

# COMPARATIVE

# CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL RELATIONS IN THE INDO-PACIFIC

## **US-SOUTHEAST ASIA RELATIONS**

# DIPLOMATIC DOLDRUMS: ASEAN LOSES MOMENTUM IN THE PANDEMIC AS SECURITY TENSIONS RISE

CATHARIN DALPINO, GEORGETOWN UNIVERSITY

As Southeast Asia struggles to gain traction in the COVID-19 pandemic and address its economic damage, leaders are hobbled by conditions that make forging a regional approach to the virus more difficult. Although most states have launched partial and cautious reopening strategies, most intergovernmental business is still conducted online. This will remain the case for the rest of 2020, given widespread fears of a second surge of the coronavirus. In the meantime, several leaders face political challenges as their domestic populations struggle under the worst recession in years. Diplomatic traffic is ordinarily busy in the summer in Southeast Asia, but this year the Shangri-la Dialogue in Singapore was cancelled, the ASEAN Summit forced to go online, and the ASEAN Regional Forum (ARF) pushed into the early fall, also to be conducted by video. Yet, security tensions were not held in abeyance by COVID, and may have been exacerbated by it.

This article is extracted from <u>Comparative Connections</u>: A Triannual E-Journal of Bilateral Relations in the Indo-Pacific, Vol. 22, No. 2, September 2020. Preferred citation: Catharin Dalpino, "US-Southeast Asia Relations: Diplomatic Doldrums: ASEAN Loses Momentum in The Pandemic as Security Tensions Rise," *Comparative Connections*, Vol. 22, No. 2, pp 51-60.

Security tensions were not held in abeyance by COVID, and may have been exacerbated by it. China's attempts to disrupt oil and gas explorations of the Southeast Asian claimants in the South China Sea evoked an unusually strong statement from Washington in mid-July; the reactions of the Southeast Asian claimants, particularly Vietnam and the Philippines, were a litmus test in part of their confidence in the US to ameliorate the situation. A security crisis of a different sort continued as the Mekong River entered its second year of drought, raising concerns about upstream dams controlled by China.

### **Containing COVID**

Though the summer the COVID-19 pandemic continued to exhibit a <a href="three-tiered course">three-tiered course</a> in Southeast Asia. Countries that were visited early by the virus—Thailand, Malaysia, and Vietnam—have largely been able to contain it, although the economic damage to Thailand makes it the worst-hit country in this trio. Vietnam continues to show outstanding progress, still with no reported deaths, but a spike in cases in urban areas is a caution that the pandemic is by no means past.

The most worrisome countries in containment of the virus continue to be Indonesia and the Philippines. In round figures, by late August the Philippines led the region with the number of cases (232,000), while Indonesia registered the highest number of deaths (7,800). As archipelago nations, both face particular challenges enforcing lockdowns and other restrictions and both have

called upon their security sectors for assistance. Although Indonesia's use of the TNI has not as yet granted a larger political role to the military, human rights activists worry that emergency powers given to Philippine President Duterte in the pandemic, and extended at the end of August, may become permanent for the remainder of his tenure. As in several other countries, the pandemic has exposed weaknesses in his governance and stirred up public discontent.

A third group of Southeast Asian countries, the more isolated ones, have largely been missed by the pandemic but could easily become "hot spots" if they are harder hit, because of fragile health systems and, with the exception of Brunei, inadequate economic resources to cushion the impact of the virus. Laos, Cambodia,

and Myanmar were reportedly less affected than the larger Southeast Asian countries, but concern is growing over Myanmar in particular: the summer showed a dramatic <u>rise in cases</u>, from roughly 250 in June to 1,250 at the end of August.

# Economic Damage and Its Political Consequences

The coronavirus has penalized Southeast Asia for its openness to the international economy and, particularly for its robust tourist sector. In July, the United Nations Conference on Trade and Development (UNCTAD) <u>estimated</u> that for every \$1 million lost in revenue from international tourism, a country's national income could drop by \$3 million, with a dramatic impact on employment. It identified Thailand as the second-most affected country in the world, after Jamaica. Thailand's loss to tourism is <u>estimated</u> at \$47.7 billion, or 9% of its gross domestic product (GDP).

Across the region, reports of economic contractions were alarming. The World Bank <u>estimated</u> that Malaysia, among the least affected, nevertheless would experience a sharp 3.1% contraction in 2020; this relatively good performance is likely due to large stimulus packages put into place quickly by the government. By early August Indonesia had reported its worst economic drop in two decades, 5.3% from the previous year. The Philippines' economy fell more than expected in the second quarter, falling into its first recession in 29 years, with the government estimating a 5.5% contraction. The Singapore government expects a 5-7% shrinkage this year, its worst recession. Thailand's estimates of contraction range from 6.5% to 8.1%, potentially making it the worst-performing economy in Southeast Asia this year.

COVID-19 has not yet forced leadership changes in Southeast Asia, as the 1997 Asian financial crisis did in Thailand and Indonesia, but it has stressed political systems. Governments in the larger states continue to pass stimulus packages, but those are not likely to make real traction until the virus is under control and the international economy improves. In the meantime, leaders calculate how best to avoid political downturns as their populations experience exponential economic stress.

Although Singapore Prime Minister Lee Hsien-Loong was criticized for calling a <u>snap election</u> in the middle of a pandemic, he was anxious to settle in the next government before the worst of the COVID-related economic damage was felt. Lee was candid in warning the public that the worst may still lie ahead: that unemployment would likely increase and that "external uncertainties" (such as the US November elections and the course of US-China relations) could worsen the situation. Even so, he calculated that an earlier election would be more beneficial to the PAP than one later in the year.

Not surprisingly, however, the government's handling of the pandemic was the primary fodder by which opposition parties criticized the government, although ethnic issues also surfaced. Although the People's Action Party (PAP) retained power, as was universally expected, the party's percentage dropped to 61.24%, down from 69.86% in 2015. The PAP won 83 of 93 seats; all 10 of the remaining seats were captured by the Worker's Party, making Pritam Singh the official leader of the opposition.

Apart from the economic downturn caused by COVID, voters were also influenced by Lee's choice of a successor, Heng Swee Keat, his deputy prime minister and finance minister. Heng secured his parliamentary seat with only a 53% vote; more broadly, the "4G" group—the fourth generation in Singapore's political history—did not fare as well overall compared to their PAP elders, whose vote percentages averaged 74%. These results may compel Lee to rethink his succession plans or, at the least, consider more carefully the timing of his transition out of office.

In other Southeast Asian countries, economic pressure from COVID has led to Cabinet reshuffles, or the threat of them. The COVID-led economic crisis has also caused Indonesian President Joko Widodo to criticize his Cabinet publicly and <a href="mailto:threaten">threaten</a> a reshuffle, but any such action is not expected until the fall.

In Thailand, Prime Minister Prayuth Chanocha's hand was forced in July by the resignation of a critical team of economic technocrats, including Deputy Prime Minister Somkid Jatusripitak and Minister of Finance Uttama Savanayana. It is not clear whether Somkid and his team jumped or were pushed, but under the circumstances a reshuffle was

inevitable. In early August Prayuth replaced them with a group that included Predee Daochai, former chair of the Thai Bankers' Association, as finance minister, but in less than a month Predee had resigned his post, which increases uncertainty over Bangkok's economic recovery plan. Prayuth also faces a new and daunting political challenge, with growing public demonstrations critical of the monarchy, long the "third rail" of Thai politics. If he cannot quell this social strife, he not only risks further delays in Thailand's economic recovery but possibly his ouster at the hands of the military.

#### **ASEAN Online**

The lifeblood of the "ASEAN Way" is regional consensus achieved through dialogue that, on a formal level is often overly choreographed and stilted, but on an informal level is rich in "corridor conversations" and backroom negotiations. The COVID-19 pandemic has sharply curtailed the informal aspects of ASEAN, driving all meetings online, but the overall schedule has been maintained virtually. As the 2020 chair, Vietnam has attempted to keep the possibility of in-person meetings alive at every turn, but was forced to host the ASEAN Summit in June on video and to postpone the ASEAN Regional Forum to September; that is also scheduled to take place online.

The situation has encouraged speculation that this more constricted form of business has thwarted or delayed ASEAN's most high-profile initiatives with external partners. Foremost is negotiation of an ASEAN-China Code of Conduct (COC) on the South China Sea, and the finalization of the Regional Comprehensive Economic Partnership (RCEP) which, technically an ASEAN-based project, had been scheduled for signing in February.

The delays caused by the pandemic were likely not critical to the immediate outcomes. China's bolder moves in the South China Sea to check oil and gas exploration by Southeast Asian claimants, and their growing willingness to disturb fishing in Southeast Asian Exclusive Economic Zones (EEZ's) would have impeded progress on a Code of Conduct, although Beijing insists that completion of that process is possible in 2022. In July, Hanoi sought an extension of the three-year deadline for completion of the COC, and although Manila, current coordinator for ASEAN-China dialogue, maintains that negotiations, albeit virtual, are

still underway, there have been no tangible signs of forward movement.

Nor did RCEP appear to be headed for early success before COVID. In November 2019 Prime Minister Narendra Modi said publicly that India would not participate in RCEP, because seven years of negotiations had not produced an agreement that met his country's needs; ASEAN leaders interpreted his remarks as an invitation to continue talks. However, intervening months have done little to change Modi's mind, and the region now faces the prospect of an RCEP without India. Hanoi has tentatively set a signing date for November, when the East Asia Summit will presumably convene.

At its full potential (with Indian membership), RCEP would be the world's largest free trade area, encompassing roughly 45% of the world population and a third of global GDP. Economists calculated that the RCEP group would eventually see a rise of \$171 billion in collective GDP; without India, the rise would be \$137 billion. While that lower figure is doubtless disappointing to ASEAN, it is nevertheless substantial. However, India's withdrawal from RCEP negotiations is a political win for China, particularly as it comes when India-China border tensions are rising. It also underscores the salience of the Asia-Pacific region over the Indo-Pacific, a concept now vigorously promoted by the United States, although the US itself does not participate in RCEP.

Finally, a stripped-down ASEAN in 2020 is a disappointment for Vietnam, whose rise as an economic player in the region has increased dramatically since Hanoi last chaired the group in 2010 and its image as a leader within Southeast Asia has been growing as well. Vietnam has been said to be quietly <u>pressing for</u> an extended chairmanship, for another year, with the next rotation (to Brunei) presumably in 2022. Although ASEAN rotates the chair annually in alphabetical order, changes to that order are not unprecedented. The obvious irony of this, however, is that Hanoi would likely need backroom negotiations to persuade other ASEAN states to agree to an extension, a tool not presently available. Nevertheless, the prospect of ASEAN leadership under one of the larger and stronger members in 2021, a year which itself may be challenging, may appeal to some states.



Figure 1 Vietnamese Prime Minister Nguyen Xuan Phuc delivers a speech at the opening ceremony of the virtual 36th ASEAN Summit in Hanoi, Vietnam Friday, June 26, 2020. Photo: AP Photo/Hau Dinh

## **Economic Tug-of-War**

It has become a cliché to say that Southeast Asia does not want to be forced to "choose" between the United States and China. ASEAN concepts of 21<sup>st</sup>-century neutrality are based in large part on balancing relations among larger powers so as to avoid hegemony by any one country. Since the 1990s, balancing relations between the United States and China, while strengthening ties with secondary powers such as Japan and India, has been and will continue to be a challenge.

The COVID-19 pandemic has added greater pressure to this process. In the "mask diplomacy" competition between Washington and Beijing to help Southeast Asia fight the virus, the two powers are roughly equal in "soft power" returns. Both countries continue to supply economic support as well as equipment and supplies. Although regional leaders uniformly express gratitude for such assistance, some have also expressed weariness that Beijing insists on elaborate ceremonies with the handover of every donation and disappointment that the US response was relatively late. More recently, disappointment in the United States has also extended to its performance in curbing the virus and reducing deaths, particularly compared to China. Nor is the region interested joining the rhetorical war between Washington and Beijing over COVID-19 and the attendant conspiracy theories over the origins of the virus.

More worrisome to ASEAN leaders is the upward spiral in economic tensions between China and the United States. Although both countries claim that there is progress toward finalization of the first phase of a trade agreement, the near-daily exchange of blows between them contributes to economic uncertainty. Overall, the US-China trade war has both benefitted and disadvantaged Southeast Asia, but the flurry of US sanctions in July and August involving Chinese companies as well as the trade status of Hong Kong is likely to be destabilizing in the short term.

Heightened US-China tensions also complicate Southeast Asia's participation in global supply chains. The COVID pandemic has been an object lesson for the region on the perils of economic over-dependence. However, Washington's exhortations that other countries join the United States in "de-coupling" from Chinese supply chains through the <a href="Economic Prosperity Network">Economic Prosperity Network</a> initiative are wishful thinking for most of Southeast Asia at present.

A regional foreign trade and investment strategy that includes both China and the West probably best serves the economic diversity within ASEAN at present. More developed Southeast Asian economies aspire to rise up the supply chain through greater involvement with the West, while less-developed countries may be paired more appropriately with China. Moreover, with the US withdrawal from the Trans-Pacific Partnership (TPP) and an "America First" trade policy that appears singularly focused on reducing the US trade deficit, Washington offers opportunities for greater economic integration with the United States. And even if greater de-coupling delivered foreign investment to Southeast Asia, even the larger ASEAN states that would most benefit, such as Vietnam, admit that they have limited capacity to absorb such flows. Infrastructure, regulatory frameworks, and education and training of the workforce are in need of improvement in most ASEAN countries.

Lastly, by targeting Chinese technology, the United States puts some Southeast Asian governments in an uncomfortable position with respect to their own populations. Many ASEAN states are on the fence with regard to vendors for 5G technology, since choosing Western or South Korean companies would build in higher consumer costs than Huawei or ZTE. In addition, an assault on popular Chinese apps such as TikTok or WeChat would be a political liability in many Southeast Asia countries, such as Vietnam and Indonesia, with populations that skew toward the younger end of the age spectrum.

### China's Dual Challenge to Security

If Southeast Asian leaders find it difficult to follow the economic lead of the United States, some are less conflicted on the security side. In 2020, before and following the arrival of COVID-19, ASEAN's maritime states have been more inclined to push back against Beijing's actions in the South China Sea and more generally Southeast Asian EEZs. This has not constrained China in its interruptions of Southeast Asian energy exploration or fishing. Whereas Beijing was inclined earlier in the year to withdraw in the face of Southeast Asian protests, it more frequently doubles down on these incursions.

This trajectory led the State Department to issue a lengthy and unequivocal statement on July 13 declaring Chinese claims in the South China Sea to be illegal and chastising Beijing for its bullying of Southeast Asian states. This was followed on August 26 with an announcement that the Commerce Department would impose sanctions on 24 Chinese companies involved in island-building in the South China Sea. For Washington, the latter action has the advantage of clipping Beijing in another lane: one of the biggest fish on the sanctions list, China Communications Construction Company (CCCC), is a major player in the Belt and Road Initiative (BRI).

The reactions of the two frontline Southeast Asian claimant states—Vietnam and the Philippines—to these US actions reveals the complexity of maritime security issues in Southeast Asia, as well as in US relations with these two countries. Notwithstanding Vietnam's complicated relations with China, the July 13 statement and August 26 announcement of sanctions appears to have emboldened Hanoi. Recently, the Vietnamese government has lodged public protests against Chinese actions in the South China Sea-this year because of persistent naval drills off the Parcel Islands and has occasionally said it may seek legal action against China before an international tribunal, similar to the petition entered by Manila before the arbitral tribunal of the UN Convention on the Law of the Sea. On August 26, seemingly in concert with the US sanctions announcement and echoing the July 13 statement, Hanoi issued a decree declaring illegal any unlicensed activity related to oil and gas exploration in Vietnamese territory.

Predictably, Manila's reaction to China's more assertive actions and the US response has been more conflicted. In June the government suspended its move to terminate the US-Philippines Visiting Forces Agreement (VFA), although only for six months. This was viewed as a broad indication of Manila's increasing uneasiness with trends in the South China Sea. On August 3, however, Defense Secretary Delfin Lorenzana announced that President Rodrigo Duterte had <u>barred the Philippines</u> from participating in exercises in international waters in the South China Sea. The government subsequently clarified that Duterte feared Philippine participation would contribute to tensions between China and the United States.

In contrast. following Washington's announcement of sanctions on Chinese companies working in the South China Sea, Foreign Affairs Secretary Teodoro Locsin said he would "recommend" following Washington's lead, although it would mean cancelling an agreement with CCCC to build an airport south of Manila. This seesaw approach by Manila reflects a disconnect between Duterte and his foreign policy Cabinet members; unresolved issues surrounding the US-Philippines alliance; and Duterte's hesitations about offending Beijing and quashing his hopes for a deeper economic relationship with China.

If the security of maritime states of Southeast Asia has been challenged by China in recent months, Southeast Asia's mainland is also under pressure as the Mekong River endures its second consecutive year of drought. Water levels have been reduced by two-thirds and rainfall in the current monsoon season is also down by 70%. Environmentalists attribute this to a combination of climate change and actions to withhold water via upstream dams, primarily in China.

On August 24, Lao Prime Minister Thongloun Sisolith and Chinese Premier Li Keqiang hosted the 3rd Lancang-Mekong Cooperation Meeting by video. The wide-ranging meeting considered the establishment of a special Mekong fund and China's vision of a land-sea trade corridor connected by the Mekong. If representatives from the five Southeast Asian members were inclined to protest the impact of upstream dams, it was primarily in the form of requesting advance data about the dams' operations from Beijing. That China sees the Mekong less as a river system and more broadly as a political and

economic community is increasingly evident. For example, at the meeting Chinese Premier Li Keqiang promised to prioritize Mekong countries for access to a COVID-19 vaccine when one is available. In response to the Lancang meeting, the State Department has scheduled an online ministerial meeting for the Lower Mekong Initiative (LMI) on the margins of the virtual ASEAN Regional Forum in September.



Figure 2 An aerial view of the Mekong River in northeastern Thailand, taken in October 2019, shows sandbars exposed by the second year of severe drought in the Mekong region. *Photo: Lillian SUWANRUMPHA / AFP via Getty Images* 

#### The Near-Term Outlook

For the remainder of 2020, Southeast Asia's relations with the United States will be hampered by an increasing state of suspended animation, awaiting the outcome of US elections in November. This is normal as major elections approach; however, Japanese Prime Minister Abe's surprise resignation adds an element of uncertainty to Southeast Asian relations with two major partners. In the short-term, however, there will be less suspense with Tokyo, since the LDP will remain in power until elections in late 2021. These transitions will likely dilute US and Japanese participation in the East Asia Summit, although in this case a virtual meeting may facilitate their attendance. The new US-China "cold war" will continue to intensify until the November elections and, depending on the outcome, possibly beyond, and Southeast Asia will brace for more turbulence. In November Myanmar will also hold general elections. The NLD is the expected victor, possibly with a slimmer margin than before, but there will be less excitement in Washington if Aung Sang Suu Kyi's government wins re-election, largely because of its response to the Rohingya crisis.

# CHRONOLOGY OF US-SOUTHEAST ASIA RELATIONS

## MAY - AUGUST 2020

May 22, 2020: US Embassy in Bangkok hosts a video-conferenced unveiling of a report by Eyes of Earth, Inc., on the impact of changes on the Mekong River, supported by the Lower Mekong Initiative. With data from 1992 to 2019, the report looks at how upstream dams alter the natural flow of the river.

May 24-25, 2020: US littoral combat ship USS Gabrielle Giffords and Singaporean frigate RSS Steadfast conduct bilateral exercises on the South China Sea to enhance interoperability between the two navies. The events, which include a maneuvering exercise and large- and small-caliber gun firings, are conducted with social distancing measures.

**June 1, 2020:** Philippines <u>advises</u> the US that it has **frozen the process** to cancel the bilateral Visiting Forces Agreement for a period of six months. Unless action is taken otherwise, the Philippines intends to abrogate the agreement at the end of the year.

**June 4, 2020:** The <u>USS Theodore Roosevelt leaves</u> Guam Naval Base and enters the Philippine Sea, on a scheduled deployment to the US 7th Fleet area of operations.

June 15-19, 2020:The 7th Airman-to-Airman <u>Talks</u> between Thailand and the US <u>are held</u> virtually, with the Pacific Air Force, the Royal Thai Air Force, and the Washington Air National Guard (the State partner to the Thai Air Force).

June 16, 2020: State Department issues a statement expressing concern over a trial court's verdict against journalists Maria Ressa and Reynaldo Santos in the Philippines. They were convicted in on June 15 of libeling a wealthy businessman by citing an intelligence report that linked him to drug smuggling and human trafficking.

June 26, 2020: ASEAN holds its 36th Annual Summit, chaired by Vietnam, via video-conference. Although the Summit focused primarily on responses to the COVID pandemic, the Chairman's Statement diverged from those of recent years in its treatment of tensions in the South China Sea, with a more explicit reference to the UN Convention on the Law of the Sea (UNCLOS) as the basis for dispute settlement.

July 2, 2020: Hanoi <u>sends</u> a diplomatic note to Beijing protesting Chinese naval drills off the Paracel Islands, which China has held since 1974 but which Vietnam also claims. Vietnam claims that the exercises are a violation of Vietnamese sovereignty and that they complicate efforts of ASEAN and China to reach agreement on a Code of Conduct in the South China Sea. Vietnam is quickly joined in the protest by the Philippines.

July 9, 2020: US State Department issues a statement commending Indonesia for providing humanitarian assistance to 99 Rohingya refugees arriving in Aceh province. The statement also criticizes the Myanmar army for a recent offensive in Rathedaung Township in Rakhine State.

July 9-20, 2020: Gen James McConville, chief of Staff of the US Army, visits Thailand to meeting with Prime Minister Prayuth Chan-ocha and Thai Army Chief Gen. Apart Kongsompong. McConville and his delegation become the first foreign officials to visit Thailand since the Thai government closed its borders because of COVID-19. McConville and Apart sign a Strategic Vision Statement, intended to aid the two allies in tailoring military-to-military cooperation in the face of COVID-19 and other challenges. The July statement builds on a broader Strategic Vision Statement signed by Defense Secretary Mark Esper and Prime Minister Prayuth Nov. 19, 2019.

July 10, 2020: Singapore holds 13th general elections, which are won by Prime Minister Lee Hsien-Loong to office and the People's Action Party (which has held power continuously since 1959). The margin of victory and issues raised in the campaign spark questions about the ability of the PAP to maintain its political monopoly.

July 13, 2020: US State Department issues a lengthy statement on the US position on maritime claims in the South China Sea, sharply calling out Beijing for "intimidation to undermine the sovereign rights of Southeast Asian coastal states in the South China Sea, bully them out of offshore resources, assert unilateral dominion, and replace international law with 'might makes right.'" The statement officially aligns the US position on maritime claims with the 2016 Arbitral Tribunal decision under UNCLOS.

**July 14, 2020:** Guided missile destroyer USS *Ralph Johnson* conducts freedom of navigation **operations** in the waters off the Spratly Islands.

July 15-20, 2020: Economic team in the administration of Thai Prime Minister Prayuth Chan-ocha, including Deputy Prime Minister Somkid Jatusripitak and Finance Minister Utaama Savanayana resign. It is viewed as a sign that Thailand, suffering the worst economic downturn in Southeast Asia as a result of COVID, is struggling to formulate a plan for economic recovery.

July 16, 2020: In commemoration of the 4th anniversary of its win in the 2016 arbitral tribunal regarding the South China Sea, Philippines Foreign Affairs Secretary Teodoro Locsin vows that Manila will "adhere without compromise" to the court victory and that the decision is "non-negotiable." The same day, the US Embassy in Manila releases a detailed position paper by US Ambassador Sung Kim on the ecological and economic importance of the West Philippine Sea, emphasizing US support to the Philippine Coast Guard in protecting the Philippines' EEZ.

July 20, 2020: Assistant Secretary of State for East Asia/Pacific David Stillwell represents the US at the East Asia Summit Senior Officials Meeting, hosted by Hanoi via video-conference. He proposes that the EAS, scheduled to be held in November, discuss China's imposition of a national security law in Hong Kong; the Rohingya crisis; and the need for North Korea to abide by UN Security Council resolutions.

July 21, 2020: Stillwell <u>participates</u> in the 27th <u>ASEAN Regional Forum Senior Officials Meeting</u>, hosted virtually by Vietnam as the 2020 ASEAN Chair. Stillwell emphasizes Washington's commitment to supporting ASEAN's economic recovery, among other objectives.

July 21–23, 2020: 19th iteration of the Southeast Asia Cooperation and Training (SEACAT) event is conducted as a virtual maritime domain awareness symposium, with planning and logistical support from the Western Pacific/Task Force 73. It draws the largest-ever number of participants, including nine from Southeast Asia (Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Timor-Leste, and Vietnam).

July 27, 2020: Philippine President Duterte delivers his fifth State of the Union Address. He cautions against military clashes with China in the South China Sea, saying that "China has the arms, we do not," and signals that Manila will rely upon "diplomatic endeavors" to defend its territorial rights.

July 28, 2020: Deputy Secretary of State Stephen Biegun <u>delivers remarks</u> at a virtual celebration of the 25th anniversary of diplomatic relations between the US and Vietnam, hosted by the Vietnam Embassy in Washington. He details the breadth of current relations, from joint efforts to address the continuing impact of Agent Orange to regular dialogues on human rights, to a trade relationship that has grown to \$77 billion. Biegun also announces the completion of an agreement to place US Peace Corps Volunteers in Vietnam for the first time.

Aug. 3, 2020: Philippine Defense Secretary Delfin Lorenzana announces that President Duterte has barred the Philippines from participating in exercises in international waters in the South China Sea. The following day Presidential spokesperson Harry Roque clarifies that Duterte feared Philippine participation would contribute to tensions between China and the US, and that Manila maintains an independent foreign policy.

Aug. 4, 2020: Assistant Secretary of State for East Asia/Pacific Stillwell and Deputy Foreign Minister Thongphane Savanphet of the Lao People's Democratic Republic co-chair the 33rd US-ASEAN Dialogue. Laos serves as current coordinator of ASEAN affairs with the US. The virtual dialogue focused on the need for a peaceful resolution of disputes in the South China Sea in accordance with the UNCLOS and the 2016 Arbitral Tribunal ruling. Stillwell affirmed US intentions to expand its partnerships on the Mekong.

Aug. 6, 2020: Secretary of State Mike Pompeo has a series of telephone calls with Southeast Asian claimant states in the South China Sea on the July 13 statement of US policy on maritime claims in the South China Sea. He talks with Vietnamese Deputy Prime Minister Pham Binh Minh; speaks with Philippines Secretary of Foreign Affairs Teodoro Locsin; and confers with Malaysian Foreign Minister Hishammuddin Hussein.

**Aug. 13, 2020:** State Department <u>releases</u> a <u>statement</u> of concern after the conviction and sentencing of 8 members of the Hien Phap organization, a press freedom collective, in Vietnam, who were given more than 40 years in prison.

**Aug. 14, 2020:** *Ronald Reagan* Carrier Strike Group <u>enters</u> the South China Sea to conduct maritime air defense operations.

**Aug. 15, 2020:** The European Union begins imposing customs duties on Cambodian exports to the EU over human rights concerns, hitting 20% of total Cambodian exports to the EU. The sanctions will particularly affect the garment sector, already weakened by the COVID pandemic.

Aug. 17-30, 2020: 27th iteration of the Rim of the Pacific (RIMPAC) exercises is held, with 10 of 25 invited nations participating. The Philippines and Singapore are the only Southeast Asian participants, which are at-sea-only because of the pandemic. The US Navy and partner nations wrap up RIMPAC 2020 with the sinking of a decommissioned amphibious cargo vessel.

Aug. 24, 2020: Lao Prime Minister Thongloun Sisolith and Chinese Premier Li Keqiang host the 3rd Lancang-Mekong Cooperation Meeting by video-conference. The five Lower Mekong countries and China discuss the 300 cooperative projects under the LMC; the establishment of a special fund; and Beijing's concept of a new International Land-Sea Trade Corridor on the Mekong.

Aug. 25, 2020: State Department issues a statement marking the third anniversary of the Tatmadaw's attack on a large group of Muslim Rohingya in Myanmar's Rakhine State, noting that 860,000 Rohingya who fled remain in camps in Bangladesh. Since 2017, the US has provided \$951 million in humanitarian assistance to the Rohingya, in Myanmar and Bangladesh.

**Aug. 26, 2020:** Commerce Department announces that it will add 24 Chinese companies to its sanctions list for implementing the Chinese government's island-building activities in the South China Sea.

**Aug. 26, 2020:** Vietnam <u>issues</u> Decree No 99/2020/BD-CP, declaring illegal any unlicensed activity related to oil and gas exploration in Vietnamese territory. While the decree applies to both Vietnamese and foreign actors, it is more narrowly directed at China. The declaration comes on the heels of a <u>second protest</u> from Hanoi in two months against Chinese naval maneuvers in the Paracel Islands.