity, anticorruption, climate, and energy. That last topic was noteworthy as the group committed to “accelerate our work towards the transition to an energy system that enables a decarbonization of the global economy.” This includes a 2025 deadline for the end of fossil fuel subsidies.

The G7 leaders also “condemn in the strongest terms North Korea’s nuclear test in January and its subsequent launches using ballistic missile technology,” which “pose a grave threat to regional and international peace and security.” While not mentioning the then-impending Arbitral Tribunal award, they did “reiterate our commitment to maintaining a rules-based maritime order in accordance with the principles of international law as reflected in UNCLOS, to peaceful dispute settlement supported by confidence building measures and including through legal means as well as to sustainable uses of the seas and oceans, and to respecting freedom of navigation and overflight.” They also reaffirmed “the importance of states’ making and clarifying their claims based on international law, refraining from unilateral actions which could increase tensions and not using force or coercion in trying to drive their claims, and seeking to settle disputes by peaceful means including through juridical procedures including arbitration.”

US election challenges foreign policy orthodoxy

According to *The New York Times*, one other topic received outsized attention at the May G7 summit – GOP presidential nominee Donald Trump. Trump, who had secured enough delegates to claim the nomination in May but was officially designated as such at the July GOP convention, has directly challenged US foreign policy orthodoxy, in particular charging that US allies have been freeloading and under his administration they would either pay more of the bill or be forced to defend themselves. In an interview in early June, Trump said the US needed to be “prepared to walk” from negotiations that he would initiate with Japan over the alliance. “At a certain point, you know Japan will, if they're not going to pay us what it's going to cost. The fact is, they are paying a small fraction of what it's costing. So is Germany, so is Saudi Arabia, so is South Korea. We are losing a fortune.” Diplomats and officials from Japan and South Korea (along with many other US allies and partners) have pressed virtually all US interlocutors for insight into Trump’s thinking, to identify his advisors, and to indicate whether his bombast will survive his campaign. Trump even seemed to suggest he is prepared to let US allies, and Japan in particular, to go nuclear if that would follow the loosening of US ties to the region.

His rhetoric pushed Sen. John McCain, Republican chairman of the Senate Armed Services Committee, and Robert Menendez, Democratic former chairman of the Senate Foreign Relations Committee, to write a commentary in a South Korean newspaper that urged South Koreans to not over-react, noting that “any talk of pulling back from our commitment should be taken with a grain of salt on both sides of the Pacific.”

Democratic nominee Hillary Clinton (who officially bested challenger Bernie Sanders at the July party convention) has been, as could be expected of a former secretary of state, a supporter of US alliances in Asia, calling them indispensable to the protection of US national interests and critical to regional security. A cornerstone of her campaign has been to paint Trump as a danger to US alliances, its standing in the world, and peace and stability more generally.

On another issue central to US relations with Asia, the Trans-Pacific Partnership (TPP) trade deal, both candidates are skeptics. Trump has denounced all such trade agreements as flawed, and the product of poor negotiations. In a June speech, Trump called the TPP “another disaster done and pushed by special interests who want to rape our country — just a continuing rape of our country.” He went on to say it “would be the death blow for American manufacturing. It would give up all of our economic leverage to an international commission that would put the interests of foreign countries above our own. It would further open our markets to aggressive currency cheaters. It would make it easier for our trading competitors to ship cheap subsidized goods into U.S. markets – while allowing foreign countries to continue putting barriers in front of our exports.” Trump promised to focus on bilateral talks, renegotiate existing trade deals, and label China a currency manipulator from Day 1 of his administration.

China is a particular *bete noir* for Trump. In addition to manipulating its currency, its leaders possess a toughness and determination he believes US leaders, Obama in particular, don’t have. “We can’t continue to allow China to rape our country, and that’s what they’re doing,” he said at a rally in May.

Worryingly, Clinton also opposes TPP. While she identified it as a core element of the rebalance to Asia when she was secretary of state, she was pushed to the left during the campaign by Bernie Sanders’ progressivism and now risks being outflanked by Trump’s antitrade populism. She has made numerous statements against TPP, noting in August that “I will stop any trade deal that kills jobs or holds down wages, including the Trans Pacific Partnership. I oppose it now, I’ll oppose it after the election, and I’ll oppose it as president.” That statement – the equivalent of George H.W. Bush’s famous declaration, “Read my lips: No new taxes” – seems definitive. How she squares that opposition with her knowledge of the strategic importance of the deal – during his August visit to the US, Singapore Prime Minister Lee Hsien Loong called TPP “vital from a strategic point of view and a strong signal of the U.S. commitment to continue its deep engagement in the region.” – is beyond us.

Undaunted, President Obama promised an aggressive push to get TPP passed during the last half year of his administration. In May, he pronounced himself “confident” that Congress will be able to ratify the agreement, despite widespread opposition. The week before, the International Trade Commission released a report that concluded that within 15 years US annual real incomes would increase by 0.23 percent relative to a baseline level, while GDP would be 0.15 percent higher than without the trade deal. The agriculture, food, and services industries would be big winners while manufacturing and energy would be among the losers. In August, on the eve of his 11th and presumed final trip to Asia (to include the G20 and ASEAN meetings), he pledged to press his case to US partners and the public. At his press conference after the G20 meetings, he insisted that “it’s my intention to get this one done, because, on the merits, it is smart for America to do it.... Nobody is able to describe to me how this would not be a significant improvement for US

workers and US businesses going forward compared to the status quo. And so I intend to be making that argument.” A recent PacNet by our CSIS colleague Matt Goodman – [PacNet # 65](#), Sept. 6, 2016, “Yes, TPP is about who writes the rules” – makes the case for why passage of the TPP makes economic and strategic sense for the US.

RCEP stalled?

There is another trade deal in the works. Negotiators met in Auckland, New Zealand in June for the 13th round of talks to advance the Regional Comprehensive Economic Partnership (RCEP), a 16-country trade and investment deal in the Asia-Pacific region (which does not include the US). According to the hosts, all RCEP countries have submitted initial offers for goods and services trade, as well as initial lists of reservations for investment. (Investment liberalization is taking a negative list approach: all sectors are presumed open to foreign investment unless specifically identified as closed.)

Less than two months later, the fourth RCEP ministerial meeting convened in Vientiane, Laos on Aug 6. It is reported that the members agreed against a tiered approach to tariff reductions (different levels of cuts for different members), and the group is said to be considering a longer phase out period for tariffs, particularly for sensitive items. The 14th round of talks followed in Ho Chi Minh City on Aug. 10-19. Discussions focused on cargo, service and investment, as well as cooperation on economic technology, competition, e-commerce, and law provisions.

By most accounts, the talks are encountering difficulty, with the end of 2016 deadline now in doubt. A July inter-sessional meeting brought together officials from the trade in goods committee and the lead negotiators to work out a compromise on cuts on goods tariffs, which appears to have produced the agreement against the tiered tariff approach originally championed by India. The next round of talks, which should provide some clarity about these issues, is set for October in Tianjin, China.

Regional Chronology May – August 2016

May 1-6, 2016: Japanese Foreign Minister Kishida Fumio visits Southeast Asia with stops in Thailand, Myanmar, Laos, and Vietnam. Kishida offers to improve infrastructure and bolster development in the region with 750 billion yen (\$7 billion) in aid over three years.

May 3-5, 2016: Lao President Bounnhang Vorachit visits China and meets President Xi Jinping.

May 5, 2016: Indonesia, Malaysia, and the Philippines agree to conduct coordinated maritime patrols in the Sulu and Celebes seas to combat piracy and ship hijacking in the region.

May 6-9, 2016: North Korea holds its first Workers’ Party (WPK) Congress since 1980. Kim Jong Un is elected as chairman of the WPK.

May 9-10, 2016: Chinese State Councilor Yang Jiechi visits Indonesia and Malaysia. In Indonesia, he attends the second meeting of China-Indonesia High-level Economic Dialogue. In Malaysia Yang meets Foreign Minister Anifah Aman.

May 10, 2016: US Navy destroyer *USS William P. Lawrence* sails within 12nm zone near Fiery Cross Reef (China: Yongshu; Philippines: Kagitingin; Vietnam: Da Chu) to “challenge excessive maritime claims of some claimants in the South China Sea.”

May 19-20, 2016: ASEAN-Russia Summit is held in Sochi, Russia.

May 22-25, 2016: US President Barack Obama visits Vietnam to discuss the US-Vietnam comprehensive partnership. He is accompanied by Secretary of State Kerry.

May 25, 2016: The 10th ASEAN Defense Ministers Meeting is held in Vientiane. The [Joint Declaration](#) highlights ASEAN countries’ commitment to promoting regional peace and security.

May 26-27, 2016: Forty-second G7 Summit is held in Ise-Shima Japan.

May 26-27, 2016: President Obama visits Japan to attend the G7 Summit and tour the Peace Memorial Park in Hiroshima, becoming the first sitting US president to do so.

June 1, 2016: US Treasury [designates North Korea](#) as a primary money launderer, saying that it would seek to cut off from the US financial system any bank or company that conducts banking transactions with the North.

June 1, 2016: Kim Hong-kyun, South Korea’s special representative for Korean Peninsula peace and security affairs, Sung Kim, US special representative for North Korea policy, and Ishikane Kimihiro, director general for Asian and Oceanian affairs at Japan’s Foreign Ministry meet in Tokyo to continue trilateral coordination on North Korea policy.

June 3-5, 2016: Shangri-La Dialogue is held in Singapore.

June 5-6, 2016: The sixth US-China Strategic Security Dialogue (SSD) and eighth US-China Strategic and Economic Dialogue (S&ED) are held in Beijing.

June 6, 2016: International Atomic Energy Agency (IAEA) reports that the North Korean reprocessing plant at the Yongbyon Nuclear Complex has resumed operations.

June 6-8, 2016: Indian Prime Minister Narendra Modi visits the US and meets President Barack Obama and addresses a joint session of the US Congress.

June 9, 2016: ASEAN-China Joint Working Group on the Implementation of the Declaration on the Conduct of Parties in the South China Sea convenes in Vietnam. The meeting focuses on drafting guidelines for a regional hotline on urgent contingency events at sea, as well as a joint statement on the implementation of the Code for Unplanned Encounters at Sea.

June 10-17, 2016: US, Japan, and India conduct joint naval exercise *Malabar* in the Philippine Sea near the Senkaku/Diaoyu Islands.

June 13-14, 2016: Special ASEAN-China Foreign Ministers Meeting is held in Kunming, China. Following the meeting, the ASEAN minister issued a [communiqué](#) expressing serious concerns over recent and ongoing developments that “have the potential to undermine peace, security and stability in the South China Sea.” Shortly after, the communiqué is retracted.

June 17, 2016: Indonesian Navy arrests and detains a Chinese fishing boat and seven crew members over illegal fishing near the Natuna Islands.

June 21-23, 2016: Northeast Asia Cooperation Dialogue (NEACD) is held in Beijing.

June 22, 2016: North Korea launches two mid-range (*Musudan*-type) ballistic missiles from its east coast. Kim Jong Un hails the tests as successful and they represent a direct threat to US military bases in the Pacific.

June 24, 2016: UN Security Council rebukes North Korea for its latest missile tests, calling for redoubled enforcement of sanctions imposed after the DPRK’s fourth nuclear test.

June 23, 2016: Indonesian President Joko Widodo holds a Cabinet meeting aboard a warship off the Natuna Islands asserting sovereignty over waters in the southern portion of the South China Sea after Beijing states its “over-lapping claim” on nearby waters.

June 23-24, 2016: The 16th Shanghai Cooperation Organization (SCO) Council of Heads of State Meeting is held in Tashkent.

June 27, 2016: North Korea proposes a conference with South Korea to discuss reunification of the Korean nation and peace on the Korean Peninsula. Seoul refuses to accept the invitation saying North Korea should take action to denuclearize first.

June 28, 2016: South Korea, Japan, and the United States conduct a joint missile defense exercise off the coast of Hawaii. This is the first joint military training exercise involving the three countries focused on tracking and defending against North Korean missile launches.

June 29, 2016: North Korea’s Supreme People’s Assembly (SPA) appoints Kim Jong Un as chairman of a newly-created state apparatus, tentatively named the commission on state affairs.

June 30-Aug. 4, 2016: *Rim of the Pacific (RIMPAC)*, the world’s largest international maritime exercise, is held around the Hawaiian Islands and off the Southern California coast.

July 5-11, 2016: China conducts military exercises near the Paracel Islands (China: Xisha) and announces that civilian vessels would be prohibited from entering the area for the duration.

July 6, 2016: US imposes sanctions on North Korean leader Kim Jong Un along with 10 other top officials and five state agencies over human rights abuses. North Korea responds by stating that the sanctions are tantamount to a declaration of war.

July 8, 2016: US and South Korea reach agreement to deploy the Terminal High Altitude Area Defense (THAAD) anti-missile system with the US military stationed in South Korea to counter North Korea's missile threat. China and Russia protest the decision.

July 12, 2016: UNCLOS Arbitral Tribunal at the Permanent Court of Arbitration [issues an award](#) in the Philippines v. China case over the maritime jurisdiction of the Philippines in the West Philippine Sea.

July 12, 2016: Chinese commercial jets land for the first time on newly built runways at Subi Reef (China: Zhubi, Philippines: Zamora; Vietnam: Da Xu Bi) and Mischief Reef (China: Meiji, Philippines: Panganiban, Vietnam: Da Vanh Khan).

July 13, 2016: Chinese Vice Foreign Minister Liu Zhenmin announces the issuance of a white paper on the South China Sea and says the decision to establish an Air Defense Identification Zone (ADIZ) in the disputed waters will depend on its threat perception in the region.

July 14, 2016: US Deputy Secretary of State Antony Blinken, ROK First Vice Foreign Minister Lim Sung-nam, and Japanese Vice Foreign Minister Sugiyama Shinsuke meet in Hawaii for the fourth round of deputy-level trilateral consultations on “shared regional and global priorities.”

July 15-16, 2016: The 11th Asia-Europe Meeting (ASEM) is held in Ulaanbaatar. ASEM is an informal dialogue process involving 51 countries from Asia and Europe and two organizations—ASEAN Secretariat and the European Union.

July 18, 2016: Foreign Secretary Perfecto Yasay states that the Philippines rejected a Chinese offer to hold talks “outside of and in disregard” of an international tribunal’s ruling that rejects Beijing’s claim to ownership of virtually the entire South China Sea.

July 19, 2016: North Korea fires three ballistic missiles from the western city of Hwangju, which fly 500-600km toward the East Sea (Sea of Japan).

July 19, 2016: Malcolm Turnbull is sworn in for another term as Australia’s prime minister.

July 21-25, 2016: ASEAN Foreign Ministers Meeting and Post Ministerial Conference are held in Vientiane. After considerable discussion, the ministers issue a [joint communiqué](#).

July 26, 2016: The 17th ASEAN Plus Three Foreign Ministers Meeting is held in Vientiane.

July 26, 2016: The 23rd ASEAN Regional Forum, the sixth East Asia Summit Foreign Ministers Meeting, and the Lower Mekong Initiative Ministerial Meeting are held in Vientiane.

July 31-Aug. 5, 2016: Singapore Prime Minister Lee Hsien Loong visits the US and meets President Barack Obama. The visit coincides with the 50th anniversary of diplomatic relations, and is the first official visit to the US by a Singapore prime minister since 1985.

Aug. 2, 2016: Japan issues annual defense white paper. China expresses opposition, saying the document is hostile to China's military and deceptive to the international community.

Aug. 3, 2016: North Korea fires two mid-range *Rodong* ballistic missiles into the Sea of Japan (East Sea) with one reportedly landing in Japan's Exclusive Economic Zone.

Aug. 6, 2016: Japan summons Chinese diplomats to protest after six Chinese Coast Guard vessels, three of which reportedly armed with gun batteries, approached the Senkaku/Diaoyu Islands, accompanying a fleet of 230 Chinese fishing boats.

Aug. 16, 2016: The 13th Senior Officials Meeting on the Implementation of the Declaration on the Conduct of the Parties in the South China Sea (DOC) is held in Manzhouli, Inner Mongolia Autonomous Region.

Aug. 17, 2016: North Korea's Atomic Energy Institute says it has resumed plutonium production by reprocessing spent fuel rods and has no plans to stop nuclear tests as long as perceived US threats remain. It also states that it has been producing highly enriched uranium necessary for nuclear arms and power "as scheduled."

Aug. 17-21, 2016: Myanmar State Counselor Aung San Suu Kyi visits China and meets Premier Li Keqiang, President Xi Jinping, and other senior officials.

Aug. 22-26, 2016: Fifteenth annual *Southeast Asia Cooperation and Training (SEACAT)* military exercise with naval forces from Singapore, Brunei, Indonesia, Malaysia, the Philippines, Thailand, Bangladesh, Cambodia, and the United States is held with the Singapore Navy's Multinational Operations and Exercises Center (MOEC) as the main coordinating center.

Aug. 22-Sept. 2, 2016: ROK and US Combined Forces Command (CFC) conduct annual *Ulchi Freedom Guardian* military exercise.

Aug. 23-24, 2016: Foreign ministers from China, South Korea, and Japan meet in Tokyo.

Aug. 24, 2016: North Korea test-fires a submarine-launched missile in the Sea of Japan (East Sea) that reportedly travels 300 miles, much further than previous similar tests.