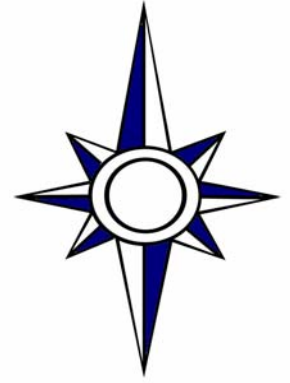


Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



China-Southeast Asia Relations: Chinese Diplomacy and Optimism about ASEAN

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Chinese diplomacy this quarter focused on the ASEAN Regional Forum (ARF) meeting in July in which China played an important role regarding North Korea, Myanmar, and Japan. Chinese officials remain optimistic about Chinese-ASEAN relations as they celebrate the 15th anniversary of the China-ASEAN dialogue partnership. They reacted moderately to the military coup in Thailand, though they voiced strong objections to a successful U.S.-supported vote by the UN Security Council in September to have the Council examine the situation in Myanmar. There was little evidence of any change in China's policy toward the region as a result of a work conference on Chinese foreign policy in Beijing during three days in August that featured remarks by top Chinese leaders Hu Jintao and Wen Jiabao. Official Chinese reports on the conference appeared to support existing Chinese foreign policy priorities. U.S. and regional commentators continued to emphasize American anxiety over a perceived U.S. decline relative to China's rise in regional affairs, although in-depth analysis by some specialists underscored significant Chinese limitations and continued U.S. strengths.

China and the ASEAN Regional Forum

The 13th ASEAN Regional Forum (ARF) held in Kuala Lumpur, Malaysia July 28 was the centerpiece of China-ASEAN relations this quarter. The ARF remains the main multilateral forum in the region for the discussion of political and security issues. China has been an active participant in the forum and supports the forum's guiding principles and practices of noninterference and consensus-based decision-making. This year, several developments highlighted China's importance and influence in Southeast Asian affairs and broader regional affairs. China, for example, played an important role during the ARF meeting in dealing with the consequences of North Korea's provocative missile tests and encouraging the ARF to reaffirm the need for a negotiated solution through resumption of the Six-Party Talks. On Myanmar, China followed up with commitments to urge its neighbor to pursue greater and necessary economic reforms. And demonstrative of China's greater flexibility and intentions to foster peaceful relations with its neighbors, Foreign Minister Li Zhaoxing also agreed to meet with his Japanese counterpart on the sidelines at this year's ARF meeting.

North Korea. North Korea's multiple missile launches on July 5, 2006 (which coincided with the July 4 Independence Day celebrations in the U.S.) provided the focal point of this year's ARF conference. At the onset of the forum, the North Korean delegation threatened to walk out if a joint statement condemning the missile tests was issued. Days before the ministers gathered for the forum, Chinese President Hu Jintao publicly called for concerned parties to act with calm and restraint. While all members of the Six-Party Talks were at the ARF this year, the North Korean delegation declined to hold talks with the rest of the group. In the end, the ARF ministers voiced their support for the peaceful resolution of the nuclear impasse through dialogue and the urgent resumption of the Six-Party Talks, a stance in line with China's avowed policy. The deliberations and outcome of the ARF meeting appeared to reflect ASEAN members' recognition of Beijing's pivotal role in preserving the peace in Northeast Asia.

Myanmar. The ARF meeting discussed the situation in Myanmar at great length and concluded with positions consistent with Chinese policies and interests. The ministers recognized that Myanmar needs both time and political space to deal with its many and complex challenges and thus the joint statement that was issued did not censure the authoritarian regime's lack of respect for human rights, democratic reforms, transparency, and good governance. The ARF judged that the international community should remain constructively engaged with Myanmar's regime to encourage political and economic reforms.

An important neighbor to Myanmar, China is widely recognized among the ARF members as one of the few countries that can affect the pace and scope of the latter's domestic reforms. Shortly after the ARF meeting, Myanmar announced that it would liberalize its border trade procedures with China to help facilitate exports and boost the volume of bilateral trade. Prior to this, merchants and traders had to go through a lengthy and bureaucratic process to obtain export licenses in the cities of Yangon, Pyinmana (the new capital), and at Muse, the trade point city at the Myanmar-China border. With the new regulations, goods will be allowed direct access to China's Yunnan province through Muse.

The Myanmar government announced five new objectives of its border trade, which include fostering better ties with China, promoting bilateral trade, and a more efficient border trade regime that would enhance tax collection. Myanmar's decision to liberalize border trade was also conducted in accordance to World Trade Organization border trade procedures. It has been predicted that as a result of trade liberalization in Muse, daily trade volume would nearly double to \$1 million and would help to boost Myanmar's gross national product. According to Chinese official statistics, China is Myanmar's third largest trading partner, right behind Thailand and Singapore. China-Myanmar trade stood at nearly \$1.3 billion last year, a 5.6 percent increase from 2004.

In early September, Myanmar also signaled it was pursuing further economic reform to attract more foreign investment. According to the Ministry of National Planning and Economic Development, a new law is being drafted to help promote foreign direct investors in the Special Economic Zone that has been set up in the Thilawa Port in

Thanlyin Township. Shanghai Jingqiao, a Chinese company, is being charged with the responsibility of drawing up the new commercial zone for the Myanmar government. It is also understood that Gen. Soe Win, Myanmar's prime minister, discussed the project in detail during an official trip to Beijing for talks with senior Chinese officials in February 2006. Myanmar's FDI levels dropped by a third in 2005, and the Asian Development Bank reported that over the last five years, FDI has fallen by as much as 81 percent. The establishment of the SEZ, which is closely adapted from the Chinese model, presumably will help attract greater investments from China, ASEAN, and the West.

China-Japan dialogue at the ARF. Foreign Minister Li Zhaoxing and his Japanese counterpart Aso Taro took the opportunity to meet on the sidelines of the ARF meeting this year. The ongoing diplomatic tensions over Japan's historical legacy, maritime disputes over the East China Sea, and the controversial visits to Yasukuni Shrine by Japanese officials have been the major sources of tension between the two countries. There was a progressive decline in senior-level talks. However, shortly before the ARF meeting in Kuala Lumpur, the Chinese Ministry of Foreign Affairs announced that with the assistance of various channels, Li and Aso were to meet on the sidelines of the meeting.

The two sides demonstrated a greater degree of flexibility and focused on constructive issues that affected both Sino-Japanese relations and the Asia-Pacific region at large. These critical issues of mutual concern included the impasse over North Korea's nuclear program and the effects of a proposed new free trade zone in the greater Southeast Asian community. Such discussions could help to set the tone for the resumption of senior-level talks and a more positive relationship after Japan elects a new prime minister in September.

According to a Congressional Research Service report released earlier this year on China-Southeast Asia relations, there has been a gradual reorientation of trade from Japan to China in Southeast Asia in recent years. Japanese aid and FDI, however, still remain robust and important for ASEAN economies. While China and ASEAN have entered into a strategic partnership, most Southeast Asian governments still maintain strong ties with other economic powerhouses such as Japan, Australia, and the United States. Some specialists believe that they do this in part to hedge against China's rise and provide greater balance. Equally important, a positive and constructive Sino-Japanese relationship would also help to reduce tensions and instability in the Asia-Pacific region.

Chinese responses to military coup in Thailand, UN vote on Myanmar

On Sept. 20, the Chinese Ministry of Foreign Affairs spokesperson issued a brief statement that the military coup in Bangkok was Thailand's internal affair and that the Chinese government would not interfere with Thailand's sovereignty. The spokesperson maintained that political and economic relations between the two countries will not change. On Sept. 21, Zhang Jiuhan, Chinese ambassador to Thailand, commented that the Chinese Embassy is monitoring the situation carefully and had set up a hotline to provide assistance to more than 200,000 Chinese nationals currently residing in Thailand.

The ambassador also indicated that a key document advancing the strategic cooperation between China and Thailand that is currently being discussed will not be affected by the recent event. China developed close ties with Thailand during the rule of deposed Prime Minister Thaksin Shinawatra. Bilateral trade grew to \$8 billion in 2005 and there were nearly 800,000 Chinese visitors to Thailand that year.

On Sept. 15, Chinese Ambassador to the United Nations Wang Guangya voiced strong objection to a U.S.-backed measure that directs the UN Security Council to examine the situation in Myanmar. He saw the measure as “preposterous” and an unwarranted interference in the internal affairs of another country. He added that neither Myanmar’s neighbors nor most countries in ASEAN consider “the situation in Myanmar as being any threat to regional peace and security.”

China and Vietnam strengthening ties

Vietnamese Communist Party leader Nong Duc Manh arrived in Beijing on Aug. 22 and met with President Hu Jintao to discuss border issues, bilateral trade, and the need for further dialogue to help resolve the South China Sea dispute. Manh’s visit to Beijing was his first official overseas trip since the Communist Party Congress re-endorsed him in April for another five-year mandate as Vietnam’s top leader.

One of the most important outcomes of the summit between the two leaders was a bilateral agreement to engage in further joint projects on energy development. China, for example, has recently provided loans for the construction of a 300-megawatt Cam Pha Thermal Power Plant in northern Vietnam. Hu and Manh also agreed to enhance joint research and development of oil and gas in the resource-rich Gulf of Tonkin. As an important and symbolic gesture, they decided to put aside territorial disputes over the high seas in the South China Sea, with the understanding that there will be ongoing dialogue among China, Vietnam, and the Philippines seeking to achieve a new boundary management regulation by 2008.

Bilateral trade reached \$8.2 billion in 2005, and in the first half of this year, trade volume already reached record-high of \$5 billion. Greater road and highway linkages between the two countries’ borders have accelerated bilateral trade. China has become Vietnam’s biggest trading partner since 2004. Manh, however, raised the issue of current trade imbalances with China because over two-thirds of current trade is Chinese exports to Vietnam. Chinese Premier Wen Jiabao assured Manh that China will try to rectify this imbalance. Wen also announced that China would support Vietnam’s case for membership and accession to the World Trade Organization.

China-ASEAN security workshop; China-Singapore military ties

Despite the conspicuous absence of senior Chinese military representatives at the Shangri-La Dialogue in Singapore last quarter, China played host to the first China-ASEAN workshop on regional security in mid July. More than 30 senior defense officials from China’s People’s Liberation Army (PLA) and Southeast Asian governments

gathered in Beijing for the four-day workshop. Chinese officials spoke highly of the outcomes of the first workshop as it explored the prospects to deal with military and security issues of mutual concern including cooperation between armed forces of China and Southeast Asia. The workshop covered several important themes, including China-ASEAN influences on regional security, East Asian maritime security cooperation, the military's role in humanitarian aid and relief during natural disasters, counterterrorism exercises, and peacekeeping operations.

China's greater interest in and tolerance for multilateral settings on security issues has important implications. China's longstanding emphasis on win-win cooperation and consensus-building initiatives seeks to reassure and reduce worries of Southeast Asia over Chinese intentions. In turn, Southeast Asian governments are put on an equal playing field with China, and the establishment of annual regional security workshops and more frequent military agreements will allow them to better fathom and respond to China's military developments and intentions in the region.

Also in this quarter, Singapore and China have attempted to step up their military-to-military ties. Singapore has close military relations with the U.S., Taiwan, and other powers. China and Singapore agreed to "cement the relations" between the two armed forces during the July visit of Ng Yat Chung, Singaporean chief of defense force. He met with Cao Gangchuan, Chinese defense minister, and they discussed the need for further cooperation and deepening of mutual trust between the two countries.

China's satisfaction and American angst

The Chinese administration is increasingly optimistic about China's relations with ASEAN and its individual members, according to Zhou Gang, a former Chinese ambassador to Southeast Asia writing in the June edition of the official Chinese quarterly, *Foreign Affairs Journal*. The ambassador said that China is preparing to host a summit meeting this year marking the 15th anniversary of the establishment of China-ASEAN dialogue partnership. (Later media reports said that a series of meetings involving Prime Minister Wen Jiabao and ASEAN leaders that will mark the 15th anniversary of the China-ASEAN relationship are planned for Nanning in Guangxi Province during October 2006). Ambassador Zhou's inventory of Chinese accomplishments in Southeast Asia, highlighted below, came amid continuing U.S. media and analytical accounts depicting the U.S. in decline in the region as China rises in influence.

A lengthy *Boston Globe* assessment on June 17 repeated the refrain seen often in mainstream U.S. media that China has become "Southeast Asia's new best friend," while the U.S. is inattentive in the region because of misplaced priorities and preoccupations elsewhere. Burgeoning Chinese trade is set to surpass U.S. trade in the region, China enjoys a much more positive image than the U.S., and Chinese tour groups now crowd regional sites. China has advantages over the U.S. as ethnic Chinese communities throughout the region are "blossoming" with pride and confidence, regional leaders with Chinese ancestry are "flaunting" their ethnic Chinese roots as they make "pilgrimages" to their "ancestral homes" in China, and Chinese economic interchange comes without

human rights and other conditions seen in U.S. interchange with the region. Repeating an image widely used in U.S. media, the article said that China is “eating America’s lunch” in Southeast Asia, leading to a remolding of the regional power structure in ways that “Americans ignore at their peril.”

Expert assessments appearing in the Pacific Forum CSIS *Pacnet* Newsletter in July and August reported that U.S. officials and opinion leaders in Washington are feeling a growing sense of insecurity in the face of China’s rise, and Southeast Asian officials are worried by the perceived lack of U.S. attention to the region and are calling for the United States to “re-engage.” The assessments focused on U.S. “weakness and vulnerability” in economic competitiveness and financial clout when compared to China. The Southeast Asian officials were said to welcome an invigorated U.S. posture in the region including the signing of ASEAN’s Treaty of Amity and Cooperation, and closer U.S. cooperation with the regional organization and with regional financial initiatives.

According to Ambassador Zhou’s assessment in *Foreign Affairs Journal*, frequent high-level exchanges and annual summit meetings have shaped the strategic orientation of China-ASEAN relations. In the course of these exchanges, in 2003 China became ASEAN’s first “strategic partner,” and ASEAN became the first regional organization to establish a strategic partnership with China. In 2004, the 10 ASEAN member states recognized China’s full market economy status. In 2005, China-ASEAN trade reached \$130 billion, with each side being the fourth largest trading partner of the other.

Salient agreements included various accords to establish a China-ASEAN free trade area; bilateral agreements between China and each ASEAN member state providing frameworks for closer cooperation; and agreements on nontraditional security matters and managing territorial disputes and resource issues in the South China Sea. Tourist and other personal exchanges saw 5 million two-way visits between China and ASEAN in 2004. There are now 28 “cooperation framework mechanisms” between ASEAN and China. They include annual summit meetings between Chinese and ASEAN leaders, an annual conference of foreign ministers to support the summit; and senior officials meetings focused on consultations on strategic and political security cooperation. Among other things, the mechanisms result in close consultation among the ASEAN and Chinese leaders on issues discussed at regional and other international forums.

Chinese limits, U.S. strengths

The prevailing commentaries and expert assessments emphasizing Chinese strengths and U.S. weaknesses in Southeast Asia do not go unchallenged, however. This quarter, Dr. Sheng Lijun, a former Chinese administration officer and widely published scholar who now directs ASEAN-China projects at Singapore’s Institute for Southeast Asian Studies, has weighed in with several reports that highlight significant Chinese weaknesses in the face of U.S. strengths, despite China’s recent progress in Southeast Asia. They include:

Investment and aid. Using official Chinese data, Sheng pointed out that in 2004 accumulated investment by Chinese companies in ASEAN was \$1.17 billion (compared with \$38.22 billion of ASEAN investment in China). This was 7.7 percent of total Chinese overseas investment. U.S. investment in Southeast Asia at that time was \$85.4 billion. From 1995 to 2003, China's investment in Southeast Asia was 0.29 percent of total foreign investment in ASEAN, compared with 28.83 percent for the EU, 16.47 percent for the U.S., and 12.9 percent for Japan.

Sheng's assessment emphasized that Chinese companies are relative newcomers to Southeast Asia, in contrast to U.S. and other foreign businesses that have established deep roots and close working relationships in the region. According to Sheng, foreign-owned firms in China are the main actors from China in dealing with Southeast Asia. Chinese firms tend to eschew much involvement in Southeast Asia, preferring better and more familiar prospects at home. Moreover, Chinese firms are predicted to have a harder time in Southeast Asia because they compete with Southeast Asian manufacturers for regional and international markets, whereas U.S., European, and Japanese firms are said to pose much less direct competitive threat to ASEAN manufacturers.

Sheng's analysis also took account of Chinese government aid and investment to show that in 2004, \$3 billion of Chinese investment (government and nongovernment outlays) went to Asia, but as in the past the lion's share (\$2.63 billion) went to Hong Kong, leaving little for Southeast Asia. Chinese foreign aid allocations remain shrouded in official secrecy, but foreign analysts using various sources judge the overall allocation to be under \$1 billion a year. Given heavy Chinese aid commitments to North Korea and various promises to African, Pacific Island, and Latin American states, Sheng judged that little aid was left for Southeast Asia.

Trade. Taking a closer look at Chinese-ASEAN trade figures, Sheng agreed with those analysts who argue that Chinese-ASEAN trade figures are exaggerated. This is because more than half of China's foreign trade, and 60 percent of China-ASEAN trade, is so-called processing trade that is in the hands of foreign companies in China and ASEAN; the companies engage in intra-industrial trade within and between foreign companies in China and Southeast Asia as well as entrepot trade. Many products, especially electronic products, cross borders twice or more, thereby inflating trade figures. This double counting is estimated as high as 30 percent of the total trade between China and ASEAN.

Meanwhile, China's rising trade with ASEAN (\$130 billion in 2005 versus U.S.-ASEAN trade of \$148 billion that year) features prominently trade with Singapore valued at \$33.15 billion in 2005. Yet about half of China-Singapore trade is entrepot trade, not destined for either country's markets, according to Sheng.

Official attentiveness, soft power, and hedging. Sheng saw the dizzying array of Chinese official visits and agreements with Southeast Asia as a reflection of Chinese weakness as well as a source of strength in China-ASEAN relations. In particular, China relies very heavily on government initiatives to improve relations with Southeast Asia, because it has little of the wide ranging and well established business and other

nongovernment relationships, as well as extensive defense relations, that the United States has with the major Southeast Asian countries.

The expert also judged that the Chinese administration would be foolish to overemphasize the attraction of Chinese people and culture in Southeast Asia. Chinese culture is only one of several major cultural streams in Southeast Asia. The region has huge and complex religious, ethnic, political, cultural, and other diverse elements. Sheng believes that the Americans have enough experience to know “to keep the right distance and maintain the right pace” in dealing with these sensitivities. As a newcomer enjoying good media publicity and positive reactions from regional leaders, China runs the risk of believing its own press releases – coming on too strong and offending the various cultural and ethnic groups that represent the majorities in most Southeast Asian states and that for a long time in the past have viewed Chinese with a wary eye and sometimes with hostility.

Finally, Sheng strongly sides with those who judge that China’s rise has prompted an array of hedging and balancing maneuvers by various Southeast Asian and other Asian governments that works against Chinese influence and supports a continued strong U.S. role in Asia. Sheng concludes that these governments are not bandwagoning with rising China; they are hedging against it. “That is, while they are engaging China, they are also working to ensure the enhanced presence of other extra-regional powers, especially the U.S., to balance China.”

Outlook

Regional analysts will be watching closely for signs of closer relations and any notable differences registered in the China-ASEAN meeting reportedly planned for October and other events marking the 15th anniversary of the China-ASEAN dialogue partnership. The Beijing work conference on Chinese foreign policy in August seemed to continue China’s cautious approach to international commitments and prominence, as Chinese leaders’ priorities reportedly remained focused on domestic development and stability. Clarification of any changes in Chinese intentions and behavior in the region may come during the continuing series of dialogues between Southeast Asian and Chinese officials. How China deals with the aftermath of the military coup in Thailand and reacts to UN Security Council consideration of Myanmar may provide concrete indicators of continuity or change in Chinese policies.

Chronology of China-Southeast Asian Relations July-September 2006

July 2, 2006: Choummaly Sayasone, president of Laos concludes his visit to China. Both sides issue a joint communiqué that seeks to further bilateral cooperation and push forward the all-round friendly and cooperative relations to “a new level.”

July 4, 2006: Singaporean Chief of Defense Ng Yat Chung arrives in Beijing for a five-day official visit. Senior military officials from both sides agree to expand military ties between the two armed forces.

July 12, 2006: Chinese FM Li Zhaoxing attends a reception in Beijing commemorating the 15th anniversary of cooperation and dialogue between China and ASEAN.

July 13-16, 2006: Cambodian Deputy Prime Minister Hor Nam Hong meets State Councilor Tang Jiaxuan for a three-day official visit in Beijing. Hor expresses appreciation for China's economic assistance and social development to Cambodia.

July 18, 2006: Somsawat Lengsavad, member of the Lao People's Revolutionary Party (LDRP), leads a senior Laotian delegation for an 11-day visit to Beijing, meeting Wu Guanzheng, member of the Chinese Communist Party Standing Committee. Both sides seek to enhance party-to-party cooperation and discuss economic reforms.

July 19, 2006: More than 30 senior-level defense officials from Southeast Asian countries attend a workshop in Beijing to discuss Chinese and ASEAN influences on Asia-Pacific security, maritime security cooperation, the military's role in international humanitarian aid, counterterrorism activities, and regional peacekeeping operations.

July 24, 2006: A China-Southeast Asia land transport network is proposed connecting southern China to major cities in Southeast Asia by 2007. Nanning and Hanoi will be the first two cities to have a direct transport agreement to help expand regional trade and further economic relations.

July 26-28, 2006: Chinese FM Li attends the 13th ASEAN Regional Forum in Kuala Lumpur, Malaysia. Myanmar's political and economic reforms, Korean Peninsula denuclearization, and other regional security issues are discussed.

Aug. 1, 2006: Myanmar announces that it will liberalize its border trade procedure with China to facilitate bilateral trade. It will allow easier access for the direct transport of goods through the trading point at the city of Muse.

Aug. 3, 2006: The Third China-ASEAN Attorney Generals' Meeting concludes in Jakarta, Indonesia. Officials agree to strengthen regional cooperation in combating transnational crimes such as terrorism, corruption, money laundering as well as human and drug trafficking.

Aug. 11, 2006: A year after agreements on reduced tariffs and China-ASEAN free trade deals were struck, the Chinese Ministry of Commerce announces that regional trade has soared 21.6 percent over the past year. China's Commerce Minister Bo Xilai comments that China and ASEAN will face a key period in the next few years as they seek to complete tariff cuts toward establishing the world's largest free trade area by 2010.

Aug. 14, 2006: Sisavat Keobounphan, chairman of Lao Front for National Reconstruction, pays an official visit to China and meets Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference. Both sides affirm increasing political trust and economic relations.

Aug. 21, 2006: Former President Fidel Ramos leads a 70-member Filipino business delegation to China to promote trade, sport, and cultural exchanges between the Philippines and China. The Philippine trade group visits Macao and Zhuhai, Guangdong Province.

Aug. 22, 2006: Vietnamese Communist Party leader Nong Duc Manh meets President Hu Jintao in Beijing to discuss trade, border issues, and developing joint partnership for oil and gas development in the Gulf of Tonkin.

Aug. 25, 2006: At a Joint Council for Bilateral Cooperation meeting in Beijing co-chaired by China's Vice Premier Wu Yi and Singapore's Deputy Prime Minister Wong Kan Seng, both sides decide to launch negotiations for a bilateral free trade agreement. They also agree on promoting cooperation on non-traditional security issues such as maritime security, combating terrorism, transnational crime, and illegal immigration.

Aug. 29, 2006: Senior officials from Singapore, China, and Norway sign a memorandum of understanding (MOU) to help promote cooperation in shipping, maritime safety, research, and development in Southeast Asia.

Sept. 1, 2006: While meeting with ASEAN Secretary General Ong Keng Yong at the "ASEAN Cultural Week" launched in Beijing, Li Changchun, a senior official of the Chinese Communist Party announces that China is ready to develop a strategic partnership based on peace and prosperity with its Southeast Asian neighbors.

Sept. 2, 2006: Chinese Finance Minister Jin Ren Qing meets Cambodian Prime Minister Hun Sen in Cambodia. Hun Sen says Cambodia is in need of a \$200 million loan from China to develop its infrastructure, including bridges in the Tonle Sap Lake and the Mekong River, and various highways.

Sept. 4, 2006: Philippine President Gloria Macapagal-Arroyo meets a visiting Chinese delegation led by Liu Yunshan, member of the Political Bureau of the Central Committee of the Chinese Communist Party. They exchange views on deepening bilateral trust and economic cooperation. Both sides also agree to resolve the South China Sea dispute through further dialogue.

Sept. 5, 2006: Chinese FM Li holds talks with Brunei Foreign and Trade Minister Prince Mohamed Bolkiah, affirming bilateral friendly and cooperative ties. At the conclusion of the talks, both sides sign an MOU on tourism cooperation.

Sept. 6, 2006: Liang Guanglie, chief of the general staff of the Chinese People's Liberation Army, tells visiting Neang Phat, secretary of the Cambodian Ministry of National Defense, that the Chinese armed forces seek enhance closer military exchanges with the Cambodian army.

Sept. 12, 2006: Indonesian Coordinating Minister for Political, Law and Security Affairs Widodo Adi co-chairs with Chinese State Councilor Tang Jiaxuan the first deputy prime ministerial level meeting of the China-Indonesia dialogue mechanism on law enforcement issues.

Sept. 15, 2006: At a UN Security Council procedural meeting, China votes against a U.S.-backed proposal to include Myanmar's deteriorating situation in the Council's agenda. Chinese Ambassador to the UN Wang Guangya calls the move "preposterous" as it violates the principle of non-interference in Chinese foreign policy. As this was a procedural vote, China could not use their veto to block the decision.

Sept. 18, 2006: China attends the International Drug Enforcement Conference held in Bali, Indonesia. More than 80 participants from ASEAN countries, East Asia, South Asia, the U.S., and Europe agree on promoting joint efforts to stop drug trafficking and dealing activities.

Sept. 20, 2006: The Chinese Ministry of Foreign Affairs spokesperson issues a brief statement commenting on the military coup in Bangkok as Thailand's internal affair and that the Chinese government will not interfere with Thailand's sovereignty. The spokesperson maintains that political and economic relations between the two countries will not change. The Chinese embassy in Bangkok also announces that it has set up a hotline to answer any inquiries and provide assistance to Chinese nationals in Thailand.

Sept. 22, 2006: According to *Xinhua News Agency*, the Chinese government donated nearly 500 tons of rice and \$62,500 worth of anti-malaria medicines to Myanmar. Beijing aims to support Myanmar's poppy-substitute program, helping local governments reduce poppy cultivation while raising household income by introducing alternative crops.

Sept. 26, 2006: Vu Xuan Hong, president of the Vietnam Union of Friendship Organizations, concludes his visit to China by signing a Memorandum of Understanding to promote people-to-people contacts between China and Vietnam.

Sept. 26, 2006: The Chinese embassy to Cambodia announces that it has entered into a partnership with the Association of Khmer Chinese in Cambodia (AKCC) to help promote and develop Chinese language courses in more than 70 primary and junior schools in Cambodia. Since 2000, the Chinese government has allocated more than \$150,000 to help fund and train Chinese language instructors.

Sept. 27, 2006: Vietnam's Chamber of Commerce and Industry and China's National Development and Reform Commission host a one-day forum to help boost bilateral trade and economic ties. In addition to officials from both governments, representatives from 500 Vietnamese enterprises and nearly 100 Chinese companies attend the forum.