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Introduction

2023 was Indonesia's turn to chair the Association of Southeast Asian Nations (ASEAN). Expectations were high given Indonesia's stature and historical role in ASEAN. Yet, critical and persistent issues continue to remain stumbling blocks for the regional bloc, such as the South China Sea dispute, current Myanmar political crises, and a range of different non-traditional issues. This paper will update key developments that happened in ASEAN this year under the chairmanship of Indonesia, as well as progress in the community building efforts of the regional bloc, particularly the ASEAN political-security community, the ASEAN economic community, and the ASEAN socio-cultural community.

ASEAN Political-Security Community

On March 6, 2023, during the 15th Meeting of the ASEAN Coordinating Council Working Group on Timor-Leste's Membership in ASEAN (ACCWG-TL), Arto Suryodipuro, Director General of ASEAN Cooperation, SOM Leaders Indonesia, stated that "all ASEAN High Officials want Timor-Leste to immediately become an ASEAN member country." The purpose of the meeting was to talk more about the leaders of ASEAN's decision to accept Timor-Leste as the organisation's eleventh member in principle in 2022. High-ranking ASEAN officials discussed the idea of the road map for Timor-Leste's full membership on this occasion. They hope to create a concise, understandable, and realistic roadmap with a defined timeline.¹

On March 6, 2023, the first ASEAN Senior Officials meeting under Indonesia was convened. Plans for Indonesia's 2023 ASEAN chairmanship were given support from the ASEAN Senior Officials' Meeting (SOM). "As SOM Leader Indonesia, Arto Suryodipuro, Director General of ASEAN Cooperation, highlighted, Indonesia's priorities include strengthening cooperation in eradicating human trafficking caused by misuse of technology, the electric vehicle ecosystem,

¹ MOFA Indonesia. 6 March 2023. "15th Meeting of the ASEAN Coordinating Council Working Group on Timor-Leste's Membership in ASEAN (ACCWG-TL)". Available at: <https://kemlu.go.id/portal/id/read/4526/berita/15th-meeting-of-the-asean-coordinating-council-working-group-on-timor-lestes-membership-in-asean-accwg-tl>

protection of migrant workers, regional health architecture, and strengthening the capacity and effectiveness of ASEAN institutions.”² The meeting also approved Indonesia's proposal to enhance ASEAN cooperation with the Indian Ocean Rim Association (IORA) and the Pacific Island Forum (PIF) in order to fortify the AOIP. As part of its efforts to fortify ties with other nations, ASEAN assisted Saudi Arabia and Panama in their accession applications to the Treaty of Amity and Cooperation in Southeast Asia.³

On March 21–22, 2023, the First Meeting of the ASEAN SOM Working Group on Decision Making Process (SOM WG on DMP) took place in Jakarta. Rolliansyah Soemirat, Director of ASEAN Political and Security Cooperation, presided over the meeting. The ASEAN Secretariat and the ten ASEAN member nations were present at the meeting. The ASEAN delegation discussed options for efficient and successful decision-making processes within ASEAN during this two-day meeting, particularly in specific and pressing situations.⁴ The task of monitoring the outcomes of the 41st and 42nd ASEAN Summits, which suggested enhancing the capability and efficacy of ASEAN institutions within the context of the ASEAN Community's post-2025 vision, fell to the SOM WG on DMP itself.

On May 10, Timor-Leste Prime Minister Taur Matan Ruak made his debut appearance at the highest policy-making body of ASEAN, the 42nd ASEAN Summit, and promised that his impoverished country would take the necessary steps according to the road map towards full ASEAN membership. The road map was adopted at the ASEAN plenary on Wednesday. Mr. Sidharto Suryodipuro, director for ASEAN cooperation at Indonesia's Foreign Affairs Ministry, said that the road map contained essential elements such as legal instruments, financial contribution schemes and strengthening the capacity of the Timor-Leste state civil apparatus to prepare the country to be a full-fledged ASEAN member. Yet, Timor-Leste has still been struggling economically despite being rich in natural oil and gas resources.⁵

² MOFA Indonesia. 6 March 2023. “Meeting of Senior ASEAN Officials Supports Priority of Indonesia's Chairperson of ASEAN”. Available at: <https://kemlu.go.id/portal/id/read/4525/berita/pertemuan-pej>

³ Ibid.

⁴ MOFA Indonesia. 21 March 2023. “1st Meeting of ASEAN SOM Working Group on Decision Making Process”. Available at: <https://asean2023.id/en/news/1st-meeting-of-asean-som-working-group-on-decision-making-process>

⁵ Arshad, A. (2023). Timor-Leste Attends First ASEAN Summit as Observer, Vows to be Unwavering Partner. The Straits Times. Available at: <https://www.straitstimes.com/asia/se-asia/timor-leste-attends-first-ASEAN-summit-as-observer-vows-to-be-unwavering-partner>

After the 42nd ASEAN summit in Labuan Bajo from May 10th to May 11th, President Jokowi called for “unity” among the ASEAN's ten countries while acknowledging the group's lack of progress. Another explanation for the statement is that Indonesia preferred “quiet diplomacy” rather than public posturing and criticism.⁶ “We will try again and again... We are still united and strong in seeing the urgency of the Five-Point Consensus.” Whether these efforts will bear fruit remains to be seen, said foreign minister Retno.⁷ To bring the main conflicting parties to the negotiating table, including the military junta, ethnic armed groups, and the opposition National Unity Government, diplomats working under Foreign Minister Retno Marsudi now hold more than 60 "engagements" with them. Quiet diplomacy does not mean we did not do anything,” Retno told reporters after the summit.⁸

On March 14, Japan joined the ASEAN Security Hotline, making it the first non-member nation to join the hotline.⁹ Japan's defence Ministry says the measure will facilitate communication between Japan and ASEAN member countries. The Japanese defence ministry hoped to use the hotline to strengthen ties with ASEAN countries as China’s military activities in the South China Sea have become increasingly active. Japan’s annual defence white paper in 2022 described bolstering defence cooperation with ASEAN as a significant move as it will lead to the “creation of a favourable, secure) environment for Japan”.¹⁰

The Partner With ASEAN Act was adopted by the US Congress on March 23 in Washington, which would enable ASEAN to be declared an international organization with diplomatic privileges and immunities as well as place it alongside the European Union and the African Union. The role of ASEAN in maintaining stability and prosperity throughout the Indo-Pacific region has long been acknowledged by the US Congress.¹¹ “An important step to reinforce our recognition of ASEAN's central role and explore new areas of cooperation is the provision of regular diplomatic privileges and immunities for ASEAN. Congressman Joaquin Castro of

⁶ Strangio, S. (2023). ASEAN Continues to Move Slowly on the Myanmar Crisis. The Diplomat. Available at: <https://thediplomat.com/2023/05/ASEAN-continues-to-move-slowly-on-the-myanmar-crisis/>

⁷ Ibid.

⁸ Ibid.

⁹ Shiyong, W. March 14 2023. Japan Joins ASEAN Emergency Hotline for Defense Ministers. The Straits Times. Availabe at: <https://www.straitstimes.com/asia/east-asia/japan-joins-ASEAN-emergency-hotline-for-defence-ministers>

¹⁰ Ibid.

¹¹ Ghosh, N. 24 April 2023. US House Passes Partner With ASEAN Act. The Straits Times. <https://www.straitstimes.com/world/united-states/us-house-passes-partner-with-ASEAN-act>

Texas thanked Chair Kim C.C. for the partnership in this bill and said he would work with the Senate on moving our legislation to President Biden's desk.”¹²

On May 8, during the press conference in Labuan Bajo, the Foreign Affairs Ministry's ASEAN Cooperation Director, Sidhart Suryodipuro, said three countries were interested in becoming partners of ASEAN and signing the TAC agreement. Those three new applicants include the Kingdom of Saudi Arabia, the Kingdom of Spain, and the Republic of Panama. There are 50 signatories from all four corners of the globe, representing a quarter of the United Nations members. After France, the United Kingdom, Germany, the Netherlands, Denmark, and Greece, Spain will be the 7th Member State of the European Union to join the TAC.¹³

On July 12, 2023, Saudi Arabia became the 51st country to sign the Treaty of Amity and Cooperation (TAC). The accession signing ceremony was carried out by Saudi Arabia's Foreign Minister, Faisal bin Farhan Al-Saud and witnessed by ASEAN Foreign Ministers and the ASEAN Secretary-General on the sidelines of the ASEAN Foreign Ministers meeting in Jakarta.¹⁴ It shows the strong commitment of Saudi Arabia to adhere to ASEAN values and principles as embodied in TAC. By signing the TAC, Saudi Arabia has become an ASEAN family, and it has committed to cooperating and collaborating, upholding international law, and contributing to peace and stability in Southeast Asia and beyond.

On July 13, 2023, ASEAN and China agreed on guidelines to accelerate the negotiation on the Code of Conduct (CoC) in the South China Sea (SCS). The guidelines were adopted during the meeting between ASEAN Foreign Ministers and the Director of the Foreign Affairs Committee of the Central Committee of the Chinese Communist Party, Wang Yi, in Jakarta.¹⁵ This achievement shows positive momentum to strengthen a partnership that advances the paradigm of inclusivity and openness, respects international law, including UNCLOS 1982, and promotes habits of dialogue and collaboration.

¹² Ibid.

¹³ Shofi Ayudiana, Fadhli Ruhman. 9 May 2023. “Three countries apply to become ASEAN's partner: Ministry”. Antara News. Available at: <https://en.antaranews.com/news/280938/three-countries-apply-to-become-aseans-partner-ministry>

¹⁴ Kemlu. 12 July 2023. “Saudi Arabia becomes the 51st country to accede to the TAC”. Available at: [https://kemlu.go.id/portal/en/read/4938/berita/saudi-arabia-becomes-51st-country-to-accede-to-tac#:~:text=Jakarta%2C%20Indonesia%20%E2%80%93%20Saudi%20Arabia%20has,Jakarta%20\(12%2F7\)](https://kemlu.go.id/portal/en/read/4938/berita/saudi-arabia-becomes-51st-country-to-accede-to-tac#:~:text=Jakarta%2C%20Indonesia%20%E2%80%93%20Saudi%20Arabia%20has,Jakarta%20(12%2F7))

¹⁵ Kemlu. 13 July 2023. “ASEAN-China agrees on guidelines to accelerate the negotiation on Code of Conduct in South China Sea”. Available at: <https://kemlu.go.id/portal/en/read/4956/berita/asean-china-agree-on-guidelines-to-accelerate-negotiations-for-the-code-of-conduct-in-the-south-china-sea>

On July 12, 2023, ASEAN's authority was undermined by Thailand's departing foreign minister, Don Pramudwinai, who made a secret trip to Myanmar and met with the leaders of the widely condemned coup, Senior General Min Aung Hlaing and Aung San Suu Kyi. Don Pramudwinai described it as “an approach of the friends of Myanmar who would like to see a peaceful settlement” but did not go into detail. Don told the ministers in Jakarta that she was physically and mentally healthy. “She encouraged dialogue,” Don said. Aaron Connelly, an expert on Southeast Asia at the International Institute for Strategic Studies in Singapore, said Don's trip undermined ASEAN's efforts to resolve the crisis. “A diplomatic process centred on Myanmar's neighbours, rather than ASEAN, will be more sympathetic to the junta,” Connelly wrote on Twitter.¹⁶ “Its neighbours expect the junta to ultimately prevail and want to accelerate its pacification of the countryside and international legitimization.”¹⁷

On July 13, 2023, the ASEAN Plus Three (APT) Foreign Ministers' meeting was held in Jakarta. This year's meeting emphasised the ATP mechanism as an anchor for regional stability, resilience, and sustainability. For regional stability, ASEAN urged the APT to support the AOIP in building an inclusive regional architecture and implementing it with concrete action. Regional stability requires APT to be continuously pursued and nurtured by those with the most vested interests in the region. Therefore, all parties must contribute as positive forces in respecting international law and pursuing the spirit of multilateralism. For resilience, ATP has a strong commitment to establish mechanisms to strengthen resilience against crises that may happen at any time. For sustainability, APT needs to be more innovative in adapting to climate change, reducing emissions, and accelerating the energy transition.¹⁸

On August 15, 2023, both Thai PBS and Nikkei Asia claimed that the Philippines would hold the chair, with Myanmar now slated to take over the position in the following year, citing diplomatic sources with connections to the regional bloc.¹⁹ It was unclear whether Naypyitaw

¹⁶ Al Jazeera. 12 July 2023. “Thai foreign minister met Aung San Suu Kyi on secret Myanmar trip”. Available at: <https://www.aljazeera.com/news/2023/7/12/thai-foreign-minister-met-aung-san-suu-kyi-on-secret-myanmar-trip>

¹⁷ Ibid.

¹⁸ ASEAN. 13 July 2023. “24th ASEAN Plus Three Foreign Ministers' Meeting convenes”. Available at: <https://asean.org/24th-asean-plus-three-foreign-ministers-meeting-convenes/>

¹⁹ The Strait Times. 5 September 2023. “Philippines ready to replace Myanmar as Asean chair in 2026”. Available at: <https://www.straitstimes.com/asia/se-asia/philippines-says-ready-to-chair-asean-in-2026-instead-of-myanmar#:~:text=%E2%80%9CIt%20is%20my%20pleasure%20to,statement%20from%20the%20presidential%20palace.>

or ASEAN started the action because the regime has not spoken out on the matter thus far. In September 5, 2023, President Ferdinand Marcos Jr. stated that the Philippines is prepared to lead ASEAN in 2026 instead of Myanmar, as the association has been struggling with how it deals with the country's junta rulers. “It is my pleasure to announce that the Philippines is ready to take the helm and chair ASEAN in 2026,” Marcos told ASEAN leaders in the Indonesian capital, Jakarta. “We will fortify the foundations of our community-building and navigate ASEAN as it embarks on a new chapter,” he said, according to a statement from the presidential palace. While military junta spokesman Zaw Min Tun confirmed it would be replaced as chair. “Myanmar will skip ASEAN chairmanship in 2026,” he told AFP, without giving any further details.²⁰

On September 19, 2023, despite the bloc's ban on its junta leaders, Myanmar's military representative participated in the Association of Southeast Asian Nations' first-ever joint exercises in Indonesia. These are non-combat exercises, however, with member forces training in areas such as humanitarian assistance, disaster relief, rescue operations, and joint maritime patrols, according to the host Indonesia. In addition, Timor-Leste, which is set to be the 11th member of ASEAN, also participated along with the other 10 members.²¹

On October 27, 2023, ASEAN Secretary-General Kao Kim Hourn told Nikkei Asia in an interview in Tokyo that “We expect that, on Myanmar, we [will] continue on [with] what Indonesia had been doing.” He continued that “we should not underestimate Laos” in its ability to handle the political turmoil in Myanmar. “This [Troika] is good because we need continuity in terms of how ASEAN should facilitate the system to assist Myanmar.” He also further revealed that East Timor formally appointed an ambassador and diplomats for its trip to ASEAN this month. East Timor has also submitted an application to join the Bangkok Treaty, also known as the Southeast Asia Nuclear-Weapon-Free Zone, Kao added.²²

²⁰ Ibid.

²¹ AFP. 19 September 2023. “Indonesia hosts first-ever ASEAN military drills”. Jakarta Post. Available at: <https://www.thejakartapost.com/world/2023/09/19/indonesia-hosts-first-ever-asean-military-drills.html>.

²² Nana Shibata. 27 October 2023. “ASEAN's Myanmar stance won't change with Laos in charge: official”. Nikkei Asia. Available at: <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/ASEAN-s-Myanmar-stance-won-t-change-with-Laos-in-charge-official#:~:text=TOKYO%20%2D%20ASEAN's%20engagement%20with,its%20members%20on%20the%20issue>.

On November 20, 2023, speaking at a live-streamed event in Hawaii, the president of the Philippines stated on Monday that there has been no progress in negotiating a wider regional agreement with China and that the country has reached out to neighbours like Malaysia and Vietnam to talk about a separate code of conduct pertaining to the South China Sea. “We are still waiting for the code of conduct between China and ASEAN, and the progress has been rather slow, unfortunately,” Marcos Jnr said, referring to efforts by the grouping of Southeast Asian nations. “We have taken the initiative to approach those other countries around ASEAN with whom we have existing territorial conflicts, Vietnam being one of them, Malaysia being another and to make our own code of conduct. “Hopefully this will grow further and extend to other ASEAN countries.”²³

On December 6, 2023, following the start of a significant military offensive by armed ethnic groups, the Three Brotherhood Alliance, in late October, over 500,000 people in Myanmar fled their homes. Amid worries of a worsening humanitarian crisis, the UN Office for the Coordination of Humanitarian Affairs released the most recent number on Friday. It is important to note that the number of internally displaced persons in Myanmar was estimated to be around 2 million people before this resistance movement.²⁴

ASEAN Economic Community

On February 22, the Joint Committee (FJC) for the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) agreement completed the negotiations for upgrading the plurilateral free trade deal at its recent 20th meeting in Indonesia. According to Dina Kurniasari, Indonesia's Director General of ASEAN Negotiation, the upcoming revised AANZFTA agreement will not only simplify business operations within the ASEAN-Australia-New Zealand region but also become more flexible and resilient to future unforeseen events like pandemics or natural disasters, compared to the original AANZFTA agreement, which was signed in Thailand in

²³ Reuters. 20 November 2023. “South China Sea: Philippines asks Malaysia, Vietnam for ‘our own’ code of conduct amid slow progress with Beijing”. Available at: <https://www.scmp.com/news/asia/southeast-asia/article/3242134/south-china-sea-philippines-asks-malaysia-vietnam-our-own-code-conduct-amid-slow-progress-beijing>

²⁴ Nikkei Asia. 6 December 2023. “Myanmar's escalating conflict displaces 500,000 more people”. Available at: <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/Myanmar-s-escalating-conflict-displaces-500-000-more-people>

2009.²⁵ Kurniasari sees the Second Protocol to Amend the AANZFTA as a key achievement of Indonesia's Chairmanship of ASEAN in 2023. Participating parties are committed to completing the legal review process for the protocol's signing in August, coinciding with the 28th ASEAN Economic Ministers (AEM) consultation and the Ministers of Australia and New Zealand.²⁶

On March 13, ASEAN Secretary General Kao Kim Hourn revealed that a common currency and monetary union for the region are not a priority right now, as there are many other agendas that need attention. He said that post-pandemic recovery is the top priority in ASEAN today, while the idea of a monetary union has been discussed over the past 20 years. However, there's still a long way to go because there are other priorities now. In addition to the pandemic recovery, ASEAN prioritises connectivity, the blue economy, and intra-regional trade.²⁷ Indonesia, as the 2023 ASEAN Chair, advocated for a regional payment system to facilitate cross-border transactions. Central banks and financial authorities from five member states (Thailand, Indonesia, Malaysia, the Philippines, and Singapore) have signed a memorandum of understanding (MOU) to promote this initiative. They aim to link their QR code systems for seamless cross-border payments.²⁸

On March 28, the meeting of ASEAN Finance Ministers and Central Bank Governors happened in Indonesia, with the main discussion of reducing dependency on the major currencies of the US Dollar, Euro, Yen, and British Pound from financial transactions in favour of local currencies through the Local Currency Transaction (LCT) scheme.²⁹

On May 6–7, the ASEAN Economic Community Council's 22nd meeting was held in Jakarta to discuss ASEAN's role in geopolitical and geoeconomic dynamics, ASEAN Initiatives for

²⁵ VNA. 22 February 2023. "ASEAN, Australia, New Zealand complete negotiation for FTA upgrade". Available at: <https://en.vietnamplus.vn/asean-australia-new-zealand-complete-negotiation-for-fta-upgrade/248748.vnp>

²⁶ Ibid.

²⁷ VNA 13 March 2023. "ASEAN does not prioritise common currency: official". Available at: <https://en.vietnamplus.vn/asean-does-not-prioritise-common-currency-official/249808.vnp>

²⁸ Ibid.

²⁹ Chris Devonshire-Ellis. 29 March 2023. "ASEAN Finance Ministers and Central Banks Consider Dropping US Dollar, Euro and Yen, Indonesia Calls for Phasing Out Visa and Mastercard". *ASEAN Briefing*. Available at <https://www.ASEANbriefing.com/news/ASEAN-finance-ministers-and-central-banks-consider-dropping-us-dollar-euro-and-yen-indonesia-calls-for-phasing-out-visa-and-mastercard/>

Sustainable Development³⁰, the development of the electric vehicle (EV) ecosystem, as well as blue economy cooperation.³¹

On May 9, according to Coordinating Economic Minister of Indonesia Airlangga Hartarto, after attending the 22nd ASEAN Economic Community Council (AECC) meeting, ASEAN nations agreed to accelerate the ASEAN Digital Economy Framework Agreement (DEFA) negotiations in September 2023 instead of the original plan in 2025, and the first round is to be completed by the end of 2023. The negotiations would mark progress after the ASEAN Agreement on Electronic Commerce in 2018.³²

On May 11, the 42nd Association of Southeast Asian Nations (ASEAN) Summit in Labuan Bajo, Indonesia, also emphasized economic integration, and according to Indonesian President Joko Widodo, “ASEAN must strengthen its economic integration and inclusive cooperation, including the implementation of the Regional Comprehensive Economic Partnership, and strengthen health, food, and energy architecture, as well as maintain financial stability.”³³

On May 19, Monita You, Deputy Director at the General Department of Policy within the Finance Ministry, hailed the ASEAN Trade Repository (ATR) for strengthening regional economic integration and boosting trade within the region, which “offers a single window of access to all the trade-related information and details of ASEAN member states” by being an “ASEAN-level IT interface linked by means of hyperlinks to a series of interoperable National Trade Repositories (NTRs) that provide and maintain the national-level trade-related information and the actual contents.”. She said, “Apart from sharing trade-related information digitally on the website, it will also reduce the transaction cost of business.” Between 2010 and

³⁰ Khmer Times. 8 March 2023. “Cambodian Delegation Attends 22nd ASEAN Economic Community Council Meeting in Jakarta”. Available at <https://www.khmertimeskh.com/501286655/cambodian-delegation-attends-22nd-ASEAN-economic-community-council-meeting-in-jakarta/>

³¹ Benardy F, Kenzu. 6 May 2023. “22nd AECC Discusses ASEAN Role in Responding to Geopolitical Dynamics”. *Antara News*. Available at <https://en.antaranews.com/news/280719/22nd-aecc-discusses-ASEAN-role-in-responding-to-geopolitical-dynamics>

³² Ruth Dea Juwita. 9 May 2023. “ASEAN to Start Negotiations on Digital Economy Pact This Third Quarter”. *The Jakarta Post*. Available at <https://www.thejakartapost.com/business/2023/05/09/ASEAN-to-start-negotiations-on-digital-economy-pact-this-third-quarter.html>

³³ Adur Pradeep. 11 May 2023. “ASEAN Summit Urges Economic Integration and Unity”. *Khmer Times*. Available at <https://www.khmertimeskh.com/501288187/ASEAN-summit-urges-economic-integration-unity/>

2020, inter-ASEAN trade increased from USD 500 billion to USD 630 billion in 2019, or 24% of its total trade in the region.³⁴

On July 13, 2023, the ASEAN Post-Ministerial Conference with the UK took place in Jakarta, Indonesia. Both parties agreed to enhance relations to effectively implement the ASEAN-UK Plan of Action (2022–2026).³⁵ Increasing trade, investment, supply chain resilience, digital trade, innovation, and cyber security were some of the issues covered during the discussion regarding the strengthening of ASEAN-UK economic cooperation., while several ASEAN members proposed the possible ASEAN-UK Free Trade Agreement. In addition, the Indonesian Foreign Minister, Retno, emphasised the importance of collaboration in the field of energy transformation.³⁶

On July 14, the ASEAN-US Post-Ministerial Conference with the US Secretary of State was held in Jakarta, Indonesia. As a result, many concrete issues were discussed, including an annex to the ASEAN-US (2021-2025) Plan of Action to enhance the Comprehensive Strategic Partnership between both parties. Conversations focused on the importance of enhancing economic cooperation through greater business interactions, SMEs' capacity building, the development of connection infrastructure, and collaboration in technological advancements, while climate change and energy transition, including the development of the electric vehicle ecosystem, were also discussed.³⁷

On August 19, the 55th ASEAN Economic Ministers' Meeting was led by the Indonesian Minister of Trade in Semarang, Indonesia.³⁸ Among the attendees were ASEAN Secretary-General Kao Kim Hourn and the ASEAN member states' economic ministers. During their discussion, the implementation of Indonesia's priority economic cooperation initiatives in the

³⁴ Sreekanth Ravindran. 19 March 2023. "ATR Boosts Economic Integration". *Khmer Times*. Available at <https://www.khmertimeskh.com/501293172/atr-boosts-economic-integration/>

³⁵ Kominfo. 13 July 2023. "Indonesia Calls for ASEAN - UK Cooperation on Energy Transition". Indonesia ASEAN 2023. Available at <https://asean2023.id/en/news/indonesia-calls-for-asean-uk-cooperation-on-energy-transition>

³⁶ Kominfo. 13 July 2023. "Indonesia Calls for ASEAN - UK Cooperation on Energy Transition". Indonesia ASEAN 2023. Available at <https://asean2023.id/en/news/indonesia-calls-for-asean-uk-cooperation-on-energy-transition>

³⁷ ASEAN. 14 July 2023. "ASEAN Post Ministerial Conference with US adopts new initiatives to partnership". Available at <https://asean.org/asean-post-ministerial-conference-with-the-united-states-held-in-jakarta/>

³⁸ Viet Nam National Trade Repository. 28 August 2023. "PRESS INFORMATION THE 55TH ASEAN ECONOMIC MINISTERS' MEETING AUGUST 19, 2023". Available at <https://vntr.moit.gov.vn/news/press-information-the-55th-asean-economic-ministers-meeting-august-19-2023>

ASEAN Chairmanship year 2023, important tasks of the ASEAN Economic Community such as the Strategy for Economic Cooperation and Development, ASEAN strategy on carbon neutrality, preparation for the launch of negotiations on the ASEAN Framework Agreement on the Digital Economy, the implementation and upgrading of the ASEAN Trade in Goods Agreement (ATIGA), the negotiation of ASEAN-Canada FTA and ASEAN-China FTA 3.0, and the implementation of the Regional Comprehensive Economic Partnership (RCEP), as well as the preparation for the consultation meetings between the Ministers of ASEAN countries and partner countries, were reviewed by the Ministers.³⁹

On August 19, the study on the ASEAN Digital Economy Framework Agreement (DEFA) was officially endorsed by the ASEAN Economic Ministers.⁴⁰ The DEFA aims to provide a comprehensive strategy for empowering businesses and stakeholders across ASEAN by boosting connectivity, accelerating trade growth, establishing an encrypted online environment, and expanding MSMEs' engagement. "With the Digital Economic Framework Agreement, it is expected that the number will double to US\$2 trillion in 2030," said Indonesian Coordinating Economic Minister Airlangga.⁴¹ Before DEFA, he said, ASEAN's digital economy was predicted to grow to US\$330 billion in 2025, up to US\$1 trillion in 2030.⁴²

On August 21, the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed on the sidelines of the 55th ASEAN Economic Ministers' Meeting by ASEAN, Australia, and New Zealand. This is the first FTA between region-to-region for ASEAN, Australia, and New Zealand. Along with supplementary regulations on education services under the chapter on trade in services, three new chapters have also been added: government procurement, micro, small, and medium enterprises (MSMEs), and trade and sustainable development. A population of 711 million people makes up the AANZFTA market, which, as of April 2023, had a combined gross

³⁹ Viet Nam National Trade Repository. 28 August 2023. "PRESS INFORMATION THE 55TH ASEAN ECONOMIC MINISTERS' MEETING AUGUST 19, 2023". Available at <https://vntr.moit.gov.vn/news/press-information-the-55th-asean-economic-ministers-meeting-august-19-2023>

⁴⁰ ASEAN. 19 August 2023. "Digital Economy Framework Agreement (DEFA): ASEAN to leap forward its digital economy and unlock US\$2 Tn by 2030". Available at <https://asean.org/asean-defa-study-projects-digital-economy-leap-to-us2tn-by-2030/>

⁴¹ Kominfo. 25 August 2023. "ASEAN's Digital Economy to Reach US\$2 Trillion by 2030". ASEAN Indonesia 2023. Available at: <https://asean2023.id/en/news/aseans-digital-economy-to-reach-us2-trillion-by-2030#:~:text=%22%20With%20the%20Digital%20Economic%20Framework,US%241%20trillion%20in%202030>

⁴² Ibid.

domestic product (GDP) of US\$5.9 trillion, according to the International Monetary Fund (IMF) and the World Economic Outlook.⁴³

ASEAN Socio-Cultural Community

On February 28, 2023, during the Senior Officials Committee for the ASEAN Socio-Cultural Community (SOCA) Retreat meeting, Indonesia declared the priorities for its chairmanship of the ASEAN Socio-Cultural Community (ASCC). SOCA Chair Professor Warsito emphasized the importance of the ASCC pillar in strengthening health architecture, accelerating rural development, mitigating the impacts of climate change, protecting and enhancing the capacity of labour, and strengthening disability-inclusive development (ASEAN.org, 2023).⁴⁴

Chairing the meeting, SOCA Chair Professor Warsito, who is Deputy Minister for Education Quality Improvement and Religious Moderation at the Coordinating Ministry for Human Development and Cultural Affairs of Indonesia, stressed ASEAN's need to remain relevant by maintaining its centrality and becoming an anchor of stability and prosperity. He emphasized the significance of the ASCC pillar in bolstering disability-inclusive development, protecting and enhancing labour capacity, mitigating the effects of climate change, and strengthening health architecture.⁴⁵

On March 2, 2023, as the Association of Southeast Asian Nations' (ASEAN) chair for 2023, Indonesia urged the region's nations to work together to combat false information about the government and fake news. Ichwan Nasution, an official from the Indonesian ministry of Communications and Informatics (Kominfo), stated that effective management and broad guidelines are necessary to combat fake news and misinformation in the mass media (*Indonesia urges ASEAN to corporate against fake news, n.d.*). According to the official, fake news related to the government is the most serious problem; therefore, Indonesia took the initiative to

⁴³ Antara Indonesia News Agency. 21 August 2023. "ASEAN, Australia, New Zealand sign AANZFTA 2nd protocol". Available at <https://en.antaranews.com/news/291669/asean-australia-new-zealand-sign-aanzfta-2nd-protocol>

⁴⁴ ASEAN.org. 28 February 2023. Indonesia announces chairmanship priorities, deliverables of the ASEAN Socio-Cultural Community. Available at: <https://asean.org/indonesia-announces-chairmanship-priorities-deliverables-of-the-asean-socio-cultural-community/>

⁴⁵ VNA. 1 March 2023. "Indonesia announces chairmanship priorities of ASEAN Socio-Cultural Community". Available at: <https://en.vietnamplus.vn/indonesia-announces-chairmanship-priorities-of-asean-sociocultural-community/249123.vnp>

develop “Guidelines for government information management to combat fake news and misinformation in the media.”⁴⁶

On March 14, Indonesian Coordinating Minister for Human Development and Culture Muhadjir Effendy called for creating an Association of Southeast Asian Nations (ASEAN) Declaration about family development to bolster the ASEAN Socio-Cultural Community (ASCC). He remarked, “Currently, the (mainstream) concepts for family development are still influenced by ideas from Western countries that are not too suitable with family development strategies in the ASEAN region, including in Indonesia and Singapore.”⁴⁷

On May 8, during the 29th ASEAN Socio-Cultural Community (ASCC) Council Meeting, held in Bali, Indonesia, the Ministry of Education, Youth, and Sport (MoEYS) called for mutual cooperation and assistance among ASEAN countries to further advance students' abilities in science, technology, engineering, and mathematics (STEM) and information technology (IT). The Ministry said that developing students' capacities in these fields is important for boosting ASEAN market competitiveness, improving research capacity, and building resilience across the region.⁴⁸

On May 10, ASEAN leaders agreed to establish the ASEAN Village Network (AVN) that will focus on three cooperation areas, such as tourist villages, digital villages, and One Village, One Product (OVOP).⁴⁹ The goals of the AVN are, according to the Leaders' Joint Statement, to make people's voices heard, facilitate collaboration and cooperation among villages, exchange strategies to improve digital infrastructure and promote digital innovation in rural areas, facilitate better and wider rural products' access to markets, explore collaboration with external partners and private sectors to support the sustainability of the network, and strengthen ASEAN identity among village communities.⁵⁰ In the Chair Statement, ASEAN leaders also

⁴⁶ VNA. 3 March 2023. “Indonesia urges ASEAN to cooperate against fake news”. Available at: <https://en.vietnamplus.vn/indonesia-urges-asean-to-cooperate-against-fake-news/249319.vnp>

⁴⁷ Philippine News Agency. 14 March 2023. “Indonesia Pushes ASEAN Declaration on Family Dev’t”. Available at <https://www.pna.gov.ph/articles/1197325>

⁴⁸ Sem Pisey. 8 May 2023. “Education ministry calls for ASEAN STEM collaboration”. *The Phnom Penh Post*. Available at <https://phnompenhpost.com/national/education-ministry-calls-ASEAN-stem-collaboration>

⁴⁹ Vietnam Investment Review. 14 May 2023. “ASEAN Village Network to Promote Regional Comprehensive Cooperation”. Available at <https://vir.com.vn/asean-village-network-to-promote-regional-comprehensive-cooperation-101826.html>

⁵⁰ ASEAN. 10 May 2023. “ASEAN Leaders Joint Statement on The Establishment of an ASEAN Villages Network”. Available at <https://ASEAN.org/ASEAN-leaders-joint-statement-on-the-establishment-of-an-ASEAN-villages-network/>

acknowledged the importance of migrant workers and the necessity of protecting these workers and their families. Therefore, ASEAN leaders agreed to adopt the ASEAN Leaders' Declaration on the Protection of Migrant Workers and Family Members in Crisis Situations and the ASEAN Declaration on the Placement and Protection of Migrant Fishers.⁵¹

On May 11, President Jokowi called on all Southeast Asian leaders to combat human trafficking, while many Indonesian citizens have fallen victim to online job scams and been forced to work in other ASEAN countries as cyber scammers. "Matters that relate to people's interests become a great concern for the [ASEAN] leaders, including the protection of migrant workers and human trafficking victims," Jokowi told reporters at the end of the 42nd ASEAN Summit in Labuan Bajo. "I call on ASEAN countries to take firm action against the main perpetrators," Jokowi said (*Let's Fight Human Trafficking: Jokowi Tells ASEAN*, n.d.). To respond to the issue, ASEAN concluded its 42nd Summit with a declaration on combating trafficking in persons caused by the abuse of technology. According to the leaders' declaration, ASEAN should provide immediate response and assistance to human trafficking victims, among others, by improving coordination on information exchange.⁵² Indonesia, as the ASEAN Chair, also showed its willingness to not turn ASEAN into a haven for criminals.⁵³

On August 10, 2023, the 6th Meeting of the ASEAN Working Group on Culture of Prevention was convened, discussing the issues, causes, and preventive practices for the six thrusts of the Culture of Prevention: peace and intercultural understanding, inclusion, good governance, environment, health, and media and information, to address various forms of vulnerability, including violence, drug use, youth and urban crime, environmental degradation, and quality of life.⁵⁴ On the same day, the 19th coordinating conference on the ASEAN Socio-Cultural Community was hosted, themed "Post-2025 ASEAN Socio-Cultural Community". The conference examined conditions and identified challenges, trends, and options post-2025 to

⁵¹ ASEAN. 11 May 2023. "Chairman's Statement of the 42nd ASEAN Summit". Available at <https://asean.org/chairmans-statement-of-the-42nd-asean-summit/>

⁵² Jayanty Nada Shofa. 11 May 2023. "Let's Fight Human Trafficking: Jokowi Tells ASEAN". *Jakarta Globe*. Available at <https://jakartaglobe.id/news/lets-fight-human-trafficking-jokowi-tells-asean/>

⁵³ Jayanty Nada Shofa. 9 May 2023. "Indonesia Doesn't Want ASEAN to Be a Haven for Criminals". *Jakarta Globe*. Available at <https://jakartaglobe.id/news/indonesia-doesnt-want-asean-to-be-a-haven-for-criminals>

⁵⁴ ASEAN. August 10 2023. "ASEAN discusses strategies to advance culture of prevention". Available at: <https://asean.org/asean-discusses-strategies-to-advance-culture-of-prevention/>

develop strategies to enhance partnerships, engagement, and resources for the post-2025 ASCC.⁵⁵

On August 21-22, the first meeting of the ASEAN Environmental Rights Working Group (AER WG) took place in Bangkok, Thailand, which was established by the ASEAN Intergovernmental Commission on Human Rights (AICHR) to develop a regional framework on environmental rights to be eventually adopted by ASEAN leaders. It discussed and agreed on the timeline and goals to develop a comprehensive framework in line with the international norms and standards related to the right to a safe, clean, and sustainable environment.⁵⁶

On August 24, the ASEAN Finance and Health Ministers Meeting (AFHMM) took place. The Joint Statement stated the recognition of collaboration between the finance and healthcare authorities in strengthening regional health capacity, the need for a strong and sustainable recovery, and prevention preparedness and response (PPR) capacity strengthening for future public health crises, as well as the commitment to national investment in the One Health initiative and to the regional health architecture beyond Covid-19.⁵⁷

On August 29, the 30th ASEAN Socio-Cultural Community (ASCC) Council Meeting was convened. The meeting discussed ASCC's strategic directions for a resilient, inclusive, and sustainable ASEAN and post-2025 ASCC.⁵⁸ The Secretary-General-General, Dr. Kao Kim Hourn, urged the ASCC in his speech to “continuously work towards a stronger and more resilient region as we ensure the full and effective implementation of the ASEAN Community Vision 2025 and Journey Toward 2045.”⁵⁹ The council applauded the development of the ASEAN Declaration on Gender Equality and Family Development, proposed to include the ASEAN Leaders' Declaration on Early Childhood Care and Education in Southeast Asia for

⁵⁵ Sochan Ry. 13 August 2023. “ASEAN discuss future socio-cultural community collaboration, planning”. Available at: <https://www.phnompenhpost.com/national/asean-discuss-future-socio-cultural-community-collaboration-planning>

⁵⁶ ASEAN Intergovernmental Commission on Human Rights. 22 August 2023. “The 1st ASEAN Environmental Rights Working Group Meeting”. Available at: <https://aichr.org/news/the-1st-asean-environmental-rights-working-group-meeting/>

⁵⁷ ASEAN. 24 August 2023. “Joint Statement of the ASEAN Finance and Health Ministers' Meeting (AFHMM)”. Available at: <https://asean.org/joint-statement-of-the-asean-finance-and-health-ministers-meeting-afhmm/>

⁵⁸ ASEAN. 29 August 2023. “Secretary-General of ASEAN attends 30th ASEAN Socio-Cultural Community Council Meeting”. Available at: <https://asean.org/secretary-general-of-asean-attends-30th-asean-socio-cultural-community-council-meeting/>

⁵⁹ Ibid.

adoption by the ASEAN Leaders at the upcoming 43rd ASEAN Summit, acknowledged the development of the ASEAN Declaration on Disability-Inclusive Development and Partnership for a Resilient ASEAN Community, and encouraged the adoption of the ASEAN Joint Statement on Climate Change to the 28th Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC COP-28) as well as the ASEAN Leaders' Declaration on Sustainable Resilience.⁶⁰

On August 31, 2023, the ASEAN Senior Officials Meeting on Sports (SOMS-14) took place. The Sports Ministers reiterated the commitment to establish the ASEAN Sports Fund, acknowledged the work of sports organizations in non-professional competitive sports as well as the outcome of the First Technical Working Group Meeting for the Preparation of ASEAN's Joint Bid for the FIFA World Cup 2034 (1st TWG-FWC), reaffirmed the ASEAN Work Plan on Sports 2021-2025, and looked forward for the implementation of the programs under the Memorandum of Understanding between ASEAN and the Fédération Internationale de Football Association (ASEAN-FIFA MoU) for gender equality and climate actions in sports.⁶¹

Conclusion

In conclusion, there have been considerations to enhance community-building efforts in ASEAN this year. Particular attentions have been placed by ASEAN to discuss various confronting regional issues both in the spheres of traditional security and non-traditional security. However, given ASEAN's modus operandi, the regional bloc has not been able to exercise credible effectiveness in addressing various key regional issues that it has been facing. This trend will continue next year and years ahead unless reforms are in place.

⁶⁰ ASEAN. 29 August 2023. "ASEAN Socio-Cultural Community charts way forward at 30th ASCC Council Meeting". Available at: <https://asean.org/asean-socio-cultural-community-charts-way-forward-at-30th-asean-council-meeting/>

⁶¹ ASEAN. 31 August 2023. "Joint Statement of the Seventh ASEAN Ministerial Meeting on Sports (AMMS-7)". Available at: https://asean.org/wp-content/uploads/2023/09/FINAL_Joint%20Statement%204th%20AMMS%20JP.pdf

Cambodia

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Introduction

2023 presents a complex picture for Cambodia. The year marks an unprecedented turn of the country's politics in three decades. The old elites of the ruling Cambodian People's Party handed down power to their descendants in an exodus of succession. Concerns about political repression and foreign dependence have still casted a long shadow on the country's future. While post-COVID-19 economic recovery seemed promising, concerns over stagnant and uncertain global demands loomed over the growth projection. This prompted the new government to enact strategic and tactical action plans to maintain economic stability. In terms of foreign relations, Cambodia navigated a delicate balance between China and Western countries by pursuing more free trade agreements. Balancing internal demands and external pressures will be critical for Cambodia's development in the years to come.

Domestic Politics

Domestically, Cambodia kickstarted its first quarter of 2023 with the shutdown of the media outlets, the sentence of Kem Sokha, the arrests of the critics.

During the political transition from Hun Sen to his eldest son Hun Manet, there was also a shutdown of a local news outlet, the Voice of Democracy (VOD), for publishing an article regarding the former Prime Minister's son, who is Cambodia's current Prime Minister Hun Manet. The article described that Mr. Hun Manet, the then Commander of the Cambodian Army and the Deputy Commander of the Royal Cambodian Armed Forces, signed the provision of USD 100,000 for an aid to Turkey as an assistance for the horrendous earthquake hit in February 2023.

Besides, Kem Sokha, a leader of the dissolved opposition Cambodia National Rescue Party (CNRP), was sentenced to 27 years in detention for the act of treason and got his political rights suspended from voting and standing as a candidate in the upcoming elections as well. In addition, according to Radio Free Asia (RFA), there was also the arrest of Thach Settha, who

was also a member of the dissolved CNRP, for causing unrest in the general election of 2023. However, it was regarded not as a politically motivated case by Sok Eysan, spokesperson of the ruling Cambodian People's Party. A deputy Asia director at Human Rights Watch viewed the case of Kem Sokha as an absolute absence of independence in Cambodia's judiciary system, the power of the governing party to regulate the political system, a restriction of human rights, and threats to the people.¹

In the second quarter of 2023, counting down to the July general election, eighteen political parties registered, whereas two political parties, the Candlelight Party and the small Khmer United Great Nation Party were rejected by the National Election Committee (NEC) on the 15th of May.² The NEC reasoned that the parties had failed to provide notarized documents in spite of the fact that last year's commune election did not require any notarized documents whatsoever.³ In response, the Candlelight Party made an appeal to the Constitutional Council of Cambodia (CCC), prompting a plenary session by the CCC to assess the complaint on the 25th before ultimately rejecting the party's appeal.⁴

On June 23, 2023, toward the general election, the National Assembly of Cambodia unanimously passed an amendment to eight articles of the election law, most strikingly requiring all future electoral candidates to have voted in at least two general elections to be considered eligible.⁵ Following its approval by the National Assembly and Senate in June and the Constitutional Council on July 3rd, King Norodom Sihamoni issued a Royal Decree the following day promulgating the revised election law.⁶ Article 142 introduced punishments ranging from five to 20 million Riels (approximately USD 1,200 to USD 4,900) for any means which disrupt the election process. Additionally, Article 143 allows the National Election Committee (NEC) to ban any political party causing disruptions from running for office, or

¹ Neak, Chandarith, Kea Yun, Sovinda Po, and Chansok Lak. "Chapter 1: Cambodia." *Southeast Asia Quarterly Update January-March 2023*, 2023.

https://www.rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA_Quarterly_Update%20-Jan_Mar_2023.pdf.

² Neak, Chandarith, Kea Yun, Sovinda Po, Chansok Lak, and Donna Hoang. "Chapter 2: Cambodia." *Southeast Asia Quarterly Update April-June 2023*, 2023.

[https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20\(April-June%202023\)%20\(Print\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20(April-June%202023)%20(Print).pdf).

³ Ibid.

⁴ Ibid.

⁵ Neak, Chandarith, Kea Yun, Sovinda Po, and Chansok Lak. "Chapter 2: Cambodia." *Southeast Asia Quarterly Update July-September 2023*, 2023. [https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20\(July-September\)%202023%20\(FINAL\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20(July-September)%202023%20(FINAL).pdf).

⁶ Ibid.

levied fines for the party between 10 and 30 million Riels (approximately USD 2,400 to USD 7,300), with the possibility of even more severe criminal penalties.⁷

On August 5, the NEC announced that no errors or anomalies were detected during the election on July 23, and more importantly, the incumbent, the Cambodian People's Party (CPP) won 120 of the 125 available seats in parliament followed by the Royalist Party FUNCINPEC with the 5 remaining seats.⁸ On August 22, 2023, on the second day of the inaugural session of the National Assembly's 7th legislative term, Mr. Hun Manet, CPP's prime minister candidate and son of the former Prime Minister Hun Sen, received a vote of confidence with 123 of the 125 members of parliament, appointing him as the new Prime Minister of Cambodia.

On the 3rd of September, the newly elected Prime Minister Hun Manet was awarded by his Majesty the King, Norodom Sihamoni, the honorary title of "Samdech Moha Bovor Thipadei" within a month or so after being bestowed the title of "Kitti Tesaphibal Bandit" also from his Majesty King.⁹ This move drew criticism from the opposition, citing it was unjustified because of the Prime Minister's lack of any significant achievements. The critics insinuated that this title may be a result of nepotism, which thereby undermined the value of the title itself. Regardless, former Prime Minister Hun Sen defended the decision by congratulating his son for "performing well beyond expectations".¹⁰

In a similar pattern, this came when the new government had been in power for less than a month. Nevertheless, the former Premier stated that, based on his 38 years of experience as a leader, he had initially assumed that it would take at least three months for a new Prime Minister to fully grasp his duties, yet Prime Minister Hun Manet had positively surprised him with his engagements on both trivial and important matters—both domestically and internationally. Compellingly, he concluded his Telegram message with a provocative statement, "The son of a dragon, without a doubt, would not become the son of a frog".¹¹

⁷ Ibid.

⁸ Ibid.

⁹ "Hun Manet Granted Title "Kitti Tesa Phibal Bandith"." Fresh News. Last modified August 8, 2023. <https://m.en.freshnewsasia.com/index.php/en/localnews/39009-2023-08-08-11-23-21.html>.

¹⁰ Niem, Chheng. "Hun Sen Praises Manet, 'surprised' by Early Success." The Phnom Penh Post. Last modified September 16, 2023. <https://www.phnompenhpost.com/national/hun-sen-praises-manet-surprised-early-success>.

¹¹ Ibid.

In the fourth quarter of the year, the succession path of the ruling CPP continued. In spite of them retiring from their position to make way for new members of the Cabinet, His Majesty the King, appointed four senior officials: Bin Chhin (former Deputy Prime Minister and former Minister of the Office of the Council of Ministers), Chea Sophara (former Deputy Prime Minister and former Minister of Land Management, Urban Planning, and Construction), Prak Sokhonn (former Deputy Prime Minister and former Minister of Foreign Affairs and International Cooperation) and Ke Kim Yan (former Deputy Prime Minister and former Chairman of the National Authority for Combating Drugs) as members of the Supreme Privy Council to His Majesty the King.¹² Four separate royal decrees were issued for each official on October 12th, and one day after, His Excellency, Yim Chhaily (Former Deputy Prime Minister and former Chairman of the Council for Agricultural and Rural Development) was appointed the same position.

Meanwhile, the case against Vice President of the Candle Light Party, Thach SETHA, continued as he was handed an additional 3-year sentence on two charges of incitement. He was also ordered by the Phnom Penh Municipal Court to pay an additional fine of 4 million Riels or USD 1,000 on the 18th of October.¹³ It was reported that he had allegedly discussed a plot to overthrow the government led by then-Prime Minister Hun Sen with the dissolved opposition party, the Cambodia National Rescue Party (CNRP), and laborers during his visit to South Korea.¹⁴ The matter of incitement to discriminate pertained to comments he had made on social media regarding then-Prime Minister Hun Sen and his relationship with neighboring country Vietnam in which Mr. Thach had supposedly claimed that the CPP was created by Vietnam, that the party's leaders were installed by Vietnam, and that Vietnam did not rescue Cambodia but rather invaded the Kingdom in 1979.¹⁵ It is noted that this came on top of his 18-month sentence handed down earlier in September for allegedly issuing fraudulent cheques.

¹² Van, Roeun. "Former Senior Officials Appointed by Royal Decree to Supreme Privy Council." Khmer Times. Last modified October 17, 2023. <https://www.khmertimeskh.com/501376886/former-senior-officials-appointed-by-royal-decree-to-supreme-privy-council/>.

¹³ Strangio, Sebastian. "Cambodian Court Sentences Opposition Figure to 3 Years Prison." The Diplomat. Last modified October 19, 2023. <https://thediplomat.com/2023/10/cambodian-court-sentences-opposition-figure-to-3-years-prison/>.

¹⁴ Buth, Reaksmeay Kongkea. "CP Vice-president SETHA Jailed 3 Years for Incitement." Khmer Times. Last modified October 19, 2023. <https://www.khmertimeskh.com/501378668/cp-vice-president-setha-jailed-3-years-for-incitement/>.

¹⁵ Ibid.

Right before the end of 2023, the ruling CPP held an annual two-day Extraordinary Congress on the 9th and 10th of December to review its achievements for this year and its party strategy for the next year. As such, many notable decisions were made. At the forefront of many local headlines is the fact that Prime Minister Hun Manet was voted as the fifth Vice President of the party, an addition to the existing four: Sar Keng, Say Chhum (the current President of the Senate), Tea Banh (former Deputy Prime Minister and former Minister of National Defense) and Men Sam An (former Deputy Prime Minister and former Minister of National Assembly–Senate Relations and Inspection of Cambodia).¹⁶ This is another promotion for the new Premier, one among many remarkably achieved within just five months. Other than that, about 496 new members acceded to the Central Committee of the CPP, adding to a total of 1,312.¹⁷

December 2023 marked Prime Minister Hun Manet's 100 days into his role as Cambodia's new Prime Minister. Many question the first political transition after many decades under the former Prime Minister Hun Sen's leadership: will Cambodia experience any political instability or will she prosper? A few weeks into the new PM's administration, criticism floods in calling him "A dictator/an authoritarian leader".¹⁸ However, he continues to show strength and values his country's priority of maintaining peace for the people with great devotion to his nation. Furthermore, under the new administration, he has shown his strategic plans for Cambodia to achieve higher-middle income status by 2030 and his Pentagonal Strategy Phase 1 covering human development, economic diversification, sustainability, and labor market development.¹⁹

In early December, the UK government imposed sanctions against some Cambodian businessmen for violating international human rights by conducting violent activities against their workers.²⁰ However, these "Cambodian businessmen" are Chinese business operators

¹⁶ Soth, Koemsoeun. "Bigger Responsibility: CPP Promotes PM Hun Manet to Be a Fifth Veep." Khmer Times. Last modified December 11, 2023. <https://www.khmertimeskh.com/501404825/bigger-responsibility-cpp-promotes-pm-hun-manet-to-be-a-fifth-veep/>.

¹⁷ Ibid.

¹⁸ Lawreniuk, Sabina, Neil Loughlin, Sokphea Young, Laurie Parsons, and John Sidel. "The Making of an Authoritarian Dynasty: From Hun Sen to Hun Manet in Cambodia." London School of Economics and Political Science. Last modified November 22, 2023. <https://www.lse.ac.uk/seac/events/2024/The-Making-of-an-Authoritarian-Dynasty-From-Hun-Sen-to-Hun-Manet-in-Cambodia>.

¹⁹ Teng, Yalirozy. "New Government Sets Pentagon Strategy in Key Areas." Cambodianess. Last modified August 24, 2023. <https://cambodianess.com/article/new-government-sets-pentagon-strategy-in-key-areas#:~:text=PHNOM%20PENH%20%E2%80%93%20Prime%20Minister%20Hun,24>.

²⁰ "Financial Sanctions Notice." Office of Financial Sanctions Implementation HM Treasury. Last modified December 8, 2023. https://assets.publishing.service.gov.uk/media/6572d548049516000d49be78/Notice_Global_Human_Rights_08_1223.pdf.

who were given Cambodian nationality. This event raises a question for many whether this will complicate Cambodia's human rights issue and economic matter. Furthermore, it continues to affect the public image of Cambodia as well as poses concerns for the tourism sector as many foreigners, even the Chinese themselves, are afraid of visiting Cambodia due to the concerns over frauds and scams. Regarding this scamming issue, Cambodian workers were found to be the victims of exploitation, torture, and slavery in online 'scam centers' along with other foreign nationals.

Ultimately, we are witnessing the end of an era, in which Cambodia had been led by Prime Minister Hun Sen for the past 38 years. He was the one to dramatically transform the Kingdom from "a country that had previously received UN peacekeeping forces to a country that has been sending forces to take part in peacekeeping missions in war-torn countries".²¹ Cambodia had been ravaged by death and mass destruction (a devastating genocide and years of civil war and political turmoil), but it is proclaimed that he was the bringer of peace when the United Nations Transitional Authority in Cambodia (UNTAC) could not.²²

Although things remain yet to be seen, a few things can be considered as a means to extrapolate what is to come. First, it is a crucial reminder that the former Prime Minister is not fully retiring from the political affairs. In fact, he is still fulfilling his duty as a member of parliament, and he has indicated that he will be replacing Senate President Say Chhum. Not to mention, he was appointed by the King as the President of the Supreme Council Privy to His Majesty the King, and he still is the party leader for the ruling CPP, ensuring consistent future party policies. Furthermore, despite his and other ministers of the 'older generation' making their way for the 'younger generation', the former will 'stay by their side' and 'support [the latter] from behind'²³. Hence, a new and younger Cabinet may not translate to a drastic shift in policy direction. It will not be "same old same old", but it will hopefully be an intriguing blend of the old and new.

²¹ "Samdech Techo Hun Sen: Cambodia's Peace Still Fragile." PRESS OCM. Last modified September 26, 2019. <https://pressocm.gov.kh/en/archives/57265>.

²² Kijewski, Leonie. "Hun Sen Says He, Not Untac, Brought Peace to Cambodia in 90s." The Phnom Penh Post. Last modified January 5, 2018. <https://m.phnompenhpost.com/national-politics/hun-sen-says-he-not-untac-brought-peace-cambodia-90s>.

²³ Ratcliffe, Rebecca. "Cambodia PM Hun Sen Steps Down and Hands over Power to Son." The Guardian. Last modified July 26, 2023. <https://www.theguardian.com/world/2023/jul/26/cambodia-pm-hun-sen-steps-down-hands-over-power-son>.

Is there more to the former Premier's decision? The Cambodian political landscape is certainly peaceful, but peace is difficult to attain and could only be maintained through great devotion from the government. By holding a lot of strategic positions, former Prime Minister Hun Sen may be able to facilitate his son's reign, given that he is still relatively new to the position. He may act as an anchor for consultative advice; he may be the one to monitor and evaluate the government as well as the party's policies before they are publicized to ensure consistency with existing goals and interests.

Interestingly, for incumbent Prime Minister Hun Manet, he may want to create his own path, his own identity, and his own legacy. It is as much a personal goal as it is a political one. He needs to demonstrate that he is not in his father's shadow—merely just the son of the former Prime Minister—but he himself is the new Prime Minister with his own agendas, his own policies, and his own ideals, which would deny further opportunities to exploit and frame a negative narrative regarding his accession to power by opposing actors.²⁴ Therefore, it would be most interesting to witness an interplay between the two dynamics where one attempts to maintain the status quo, whereas the other tries to deviate—albeit if slightly—from said status quo.

Regardless, it is important to be reminded once again that it has only been recently that the new Prime Minister passed his first 100 days in office, and the Pentagonal Strategy is gradually gaining momentum.²⁵ What will things be like in the next five years? More specifically, how will the new government effectively address issues that may arise, both expected and unexpected? What policies will be revealed in response to changing situations? Only time will be able to unveil the remaining answers to Cambodia's new prime minister's leadership and the future of Cambodia's politics.

Socio-Economic Affairs

To kickstart the first quarter of 2023, Cambodia and China solidified their trade and economic cooperation in February by signing various action plans to promote the Cambodia-China Free

²⁴ "Cambodia Parliament Elects Hun Sen's Son, Hun Manet, As New PM." Al Jazeera. Last modified August 22, 2023. <https://www.aljazeera.com/news/2023/8/22/cambodian-parliamentarians-elect-hun-sens-son-hun-manet-as-new-pm>.

²⁵ Seun, Sam. "Reflecting on Hun Manet's First 100 Days and the Future of His Leadership." Khmer Times. Last modified November 30, 2023. <https://www.khmertimeskh.com/501399356/reflecting-on-hun-manets-first-100-days-and-the-future-of-his-leadership/>.

Trade Agreement (CCFTA), ASEAN-China Free Trade Agreement (ACFTA), and Regional Comprehensive Economic Partnership (RCEP). These action plans were instrumental in leveraging the existing free trade agreements between Cambodia and China. Additionally, Cambodia implemented laws to support foreign investors and public-private partnerships, ensuring non-discriminatory support aligned with global rules. Efforts were also made to promote agricultural development. Cambodia and China collaborated on formalizing the "Fish and Rice Corridor" in the northwestern region, with a focus on modernizing agriculture near Tonle Sap Lake, Southeast Asia's largest freshwater lake. Meanwhile, Cambodia's economy was expected to grow by 5.6% in 2023, slightly lower than the previous estimate of 6.6%. The country's GDP was anticipated to reach approximately USD 28.58 billion by the end of the year and was forecasted to further increase to USD 30.24 billion in 2024 and USD 38.39 billion in 2025. In line with enhancing global trade, the Ministry of Economy and Finance actively participated in a training program on non-tariff measures organized by the Economic Research Institute for ASEAN and East Asia (ERIA). Internally, Cambodia experienced a positive shift in its tourism industry. The number of international travelers increased significantly, reaching 2.2 million compared to a mere 200,000 in 2021. Capitalizing on this improvement, the Ministry of Tourism seized the opportunity and planned to launch the "Visit Cambodia 2023" campaign during the Southeast Asian (SEA) Games 2023 and the ASEAN Para Games 2023. The campaign aimed to attract 15 million local visitors and 4 million international tourists, with a projected annual revenue of USD 4 billion.²⁶

In April, Cambodia and the United Arab Emirates (UAE) successfully concluded the negotiation on a bilateral trade agreement and the Comprehensive Economic Partnership Agreement (CEPA). The United Arab Emirates and Cambodia signed a trade deal, promising tariff-free access for Cambodian agricultural goods and opening a new market for UAE manufacturers. Cambodia-China cooperation, on the other hand, contributed 60% to Cambodia's economic development, according to Cambodia's Council for Development (CDC).²⁷ In the first four months of 2023, China remained the main source of Foreign Direct

²⁶ Neak, Chandarith, Kea Yun, Sovinda Po, and Chansok Lak. "Chapter 1: Cambodia." *Southeast Asia Quarterly Update January-March 2023*, 2023.

https://www.rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA_Quarterly_Update%20-Jan_Mar_2023.pdf.

²⁷ Neak, Chandarith, Kea Yun, Sovinda Po, Chansok Lak, and Donna Hoang. "Chapter 2: Cambodia." *Southeast Asia Quarterly Update April-June 2023*, 2023.

[https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20\(April-June%202023\)%20\(Print\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20(April-June%202023)%20(Print).pdf).

Investment (FDI) for Cambodia, by which its contribution to Cambodia's FDI stock was totaled at 73.5%.

Besides China, South Korea ranked 11th among Cambodia's trading partners in 2023, with a trading volume of USD 15.16 billion. These included USD 7.93 billion of imports and USD 7.23 billion of exports. Cambodian goods exports to South Korea increased by 19.33% to USD 90.599 million year-on-year in January-April 2023, while the total volume of merchandise traded between the two countries decreased by 19.73% year-on-year. The Kingdom also imported goods from South Korea, down by 33.09% year-on-year. On the other note, the projection of Cambodia's economic growth was revised once again.²⁸ According to the World Bank report of Cambodia Economic Update, Cambodia's economic recovery in 2022 saw a 5.2% growth rate (down from 5.6% previously projected), driven by strong services performance, particularly trade, traveling, and hospitality. The Southeast Asian (SEA) Games and ASEAN Para Games also played an essential role in stimulating this growth. The economy was projected to rise to 5.5% in 2023, with a growing agricultural sector through the new trade pacts.²⁹ However, due to the slowdown of foreign demand and the tightening of global finance, Cambodia might be exposed to uncertainty in global demand.

In committing to a positive environmental future, the National Assembly, on May 30, passed the code for the protection of the environment and natural resources. This legal framework aimed to mobilize ministries, institutions, and communities to actively safeguard the environment and manage resources responsibly. In addition to the supportive environment, Cambodia and Singapore have now become trading partners on renewable energy by exporting 1 GW annually.³⁰ These would not only bring Cambodia a competitive economic advantage and new business opportunity, but also enhance the quality of life of its people as well. Furthermore, recognizing the crucial role of social protection in workforce development, Cambodia and Vietnam convened their labor ministers on the 5th of April, to discuss concrete steps for collaboration. The meeting emphasized the importance of the 2022-2027

²⁸ Ibid.

²⁹ Ibid.

³⁰ Neak, Chandarith, Kea Yun, Sovinda Po, Chansok Lak, and Donna Hoang. "Chapter 2: Cambodia." *Southeast Asia Quarterly Update April-June 2023*, 2023. [https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20\(April-June%202023\)%20\(Print\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20(April-June%202023)%20(Print).pdf).

Memorandum of Understanding and the desire to develop the development strategy to strengthen the two countries' workforce. Meanwhile, to bolster bilateral agricultural cooperation, Cambodia's Ministry of Agriculture, Forestry, and Fisheries initiated discussions with France regarding the exchange of agricultural exports and imports and proposed a market aligned with their requirements. Besides, this sector also gained a huge achievement by the launch of the USD-3-million project with the cooperation of the World Food Program (WFP) and Cambodia Agriculture Cooperation (CACC) to empower smallholder farmers via organic practices and market connections, aiming for 20% income growth.³¹

On the 24th of May, the 2023-2025 National Strategy Plan for Tourism Development (NSPDT) was announced, outlining Cambodia's roadmap for achieving tourism sector goals. The National Plan lays out a three-pronged approach for tourism including enhancing competitiveness, securing long-term sustainability, and promoting environmental responsibility by empowering the informal sector.³²

In the third quarter, the ruling Cambodian People's Party outlined five key economic strategies after the general election. The first one was to preserve financial and macroeconomic stability by maintaining low inflation, stabilizing exchange rate, maintaining the national budget, and promoting the stability of financial institutions. The second priority was the growth of small and medium-sized businesses (SMEs), informal economy, digital technology, and green development. Third, the establishment of efficient and sustainable budget was also considered. The fourth one was the development of banking industry by improving the efficiency of investment in prioritized sectors. Finally, the government needs to create a favorable environment for investment and business.

Cambodia began to experience decline of her exports to global market. The primary markets for Cambodia's garments, the kingdom's major manufactured exports, are the US, EU, Japan, Canada, and the UK. In the first seven months of 2023, Cambodian exports of garments and clothing accessories was reported to decrease by 20.6%, totaling USD 13.5 billion, and exports of goods fell 26.6% to USD 814.6 million.³³

³¹ Ibid.

³² Ibid.

³³ Neak, Chandarith, Kea Yun, Sovinda Po, and Chansok Lak. "Chapter 2: Cambodia." *Southeast Asia Quarterly Update July-September 2023*, 2023. [https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20\(July-September\)%202023%20\(FINAL\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20(July-September)%202023%20(FINAL).pdf).

Moreover, the Ministry of Post and Telecommunications encouraged Cambodian students' digital skills training through various initiatives. These include transforming human resources in the digital industry through technology information sessions, enhancing students' understanding of digital concepts, and establishing community technology centers for high schools to provide access to fiber-optic internet by 2027. On the same note, the National Social Assistance Fund (NSAF) is implementing programs to provide social support to vulnerable groups, including expectant mothers, infants, retired public employees, and veterans. The government has allocated 10% of this year's government budget for these programs, with the labor ministry launching a program for 1.5 million youths.³⁴ Speaking of labor, on the 29th of September 2023, the Ministry of Labor and Vocational Training issued the decision on 2024 Minimum Wage Determination for the Textile, Garment, and Footwear Industry.³⁵ Following a vote within the National Minimum Wage Council, the minimum wage for 2024 is confirmed to be set at USD 202; however, USD 2 more was added by Prime Minister Hun Manet in order to improve the livelihood of the workers. Hence, the new minimum wage for 2024 was set to be USD 202 for probation workers and USD 204 for regular workers.³⁶ It was believed that the increase in the minimum wage not only improves the living conditions of the workers, but also encourages productivity and demand for goods and services within the country.

Last but not least, the US embassy in Phnom Penh and the Ministry of Culture and Fine Arts renewed their 20-year cultural cooperation agreement, aiming to prevent archaeological sites from looting and promote exchanges for educational, cultural, and scientific purposes. The Ambassadors Fund for Cultural Preservation awarded USD 450,000 for Cambodia's Phnom Bakheng temple repair.³⁷

In the fourth quarter of 2023, the Cambodian economic landscape evolved around fintech and digital platforms. To encourage the usage of Cambodian Riel in foreign markets, Travelex, a

³⁴ Ibid.

³⁵ Ministry of Labor and Vocational Training. "2024 Minimum Wage Determination for the Textile, Garment, and Footwear Industry." Ministry of Labour and Vocational Training. Accessed December 22, 2023. <https://www.mlvt.gov.kh/index.php/en/official-docs/prakas/43-%E1%9E%94%E1%9F%92%E1%9E%9A%E1%9E%80%E1%9E%B6%E1%9E%9F/2288.html>

³⁶ Ibid.

³⁷ U.S. Mission Cambodia. "Signing of Cultural Agreement Between Cambodia and the United States." U.S. Embassy in Cambodia. Last modified September 1, 2023. <https://kh.usembassy.gov/signing-of-cultural-agreement-between-cambodia-and-the-united-states/>.

foreign exchange company, and the National Bank of Cambodia have started exchanging Riel at Changi Airport in Singapore.³⁸ The service would be offered at the airport's Terminals 2 and 3 starting in October. Tourists could purchase or sell Riel in exchange for US, Australian, or Singaporean dollars as well as euros and Japanese yen. Travelers traveling to and from Cambodia would have more ease thanks to this first Riel exchange, according to Dragon Wang, commercial director of Travelex. Changi Airport serves as a gateway to Cambodia, with flights operated by Cambodia Angkor Air and Cambodia Airways commencing the previous year. The availability of Riel at Changi Airport, according to the director of international economics at the Royal Academy of Cambodia, was a crucial step in reaching both inbound and outbound customers and boosting the currency's use worldwide.

Following their signing of a Memorandum of Understanding on Financial Transparency Corridor initiative in July, the Monetary Authority of Singapore (Singapore's central bank) and the National Bank of Cambodia made the trading announcement. On trade frontier, Cambodian Prime Minister Hun Manet announced a new policy on November 13, 2023, declaring that the vessels would not be charged for scanning and customs processing on goods valued under USD 1,000.³⁹ This initiative complemented ongoing efforts by the General Department of Customs and Excise to simplify procedures, reduce logistics costs through technology, and encourage electronic declaration of cargo. Prakas No. 788, issued by the Ministry of Economy and Finance on October 27, 2023, outlined the steps for pre-arrival processing via electronic systems, enabling faster clearance upon arrival starting January 1, 2024. In addition, in response to concerns about high fees and paperwork, the Cambodian customs department would work on it by cutting processing costs, legalizing electronic documents, digitizing customs processes in Automated System for Customs Data (ASYCUDA) and E-Customs, and boosting one-window service to facilitate procedures and reduce face-to-face meetings.⁴⁰

On November 15, at the Singapore FinTech Festival, the National Bank of Cambodia (NBC) and China-based AliPay Connect inked a memorandum of understanding.⁴¹ The cooperation

³⁸ Ou, Sokmean, and Seavmey Meng. "Riel Currency Makes Singapore Airport Debut." *Cambodianess*. Last modified October 19, 2023. <https://cambodianess.com/article/riel-currency-makes-singapore-airport-debut>.

³⁹ "Cambodia Eases Trade: Exempts Scanning Fee for Containers and Customs Processing Fee on Goods Below \$1,000 (Video Inside)." *FRESH NEWS*. Last modified November 13, 2023. <https://en.freshnewsasia.com/index.php/en/localnews/42613-2023-11-13-13-21-39.html>.

⁴⁰ *Ibid*.

⁴¹ Ou, Sokmean. "Alipay Extends Payment Services to Riel Accounts." *Cambodianess*. Last modified November 16, 2023. <https://cambodianess.com/article/alipay-extends-payment-services-to-riel-accounts>.

would enable users of the Bakong electronic system (NBC's payment and fund transfer app) to pay for goods or services using the AliPay system. NBC governor urged local banks to advise their traders' clients to open a KHR account since AliPay cross-border payments require a Riel bank account. The bank additionally connects Thailand, Vietnam, Malaysia, and Laos to the payment system. The Bakong system had seventy member banks and financial organizations by the first half of 2023. Of these, 48 institutions' 550,000 accounts set up an AliPay account. Three times as much money was transferred via the Bakong app than there was in the GDP, totaling USD 89.7 billion.

Furthermore, the cooperation on fintech continued to expand as Cambodia and Vietnam launched bilateral cross-border QR code payments earlier this December.⁴² This project aimed to enable the people of both countries to scan QR to make payments using their local currencies. According to the NBC, this project will also promote digital payment, usage of national currency, economic growth, tourism, and cross-border trade between the two countries. Vietnamese and Cambodians, particularly visitors and business owners, were anticipated to gain from this project. Travelers from Cambodia can use the VietQR code to pay in Riel in Vietnam, and consumers from Vietnam can use the KHQR code to pay in Vietnamese Dong in Cambodia.

On the 16th of October 2023, Siem Reap-Angkor International Airport officially started its commercial operation, and it was expected to mark a significant step forward for Cambodia's tourism industry. This new airport is located 51 kilometers from Siem Reap city and 40 kilometers from Angkor Wat temple complex. The airport is part of the Belt and Road Initiative (BRI), with an investment of USD 1.1 billion by Angkor International Airport (Cambodia) Co, Ltd. The Siem Reap-Angkor International Airport would be able to accommodate 7 million people annually with its 38 berths. This number was expected to increase to 12 million passengers in 2040, while flight operations were predicted to double from 65,800 per year in 2023 to 112,700 by 2040.⁴³ Furthermore, the E-arrival system was expected to be launched in early 2024 alongside the newly operated airport. As mentioned by Prime Minister Hun Manet,

⁴² "Cambodia and Vietnam Launch Cross-border QR Code Payments." The Star. Last modified December 3, 2023. <https://www.thestar.com.my/aseanplus/aseanplus-news/2023/12/03/cambodia-and-vietnam-launch-cross-border-qr-code-payments>.

⁴³ "Siem Reap-Angkor International Airport Launches Official Commercial Operation Today." FRESH NEWS. Last modified October 16, 2023. <https://en.freshnewsasia.com/index.php/en/localnews/41605-2023-10-16-03-31-23.html>.

Cambodia's upcoming E-arrival project promised a smoother arrival experience with digital forms replacing traditional paperwork, and simplifying immigration and customs procedures. The project was scheduled for completion by the end of 2023 and will be launched as a prototype project in 2024, according to the General Department of Immigration of Cambodia.⁴⁴

On the 31st October 2023, Battambang city became the first in Cambodia, representing gastronomy, to join the UNESCO Creative Cities Network (UCCN).⁴⁵ The achievement in participating in the gastronomy category highlights the city's outstanding cuisine and how it uses gastronomy to promote regional development and cross-cultural engagement. Therefore, through the recognition of Battambang's gastronomical delights by UNESCO, this opportunity is expected to bring forth favorable outcomes such as attracting more national and international tourists, promoting the local Khmer dishes and creativity, creating more jobs for the residents, and enhancing economic growth within the community.⁴⁶

In November 2023, the World Bank approved a project, worth USD 163 million, for water and sanitation in four Cambodian provinces, benefiting over 175,000 people and helping to improve service accessibility and sustainability. The initiative of this six-year project, the Water Supply and Sanitation Acceleration Project, would assist the government in expanding access to sanitation and water for people in Battambang, Pursat, Mondulkiri, and Kandal province and would further the efforts to achieve UN's Sustainable Development Goal (SDG) 6 by 2030.⁴⁷ The private stakeholders have also contributed to this by providing USD 17.6 million in additional funding as well. This project will help the Cambodian government lay a strong platform for offering these essential services to all Cambodians, according to Maryam Salim, the World Bank's Country Manager for Cambodia.

⁴⁴ "PM: E-Arrival System Will Be Launched at New Siem Reap Airport in 2024." Khmer Times. Last modified November 17, 2023. <https://www.khmertimeskh.com/501393436/pm-e-arrival-system-will-be-launched-at-new-siem-reap-airport-in-2024/>.

⁴⁵ "55 New Cities Join the UNESCO Creative Cities Network on World Cities Day." UNESCO. Last modified October 31, 2023. <https://www.unesco.org/en/articles/55-new-cities-join-unesco-creative-cities-network-world-cities-day>.

⁴⁶ Phon, Sothyroth, and Sreydeth Runn. "Battambang Gastronomy Delights UNESCO Creative Cities Network - First Cambodian City to Join List." CamboJA News. Last modified November 2, 2023. <https://cambojanews.com/battambang-gastronomy-delights-unesco-creative-cities-network-first-cambodian-city-to-join-list/>.

⁴⁷ "World Bank Support to Accelerate Access to Safe Water Supply and Sanitation in Cambodia." World Bank. Last modified November 21, 2023. <https://www.worldbank.org/en/news/press-release/2023/11/21/world-bank-support-to-accelerate-access-to-safe-water-supply-and-sanitation-in-cambodia#:~:text=November%202023-,World%20Bank%20Support%20to%20Accelerate%20Access%20to,Supply%20and%20Sanitation%20in%20Cambodia&text=WASHINGTON%2C%20November%2021%2C%202023%20%2D,provinces%2C%20benefiting%20over%20175%2C000%20people>.

2023 is a fruitful year for Cambodia's economy even though the country is still recovering from the negative effects of the COVID-19. The country signed multiple trade agreements. After the election in July, Cambodian new Prime Minister announced the five key economic strategies to bolster Cambodia's economy and to achieve the Cambodia Vision 2050. The country has cooperated with many countries and development partners on developing infrastructure, generating environmental policies, mobilizing opportunities for vulnerable groups, improving education sector, and other projects on tourism, culture, and agriculture.

In addition to that, the favorable outcome of the SEA Games and Para Games gave Cambodia, a host country, an honorable political and economic achievement as it has raised the country's reputation regionally and globally. Moreover, later in 2023 Cambodia undertook initiatives to improve efficiency and promote digital payments. Travelex and the National Bank of Cambodia introduced currency exchange services for the Khmer Riel at Changi Airport in Singapore, facilitating international transactions. The partnership with AliPay Connect also enables users of the Bakong electronic system to make payments using AliPay, enhancing convenience and accessibility. Additionally, the launching of a bilateral cross-border QR code payment would help to boost commerce and tourism between Cambodia and Vietnam. All in all, the initiatives undertaken during the year laid a solid foundation for sustainable economic development for Cambodia's foreseeable future.

Foreign Relations

During the first quarter of 2023, Cambodia experienced positive developments in her foreign relations, marked by the exploration of new partnership and enhancement of existing ones. The country actively pursued and broadened cooperation with partners, engaging in discussions with both intra-ASEAN and inter-ASEAN partners. These discussions covered a variety of topics, including security, trade, and development.

From the start of 2023, former Cambodian Prime Minister Hun Sen actively engaged in the "Voice of Global South Summit" organized by India on the 12th and 13th of January 2023. During the summit, Prime Minister Hun Sen advocated for global support for multilateralism and dialogue as essential measures to prevent military conflicts between nations. He emphasized the significance of maintaining regional and global peace and stability, urging

countries to foster continuous development and positive relations with their international partners.⁴⁸

Furthermore, the nation has actively engaged in enhancing Cambodia-Japan relations under the leadership of Foreign Affairs Minister Prak Sokhonn. He headed a delegation on an Official Working Visit to Japan from the 21st to 24th of January, marking the 70th anniversary of diplomatic ties between Cambodia and Japan. The discussions during this meeting encompassed bilateral and multilateral cooperation, current regional and international issues of mutual concern, and strong commitment of both governments to enhance the existing excellent relations and the recently elevated Comprehensive Strategic Partnership for mutual benefits of the two countries.⁴⁹

In early February 2023, His Excellency Prak Sokhonn, also held separate dialogues with some of his ASEAN counterparts on the sideline of the 32nd ASEAN Coordinating Council (ACC) and ASEAN Foreign Ministers' (AMM) Retreat in Jakarta. The discussions focused on the ASEAN Outlook on the Indo-Pacific (AOIP), the Five-Point Consensus (5PC), and the ongoing South China Sea Dispute with a steadfast commitment to preserving political stability and fostering prosperity in the region.⁵⁰

Following the retreat comes the glorious cooperation when Prime Minister Hun Sen's three-day visit to China, from the 9th to 11th of February, marked a significant milestone with substantial outcomes for the nation. The two sides announced the launch of the "China-Cambodia Friendship Year" to celebrate the 65th Anniversary of the establishment of diplomatic relations, to carry forward the most treasured ironclad friendship. Building on this positive momentum, Cambodia reiterated warm congratulations on the resounding success of the 20th National Congress of the Communist Party of China (CPC) and the election of H.E. Xi Jinping as General Secretary of the 20th CPC Central Committee. In response, China also expressed deep appreciation for Cambodia's remarkable accomplishments in maintaining national stability, fostering prosperity, and elevating its international influence. Furthermore, both

⁴⁸ Shivam. "Leaders' Session of Voice of Global South Summit 2023." Adda247. Last modified January 15, 2023. <https://www.adda247.com/upsc-exam/voice-of-global-south-summit-2023/>.

⁴⁹ "Cambodia's Top Diplomat to Visit Japan This Week." Khmer Times. Last modified January 20, 2023. <https://www.khmertimeskh.com/501223142/cambodias-top-diplomat-to-visit-japan-this-week/>.

⁵⁰ Sochan. "Cambodia's Foreign Minister Heads to Jakarta for ASEAN Meets." Asia News Network. Last modified February 3, 2023. <https://asianews.network/cambodias-foreign-minister-heads-to-jakarta-for-asean-meets/>.

nations reached a consensus to establish a robust Diamond Hexagon cooperation framework encompassing six priority areas: political cooperation, production capacity, agriculture, energy, security, and people-to-people exchanges.⁵¹

Following the Chinese engagement, former Prime Minister Hun Sen headed a high-level diplomatic delegation to Vientiane on the 14th of February 2023. During this visit, Hun Sen engaged in comprehensive discussions with Laotian Prime Minister Sonexay SIPHANDONE regarding the current status of bilateral relations, ranging from security, trade, tourism, energy, and education. In that regard, the two Prime Ministers signed bilateral historic paperwork: the Treaty on the Delimitation of the State Border between the Kingdom of Cambodia and the Lao People's Democratic Republic and the Action Plan for the Comprehensive and Long-Term Strategic Partnership between the Kingdom of Cambodia and the Lao People's Democratic Republic.⁵²

On the 27th of March 2023, during Malaysian Prime Minister Anwar Ibrahim's visit to Cambodia, Prime Minister Hun Sen made a commitment to strengthen bilateral relations between the two countries. The leaders affirmed their dedication to enhancing cooperation across various sectors, including trade, investment, education, tourism, energy, and people-to-people exchanges. Most importantly, Hun Sen emphasized the importance of effectively implementing the previously signed memorandum of understanding (MoU) between both nations to fully realize its benefits and to develop more Muslim-friendly tourism through training and technical support.⁵³

During a three-day state visit to Maldives, Cambodian Prime Minister Hun Sen met with Maldivian President Ibrahim Mohamed Solih to expand bilateral, including tourist visa

⁵¹ "Xi Jinping Meets with Cambodian Prime Minister Samdech Techo Hun Sen." 中华人民共和国外交部. Last modified February 10, 2023.

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202302/t20230211_11023982.html.

⁵² "Outcomes of the Official Visit of Samdech Akka Moha Sena Padei Techo HUN Sen, Prime Minister of the Kingdom of Cambodia, to the Lao People's Democratic Republic, on 13-14 February 2023." Ministry of Foreign Affairs and International Cooperation. Accessed December 22, 2023.

<https://www.mfaic.gov.kh/posts/2023-02-14-Press-Release-Outcomes-of-the-Official-Visit-of-Samdech-Akka-Moha-Sena-Padei-Techo-HUN-Sen--Prime-Minister-of-the--14-17-31>.

⁵³ Ry, Sochan. "Cambodia to reinforce ties with Malaysia, PM tells Anwar." The Phnom Penh Post. Last modified March 27, 2023. <https://www.phnompenhpost.com/national-politics/cambodia-reinforce-ties-malaysia-pm-tells-anwar#:~:text=Politics&text=Prime%20Minister%20Hun%20Sen%20assured,to%20Cambodia%20on%20March%202023>.

exemptions, a scholarship for a Cambodian swimmer, hospitality training for Cambodian officials, and trade collaborations. Maldives would import Cambodia's agricultural products, including rice, corn, pepper, cassava, and fruit, while Cambodia considered importing tuna and ocean fish from Maldives. The leaders expressed mutual support on regional issues, with Cambodia thanking Maldives for supporting its ASEAN observer state bid. Hun Sen invited Solih to Cambodia and announced the naming of a "Cambodia-Maldives Friendship Street."⁵⁴

Similar to the preceding quarter, Cambodia's foreign relations remained positive. In early April, the country achieved a noteworthy milestone by entering into an agreement with Japan to extend a loan for an irrigation and drainage project, amounting to approximately USD 18 million. As outlined by the ministry, this loan is designated for the implementation of the Southwest Phnom Penh Irrigation and Drainage Rehabilitation and Improvement Project (II) that was poised to significantly bolster the Royal Government of Cambodia's continuous efforts in advancing socio-economic development.⁵⁵

Moreover, on a surprising note, President Thongloun Sisoulith of Laos participated in the opening ceremony of the 32nd SEA GAMES in Cambodia during his official state visit from the 4th to 6th of May 2023. This engagement not only strengthened diplomatic relations between the two nations but also contributed to enhancing Cambodia's soft power and image on a regional scale, particularly with its neighboring partners. The Thongloun's visit to Cambodia served to reinforce the already robust ties, neighborly relations, bonds of brotherhood, and the Comprehensive and Long-Lasting Strategic Partnership for the mutual benefit of the two peoples.⁵⁶

Later that May, Hun Sen attended the 42nd ASEAN Summit in Labuan Bajo, Indonesia, at the invitation of President Joko Widodo. From the 10th to 11th of May 2023, Hun Sen participated in the interaction sessions with ASEAN parliamentary, youth, business, and community task

⁵⁴ Ry, Sochan. "Cambodia, Maldives Expand Tourism, Trade, Political Ties." The Phnom Penh Post. Last modified January 16, 2023. <https://www.phnompenhpost.com/national-politics/cambodia-maldives-expand-tourism-trade-political-ties>.

⁵⁵ Ministry of Foreign Affairs and International Cooperation. "Press Release on Japan to Extend Loan for Irrigation and Drainage Project in the Southwest Phnom Penh Region." Open Development Cambodia (ODC). Last modified April 12, 2023. <https://opendevelopmentcambodia.net/announcements/press-release-on-japan-to-extend-loan-for-irrigation-and-drainage-project-in-the-southwest-phnom-penh-region/>.

⁵⁶ Ministry of Foreign Affairs and International Cooperation. "The Lao President to Pay a State Visit to Cambodia." Last modified May 2, 2023. <https://www.mfaic.gov.kh/posts/2023-05-02-Press-Release-The-Lao-President-to-pay-a-State-Visit-to-Cambodia--13-26-28>.

force representatives. He emphasized timely responses to challenges, maintaining ASEAN Charter principles, and aligning the Post-2025 Vision with global trends. He also engaged in bilateral talks with Indonesia and Vietnam to further strengthen ties as well as bolstering the connectivity in the region and beyond.⁵⁷

On the 15th of June, an Agreement on Working Cooperation for Projects of the Mekong-Lancang Cooperation (MLC) Special Fund 2023 was signed by Cambodia's Foreign Minister, Prak Sokhonn, and China's Ambassador to Cambodia, Wang Wentian. Under the framework of the MLC Special Fund 2023, nine projects in Cambodia were set to receive financial support totaling approximately USD 2 million. Notably, over the past six years, the MLC Special Fund had provided monetary assistance to around 80 projects in the Kingdom. The implementation of these collaborative initiatives underscored the sustained commitment of Cambodia and China to contribute to the establishment of a Community of Shared Future of Peace, Prosperity, and Sustainable Development for all the Mekong-Lancang countries.⁵⁸

His Majesty the King Norodom Sihamoni concluded a successful three-day state visit to India on the 31st of May. The visit marked the 70th anniversary of diplomatic relations between the two countries. During the visit, His Majesty the King had meetings with the President and Prime Minister of India, paid tribute to Mahatma Gandhi, and attended a State Banquet. Both nations highlighted the historical ties and expressed commitment to deepening cooperation in various areas. India's support for Cambodia's development and cultural conservation was also acknowledged.⁵⁹

On the 11th of July 2023, at the invitation of Her Excellency Retno L.P. Marsudi, Minister for Foreign Affairs of the Republic of Indonesia, Cambodia's Foreign Affairs Minister Prak Sokhonn took part in the Plenary Session of the 56th ASEAN Foreign Ministers' Meeting. In

⁵⁷ Ministry of Foreign Affairs and International Cooperation. "Outcomes of the 42nd ASEAN Summit and Related Meetings Labuan Bajo, Republic of Indonesia 10 – 11 May 2023." Last modified May 11, 2023. <https://mfaic.gov.kh/posts/2023-05-11-Press-Release-Outcomes-of-the-42nd-ASEAN-Summit-and-Related-Meetings-Labuan-Bajo--Republic-of-Indonesia-10---11-Ma-13-35-19>.

⁵⁸ "The Mekong-Lancang Cooperation Special Fund 2023 to Sponsor Cambodia's Nine Cooperation Initiatives." Fresh News. Last modified June 14, 2023. <https://en.freshnewsasia.com/index.php/en/internationalnews/37332-2023-06-14-02-51-20.html#:~:text=%22Within%20the%20framework%20of%20the,to%20approximately%20USD%20%20milli on.>

⁵⁹ Ministry of Information. "His Majesty the King Concludes Three-day State Visit to India." Last modified May 31, 2023. <https://www.information.gov.kh/articles/106095>.

his statement, he proposed that the ASEAN Intergovernmental Commission on Human Rights (AICHR) considered publishing an annual status report by compiling the activities and programs undertaken by each member state to promote human rights within their respective countries. Throughout the meeting, the ministers engaged in discussions regarding regional and international issues of common interest. They emphasized the strategic importance of collaboratively safeguarding peace, security, and stability in cooperation with all external partners.⁶⁰

Two weeks later, on the 24th of July, His Excellency Prak Sokhonn engaged in discussions with Qian Hongshan, Vice Minister of the International Department of the Communist Party of China, and his delegation. The meeting covered various bilateral topics, including Cambodia's recent general election, the celebration of the 65th anniversary of Cambodia-China diplomatic relations, and cooperation between the two ruling parties. Both leaders expressed satisfaction with the diverse range of commemorative activities, with the Vice Minister reiterating China's sustained support for Cambodia's sovereignty, dignity, and pursuit of a development path suited to the Kingdom's unique national characteristics. China affirmed its commitment to providing ongoing development assistance to further enhance the quality of life of the Cambodian people.⁶¹

Additionally, on the 12th and 13th of August, Chinese Foreign Minister Wang Yi visited Cambodia, making it one of the three Southeast Asian countries included in China's diplomatic itinerary. During his visit, he held meetings with the former and current Ministers of Foreign Affairs of Cambodia. This visit underscored China's continued endorsement of the Cambodian government's seventh mandate. It reaffirmed China's unwavering support for the Kingdom and its government, showcasing sustained ties and cooperation. Importantly, this commitment persists despite the recent appointment of the new prime minister and the Cabinet in Cambodia.⁶²

With the new cabinet, Cambodia has continued to bask in the positive glow of diplomatic relations, notably as the new Prime Minister Hun Manet actively participated in the 43rd

⁶⁰ Soth, Koemsoeun. "Cambodia Moots ASEAN Annual Human Rights Report at 56th AMM." Khmer Times. Last modified July 13, 2023. <https://www.khmertimeskh.com/501323078/cambodia-moots-asean-annual-human-rights-report-at-56th-amm/>.

⁶¹ Sok, Sereyrath. "Cambodia, China to Further Deepen Partnership Amid Diplomatic Anniversary." Cambodian People's Party. Last modified June 26, 2023. <https://www.cpp.org.kh/en/details/353539>.

⁶² "China Reaffirms Support for Cambodia's Sovereignty, Emerging Government Leadership and Development Path." EAC News. Last modified August 13, 2023. <https://eacnews.asia/home/details/24426>.

ASEAN Summit and related Summits in Jakarta, Indonesia, from the 5th to 7th of September. The summit prominently addressed the Five-Point Consensus on Myanmar and the ASEAN Leaders' Decision. During this event, Hun Manet engaged in both bilateral and multilateral talks, official and unofficial meetings with at least 17 heads of state and senior leaders from Southeast Asia and beyond. Jean-François Tain, Minister Delegate attached to the Prime Minister in charge of Foreign Affairs and International Cooperation, highlighted that Hun Manet, as the youngest attendee among the heads of government, represented the nation admirably. He conducted himself with exceptional preparation, effectively safeguarding Cambodia's national core interests in discussions with the other nine ASEAN Member States.⁶³

Later that month, during Prime Minister Hun Manet's official visit to China, President Xi Jinping and Premier Li Qiang held discussions with him on fostering a shared future for China-Cambodia relations. Both sides lauded the robust bilateral relationship developed over 65 years, highlighting the ever-growing friendship. Both sides expressed satisfaction with the outcomes of the visit, while including the signing of the Action Plan for 2024-2028 and various cooperation documents. The visit signified a comprehensive and forward-looking collaboration between China and Cambodia across various sectors and strengthened their strategic partnership for mutual benefit and shared development.⁶⁴

By the end of September, Thailand's newly appointed Prime Minister, Srettha Thavisin, undertook his inaugural official visit to Cambodia, signaling an intent to strengthen diplomatic ties. In this first visit since assuming office, Cambodia held strategic importance as a key partner for the Thavisin's administration. Despite challenges posed by the recent pandemic and regional geopolitical uncertainties, the relationship between Thailand and Cambodia remained stable and amicable. The relations were built on a foundation of growing cooperation within existing bilateral and multilateral frameworks. Discussions during the visit were intended to

⁶³ Soth, Koemsoeun. "Hun Manet to attend 43rd ASEAN Summit in Jakarta." Khmer Times. Last modified September 4, 2023. <https://www.khmertimeskh.com/501353749/hun-manet-to-attend-43rd-asean-summit-in-jakarta/#:~:text=Prime%20Minister%20Hun%20Manet%20will,and%20the%20ASEAN%20Leaders'%20Decision>.

⁶⁴ "Full Text: Joint Communiqué Between the Government of the People's Republic of China and the Royal Government of Cambodia." 中华人民共和国驻柬埔寨王国大使馆. Accessed December 22, 2023. https://kh.china-embassy.gov.cn/eng/zgjx_1/202309/t20230916_11144116.htm#:~:text=Both%20sides%20express%20firm%20opposition,against%20interference%20and%20Color%20Revolution.

address key issues such as enhancing border trade and development, addressing transnational crimes, and fostering cross-border tourism.⁶⁵

On another note, Deputy Prime Minister Prak Sokhonn commended Ambassador Carmen Moreno for her successful diplomatic mission as the European Union's Ambassador to Cambodia during a farewell meeting on the 16th of August 2023. Sokhonn highlighted the positive development of Cambodia-EU relations, especially amid the challenges of the COVID-19 pandemic. Ambassador Moreno played a key role in securing EU assistance, including vaccines, grants, and 499 million euros in loans, to mitigate the pandemic's impact and support socio-economic development. Both sides expressed satisfaction with the growing cooperation, making the EU Cambodia's fifth-largest trading partner and pledging 1.43 billion euros in support. Ambassador Moreno praised Cambodia's leadership during its ASEAN chairmanship in 2022, including the successful ASEAN-EU Summit in December 2022.⁶⁶

Prime Minister Hun Manet led a delegation to the 78th UN General Assembly in New York, where he addressed global issues, local development, and Cambodia's position. During his visit, the Prime Minister met with UN Secretary-General Antonio Guterres, global leaders, and the Cambodian diaspora. He aimed to highlight Cambodia's stance on current affairs, socioeconomic progress, and Sustainable Development Goals (SDGs). Additionally, he also met with US Deputy Secretary of State Victoria Nuland and Indian Foreign Minister Subrahmanyam Jaishankar and attended the Cambodia-US Business Forum to strengthen trade relations and attract American investment. The UNGA theme this year was “Rebuilding trust and reigniting global solidarity: Accelerating action on the 2030 Agenda and its SDGs.” Cambodia's attendance reflected her commitment as a UN member to contribute to global and regional solutions. Cambodia's participation in the Global Development Initiative Cooperation Outcomes, initiated by Chinese President Xi Jinping in 2021, was highlighted, emphasizing the country's dedication to collective action for sustainable development.⁶⁷

⁶⁵ Long, Sovitou, and Sothearak Sok. "The Significance of Srettha Thavisin's Visit: Strategic Moves to Strengthen Thailand-Cambodia Ties." Center for Southeast Asian Studies, Royal University of Phnom Penh. Last modified September 2023. https://rupp.edu.kh/iispp/cseas/cseas_commentary-v2/2022-2023/documents/CSEAS_Commentary_14_The_Significance_of_Srettha_Thavisin%E2%80%99s_Visit.pdf.

⁶⁶ "Cambodia and EU Applaud the Remarkable Progress in Cooperation." Khmer Times. Last modified August 17, 2023. <https://www.khmertimeskh.com/501344597/cambodia-and-eu-applaud-the-remarkable-progress-in-cooperation/>.

⁶⁷ Neang, Sokunthea. "Manet En Route for UNGA 78." The Phnom Penh Post. Last modified September 21, 2023. <https://www.phnompenhpost.com/national/manet-en-route-unga-78>.

In the final three months of 2023, Cambodia continued to actively strengthen its foreign relations, seeking increased cooperation and effective development across the region. Notably, in October 2023, Foreign Affairs Minister Sok Chenda Sophea hosted a constructive meeting with Maria Amelita C. Aquino, the Ambassador of the Republic of the Philippines to Cambodia. Both sides expressed a shared willingness to enhance tourism by exploring the feasibility of establishing direct flights to potential tourist destinations in both Cambodia and the Philippines. The Minister expressed gratitude to the Philippines for importing Cambodian rice, underscoring the importance of economic ties. Additionally, there was a mutual emphasis on the significance of close collaboration to convene the 4th Meeting of the Cambodia-Philippines Joint Commission for Bilateral Cooperation at the earliest convenience, highlighting the commitment to fostering comprehensive and cooperative relations between the two nations.⁶⁸

In October, Brazil's Foreign Minister, Mauro Vieira, visited Cambodia for three days, signaling a positive opportunity to strengthen cooperation despite the geographical distance. During the visit, he met with Prime Minister Hun Manet, expressing a commitment to closer ties and preparing for the upcoming 30th anniversary of diplomatic relations. Discussions covered various sectors, including commerce, education, health, cultural exchange, tourism, agriculture, and people-to-people ties. Brazil is planning to open an embassy in Cambodia in 2024, coinciding with the 30th anniversary, symbolizing the enduring friendship. Prime Minister Hun Manet welcomed the celebrations and embassy opening, emphasizing Cambodia's dedication to enhanced collaboration. Moreover, Cambodia also intends to open its embassy in Brazil's capital of Brasília to foster closer ties. The visit and embassy plans highlight Cambodia's strategic approach to diversify its political stance and expand market presence in South America, fostering economic development.⁶⁹

Significantly, from the 17th to 18th of October, Prime Minister Hun Manet led a high-level delegation to the Third Belt and Road Forum for International Cooperation in Beijing. The theme of the forum, was “High-quality Belt and Road Cooperation: Together for Common

⁶⁸ "Cambodia-Philippines Promotes Tourism by Exploring the Possibility of Connecting Direct Flights to Other Tourist Destinations." Khmer Times. Last modified October 7, 2023. <https://www.khmertimeskh.com/501372737/cambodia-philippines-promotes-tourism-by-exploring-the-possibility-of-connecting-direct-flights-to-other-tourist-destinations/>.

⁶⁹ "Brazil to Open Embassy on 30th Anniversary of Relations." The Phnom Penh Post. Last modified October 11, 2023. <https://www.phnompenhpost.com/national-politics/brazil-open-embassy-30th-anniversary-relations>.

Development and Prosperity.” On that note, the Prime Minister affirmed Cambodia's full support and readiness to jointly implement eight major actions outlined by President Xi in his keynote speech to the forum. These actions included building a multidimensional Belt and Road connectivity network, supporting an open world economy, carrying out practical cooperation, promoting green development, advancing scientific and technological innovation, supporting people-to-people exchanges, promoting integrity-based Belt and Road cooperation, and strengthening institutional building for international Belt and Road cooperation. The participation reflects Cambodia's commitment to collaborative and sustainable development under the Belt and Road Initiative.⁷⁰

In light of the visit, Cambodia and China were also gearing up for the People-to-People Exchange Year in 2024. Both sides acknowledged the continuous expansion of Cambodia-China relations and cooperation, bringing mutual benefits to the two nations and peoples. There was agreement to implement the consensus reached by the top leadership of both countries. This included the launch of the "Diamond Cooperation" and the establishment of the "Industrial Development Corridor" and "Fish and Rice Corridor," as jointly agreed upon by Cambodia's former Prime Minister Hun Sen and President XI Jinping in February 2023. The commitment underscored the shared determination to deepen and diversify collaboration for the prosperity of both nations.⁷¹

Moreover, Cambodia also saw more engagements from the Korean Peninsula as Cambodia's Foreign Affairs Minister Sok Chenda Sophea received a courtesy call from Chang Ho-jin, the first Vice Minister of Foreign Affairs of the Republic of Korea, during the latter's working visit to Cambodia. Both sides expressed deep satisfaction with the successful conclusion of the 5th Cambodia-Republic of Korea Joint Commission Meeting, outlining new actions to enhance and deepen their wide-ranging cooperation. Emphasizing the significance of the Cambodia-Korea Free Trade Agreement.⁷²

⁷⁰ "PM Hun Manet Further Strengthens Cambodia's Commitment to High-quality Cooperation During Third Belt and Road Forum." FRESH NEWS. Last modified December 23, 2023. <https://en.freshnewsasia.com/index.php/en/localnews/41789-2023-10-19-14-09-45.html>.

⁷¹ "Cambodian Foreign Minister and Chinese Ambassador Laud Both Countries' Relationship (VIDEO)." Khmer Times. Last modified November 1, 2023. <https://www.khmertimeskh.com/501385178/cambodian-foreign-minister-and-chinese-ambassador-laud-both-countries-relationship/>.

⁷² Sok, Sereyath. "Cambodia, Republic of Korea Forge Stronger Bilateral Relations for a New Height." Cambodian People's Party. Last modified November 1, 2023. <https://www.cpp.org.kh/en/details/361560>.

Meanwhile, the Bilateral Political Consultation at Cambodia's Ministry of Foreign Affairs between Cambodia and the United Kingdom signaled a successful stride toward extensive cooperation. Both nations recently signed a memorandum of understanding (MoU) on the 31st of October to establish these consultations, a significant move for intensifying collaboration. The ceremony, part of the "First Round of Bilateral Consultations," was co-chaired by Cambodia's Secretary of State Chem Widhya and UK Ambassador Dominic Williams. The Secretary of State expressed gratitude for the UK's longstanding assistance in various sectors such as socio-economic development, particularly in education, health, the Extraordinary Chambers in the Courts of Cambodia (ECCC), and demining activities, while Ambassador Williams praised Cambodia's achievements and affirmed the UK's commitment to collaboration through bilateral and multilateral avenues. Both parties pledged to strengthen ties, increase visits, and engage in regular consultations. The establishment of this mechanism was seen as a key driver for promoting cooperation. The future of Cambodia-UK relations looks optimistic, with both parties eagerly anticipating the Second Session of Bilateral Consultation in London in 2024, demonstrating their strong commitment to continued collaboration across various sectors.⁷³

Before the year ends, on December 11, Vietnamese President Vo Van Thuong hosted a reception in Hanoi for Cambodian Prime Minister Hun Manet. During the meeting, President Thuong extended congratulations to Cambodia for successfully organizing the extraordinary congress of the Cambodian People's Party (CPP) and electing Hun Manet as Vice President of the CPP. Both leaders expressed satisfaction with the positive development of bilateral relations, commending regular exchanges of visits and meetings across various levels and channels. They acknowledged the effective utilization of mechanisms for cooperation in politics, national defense-security, economy-trade, science-technology, agriculture, tourism, and people-to-people exchanges. Additionally, the leaders pledged to further enhance collaboration in education and training, aiming to improve the quality of human resources. They highlighted the importance of educating the people of both countries, particularly the younger generation, about the longstanding relations and achievements in their friendship and comprehensive cooperation.⁷⁴

⁷³ Niem, Chheng. "Cambodia, UK Ink High-level Political Consultation MoU." The Phnom Penh Post. Last modified November 1, 2023. <https://www.phnompenhpost.com/national-politics/cambodia-uk-ink-high-level-political-consultation-mou>.

⁷⁴ VNA. "Vietnamese President Receives Cambodian Prime Minister." VietnamPlus. Last modified December 11, 2023. <https://en.vietnamplus.vn/president-receives-cambodian-prime-minister/274710.vnp>.

Conclusion

In 2023, Cambodia navigated a dynamic and proactive foreign relations landscape, achieving commendable success in strengthening ties both regionally and globally. The government, under Prime Minister Hun Sen and his successor, Prime Minister Hun Manet, demonstrated a commitment to multilateralism, economic development, and regional stability. The year's achievements lay the groundwork for sustained collaboration, economic growth, and diplomatic influence, positioning Cambodia as an active player in the evolving geopolitical landscape of Southeast Asia and beyond.

Indonesia

Cheng Ousa & Sum Pichkanika

Introduction

This paper provides an update on the situation in Indonesia throughout 2023. The main aim of this paper is to focus on Indonesia's activities mainly in 2023 in terms of domestic affairs, socio-economic, and foreign relations. In 2023, Indonesia seems to face a number of challenges, including an economic slowdown due to the global economic slowdown, and the rising cost of living due to the rising cost of food and fuel. Besides that, Indonesia is currently facing a critical period as well due to the upcoming presidential election in 2024. Despite these challenges, Indonesia has a number of strengths, including a growing youth population and a large and diverse economy. Indonesia's economy is driven by commodities, such as oil and gas, as well as a robust manufacturing and services industry. Economically, it is reported that its economy is largely driven by domestic activity rather than exports.¹ Moreover, in the case of foreign relations, it is viewed as one of the proactive members of Southeast Asian Nations (ASEAN). In 2023, Indonesia was the chair of the Association of Southeast Asian Nations 2023 (ASEAN).

Domestic Politics

Many things happened in Indonesia's domestic affairs this year. First and foremost, Indonesia was the ASEAN chair in 2023. This was the fifth time that Indonesia has held the ASEAN chairmanship which previously was in 1976, 1996, 2003, and 2011.² During the closing ceremony of the 40th and 41st ASEAN Summits and Related Summits in Cambodia in 2022, Indonesia's president Jokowi Widodo stated that Indonesia would adopt the theme "ASEAN Matters: Epicentrum of Growth " as an ASEAN theme under Indonesia chairmanship which meant that Indonesia would work with all the member in ASEAN to ensure the increasing relevance of ASEAN to the world and ASEAN will continue to be the epicentrum of growth

¹ Asialink business. (n.d.). Indonesia's economy. Retrieved from:

<https://asialinkbusiness.com.au/indonesia/getting-started-in-indonesia/indonesias-economy?doNothing=1>

² Muhammad, R.D. (2023, January 29). Chairing ASEAN: what does it mean for Indonesia in 2023? *The conversation*. Retrieved from: <https://theconversation.com/chairing-asean-what-does-it-mean-for-indonesia-in-2023-190208>

with strong and empowered society.³ Furthermore, he also stated that ASEAN must be a stable, peaceful region and need to be an anchor for global stability as well as remain neutral despite many obstacles and challenges from the global recession and Russia-Ukraine.⁴

Secondly, Indonesia has delayed the general election in 2024 as the court has geared up the 2024 election to at least 2025 which seems to go against the constitution as the postponement of the election is a violation of the constitution's mandate.⁵ The ruling had caused confusion and uncertainty in the country's political landscape. The ruling came in response to a lawsuit filed by the Prima Party, which had been rejected from contesting elections. The Jakarta High Court accepted the appeal by the General Elections Commission (KPU) and declared that the district court had no authority to try election disputes.⁶ Over the years, there have been problems regarding the extension of the election which could possibly pave the way for President Jokowi Widodo to serve a third term in office. Because of that, there is tension between President Jokowi and PDI-P chairwoman Megawati Soekarnoputri over the question of who will be the endorsed candidate in 2024.⁷

As the general election draws near, Indonesia is trying to get women to engage more in politics. Khoirunnisa Nur Agustyati, the Executive Director of the Association for Elections and Democracy (Perludem), expressed that there has been a long-standing endeavor to promote the participation of women in politics. Moreover, this effort needed to be fought for to this day as the urgency of women's representation in the country's politics is a crucial aspect that the public cannot ignore. Such statements show that the issue of women's representation in politics remains a topic of discussion for gender equality activists and general election observers in Indonesia. Moreover, the country implemented a zipper system stipulated within Article 246,

³ Andorra, Monaco & UNESCO. (2023, January 12). Indonesia chairmanship of ASEAN in 2023. *Kemlu*. Retrieved from: <https://kemlu.go.id/paris/en/news/22732/indonesias-chairmanship-of-asean-in-2023>

⁴ Southgate, L. (2023, January 19). Indonesia's ASEAN Chairmanship: Promoting ASEAN Relevance in 2023? *The Diplomat*. Retrieved from: <https://thediplomat.com/2023/01/indonesias-asean-chairmanship-promoting-asean-relevance-in-2023/>

⁵ Aisyah, L. (2023, March 29). Surprise delay to Indonesia elections labeled unconstitutional. *Aljazeera*. Retrieved from: <https://www.aljazeera.com/news/2023/3/29/surprise-delay-to-indonesia-elections-labelled-unconstitutional>

⁶ Strangia, S. (2023, April 13). Indonesian Court Overturns Controversial Ruling Delaying 2024 Election. *The Diplomat*. Retrieved from: <https://thediplomat.com/2023/04/indonesian-court-overturns-controversial-ruling-delaying-2024-election/>

⁷ Asianews. (2023, March 31). Uncertainties loom as Indonesia's political contest heats up in 2023. *Asianews*. Retrieved from: <https://asianews.network/uncertainties-loom-as-indonesias-political-contest-heats-up-in-2023/>

which stated that within a candidate list, for every three candidates, there should at least be one woman.⁸

Furthermore, the Indonesian government announced that it would raise the minimum wage for all workers. The government pledged to give an additional 10% of wages for workers' financial stability. This initiative was a part of the government's plans to combat growing inequality in Indonesia and promote sustainable economic growth, reduce poverty, and improve living standards. The government will also consider regional disparities and differences in the cost of living to ensure that all workers are compensated fairly. Through the initiative, the government clearly illustrated its intention to take care of the population first. However, there are also some concerns from some experts regarding this plan. The initiative was met with mixed reactions, with some workers welcoming the increase and others expressing concern that it would lead to job losses.⁹

Nonetheless, the Indonesian parliament passed a new criminal code that has been criticized for severely violating international human rights. The new criminal code criminalizes consensual sex and cohabitation outside of marriage, violating privacy rights. The law also includes blasphemy provisions and makes apostasy a criminal offense. Muslim groups targeted minorities, while the government failed to protect them. The new criminal code violates the rights of women, religious minorities, same-sex marriage, freedom of speech, and association. It would also enable the police to extort bribes. Andreas Harsono, an Indonesian human rights watch researcher, said that Indonesia's human rights situation is not like before, and it has become worse.¹⁰ For instance, same-sex couples will not be able to receive a marriage certificate, rendering their marriage illegal before the law. This law will especially affect indigenous people or Muslims who live in rural areas.¹¹

⁸ Antara news Indonesia. (2023, May 4). Observing women's representation in Indonesia politics. *AIPA secretariat 2023*. Retrieved from: https://aipasecretariat.org/observing-womens-representation-in-indonesias-politics/?utm_source=rss&utm_medium=rss&utm_campaign=observing-womens-representation-in-indonesias-politics

⁹ SEAMLESS. (2023). Indonesia sets minimum wages to increase of 10% for 2023. *SEAMLESS*. Retrieved from: <https://seamlessglobal.co/indonesia-sets-minimum-wages-to-increase-of-10-for-2023/>

¹⁰ Human Rights Watch, (2022, December 8). Indonesia: New Criminal Code Disastrous for Rights Provisions Harmful to Women, Minorities, Free Speech. Retrieved from: <https://www.hrw.org/news/2022/12/08/indonesia-new-criminal-code-disastrous-rights>

¹¹ Human rights watch. (2023, January 12). Indonesia: new criminal code assaults rights. Human rights watch. Retrieved from: <https://www.hrw.org/news/2023/01/12/indonesia-new-criminal-code-assaults-rights>

On April 15, 2023, the Indonesian government passed a new law that permits the government to detain people for up to 20 years without charge if they are suspected of terrorism. The law was passed in response to a series of terrorist attacks in Indonesia in recent years, including the bombing of a church in Surabaya in May 2022, which killed 13 people. This law has been criticized by human rights groups who said it could affect innocent people and ultimately undermine Indonesia's commitment to human rights. The government responded to criticisms by citing the necessity to protect the country from terrorist groups.¹²

Talking about legality in export, Indonesia recently implemented a ban on the export of bauxite, a decision that has raised concerns about potential protectionist responses from its primary trading partners. The prohibition on exporting bauxite ore was seen as a strategic move aimed at stimulating domestic industrial growth and fostering the development of bauxite processing and purification within the country.¹³ This forward-looking approach is expected to yield positive outcomes for industry participants in the long run. The export restriction came with a stipulation that raw metal and mineral products must be exported within three years from the effective date of the rule. This provision clearly demonstrated the Indonesian government's commitment to promoting domestic value addition and downstream processing of bauxite. However, caution was advised in implementing this downstream process, as each commodity possesses unique properties that must be taken into account. Without establishing a leading position in the downstream industry for the specific commodities involved, Indonesia might face challenges in competing with products from other nations.

On the other hand, Indonesia's protectionist policies may hinder the progress of the ASEAN digital economy pact. ASEAN member countries aim to promote the digital economy framework agreement (DEFA) to boost the region's digital economy potential.¹⁴ However, Indonesia's restrictions on foreign products and its plan to limit the availability of such products on online trading platforms could conflict with the DEFA. These restrictions may go against the spirit of the agreement and could potentially impact trade not only within ASEAN but also

¹² Indonesia investment report. (2023, June 14). Radical Islam in Indonesia. *Indonesia investment report*. Retrieved from: <https://www.indonesia-investments.com/business/risks/radical-islam/item245>

¹³ Primantoro, A. (2023, June 16). Ban on Bauxite export potentially causes protectionism in other country. Kompas. Retrieved from: <https://www.kompas.id/baca/english/2023/06/16/en-larangan-ekspor-bauksit-berpotensi-timbulakan-proteksionisme-negara-mitra-dagang-indonesia>

¹⁴ Ghifari, D. (2023, August 29). Indonesia's protectionism may stand in way of ASEAN digital economy pact. *The Jakarta Post*. Retrieved from: <https://asianews.network/indonesias-protectionism-may-stand-in-way-of-asean-digital-economy-pact/>

with non-ASEAN countries. The negotiation process for the DEFA is just beginning, and it remains to be seen how Indonesia's proposed regulations will be addressed. It is important to find a balance that benefits local businesses while promoting international trade and economic growth in the digital sphere.

Furthermore, Indonesia had witnessed a significant protest involving thousands of people who are facing potential eviction for the construction of the "Eco-City" project.¹⁵ The cause of this protest stems from the government's plan to establish a Chinese glass factory in order to meet the global demand for solar panels. The residents of Rempang island, where the project is set to take place, have been informed that they must leave their villages to make way for this expansive economic zone, which is being developed in collaboration with China's Xinyi glass company. With a remarkable commitment of 11.5 billion dollars from the Chinese firm, this project is anticipated to become the world's second-largest of its kind.¹⁶ There were also broader tensions between Indonesian authorities and local communities regarding various infrastructure projects funded by Chinese investments. On September 11, 2023, there was a confrontation between indigenous groups and riot police in the city of Batam, which is part of a group of islands near Singapore that are designated for major development. The protest started peacefully as around 1,000 people gathered outside the Badan Pengusahaan (BP) office, which is responsible for urban management and development.¹⁷ These tensions arose due to concerns about land acquisition, permits, environmental risks, and the potential negative impacts on indigenous communities. Moreover, The protest emerged as a direct response to the government's proposal to evict thousands of people from the Rempang area to accommodate the multibillion-dollar Chinese-owned glass factory. Tensions surrounding this issue have been escalating over the course of several months, subsequent to the Indonesian government's announcement that 7,500 residents residing in Rempang would be required to relocate from the island.¹⁸ In the face of these governmental actions, a dozen individuals were

¹⁵ Aisyah, L. (2023, September 15). Protests in Indonesia as thousands face eviction for Rempang 'Eco-City'. *ALJAZEERA*. Retrieved from: <https://www.aljazeera.com/news/2023/9/15/protests-in-indonesia-as-thousands-face-eviction-for-rempang-eco>

¹⁶ Eve, K. (2023, September 13). As Indonesia Courts Chinese Infrastructure Investments, Locals Are Pushing Back. *Time*. Retrieved from: <https://time.com/6313609/indonesia-rempang-eco-city-protests-china/>

¹⁷ Chen, H. (2023, September 17). Indonesian indigenous islanders are rallying against plans to build a Chinese funded factory on their homes. *CNN*. Retrieved from: <https://edition.cnn.com/2023/09/19/asia/indonesia-rempang-island-protests-chinese-factory-intl-hnk/index.html>

¹⁸ AFP (2023, September 27). 'Save our village': Indonesians resist eviction for China-backed project. *Bangkok Post*. Retrieved from: <https://www.bangkokpost.com/world/2653763/save-our-village-indonesians-resist-eviction-for-china-backed-project>

arrested, while allegations of excessive force have been directed towards the police, who have reportedly deployed water cannons and tear gas during the protests.¹⁹ The situation highlights the complex dynamics at play, involving a collision of economic development initiatives, land rights, and the social impact on affected communities. Despite these concerns, the Indonesian government is eager to attract Chinese investment for economic benefits and job creation.

In late 2023, Indonesia faced a political problem concerning the perceived decline of its democracy. This issue arose as President Jokowi Widodo's term came to an end, leading to speculation about the state of democratic institutions in the country. A notable development was the decision by the Indonesia court to allow Jokowi's son, Gibran Rakabuming Raka, to run as the vice presidential candidate alongside Defense Minister Prabowo Subianto. This decision raised concerns about the strength and independence of democratic institutions under Jokowi's leadership. Since its establishment in 2003, the Indonesian Constitutional Court has been regarded as a crucial body for overseeing the actions of the executive branch and promoting reformist movements.²⁰ However, the court's recent decision faced criticism for potentially indicating collaboration between elites that undermined the longevity of Indonesia's democracy. This criticism stemmed from the fact that the ruling elites, who hold a significant majority of legislative seats, have been altering regulations governing political competition in order to maintain their dominance within the system. Despite significant public pressure to enhance competitiveness, the ruling elites have been determined to preserve their supremacy.²¹ In summary, the upcoming Indonesian election in 2024 will mark the emergence of a new generation of leaders. However, the country's long-standing tradition of dynastic politics persists, as the old elite continues to select candidates, some of whom have taken steps to pass on their party leadership positions to their children. This situation highlights the ongoing influence of the established elite and raises questions about the extent of genuine democratic representation in Indonesian politics.

¹⁹ Aisyah, L. (2023, September 21). 'Ready to die': Indonesia Eco-City row grows as eviction deadline looms. Retrieved from: <https://www.aljazeera.com/news/2023/9/21/ready-to-die-indonesia-eco-city-row-grows-as-eviction-deadline-looms>

²⁰ Aspinall, E. (2023, December 10). Indonesia's election bears the signs of weakening democracy. Eastasiaforum. Retrieved from: <https://www.eastasiaforum.org/2023/12/10/indonesias-election-bears-the-signs-of-weakening-democracy/>

²¹ Jaffery, S. (2023, October 5). Indonesia 2024 presidential election could be the last battle of the titans. Carnegieendowment. Retrieved from: <https://carnegieendowment.org/2023/10/05/indonesia-s-2024-presidential-election-could-be-last-battle-of-titans-pub-90711>

Socio-economic affairs

Looking at the economic aspect in Indonesia, there was still dramatic growth despite the global economy's gloomy projections where economies are expected to experience a recession in 2023. Moreover, the economic situation now can be further perpetuated as the world battle against inflation continues due to slower global growth, global financial volatility, tighter macroeconomic policy in Indonesia, and continuing shocks from the Russian invasion of Ukraine. Many countries are still trying to recover from post-COVID-19. Indonesia's economy was expanding rapidly with its GDP increasing by 5.3 percent in 2022, owing to high prices for many of Indonesia's commodity exports because of the rising commodity prices caused by the Russian-Ukraine conflict.²² As such, Indonesia's commodity exports continued to be the backbone of the economy in 2023. Growth is expected to remain strong, driven by domestic demand recovery and solid export performance.²³ According to Bank Indonesia, Indonesia's central bank, predicted that the country's economy will grow at a rate of 4.5-5.3 percent in 2023, one of the highest among G20 members, and would be supported by several important sectors, including commodities, infrastructure development, tourism, and high-value product manufacturing.²⁴

Indonesia's abundant nickel reserves are positioning the nation as an essential player in the global electric vehicle (EV) industry, as it strives to establish itself as a prominent EV hub. Notably, major global EV manufacturers such as Tesla from the United States and BYD from China are reportedly in the final stages of negotiating investment deals with Indonesia, as confirmed by Luhut Binsar Pandjaitan, the country's Coordinating Minister for Maritime Affairs and Investment.²⁵ By setting a target to become one of the world's top three producers of EV batteries by 2027, Indonesia demonstrates its ambitious aspirations in this rapidly growing sector. To ensure that this would be achieved, the Indonesian government has decided

²² OECD Development Centre. (2023). Economic Outlook for Southeast Asia, China and India 2023: reviving tourism post-pandemic. Retrieved from: <https://www.oecd.org/dev/asia-pacific/economic-outlook/Overview-Economic-Outlook-Southeast-Asia-China-India.pdf>

²³ Bank, A. D. (2022, December 16). Indonesia's Economy Holding Up Well in 2022; Faces Headwinds in 2023 — ADB. *Asian Development Bank*. <https://www.adb.org/news/indonesia-economy-holding-well-2022-faces-headwinds-2023-ADB>

²⁴ Briefing, A. (2023, March 29). Investor Watch: Top Sectors in Indonesia in 2023. *ASEAN Business News*. <https://www.aseanbriefing.com/news/indonesia-sectors-to-watch-for-in-2023/#:~:text=Indonesia's%20central%20bank%2C%20Bank%20Indonesia,and%20manufacturing%20of%20high%2Dvalue>

²⁵ Medina, A. F. (2023, May 30). Unleashing Nickel's Potential: Indonesia's Journey to Global Prominence. *ASEAN Briefing*. Retrieved from: <https://www.aseanbriefing.com/news/unleashing-nickels-potential-indonesias-journey-to-global-prominence/>

to provide incentives to those who purchase electric motorbikes at Rp7 million (US\$460) per unit. Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Pandjaitan said that the policy would take effect from March 20, 2023, to December 2024 with the aim to encourage Indonesians to buy EVs made with at least 40 percent domestic components.²⁶

It should be noted that the policy imposed is expected to reduce Indonesia's imported fuel which is in line with the government's commitment to reduce greenhouse gas emissions and it will encourage job opportunities and state revenue as a whole. The effectiveness of these subsidies is down to how Indonesia addresses other key challenges that continue to limit its ambition of becoming a manufacturing hub for EV batteries. So far, the policies have attracted investment from South Korean companies, such as Hyundai and LG Energy, and Taiwan-based Foxconn to build local manufacturing sites but there are challenges and the limited driving range of EVs continues to be a major factor hindering the widespread adoption of electric motorbikes as it could not meet the typical daily commuting distance of about 100 km in Jakarta. This was a major disadvantage because conventional motorbikes have a maximum riding distance of 200km.²⁷

Nusantara, Indonesia's future capital city, has been in the news for its troubles. One major concern is the lack of infrastructure and amenities in Nusantara, which may discourage people from relocating. The government has committed to investing \$35 billion in the project, but this is only 20% of the required funds. The government hoped to attract foreign investors for the remaining 80%, but there has been hesitation due to concerns about the project's feasibility and uncertainty regarding future administrations.²⁸ Concerned about the lack of a clear vision for the new metropolis, wealthy donors who were considering investing in the project, like Japan's SoftBank, are said to have changed their minds. President Widodo is nevertheless moving forward. He is using his political clout to advance the project, and preliminary work has already

²⁶ Muthiariny, D. E. (2023, March 6). Indonesia Sets to Roll Rp7mn Incentive for Electric Motorbike. *Tempo*. <https://en.tempo.co/read/1699200/indonesia-sets-to-roll-rp7mn-incentive-for-electric-motorbike#:~:text=TEMPO.CO%2C%20Jakarta%20%2D%20The.starting%20on%20March%2020%2C%202023>.

²⁷ Dinarto, D., & Dinarto, D. (2023, March 26). Will Indonesia's new subsidy incentives rev up adoption of electric vehicles, attract investment? *South China Morning Post*. Retrieved from: <https://www.scmp.com/week-asia/opinion/article/3214745/will-indonesias-new-subsidy-incentives-rev-adoption-electric-vehicles-attract-investment>

²⁸ Jacob, C. (2023, August 27). Indonesia is moving its capital from Jakarta to Nusantara. Here's why it won't be so easy. *CNBC*. Retrieved from: <https://www.cnbc.com/2023/08/28/indonesia-to-move-capital-from-jakarta-to-nusantara-but-it-wont-be-easy.html>

begun as his second term comes to an end. A new training facility will reportedly be located in Nusantara to provide glimpses of the smart, green city that it intends to become. However, millions of people desire to live in Jakarta despite the fact that it is sinking, filthy, and congested. Jakarta has a long history and has played a significant role in the archipelago's politics and economy.²⁹

In terms of climate change issues, not only did the government of Indonesia start to take action to slow down greenhouse gas emissions, Indonesia also has outlined a new tactic for maintaining and accelerating its economic transition from a middle-income to a high-income country through a strategy call Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR) 2050. However, the transition involved trade-offs between climate actions and poverty reduction. Indonesia's strong record of poverty reduction is attributed to its natural endowments, including coals, oil, forest, and more. Therefore, Indonesia is continuing to look for ways to maintain economic and social growth through development activities with low GHG emissions while minimizing the exploitation of natural resources.³⁰

Indonesia's current economic landscape showcases a favorable trade surplus, which holds significant benefits for the country's overall economy. This trend of trade surpluses has been ongoing since 2020, owing to Indonesia's abundant natural resources and its strategic geographical location. In June 2023, Indonesia's trade balance boasted a surplus of USD 3.45 billion, continuing an uninterrupted streak that began in April 2020.³¹

Indonesia's exports from January to June 2023 amounted to USD 128.66 billion, indicating a decrease of 8.86% compared to the same period in 2022 which is shown in the table below.³² Non-oil and gas exports accounted for USD 120.82 billion, experiencing a decline of 9.32%. This reduction in export figures can be attributed to the diminished prices of several crucial Indonesian commodities in the international market. Notable decreases include a 6.78% decline

²⁹ Guild, J. (2023, March 14). Why do people want to live in Indonesia's new capital? *The diplomat*. Retrieved from: <https://thediplomat.com/2023/03/why-will-people-want-to-live-in-indonesias-new-capital/>

³⁰ World Bank (2023, May 02). Indonesia: country climate and development report. *World Bank*. Retrieved from: <https://reliefweb.int/report/indonesia/indonesia-country-climate-and-development-report-april-2023>

³¹ InCorp Editorial Team (2023 September 4). How Trade in Indonesia Benefits the Economy. Retrieved from: <https://www.cekindo.com/blog/surplus-trade-in-indonesia#:~:text=Indonesia's%20trade%20balance%20showcased%20a,2023%20reached%20USD%20128.66%20billion.>

³² Xinhua. (2023, September 16). Indonesia records deep export decline in August. Retrieved from: <https://english.news.cn/asiapacific/20230916/b25cf3ecdd2641c299ee27634c60bf00/c.html>

in coal prices, a 3.90% decrease in crude palm oil costs, a 1.52% drop in rubber prices, a 1.58% dip in aluminium prices, and a 1.19% decline in nickel prices.³³

In terms of exports, Indonesia is anticipated to remain robust, with certain non-oil products such as Mineral Fuels, animal or vegetable fats and oil, and Iron and Steel, experiencing significant increases.³⁴ These sectors contributed to Indonesia's non-oil and gas shipments, with China, the United States, and Japan serving as key trade partners. China, in particular, stood out as a major recipient of Indonesian exports, with trade between the two nations reaching USD 133.6 billion in 2022.³⁵ The Ministry of Trade reported that Indonesian exports to China alone were valued at USD 65.9 billion during the same year. This not only has positive implications for Indonesia's economy but also benefits the country's technological advancement, as technology-driven collaborations between Indonesia and China are poised to play a pivotal role in their bilateral relations. Therefore, Indonesia's trade surplus, supported by its diverse range of export products, contributes significantly to the country's economic well-being. While facing challenges such as declining commodity prices, Indonesia's exports remain resilient, with promising opportunities for growth in specific sectors. The country's trade relationships, particularly with China, hold the potential for further economic development and technological advancements, underlining the importance of ongoing collaboration and strategic partnerships in driving Indonesia's economic trajectory.

Table 1: Indonesia Balance of Trade, June 2022-June 2023 (Million USD)³⁶

³³ Biasramadham, P. (2023, September 04). Hoe trade in Indonesia benefit the economy. *Incorp*. Retrieved from: <https://www.cekindo.com/blog/surplus-trade-in-indonesia#:~:text=Indonesia%27s%20trade%20balance%20showcased%20a,consecutive%20months%20since%20April%202020>

³⁴ Communication Department (2023 August). TRADE SURPLUS MAINTAINED IN JULY 2023. *Bank of Indonesia*. Retrieved from: https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2522223.aspx

³⁵ InCorp Editorial Team (2023, September 4). How Trade in Indonesia Benefits the Economy. Retrieved from: <https://www.cekindo.com/blog/surplus-trade-in-indonesia#:~:text=Indonesia's%20trade%20balance%20showcased%20a,2023%20reached%20USD%20128.66%20billion>.

³⁶ Statistics Indonesia. (2023). Exports and Imports of Indonesia, June 2023. Retrieved from: <https://shorturl.at/JMNV6>

Month	Exports			Imports			Balance		
	Oil and Gas	Non-Oil and Gas	Total	Oil and Gas	Non-Oil and Gas	Total	Oil and Gas	Non-Oil and Gas	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2022*									
June	1,551.8	24,589.3	26,141.1	3,673.0	17,330.9	21,003.9	-2,121.2	7,258.4	5,137.2
July	1,287.6	24,185.8	25,473.4	4,455.3	16,889.7	21,345.0	-3,167.7	7,296.1	4,128.4
August	1,662.9	26,265.8	27,928.7	3,701.4	18,449.2	22,150.6	-2,038.5	7,816.6	5,778.1
September	1,258.9	23,505.6	24,764.5	3,426.1	16,382.2	19,808.3	-2,167.2	7,123.4	4,956.2
October	1,286.3	23,440.0	24,726.3	3,364.1	15,771.3	19,135.4	-2,077.8	7,668.7	5,590.9
November	1,101.9	22,957.2	24,059.1	2,804.2	16,157.9	18,962.1	-1,702.3	6,799.3	5,097.0
December	1,457.8	22,324.9	23,782.7	3,201.0	16,662.1	19,863.1	-1,743.2	5,662.8	3,919.6
Jan-Jun	7,942.8	133,226.7	141,169.5	19,464.2	96,718.4	116,182.6	-11,521.4	36,508.3	24,986.9
Jan-Dec	15,998.2	275,906.1	291,904.3	40,416.4	197,030.7	237,447.1	-24,418.2	78,875.4	54,457.2
2023*									
January	1,487.9	20,835.9	22,323.8	2,906.1	15,536.8	18,442.9	-1,418.2	5,299.1	3,880.9
February	1,186.5	20,134.8	21,321.3	2,406.5	13,512.7	15,919.2	-1,220.0	6,622.1	5,402.1
March	1,338.2	22,077.8	23,416.0	3,014.8	17,573.3	20,588.1	-1,676.6	4,504.5	2,827.9
April	1,258.7	18,025.4	19,284.1	2,955.0	12,392.6	15,347.6	-1,696.3	5,632.8	3,936.5
May	1,308.6	20,398.2	21,706.8	3,135.1	18,144.5	21,279.6	-1,826.5	2,253.7	427.2
June*	1,261.0	19,344.1	20,605.1	2,222.3	14,928.2	17,150.5	-961.3	4,415.9	3,454.6
Jan-Jun*	7,841.0	120,816.1	128,657.1	16,639.8	92,088.0	108,727.8	-8,798.8	28,728.1	19,929.3

Over the past few years, Indonesia has experienced a significant improvement in its economic environment. Indonesia's economy has demonstrated strong growth despite the worldwide economic downturn. Despite an increase in rice prices, inflation has been effectively managed, and it has not posed significant pressure on the overall economy. Public finances have improved faster than expected, leading to a decrease in the budget deficit, which is now below the legal threshold of 3% of GDP.³⁷ Although government debt has increased since the onset of the financial crisis, it remains relatively low.

Looking ahead, the macroeconomic environment, including infrastructure development, is expected to continue improving in the coming years.³⁸ For instance, the government projected a fiscal deficit of 2.8% of GDP in 2023, which reflected a decline in income resulting from the downturn in the price of exported commodities, particularly crude oil. However, state finances performed better than anticipated in the first eight months of 2023. Revenues reached 74% of the annual target, indicating a slight acceleration compared to the same period in the previous year. Moreover, government spending was lower than expected, reaching 53% of the yearly objective, as opposed to 60% during the 2015-2019 period.³⁹

³⁷ Melka, J. (2023, October 16) Indonesia's economy is holding up well. Retrieved from: <https://economic-research.bnpparibas.com/html/en-US/Indonesia-economy-holding-well-10/16/2023,48994>

³⁸ OOSGA. (2023, October 30). Politics of Indonesia 2023: politics & election tracking. Retrieved from: <https://oosga.com/politeia/idn/>

³⁹ Melka, J. (2023, October 02). Indonesia's economy is holding up well. *The economic research portal*. Retrieved from: <https://economic-research.bnpparibas.com/html/en-US/Indonesia-economy-holding-well-10/16/2023,48994>

In terms of the environment, there are many ecological disasters, such as severe fires, flooding, and air pollution that have triggered social and economic crises in the country; for example, in Jakarta, air pollution in 2023 has so far resulted in 8100 fatalities and damage exceeding US\$2.1 billion.⁴⁰ The challenges, such as corruption and business interests, hindered environmental policy implementation. Politicians in Indonesia hold strategic positions within the environmental governance framework and have the authority to formulate regulations and allocate resources to tackle environmental challenges. There are suggested reforms to electoral rules and campaign finance laws. Engaging diverse stakeholders and incorporating local knowledge is also important.

Foreign relations

As Indonesia was the Chair of ASEAN in 2023, there were many expectations and challenges that Indonesia had to deal with. Under the theme ‘ASEAN Matters: Epicentrum of Growth’, Indonesia aimed to make ASEAN a sustainable inclusive region economically, socially, and politically.⁴¹ As stated by Foreign Minister Retno LP Marsudi, Indonesia would not only focus on ASEAN as Chair, but there were other four priorities namely strengthening the diplomacy of sovereignty, toughening the diplomacy of protection, promoting economic cooperation, and undertaking the diplomacy of peace and humanity.⁴²

As ASEAN chairman, Indonesia had been preparing a new strategy to speed up the negotiations on the Code of Conduct and the need for new approaches in the case of the South China Sea. The tensions around the South China Sea are one example where economic dependence and security issues create dilemmas. Indonesia wants to make sure that its territorial integrity around the Natuna Islands is respected; while China, on the other hand, has now asserted control of more than 80 percent of the South China Sea. Tension around the South China Sea between China and Indonesia could make ASEAN as well as Indonesia as a chairman weak if it could not find new solutions to tackle the conflict. For instance, Indonesia’s statement from

⁴⁰ Yunus, M. (2023, November 23). Can politics rise above partipartisanship to address Indonesia’s environmental crisis? *Eastasiaforum*. Retrieved from: <https://www.eastasiaforum.org/2023/11/23/can-politicians-rise-above-partisanship-to-address-indonesias-environmental-crisis/>

⁴¹ Haryo, L. (2022). Indonesia Pushes for Resolution of Various Regional Issues for ASEAN's Progress with the Theme "ASEAN Matters: Epicentrum of Growth". Retrieved from: <https://ekon.go.id/publikasi/detail/4973/indonesia-pushes-for-resolution-of-various-regional-issues-for-aseans-progress-with-the-theme-asean-matters-epicentrum-of-growth>

⁴² Mahdi, M. & Laraswati, A. (2023). Foreign Policy Priorities in 2023. Retrieved from: <https://www.kompas.id/baca/english/2023/01/12/foreign-policy-priorities-in-2023>

the 32nd ASEAN Coordinating Council Meeting and the ASEAN Foreign Ministers' Retreat, issued on February 4, 2023, suggested that there is yet a new strategy to speed up the negotiations on the Code of Conduct on the South China Sea; however, the physical textual negotiation would start in March 2023 that the ASEAN Member States acknowledged for the need on new approaches.⁴³

The 43rd ASEAN Summit took place in Indonesia from the 4th to the 7th of September, 2023 and it marked the end of the chairmanship of Indonesia after nine months. President Joko Widodo presented a hammer as a symbolic gesture to Prime Minister Sonexay Siphandone of Lao PDR during the closing speech of the 43rd ASEAN Summit 2023 in Jakarta, signifying the transfer of the ASEAN Chairmanship for the year 2024.⁴⁴ The ceremony took place at the Jakarta Convention Center in Jakarta. President Jokowi declared the summit closed and invited Prime Minister Sonexay Siphandone to assume the ASEAN chairmanship for 2024. Throughout the three-day summit, a total of 90 documents and several tangible agreements with partner nations were produced, as stated by the President.⁴⁵ It is also important to note that there are both achievements and challenges for Indonesia as an ASEAN Chairman. First, Indonesia had done a successful job of promoting the ASEAN Outlook on the Indo-Pacific (AOIP) and garnering support from dialogue partners such as China, the US, and South Korea. The ASEAN-Indo-Pacific Forum (AIPF) was established as a platform for cooperation and to unlock the region's potential.⁴⁶ ASEAN's convening power and its engagement with external partners were recognized as significant achievements. The establishment of an ASEAN-US Centre and the expansion of relations with Canada, Japan, Morocco, and the Netherlands were mentioned as examples. On the other hand, Indonesia's ambiguous approach to issues such as the disputes in the South China Sea and the humanitarian crisis in Myanmar could potentially affect its regional influence. Indonesia's proposal to establish a "troika" of ASEAN chairs to

⁴³ Dinna, P.R. (2023, February 06). Indonesia as an ASEAN Chair 2023: the dilemmas. Heinrich boll stiftung. Retrieved from: <https://th.boell.org/en/2023/02/06/indonesia-asean-2023>

⁴⁴ Embassy of Indonesia (2023, September 8). 43rd ASEAN Summit Officially Concluded, Indonesia Concretizes ASEAN as Epicentrum of Growth. Retrieved from: <https://kemlu.go.id/hanoi/en/news/26298/43rd-asean-summit-officially-concluded-indonesia-concretizes-asean-as-epicentrum-of-growth#!>

⁴⁵ Cabinet Secretariat of the Republic of Indonesia (2023, September 7). Indonesia Passes ASEAN Chairmanship Baton to Laos. Retrieved from: <https://setkab.go.id/en/indonesia-passes-asean-chairmanship-baton-to-laos/>

⁴⁶ Lin, J. Et al (2023, September 8). 43rd ASEAN Summit: B for Outcomes, A for Grit. *FULCRUM*. Retrieved from: <https://fulcrum.sg/aseanfocus/43rd-asean-summit-b-for-outcomes-a-for-grit/>

address the Myanmar crisis is seen as a potential solution for slow consensus-building.⁴⁷ Therefore, Indonesia, as the ASEAN Chair, had both achievements and challenges during its chairmanship. It successfully promoted the ASEAN Outlook on the Indo-Pacific, garnered support from dialogue partners, and strengthened ASEAN's engagement with external partners. However, its approach to issues like the South China Sea disputes and the Myanmar crisis was seen as ambiguous and could impact its regional influence. The proposal to establish a "troika" of ASEAN chairs to address the Myanmar crisis is considered a potential solution, but concerns about power imbalances among member states arise.

Besides being an ASEAN Chair of 2023, Indonesia took the leadership in the ASEAN+3 Co-Chairmanship for 2023 alongside Japan to host the ASEAN +3 Task Force Meeting in Nusa Dua Bali. It is important to note that the meeting was the first step in a series on the financial track for Indonesia's chairmanship of ASEAN and joint co-chairmanship of the ASEAN+3 cooperation forum with Japan, China, and South Korea.⁴⁸

Indonesia and the European Union were on the rise. This year, EU and Indonesian negotiators met for the first time in Jakarta for their first face-to-face discussions in over three years regarding a trade pact that aims to enhance trade between Europe and Indonesia. As stated by EU representatives, they were optimistic that the Comprehensive Economic Partnership Agreement (CEPA) negotiations would advance after the 13th round. The first round of negotiations began in 2016, and there have been ongoing grievances from Jakarta on European environmental legislation as well as concerns on both sides regarding the other's economic strategy. One of the main reasons behind this long continuous discussion is because EU's deforestation initiative. This initiative sought to destroy the small-scale agriculture industry in Indonesia.⁴⁹

Retno, Indonesia's foreign minister, stated that Indonesia would continue its contribution and leadership role in global diplomacy to tackle increasingly difficult global challenges. Retno also said that while Indonesia was chair of ASEAN, it would like to strengthen the regional

⁴⁷ Utama, V. R. (2023, September 7). Indonesia's ASEAN Chairmanship Could Make or Break the Bloc. *The Diplomat*. Retrieved from: <https://thediplomat.com/2023/09/indonesias-asean-chairmanship-could-make-or-break-the-bloc/>

⁴⁸ Publikasi (2023). ASEAN +3 Task Force Meeting Serves as the First Agenda of ASEAN Chairmanship 2023 Financial Track. Retrieved from: <https://fiskal.kemenkeu.go.id/publikasi/siaran-pers-detil/462>

⁴⁹ Hutt, D. (2023). Can the EU succeed on closing Indonesia trade deal? Retrieved from: <https://www.dw.com/en/can-the-eu-succeed-on-closing-indonesia-trade-deal/a-64640224>

organization, which serves as a barometer of cooperation that contributes to regional peace, stability, and global welfare. She believed that respect for international law and cooperation constitutes the key to the emergence of ASEAN as an epicenter of growth, peace, and stability in the Asia-Pacific region.⁵⁰

On another matter, Indonesia hosted two regional Commission Meetings: the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) training workshops on September 18-22, 2023 in Bali, and the Comprehensive Nuclear Test Ban Treaty (CTBT), which is an international treaty prohibiting nuclear weapons testing. The training workshops were organized by the Indonesian Agency for Meteorology, Climatology, and Geophysics (BMKG) in cooperation with the CTBTO and aimed to promote the universalization of the CTBT to end nuclear testing and eliminate nuclear weapons.⁵¹

During a regional summit in Indonesia, President Joko Widodo urged global leaders to move away from confrontation, highlighting the meeting's backdrop of rivalries among major powers. The summit, hosted by the Association of Southeast Asian Nations (ASEAN), was attended by U.S. Vice President Kamala Harris, Chinese Premier Li Qiang, Russian Foreign Minister Sergei Lavrov, and leaders from other partner countries. Discussions during the summit had been marked by tensions surrounding various issues, including trade, technology, China's assertiveness in the South China Sea, the Myanmar junta's lack of cooperation with ASEAN, the conflict in Ukraine, and concerns about North Korea potentially supplying weapons to Russia. Indonesia and other Southeast Asian nations expressed concerns this week about the "destructive" rivalries among major powers, specifically alluding to the tensions between the United States and China, which they believe pose a threat to regional stability.⁵²

Moreover, China's regional influence is prominently demonstrated through Indonesia's recent achievement in its transportation sector with the launch of Southeast Asia's fastest train. The groundbreaking development of the high-speed train, known as 'Whoosh', showcases China's

⁵⁰Muhamad, M. (2023). Foreign policy priorities in 2023. *Kompas*. Retrieved from: <https://www.kompas.id/baca/english/2023/01/12/foreign-policy-priorities-in-2023>

⁵¹ Indonesian Embassy in Vienna. (2023 June, 16). Indonesia to host two regional comprehensive nuclear test baned treaty organization (CTBTO) training workshops. *Ministry of foreign affairs of the republic of Indonesia*. Retrieved from: <https://kemlu.go.id/portal/en/read/4848/berita/indonesia-to-host-two-regional-comprehensive-nuclear-test-ban-treaty-organization-ctbto-training-workshops>

⁵² Kate, L. & Ananda, T. (2023, September 7). Southeast Asians wary of new conflicts as big powers join ASEAN summit. Retrieved from: <https://www.reuters.com/world/world-leaders-talk-trade-security-asean-led-summit-2023-09-07/>

cutting-edge technology and state-of-the-art engineering. With a remarkable speed of 350 kph (217 mph), this train revolutionized travel within Indonesia and throughout the Southeast Asian region, significantly reducing travel time from three hours to about 40 minutes.⁵³ While the high-speed rail system is expected to bring economic benefits to Indonesia, it also serves as a clear testament to China's growing regional influence.⁵⁴

Conclusion

In conclusion, Indonesia faced a range of challenges and opportunities in various aspects of its domestic affairs, economy, and foreign relations in 2023. As the ASEAN chair, Indonesia strived to play a proactive role in regional cooperation and ensure the relevance and growth of ASEAN on the global stage. However, there are concerns about domestic political instability due to the upcoming general elections and tensions surrounding the South China Sea. Efforts to increase women's representation in politics highlighted the country's commitment to gender equality and inclusive decision-making processes.

The Indonesian government's initiatives, such as raising the minimum wage and implementing export restrictions on bauxite, demonstrate its focus on addressing social inequality, stimulating domestic industrial growth, and promoting downstream processing. However, the new criminal code has raised concerns about human rights violations and restrictions on freedom of speech and association. Despite these challenges, Indonesia possesses strengths such as a large and diverse economy, a growing young population, and a history of democratic progress. The country's economic growth is driven by commodities, manufacturing, and services, with a focus on domestic activity.

As Indonesia continues to navigate these opportunities and challenges, it is crucial for the country to maintain political stability, address social and economic disparities, protect human rights, and foster inclusive governance. By leveraging its strengths and addressing these issues,

⁵³ Indonesia launches Southeast Asia's fastest train. (2023, October 02). Retrieved from [https://www.dw.com/en/indonesia-launches-southeast-asias-fastest-train/a-66977833#:~:text=%E2%80%8B%E2%80%8BSoutheast%20Asia's%20fastest,billion%20\(%E2%82%AC6.9%20billion\).](https://www.dw.com/en/indonesia-launches-southeast-asias-fastest-train/a-66977833#:~:text=%E2%80%8B%E2%80%8BSoutheast%20Asia's%20fastest,billion%20(%E2%82%AC6.9%20billion).)

⁵⁴ Julia, M. (2023, October 3). Why China laid the tracks for Indonesia's first high-speed rail. Retrieved from: <https://qz.com/indonesia-whoosh-high-speed-rail-china-belt-and-road-in-1850882868>

Indonesia can strive for sustainable development, regional cooperation, and a prosperous future for its people.

Laos

Meung Chansomanita, Lim Cheamara, Lim Ponleu, Ngoun Socheata, & Raksmeay Lytangoun

Introduction

This paper provides an updated overview of the events that happened in Lao PDR throughout the year 2023. Laos went through significant political changes, and the country has been engaging in active neighborly relations, and promising cooperation. Despite challenges like devaluation and inflation, Laos is focusing on digitalization, VAT hikes, and railway projects for connectivity. In terms of socioeconomics, Laos has not been able to raise the minimum wage, as well as facing a few challenges such as poultry sickness, wildfires, and trying to strengthen their tourism sector by establishing the Anti-Trafficking in Persons Project. Regarding international relations, Laos established diplomatic ties, developed border circumstances, joined multilateral frameworks and environmental sectors, and successfully interacted with external and regional partners. This varied component, which involves domestic, economic, social, and foreign relations, highlights the complicated and consequential course of Laos's 2023 journey.

Domestic Politics

In January 2023, the country witnessed a reshuffling of government officials. The Prime Minister, Ms. Sounthone Xayachack, proposed this reshuffle, which was subsequently announced by the Vice President of the National Assembly. This rearrangement brought about a change in the leadership and decision-making processes within important sectors including energy and mines, public works and transport, finance, and provincial governance.¹As a result, various high-ranking officials were reassigned or replaced in important areas such as energy and mines, public works and transport, finance, and provincial governance. The reshuffle intended to bring fresh perspectives and expertise to these sectors, ensuring effective governance, efficient management of resources, and the implementation of strategic initiatives.

¹ Visapra, Phontham. "Laos National Assembly Approves Cabinet Reshuffle and New Appointments." *Laotian Times*. January 30, 2023. <https://laotiantimes.com/2023/01/30/laos-national-assembly-approves-cabinet-reshuffle-and-new-appointments-2/>.

Dr. Sonexay Siphandone has been elected as the new Prime Minister of Laos. He received nearly 100% of the votes from the National Assembly during the 4th Ordinary Session of the 9th Legislature. He pledged to fulfill his duty to the best of his ability in accordance with the constitution and laws of Laos. The outgoing Prime Minister, Mr. Phankham Viphavanh, cited health reasons and formally announced his retirement.

In April, the starting month of the second quarter, a 25-year-old well-known critic of the Laotian government, Anousa Luangsuphom, who was thought to have died after being shot point blank, was found alive.² The young political activist was shot in the chest and face while he was at a cafe in Vientiane. He is a prominent administrator of Kub Kluey Duay Keyboard (Driven by Keyboard), a Facebook page that encourages Laos citizens to criticize its government. Sitting at a café in Laos's capital, Vientiane, Anousa was shot by an unidentified shooter donning a mask. Local and foreign media outlets said that Anousa had passed away from his wounds while being transferred to the hospital; however, posts on Human Rights Watch staff members' social media from May 4th indicated that he was still receiving medical attention.

In the third quarter of 2023, the Laotian government secured USD 500,000 in funds to alleviate poverty in the country through the 12th Mekong-Ganga River Cooperation Framework Meeting held in Bangkok. The meeting was chaired by India's Minister of External Affairs, Mr. Subrahmanyam Jaishankar, and co-hosted by Lao's Foreign Minister, Saleumxay Kammasith. The scope of collaboration between the two countries will focus on the promotion of micro-enterprises, small and medium-sized enterprises (MSMEs), and the connection of the India-Myanmar-Thailand Trilateral Highway project. The framework emphasizes many areas of cooperation including tourism, culture, education, public health, transportation, and Information and Communication Technology (ICT)³. The Mekong-Ganga Cooperation (MGC) was launched in the capital city of Laos, Vientiane in 2000. The initiative comprises six countries such as India, Myanmar, Thailand, Laos, Cambodia, and Vietnam with four foundational areas of cooperation including tourism, culture, education, and transport and communication.⁴

² Time. "Activist in Laos Revealed to Have Survived His Reported Assassination." 2023. TIME. May 4, 2023. <https://time.com/6276960/laos-activist-anousa-luangsuphom-survives-shooting/>.

³ Visapra, Phontham. "Laos Co-Chairs Mekong-Ganga Cooperation Ministerial Meeting in Bangkok." Laotian Times. July 18, 2023. <https://laotiantimes.com/2023/07/18/laos-co-chairs-mekong-ganga-cooperation-ministerial-meeting-in-bangkok/>.

⁴ Mekong Ganga Cooperation. "About Us - Mekong-Ganga Cooperation (MGC)." n.d. Accessed December 27, 2023. <https://mgc.gov.in/about>.

During the last quarter of this year, on the occasion of the 48th anniversary of Lao National Day, General Vilay Lakhamfong, Minister of Public Security has announced that 1,824 prisoners, including 238 females and 16 foreign nationals will be granted amnesty.⁵ Among them, 1,602 individuals will see their sentences reduced and 222 will earn complete freedom. The purpose of the grantee of amnesty, as General Vilay stressed, is to promote peace and justice as well as to reintegrate those individuals back into society.

The government of Laos plans to list electronic cigarettes to the list of substances and precursors classified as addictive. In his speech at the National Assembly, General Vilay Lakhanphong, Deputy Prime Minister, and Minister of Public Security underscored the harmful use of electronic cigarettes and stated that it will be banned from public use. The leading cause of death in Lao society these days is tobacco-related diseases which accounted for about 65%, according to the Ministry of Health⁶. In recent years, e-cigarettes have become more commonplace among the Lao youth. To that end, the government is worried that the nation will soon face a wave of e-cigarette addiction if proper measures are not taken.

On November 28, 462 online frauds were taken down by Laos and China police amidst suspicions of committing illegal online scams in the Golden Triangle Special Economic Zones and Tonperng district in Bokeo province.⁷ Several items including cars, cell phones, and computers are confiscated by the authorities. The Laos police escorted 462 individuals, including 41 Chinese women, to the hands of Chinese authority at the Lao-China border in Luang Namtha province. Police Commander of the Golden Triangle SEZ, Anousin Sackpasert, is committed to closely inspecting and addressing incidents associated with online fraud. He stressed that the authorities will promote legal awareness among the public, especially when it comes to business operators and tourists. The purpose of such an initiative is to halt and fix incidents that happen in the Golden Triangle SEZ. Online fraud has been a serious problem for Laos, which has prompted authorities to take swift action. In a prior operation in September, 164 people involved in fraudulent activities were captured by Lao officials working with

⁵ Lapuekou, Chono. "Laos Grants Amnesty to 1,824 Prisoners on Lao National Day." Laotian Times. December 7, 2023. <https://laotiantimes.com/2023/12/07/laos-grants-amnesty-to-1824-prisoners-on-lao-national-day/>.

⁶ Lao News Agency. "Laos to list electronic cigarettes among addictive substances." n.d. Accessed December 27, 2023. <https://kpl.gov.la/detail.aspx?id=78619>.

⁷ Lapuekou, Chono. "Joint Police Operation Takes Down 462 Online Fraud Suspects in Golden Triangle SEZ - Laotian Times." Accessed December 27, 2023. https://laotiantimes.com/2023/12/06/joint-police-operation-takes-down-462-online-fraud-suspects-in-golden-triangle-sez/?fbclid=IwAR3-nZZfAuWplhY90oo-M8Mu0MuSrTODdLTdii8hxrZ7kVM-krr_ZBqhGb8.

Chinese law enforcement. There were 77 people arrested in Vientiane Capital, 46 in the Golden Triangle SEZ in Bokeo Province, 22 in Vientiane Province, and 19 in Savannakhet Province. The arrests took place in several various sites throughout Laos.⁸

Socio-Economic Affairs

The country's recent merger of several partners suggests that Laos' economy will be more globally connected in 2023. According to reports, DHL Express, the top international express service provider in the world, has opened a new service location in the Saysettha neighborhood of Vientiane, increasing its area of operation in Laos. Customers may easily send and pick up documents and packages to any location outside of Laos thanks to the service point, which meets the increasing demand for outbound shipping. Additionally, it is the second addition in a year; the other service location in Xiengkhaung opened its doors in January. As of right now, Laos has five service stations.⁹ Furthermore, the Joint Development Bank (JDB) of Laos released a brand-new mobile application for 2023 road tax payments. Owners of vehicles have access to a number of mobile applications, branches, tax agencies, and village offices for making payments. Toll stickers are refundable at any JDB branch for customers. However, the computer machines at the bank are not yet operational. And there is a 40% penalty for missing tax deadlines.¹⁰

According to the Economic Intelligence Center of the Siam Commercial Bank, growth in Cambodia, Laos, Myanmar, and Vietnam is expected to pick up in 2023, although it will still be below pre-COVID-19 levels. The recovery will be uneven per nation; Laos and Myanmar's economies are predicted to rise at 3.0%, Vietnam's at 6.2%, and Cambodia's at 5.5%. The economy would recover primarily through domestic demand and tourism, with a boost from China's approved outbound group tours to Cambodia and Laos.¹¹

⁸ Lapuekou, Chono. "Lao Police Hand Over 164 People Suspected of Online Fraud to China at Wattay International Airport." *Laotian Times*, September 11, 2023. <https://laotiantimes.com/2023/09/11/lao-police-hand-over-164-people-suspected-of-online-fraud-to-china-at-wattay-international-airport/>.

⁹ DHL. "DHL Express Expands Footprint in Laos With New Vientiane Service Point." n.d. Accessed December 27, 2023. <https://www.dhl.com/la-en/home/press/press-archive/2023/dhl-express-expands-footprint-in-laos-with-new-vientiane-service-point.html>.

¹⁰ Vongphachanh, Manyphone. 2023. "Laos Road Tax for 2023 Payable Via New Channels." *Laotian Times*. January 19, 2023. <https://laotiantimes.com/2023/01/19/laos-road-tax-for-2023-payable-via-new-channels/>.

¹¹ Khmer Times. "Cambodia, Laos, Myanmar and Vietnam to Grow Stronger This Year, Says Thai Bank." 2023. February 1, 2023. <https://www.khmertimeskh.com/501231435/cambodia-laos-myanmar-and-vietnam-to-grow-stronger-this-year-says-thai-bank/>.

On February 21, 2023, the Lao PDR hosted the Eighth National Nutrition Forum and Annual National Nutrition Committee Meeting 2022. The forum's goal was to evaluate the government's performance in addressing malnutrition and nutrition priorities for 2023. H.E. Dr. Kikeo Khaykhamphithoune, the Deputy Prime Minister of Lao PDR, handed it over. This year's event has “Nutrition for Sustainable Development” as its topic, highlighting the role that nutrition plays in accomplishing both the Sustainable Development Goals (SDGs) and the government's socio-economic development objectives. Dr. Pia Rebello Britto, the UNICEF representative in the Lao PDR, and Mr. Niall Leonard, the Charge d'Affaires of the European Union Delegation to the Lao PDR, co-chaired the forum on behalf of the Food Security and Nutrition Development Partners Group. Development partners demanded that the Lao PDR make long-term, sustainable commitments to nutrition in all sectors and areas. The World Food Program (WFP), UNICEF, the World Bank, SUN CSA Laos, the European Union, and other partners provided financial support for the forum, which the Government of Lao PDR organized.

In a worldwide digital overview study for 2023, Meltwater and We Are Social found that Laos has seen a rise in internet penetration and social media use. According to the report, 62% of people have access to the internet, 44% use social media, and 85% of people own a mobile phone. Laos has an average internet speed of 28.33 Mbps, and the number of fixed internet connections has increased by 20% annually. Laos's population has grown to 7.58 million, and between 2022 and 2023, the number of mobile phone connections climbed by 7.8%. According to the survey, mobile phones account for most of the web traffic in Laos, with laptops and desktop computers downloading 14.2% of all web traffic. The statement also emphasizes how social media is becoming more and more popular in Laos, where 2.95 million people over the age of 18 and 3.35 million active users utilize the platform.¹²

The Vientiane National Convention Center will reopen as "ITALIAN EXPO LAOS 2023" on March 16. The Italian Trade Agency (ITA) and the Italian Embassy in Bangkok are collaborating to promote Italian companies in the ASEAN region. The Italian Trade Agency is going to build up a pavilion during the event that will represent 62 of the top companies in the nation across a range of industries. It is expected that 5,000–6,000 professionals would visit a market with limited trade and investment development, offering chances for scouting. With

¹² Vongphachanh, Manyphone. “Digital 2023 Report on Laos Released: Internet, Mobile, and Social Media - Laotian Times.” Accessed December 27, 2023. <https://laotiantimes.com/2023/03/13/digital-2023-report-on-laos-released-internet-mobile-and-social-media/>.

eight million people, Laos is a great partner for Italy to increase its influence because it is strongly trying to grow its manufacturing industry.¹³

On the other hand, in the second quarter of 2023, the Lao PDR economy faced challenges such as structural issues, economic instability, and a vulnerable external environment. The Lao currency, Kip, fell 43% against the US dollar and 32% against the Thai baht due to high import costs, a lack of foreign investment, and external debt. The recovery of services and exports is predicted to produce growth rates of 3.9% in 2023 and 4.3% in the medium term.¹⁴

Laos' GDP growth is attributed to manufacturing, agricultural exports, and special economic zones. However, the 40% inflation rate and the devaluation of the kip have reduced the buying power of 64% of Lao families. Stricter monetary regulations stabilized the kip in 2023, but the currency's drop and global price rise continue to pressure inflation. Low-income families are more vulnerable to inflation, and the region's low growth makes it difficult to regulate spending and fund welfare, healthcare, and education initiatives.¹⁵ Lastly, the country declared 2023–2024 as Lao Tourism Year, with a record 1.3 million tourists in 2022. The country aims to attract 1.4 million visitors in 2023, with an estimated 368,000 from China. The high-speed railway and new dry port have enhanced commerce and industrial activities.¹⁶

Laos's economy is still struggling in the third quarter with prolonged problems such as the growing public debt, high inflation rates, skyrocketing living costs, etc. In an effort in tackling these problems, the Vientiane government is initiating numerous strategies in boosting the economy, as well as fostering good relations with its neighbors. Laos officially launched its nationwide tourism strategy "Visit Laos Year 2024" in November, which is a fresh approach aimed at enhancing tourism and bolstering the nation's foreign currency reserves. "This is an opportunity to showcase Laos' rich culture and traditions to the world, to create a memorable

¹³ Meadley, Jonathan. "Italian Expo Laos - Vientiane 2023 with Italian Trade Agency." *Laotian Times*. March 15, 2023. <https://laotiantimes.com/2023/03/15/italian-expo-laos-vientiane-2023-with-italian-trade-agency/>.

¹⁴ World Bank. "Lao Economic Monitor, May 2023: Addressing Economic Uncertainty - Key Findings." n.d. Accessed December 27, 2023. <https://www.worldbank.org/en/country/laos/publication/laos-economic-monitor-may-2023-addressing-economic-uncertainty-key-findings>.

¹⁵ World Bank. "Inflation and Debt Weigh Down Lao PDR Economic Recovery, World Bank Report Says." n.d. Accessed December 27, 2023. <https://www.worldbank.org/en/news/press-release/2023/05/17/inflation-and-debt-weigh-down-lao-pdr-economic-recovery.print>.

¹⁶ Take, Sayumi. n.d. "High-Speed Rail to China a 'Source of Pride': Laos President - Nikkei Asia." Accessed December 27, 2023. <https://asia.nikkei.com/Spotlight/The-Future-of-Asia/The-Future-of-Asia-2023/High-speed-rail-to-China-a-source-of-pride-Laos-president>.

experience for visitors, and encourage them to revisit Laos in the future," claimed Lao Prime Minister Sonexay Siphandone during the opening ceremony.¹⁷ This campaign is expected to attract millions of tourists and millions of US dollars for the government income on the tourism sector. The effort to boost tourism also involves contemplating the introduction of multiple-entry tourist visas for Laos, potentially extending unilateral visa issuance to nations keen on fostering tourism collaboration.¹⁸

Moreover, as a response to the worker shortage, the government has approved the minimum monthly wage raise in the country from 1,300,000 Lao kip (67 USD) to 1,600,000 Lao kip (83 USD) starting from October. This problem is resulting from the rising number of people immigrating abroad to find work to survive the skyrocketing cost of living in the country.¹⁹ Additionally, the Ministry of Industry and Commerce (MTC) is working with the Ministry of Planning and Investment to boost local manufacturing and decrease imports. The government encourages domestic producers to use local products to reduce exports of raw materials and distribute supplies to domestic companies. The government is also promoting the agricultural product to boost the export of high-value agricultural products such as corn, coffee, and potatoes.²⁰

The government is still fostering interconnectedness with its neighboring countries through railway projects. For instance, the Lao National Railway Enterprise (LNRE) has signed a memorandum of understanding on railway cooperation with Malaysia's Keretapi Tanah Melayu Bhd (KTMB) which would permit trains from both nations to operate on each other's rail networks, contributing to Laos' role in the Pan-Asian Railway network and positioning it as a vital logistics hub for Southeast Asia, particularly in trade with China.²¹ In fact, China is reported to be Laos biggest investor with 900 development projects and US\$13 billion

¹⁷ Xinhua. "Tourism Promotion Campaign Visit Laos Year 2024 Officially Launched." n.d. Accessed December 27, 2023. <https://english.news.cn/20231124/867ea6561fe145ffb9b5ae250ab224e2/c.html>.

¹⁸ Visapra, Phontham. "Lao PM Orders Exploration of Multiple-Entry Tourist Visas to Boost Tourism." Laotian Times. September 4, 2023. <https://laotiantimes.com/2023/09/04/lao-pm-orders-exploration-of-multiple-entry-tourist-visas-to-boost-tourism/>.

¹⁹ VietnamPlus. "Laos Faces Dire Shortage of Workers." n.d. Accessed December 27, 2023. https://en.vietnamplus.vn/laos-faces-dire-shortage-of-workers/267273.vnp?utm_source=link.gov.vn#source=link.gov.vn.

²⁰ Lapuekou, Chono. "Laos to Promote Domestic Production, Reduce Imports." Laotian Times. July 3, 2023. <https://laotiantimes.com/2023/07/03/laos-to-promote-domestic-production-reduce-imports/>.

²¹ Meadley, Jonathan. "Laos, Malaysia Ink Deal to Enhance Cross-Railway Cooperation - Laotian Times." Accessed December 27, 2023. <https://laotiantimes.com/2023/08/24/laos-malaysia-ink-deal-to-enhance-cross-railway-cooperation/>.

investment. It is also worth mentioning that Laos is transforming its country from land-locked to land-linked, thus it is actively engaging in railway projects, especially with China. It is believed to be an important key to the economic development of Laos despite the growing public debt as proclaimed by the Laotian President Mr. Thongloun Sisoulith himself.²²

Furthermore, Laos has been facing a high inflation rate for many years as the government does not have effective regulation on foreign currencies in the country. The continuous decline of Lao Kip's value and popularity is due to the flow of foreign currencies, especially Thai Baht. Thus, the Lao People's Revolutionary Party (LPRP) Central Committee has created a high-level task force led by Prime Minister Sonexay Siphandone himself. The primary objective of the taskforce is to tackle issues such as inflation, increased living expenses, currency exchange rates, and foreign debt. Additionally, it is responsible for formulating thorough plans and policies to manage these challenges and bring stability to the economy. Steps will be implemented to regulate prices of goods and services, control the circulation of foreign currency, and enhance the financial system, ultimately aiming to strengthen the value of the Lao kip.²³

On top of that, the government is continuing to put effort into addressing the current situation of economic difficulties in the country. The Ministry of Technology and Communication and the Ministry of Finance signed a contract to develop the use of electronic signatures in the state budget management system. The government will also set up a payment center for taxes, fees, service charges, and payments made via the banking system as a part of its strategy to advance the digital economy.²⁴ Additionally, a new draft law on land tax to align with international standards was introduced by the Minister of Finance to ensure a clear, equitable, practical, and verifiable tax collection procedure. The Lao Ministry of Finance is considering raising the value-added tax (VAT) from 7% to 10% to further boost government's revenue. It is claimed by the government that the economy is underperforming the prediction and there are favorable

²² Ibid.

²³ Phonevilay, Latsamy. "High-Level Taskforce Established to Tackle Economic Challenges in Laos - Laotian Times." Accessed December 27, 2023. <https://laotiantimes.com/2023/07/21/high-level-taskforce-established-to-tackle-economic-challenges-in-laos/>.

²⁴ Meadley, Jonathan. "Govt to Develop Electronic Signature for State Budget Management System." Laotian Times. July 6, 2023. <https://laotiantimes.com/2023/07/06/govt-to-develop-electronic-signature-for-state-budget-management-system/>.

factors that VAT should be increased. A new draft law to increase the VAT rate is expected to be completed this year and be effective in early 2024²⁵.

In 2023, Laos is becoming more globally connected, with DHL Express expanding operations and the Joint Development Bank launching a mobile app for road tax payments. Economic growth is projected, driven by domestic demand, tourism, and China's approved outbound tours. The country faces challenges, including a devalued Kip and a 40% inflation rate. The Eighth National Nutrition Forum underscores efforts to address malnutrition. Internet and social media use are rising, and the "ITALIAN EXPO LAOS 2023" aims to boost trade. Despite economic struggles, Laos introduces strategies such as "Visit Laos Year 2024" and a minimum wage increase. The government focuses on digitalization and considers a VAT hike to stabilize the economy. Laos continues efforts to enhance connectivity with neighboring countries through railway projects.

A report from February 3 stated that, despite a 20 percent increase in 2022, the Lao government has not been able to raise the minimum wage in Laos. In August 2022, the minimum salary was raised from LAK 1,000,000 to LAK 1,200,000. The Ministry of Labour and Social Welfare has declared that insufficient data may prevent an increase in the minimum wage. In 2022, the average inflation rate was 22.96%, with food inflation reaching 39% of total inflation. According to the World Bank, two-thirds of households spend less on education and health care, which may be detrimental to the long-term advancement of humanity. Furthermore, even if a large number of Lao workers have improved their skill level, their employers continue to pay them the minimum salary and do not promote their more skilled employees²⁶. In the same month, many tourists and locals in Laos have experienced losing chickens, especially in the late winter when poultry sickness is most common. The reason for the deaths was unknown illnesses. Two dangerous illnesses that can kill a lot of chickens in Laos are Newcastle disease and chicken cholera. These illnesses are highly contagious.²⁷

²⁵ VietnamPlus. "Laos Considers Raising Value-Added Tax." n.d. Accessed December 27, 2023. <https://en.vietnamplus.vn/laos-considers-raising-valueadded-tax/270395.vnp>.

²⁶ Miller, Jack. 2023. "Laos Hesitant to Raise Minimum Wage." Laotian Times. February 3, 2023. <https://laotiantimes.com/2023/02/03/laos-hesitant-to-raise-minimum-wage/>.

²⁷ Visapra, Phontham. 2023. "Netizens Report Mass Chicken Deaths Across Laos." Laotian Times. February 16, 2023. <https://laotiantimes.com/2023/02/16/netizens-report-mass-chicken-deaths-across-laos/>.

For the tourism sector, the Laos Anti Trafficking in Persons Project was established in March with the financial support from USAID with the intention of eliminating human trafficking in the travel and tourism industry by providing information, advocacy tools, and training. The Ministry of Information, Culture, and Tourism initiated the project with the goal of reducing the vulnerability of the targeted populations by offering work opportunities and vocational training. There's a possibility that more people will become victims of human trafficking in spite of the increase in tourism. The initiative acknowledges that the country is still used as a source, transit, and destination for people trafficking even with over a million foreign visitors anticipated in 2023.²⁸

During the monthly cabinet meeting, which was held from 28-29 March, the Laotian government prioritized its commitment to seek solutions to tackling forest fires and air pollution, which has been affecting people's health and socioeconomic development in the country.²⁹ The government spokesperson told the media that the Ministry of Agriculture and Forestry is tasked to work closely with the Ministry of Defense and the Ministry of Public Security, along with local authorities in patrolling slash-and-burn agricultural activities and forest fires.³⁰ In recent years, forest fires in Laos have pushed for an unprecedented increase in dust known as PM2.5 which is an atmospheric particulate matter (PM) that has a diameter of less than 2.5 micrometers. According to the Ministry of Natural Resources and Environment, with air pollution climbing up to severe and hazardous levels, people are advised to wear masks and warned not to burn any kind of garbage.³¹ In the second quarter of 2023, wildfires in northern Laos have destroyed up to half of wooded land in Luang Prabang, Xayabury, and Oudomxay provinces due to drier-than-normal weather and lack of modern firefighting equipment. The fires have intensified due to drier-than-normal weather, causing further damage to homes, farms, and livestock.

On the other hand, Southern Laos is constructing the largest wind energy project in Southeast Asia, with a 600-megawatt generation capacity in Sekong and Attapeu provinces. However,

²⁸ Meadley, Jonathan. "Govt of Laos to Tackle Human Trafficking in Tourism Industry - Laotian Times." Accessed December 27, 2023. <https://laotiantimes.com/2023/03/09/ministry-of-tourism-to-tackle-human-trafficking-in-tourism-industry/>.

²⁹ Phonevilay, Latsamy. "Laos Government Seeks Solutions to Forest Fires, Air Pollution at Recent Cabinet Meeting." Laotian Times. March 29, 2023. <https://laotiantimes.com/2023/03/30/laos-government-seeks-solutions-to-air-pollution-in-recent-cabinet-meeting/>.

³⁰ Ibid.

³¹ Xinhua. "Lao Cabinet Orders Urgent Action to Tackle Air Pollution." n.d. Accessed December 27, 2023. <https://english.news.cn/asiapacific/20230330/491f6909a81c411c8a541b421e608240/c.html>.

several dam projects on the Mekong River have been postponed due to environmental and community impacts. And the Monsoon Wind Power Lao Company Ltd is constructing a \$950 million project, affecting 340 families in 18 communities.³²

During the International Day for the Elimination of Violence Against Women Laos Prime Minister Sonexay Siphandone called on the government to end violence against women. Standard Operating Procedures (SOPs) to prevent and address violence against women and girls have been successfully implemented by the Laotian government in the last year through collaboration with several partners. Processes related to justice, social assistance, healthcare, coordination, and protection are covered by the SOPs. After different units received training, 158 cases—mostly involving sexual violence—were assisted. The government provides survivors with legal assistance, medical attention, counseling, and housing, among other services. Along with that, the government is improving its healthcare service with a US\$45 million financial package provided by the Asian Development Bank to strengthen healthcare services in 16 districts across 10 provinces in Laos. The Quality of Health Care Project is expected to benefit about 1.6 million people annually, focusing on the poor, women, elderly, and people with disabilities³³.

Foreign Affairs

The start of the year of 2023 for Laos was focused on the process of strengthening relations both regionally and externally. On February 13-15, Cambodia's Prime Minister, Hun Sen made a visit to Laos upon receiving the invitation from Laos's Prime Minister Sonexay Siphandone. The visit from the Cambodian prime minister resulted in various positive outcomes where both nations were able to discuss more in depth on the process of connecting deeper in multiple sectors in both countries. Both countries stressed on the prioritization of shared interests and concerns along with the importance of bolstering bilateral ties among both nations. Following the two-day visit, both parties were able to sign two important documents, one being a treaty on their shared border, where demarcation was 86 percent complete at the time, and the other being

³² Karlo. 2023. "Chinese Power Enterprises Ensure Generation and Supply for Laos in Peak Summer Season." May 10, 2023. <https://jclao.com/chinese-power-enterprises-ensure-generation-and-supply-for-laos-in-peak-summer-season/>.

³³ The Star. "Asian Development Bank Approves US\$45mil Financing to Strengthen Health Care Services in Laos." n.d. Accessed December 27, 2023. <https://www.thestar.com.my/aseanplus/aseanplus-news/2023/08/27/asian-development-bank-approves-us45mil-financing-to-strengthen-health-care-services-in-laos>.

an action plan for comprehensive and long-lasting strategic partnership for 2023-2027 between the two countries.³⁴

To further strengthen cooperation, Cambodian Deputy Prime Minister and Interior Minister Sar Kheng and Lao Deputy Prime Minister and Minister of Public Security Vilay Lakhamfong signed a memorandum of cooperation on the commitment to strengthen cooperation in the areas of border security, drug control and inspection, human trafficking prevention, illegal immigration, telecom, and cybercrime prevention. In addition, both parties approved cooperation guidelines for 2023 and reviewed their bilateral cooperation in carrying out the plans for cooperation outlined in the memorandum they signed in 2021.³⁵

On August 22, Laotian Prime Minister, Sonexay Siphadone sent a message congratulating Cambodia's Prime Minister-elect, Hun Manet. Cambodia's Prime Minister won the general election and was expected to take the role this October. The message emphasized the two nations' commitment to fortifying their bilateral connections and outlined their goals of benefiting their respective populations as well as advancing regional and worldwide development, peace, and stability.³⁶ In the same month, the new Thai Prime Minister, Srettha Thavisin is also set to pay an official visit to Laos. After the congratulatory phone call from the Laotian Prime Minister, the two prime ministers committed to strengthening cooperation between both sides in the field of trade, investment, and infrastructure development including expanding road networks, integrating power grids, and improving rail connectivity.³⁷

In addition to collaborating among neighboring countries, Laos has also expanded their scope towards external support. A ceremony held in February, attended by Mr. Phoxay Khaykhamphouthone, Deputy Minister of Foreign Affairs, and Mr. Lee Hyung Geun, Managing Director of Samsung Electronics in Laos and Cambodia, along with other external partners was

³⁴ Khmer Times "Laos, Cambodia Pledge to Enhance Bilateral Ties." 2023. February 14, 2023. <https://www.khmertimeskh.com/501239131/laos-cambodia-pledge-to-enhance-bilateral-ties/>.

³⁵ Khmer Times "Laos, Cambodia Reaffirm Commitment to Enhance Cooperation on Border Security" 2023. March 20, 2023. <https://www.khmertimeskh.com/501258939/laos-cambodia-reaffirm-commitment-to-enhance-cooperation-on-border-security/>.

³⁶ Jonathan Meadley. "Lao Prime Minister Congratulates His Newly-Elected Cambodian Counterpart - Laotian Times." Accessed December 27, 2023. <https://laotiantimes.com/2023/08/23/lao-prime-minister-congratulates-his-newly-elected-cambodian-counterpart/>.

³⁷ Lapuekou, Chono. "Lao PM Congratulates Newly-Elected Thai PM, Discusses Ways to Strengthen Ties." Laotian Times. August 29, 2023. <https://laotiantimes.com/2023/08/29/lao-pm-congratulates-newly-elected-thai-pm-discusses-ways-to-strengthen-ties/>.

held under Samsung's Love and Care project with an aim to promote education as part of the company's vision to be a part of society's sustainable development. This project had provided a total of USD 12,000 in resources and learning materials to schools in rural areas like the areas of Houaphanh and other provinces in hope to better the education environment in those areas³⁸.

A project scheduled to last for a five-year long term on Capacity Strengthening for Maternal Child Health and Nutrition was established on 3 February by the United States Agency for International Development (USAID). The project's implementation will be carried out by the joined efforts from The Ministry of Health and the JSI Research and Training Institute. In the five provinces of Phongsaly, Oudomxay, Savannakhet, Salavanh, and Sekong, 24 districts of Laos are to be covered by the project. Improving the health and nutritional outcomes for new and expecting mothers as well as their newborns is the project's top priority. The project aligns its approach with Laos's current Sam Sang Directive to enhance administrative levels' role and engagement to carry out this vision.³⁹

Due to Australia and Laos having maintained diplomatic relations for over 70 years, Mr. Saleumxay Kommasith, the foreign minister and deputy prime minister, was invited as a guest of honor to the Australia Day reception in 2023. The two nations discussed their many joint accomplishments as well as their long-standing, unbroken diplomatic ties. Additionally, Mr. Paul Kelly, Australia's ambassador to Laos, reaffirmed the accomplishments of both nations as well as his goals for their futures. Australia hopes to collaborate with Laos and other ASEAN members to jointly shape this transformative phase. Owing to Laos's advantageous position as Australia's ASEAN country coordinator from 2022 to 2024, Australia will be more involved as a dialogue partner to help Laos successfully lead the ASEAN Summit in 2024.⁴⁰

Laos started its second quarter with the event of the Southeast Asian Mekong River Commission members attending the fourth summit of the Mekong River Commission on April 5, 2023. Reaffirming cooperation commitments to protect the Mekong River, which is essential to 70

³⁸ Desk, Advertorial. 2023. "Samsung Provides Study Materials for Schools in Laos." Laotian Times. February 7, 2023. <https://laotiantimes.com/2023/02/07/samsung-provides-study-materials-for-schools-in-laos/>.

³⁹ Visapra, Phontham. "United States to Help Advance Maternal Child Health, Nutrition in Laos." Laotian Times. February 3, 2023. <https://laotiantimes.com/2023/02/03/united-states-to-help-advance-maternal-child-health-nutrition-in-laos/>.

⁴⁰ Visapra, Phontham. "Australia and Laos – Moving Forward Together." Laotian Times. February 15, 2023. <https://laotiantimes.com/2023/02/15/australia-and-laos-moving-forward-together/>.

million people, was one of the topics of discussion during the summit.⁴¹ The Vientiane Declaration, which was made public by the host country's prime minister, Sonexay Siphandone, with the slogan "One Mekong One Spirit," is a statement of each country's "highest political commitment" to the intergovernmental MRC's diverse range of functions. The MRC serves as a treaty-based forum for "water diplomacy" in addition to encouraging sustainable and responsible development. Its goal is to maximize beneficial effects and minimize detrimental ones associated with the environment or fishing and agricultural communities.

Lao PDR, as an ASEAN member, maintains good relationships with other ASEAN countries in areas like regional cooperation in politics and the economy. Representatives from Laos, who will chair the ASEAN summit in 2024, gathered in Vientiane on June 1st to talk about progress made in getting ready for the Lao PDR's chairmanship⁴².

Lao PDR, Cambodia, and Vietnam joined in commemorating the 69th anniversary of the signing of the Geneva Agreement on May 7, which followed the momentous Dien Bien Phu victory in 1954. The date honored the liberation of the Indochina countries, a turning point in the history of colonial and dependent nations' unification in the fight for independence, and a reflection on the prominent collapse of traditional colonialism⁴³.

In the third quarter of the year,⁴⁴ China Southern Electricity Grid (CSG) hopes to continue looking for opportunities in Laos to support their efforts in international cooperation as it recently became an active electricity investor and trading partner in Laos. As the general manager of CSG's department for international cooperation, Li Xinhao states that the regional partners and the Chinese state-owned company have worked together to adjust electricity supply in accordance with the seasons. Consequently, this ensures their plan of export during the dry season and import during the rainy seasons, when the neighboring countries' capacity to produce electricity grows. CSG plans to design a 500kV project that connects transmission lines in Laos

⁴¹ Mekong River Commission. "New 'Vientiane Declaration' Presses Mekong Countries, Partners to Intensify Cooperation." Accessed December 27, 2023. <https://www.mrcsummit.org/news/mrc-secretariat-chief-cites-progress-amid-troubling-trends-in-annual-address-2/>.

⁴² Sochan, Ry. "Cambodia, Laos Ready for 'next Level' Ties | Phnom Penh Post." Accessed December 27, 2023. <https://phnompenhpost.com/national-politics/cambodia-laos-ready-next-level-ties>.

⁴³ Voice of Vietnam. "Dien Bien Phu Victory – from Past to Present." 2023. THE VOICE OF VIETNAM. May 6, 2023. <https://vovworld.vn/en-US/content/MTAzODk3Mg==.vov>.

⁴⁴ Visapra, Phontham. "China Southern Power Grid to Expand Energy Investment in Laos." Laotian Times. July 12, 2023. <https://laotiantimes.com/2023/07/12/china-southern-power-grid-to-expand-energy-investment-in-laos/>.

and assists it in extending transmission lines to neighboring countries, with the goal of eventually increasing interconnection among the Lancang Mekong states.

The Southeast Asia Nuclear-Weapon-Free Zone (SEANWFZ) Commission meeting took place on July 11 in Jakarta, Indonesia, with plans to discuss the Southeast Asia nuclear weapons Free Zone Treaty (2023-2027) and its protocol. A total of ten ASEAN member states signed the pact on December 15, 1995, and the plan fully acted on March 17, 1997.⁴⁵ In addition to the SEANWFZ Commission meeting, Saleumxay also attended the 56th ASEAN Foreign Ministers' Meeting, the ASEAN Senior Officials Meeting and the ASEAN Intergovernmental Commission on Human Rights meetings. Upon his attendance, he prepared updates regarding the ASEAN-Australia action plan along with preparation for a special meeting in 2024 to commemorate the 50th anniversary of bilateral relations.⁴⁶ Dr. Bounkham Vorachit, the Minister of Natural Resources and Environment in Laos, stated that the meeting serves as a crucial forum for deliberating and reaching consensus on regional policies, measures, and strategies to promote environmental management and sustainable development. The user's text is a backslash character. Dr. Bounkham expressed optimism that the meeting participants will reach a consensus on a novel, accurate, efficient, and feasible policy to address the environmental issues in the region, particularly those concerning the ASEAN environment ministers. She urged the delegates to demonstrate resolve, diligence, and accountability in achieving this accord.⁴⁷

On August 10, the Securities and Exchange Regulator of Cambodia (SERC) and the Lao Securities Commission Office (LSCO) signed a Memorandum of Understanding (MoU) to further their cooperation in expanding the capital markets.⁴⁸ The MoU represented a noteworthy advancement in the growth of the securities markets in Cambodia and Laos. In addition to signing the Memorandum of Understanding, the two countries decided on a cooperation plan for 2023 with the intention of exchanging best practices for managing and resolving security-related issues, encouraging capital market investments, and fostering greater integration and cooperation between them.

⁴⁵ “United Nations Platform for Nuclear-Weapon-Free Zones |.” n.d. Accessed December 27, 2023. <https://www.un.org/nwzf/>.

⁴⁶ Meadley, Jonathan. “Lao Foreign Ministry Leaders Attend ASEAN Meetings in Indonesia.” *Laotian Times*. July 12, 2023. <https://laotiantimes.com/2023/07/12/lao-foreign-ministry-leaders-attend-asean-meetings-in-jakarta-indonesia/>.

⁴⁷ *Ibid.*

⁴⁸ Kunmakara, May. “Cambodia, Laos Regulators to Develop Capital Market.” Accessed January 2, 2024. <https://www.phnompenhpost.com/business/cambodia-laos-regulators-develop-capital-market>.

The National Bank of Cambodia and the Bank of Laos both attended the 13th multilateral conference in Vientiane on August 18. The conference was held with the intention of examining additional joint efforts and developing a cross-border QR Code payment system from both parties involved. They covered macroeconomics, monetary policy implementation, economic development, foreign exchange management strategy, and personnel training in addition to the main topic of digital connectivity. Users will be able to make payments in their local currencies with the recently unveiled QR Code payment system. Travelers from both countries should be able to use the system, which will allow them to make purchases by simply scanning the QR code, in the fourth quarter of 2023⁴⁹.

Thai's prime minister Srettha Thavisin made a visit to Laos from 29-31 October. During his visit, Thai and Laos delegations worked closely on Thailand's commitment to support Laos in mapping the country's fire risk areas in 2024 and drafting a joint action plan to control cross-border air pollution in Thailand, Laos, and Myanmar. Clean energy was the primary topic discussed by delegations from both countries with PM Srettha's interest in purchasing more green energy from Laos to supply Thailand's fast-growing industrial sector. The chairman of the Lao National Assembly also expressed the hope that the Thai government would continue to assist and collaborate with Laos in 2024 as it hosts the 45th ASEAN International Parliamentary Assembly (AIPA) and holds the ASEAN chairmanship in that same year. Lao Prime Minister Sonexay conveyed his sincere gratitude for the sustained expansion of trade and investment ties with Thailand.⁵⁰

Maintaining regional stability continues to depend on the effectiveness of cooperative exercises and diplomatic initiatives. This year's participation effectively doubles the number of participating countries, with Laos, Vietnam, and Cambodia taking part for the first time. The regular "Aman Youyi" military exercises between China and the nations of Southeast Asia are intended to strengthen response capabilities and foster mutual trust in the area. The main goals of these exercises, according to a statement released by the Chinese Defense Ministry on

⁴⁹ Lapuekou, Chono. "Laos, Cambodia Launch Cross-Border QR Code Payment System." Laotian Times. August 21, 2023. <https://laotiantimes.com/2023/08/21/laos-cambodia-launch-cross-border-qr-code-payment-system/>.

⁵⁰ Ibid.

November 12, are to improve military mutual trust, develop practical cooperation, and strengthen counterterrorism skills in both urban and maritime environments.⁵¹

On November 16, officials from Laos and France came together for a tree-planting ceremony at Chao Anouvong Park in Vientiane Capital to mark the 70th anniversary of their diplomatic friendship. French Ambassador to Laos Siv-Leng Chhuor emphasized the importance of strengthening the friendship and the embassy's decision to plant Siamese Rosewood trees. Regarding prospective future gatherings between Laos and France, Vongxay said that as both nations commemorate their enduring friendship, similar events should be anticipated. He affirmed that future tree-planting events will take place, especially on important dates for France and Laos.⁵²

The Department of Foreign Affairs and Trade receives USD 1.6 million as part of the introduction of a new four-year phase of cooperative efforts under the Australia-Lao PDR Human Rights Technical Cooperation program (HRTCP). The HRTCP's primary objective is to increase its assistance to the Lao government in fulfilling its human rights obligations. In addition to signing the agreement, HRTCP took part in the 8th Australia-Lao PDR Human Rights Dialogue on November 23⁵³.

A significant milestone was reached by Cambodia, Laos, and Vietnam (CLV) on December 5, 2023. With the theme "Strengthening the Role of Parliaments in Promoting Comprehensive Cooperation among CLV countries," the first CLV Parliamentary summit began in Vientiane. During the opening ceremony, Lao President Thongloun Sisolith spoke about the significance of the summit and how it gives all participating nations a chance to voice their commitments, concerns, and shared interests and advantages. To assist one another in the advancement of the

⁵¹ Lapuekou, Chono. "Laos Joins Southeast Asian Nations in Anti-Terrorism Drills in China." *Laotian Times*. November 13, 2023. <https://laotiantimes.com/2023/11/13/laos-joins-southeast-asian-nations-in-anti-terrorism-drills-in-china/>.

⁵² Visapra, Phontham. "Tree Planting Ceremony Commemorates Laos, France 70 Years of Friendship." *Laotian Times*. November 16, 2023. <https://laotiantimes.com/2023/11/16/tree-planting-ceremony-commemorates-laos-frances-70-years-of-friendship/>.

⁵³ Chanthavong, Namfon. "Laos, Australia Ink Agreement on Human Rights Cooperation." *Laotian Times*. November 29, 2023. <https://laotiantimes.com/2023/11/29/laos-australia-ink-agreement-on-human-rights-cooperation/>.

economy and society, the three parliaments have pledged to carry out extensive cooperation, particularly along the provinces in the development triangle.⁵⁴

IFC and the Bank of the Lao PDR have formed a stronger partnership to enhance green finance and work towards achieving climate goals. The signing ceremony in Vientiane Capital, was attended by the Deputy Governor of the Bank of Laos, Vathana Dalaloy, and Thomas Jacobs, the IFC Country Manager for Laos, Vietnam, and Cambodia.⁵⁵ The objective of this long-term arrangement is to improve cooperation in the advancement of green finance. It will work on crucial reforms, such as the creation of standards and guidelines. Attracting green capital, promoting economic expansion, generating employment, and helping to establish a sustainable environment are the ultimate goals. Due to its reliance on climate-sensitive resources like water, forestry, and agriculture, Laos's economy is severely impacted by climate change. As a result, Laos has set high objectives, intending to achieve carbon neutrality by 2050 and a 60% decrease in greenhouse gas emissions by 2030.⁵⁶ An additional step toward a sustainable future has been taken with the cooperation from the International Finance Corporation and the Central Bank of Laos⁵⁷.

In addition to regional cooperation, the Lao Ministry of Health also joined COP28 in an effort to address the intersection of climate change and public health. Not only is Laos a signatory to the COP28 Declaration, but the country is also participating in the Alliance for Transformative Action on Climate and Health (ATACH), an initiative established by WHO. Ying-Ru Lo, the WHO Representative for Laos, praised the nation for taking a proactive stance against climate change by implementing programs like the National Health Adaptation Plan. Through discussions and agreements on crucial climate measures, the conference seeks to limit global warming, assist vulnerable communities, and achieve net-zero emissions by 2050.⁵⁸

⁵⁴ Khmer Times. "Top Legislators of Cambodia, Laos, and Vietnam Discuss Parliamentary Cooperation - Khmer Times." 2023. December 5, 2023. <https://www.khmertimeskh.com/501402628/top-legislators-of-cambodia-laos-and-vietnam-discuss-parliamentary-cooperation/>.

⁵⁵ IFC. "IFC and Bank of the Lao PDR Strengthen Partnership to Boost Green Finance, Achieve Climate Goals." Accessed January 2, 2024. <https://ifcpressreleasesprod.aseprod.ifc.org/all/pages/PressDetail.aspx?ID=27924>.

⁵⁶ UNDP. "Lao PDR." Accessed January 2, 2024. <https://climatepromise.undp.org/what-we-do/where-we-work/lao-pdr>.

⁵⁷ Lapuekou, Chono. "Landmark Partnership Propels Laos Towards Greener Future - Laotian Times." Accessed December 27, 2023. <https://laotiantimes.com/2023/12/13/landmark-partnership-propels-laos-towards-greener-future/>.

⁵⁸ Lapuekou, Chono. "Laos Joins Global Call for Action on Climate, Health Issues at COP28." Laotian Times. December 7, 2023. <https://laotiantimes.com/2023/12/07/laos-joins-global-call-for-action-on-climate-health-issues-at-cop28/>.

In 2023, Laos was able to connect both with regional partners and external partners. Laos accomplished many achievements such as developing border situations with neighboring countries, joining multiple multilateral frameworks with external partners in order to enhance social, economic, and environmental sectors, as well as build upon many of the already existing diplomatic relations with partnering countries. Finally, Laos received support and aid for many of the country's ongoing projects as well as their scheduled ASEAN chairmanship, which will take place in 2024.

Conclusion

Despite the economic difficulties and challenges, Laos has been making determined efforts towards growth in 2023. Domestically, the Laos' initiatives to promote governance and address socio economic disparities have shown promising progress. The economy supported by investments and infrastructure projects is displaying resilience and diversification. Socially there is a sense of cultural pride and community involvement reflecting a collective commitment to national identity. In terms of relations Laos is working towards strengthening its diplomatic ties fostering regional cooperation and actively participating in global discussions on crucial matters. As the country moves forward the current challenges and opportunities highlight the significance of development, inclusive policies, and ongoing international collaboration for Laos to fully realize its potential, on a global scale.

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Malaysia

Long Sovitou, Ngoun Sovann Makara, & Chan Mary

Introduction

This report provides Malaysia's multifaceted developments throughout 2023. In domestic politics, the 15th general election brought unexpected alliances, internal conflicts in UMNO, and controversial actions by Prime Minister Anwar Ibrahim. Economic challenges stemming from the COVID-19 pandemic were addressed through initiatives like the elimination of middlemen and trade missions to China, while Malaysia's political landscape experienced a significant shift with MPs changing parties. On the international front, Prime Minister Anwar Ibrahim's diplomatic initiatives with Indonesia and Singapore displayed a proactive regional engagement approach, while Malaysia actively participated in ASEAN meetings and played a pivotal role in peace negotiations in Thailand. The country co-sponsored a UNHRC resolution and maintained a steadfast position on the South China Sea issue. Economically, Malaysia faced challenges and opportunities, from a historic budget to addressing the 1MDB financial scandal, and initiatives in sustainable palm oil production. The annual report outlines Malaysia's commitment to global cooperation, including collaborations with India, ASEAN, and efforts to become an "Asian Digital Tiger."

Domestic Politics

In the aftermath of the January 2023 general election, Prime Minister Anwar Ibrahim grappled with deepening ethnic and religious divisions, attempting to balance coalition interests, engage with the opposition, and implement reforms. However, skepticism persisted regarding his ability to navigate political turbulence. In October 2023, Malaysia's Budget 2024, with a historic size of 393.8 billion ringgits, aimed to address fiscal deficits, boost economic growth, and tackle challenges in tax revenue. Anwar prioritized good governance over taxation, acknowledging corruption and an informal economy. Critical issues included Malaysia's corruption perception index ranking, economic vulnerabilities in Malay communities, and concerns about competitiveness and talent retention. Anwar's first year highlighted challenges in the PH-BN alliance, political cohesion issues, and governance problems marked by mismanagement and a lack of political culture evolution post-UMNO.

Unprecedented Alliances and Complicated Political Landscape

In January 2023, Malaysia's 15th general election brought unexpected political shifts, witnessing the alliance between Pakatan Harapan (PH) and Barisan Nasional (BN) against Perikatan Nasional (PN). Despite internal conflicts in UMNO, its president, Ahmad Zahid Hamidi, formed a surprising alliance with PH, becoming deputy prime minister. The subsequent UMNO general assembly showcased Zahid's dominance, setting the stage for state assembly elections seen as a plebiscite on the new prime minister. The political landscape remained intricate, marked by shifting alliances and challenges for both the government and opposition factions.¹

In February 2023, following the recent general election, Prime Minister Anwar Ibrahim initiated actions against political opponents, particularly the opposition party Bersatu, accusing them of corruption. The Malaysian Anti-Corruption Agency (MACC) launched an investigation, leading to the freezing of Bersatu's party account—a historical political tactic. This move drew criticism, with opposition leaders claiming it hindered their ability to run campaigns for the upcoming six-state polls.

Within the coalition government, UMNO's internal opposition members underwent purges, branded as "traitors" by party president Ahmad Zahid Hamidi. Prominent figures, such as former health minister Khairy Jamaluddin, faced expulsion. Furthermore, Anwar's move to reduce development funds allocated to Members of Parliament (MPs) stirred controversy, being seen as a politicization of fund allocation reminiscent of past administrations. As Malaysia prepared for additional political developments, a sense of unpredictability persisted concerning governance and the forthcoming state polls. The government's delay in tabling the 2023 budget added to this sense of unpredictability, leaving room for speculation about the direction of governance and the resolution of political issues.²

Shifting Alliances, Electoral Challenges, and Anwar's Leadership Struggles

¹ Center for Strategic and International Studies. 19 January 2023. "Spotlight – Malaysia: January 19, 2023" Available at: <https://www.csis.org/blogs/latest-southeast-asia/spotlight-malaysia-january-19-2023>

² Center for Strategic and International Studies. 16 February 2023. "Spotlight - Malaysia: February 16, 2023" Available at: <https://www.csis.org/blogs/latest-southeast-asia/spotlight-malaysia-february-16-2023>

The second quarter of 2023 witnessed a significant shift in Malaysia's political landscape, marked by MPs changing parties, resulting in a loss of legislative majority and triggering a political crisis. As parties prepared for upcoming elections in six states, the ruling PH alliance was expected to make concessions to its former adversary-turned-ally BN. Notably, Wanita Umno expressed its willingness to collaborate with the PH women's branch for the state elections. The Labuan Umno division leaders committed to their respective parties through a signed "aku janji" letter, emphasizing dedication and consequences of any breaches.

However, tensions escalated post-state elections, with the PN coalition, led by Muhyiddin Yassin, rejecting the unity government and asserting public demand for Anwar Ibrahim's resignation. Despite Anwar's coalition gaining the most seats, concerns about stability and the need for more Malay majority support persisted. Anwar aimed to balance coalition interests, engage with the opposition and civil society, and implement reforms, but doubts lingered among analysts about his ability to address challenges effectively.³

In June 2023, Malaysia experienced a dynamic political landscape marked by government criticism over an online movie stream and an increase in the overnight policy rate to bolster the economy. Anwar Ibrahim assumed leadership of the new 'unity government,' focusing on governance reform, tackling corruption, and revising affirmative action laws. State elections in August involved 9.77 million eligible voters, scrutinizing Anwar's leadership and his alliance with BN.

The elections portrayed Anwar's government as potentially unstable, requiring more Malay majority support. Amid accusations of a weak and indecisive government and corruption allegations, Anwar faced escalating pressures from the opposition and allies. The opposition bloc, characterized by Islamist-Malay nationalism, garnered substantial support from Malay-Muslim voters, reflecting deepening ethnic and religious divisions. Anwar attempted to balance coalition interests, engage with the opposition, and implement reforms, but skepticism remained about his ability to navigate political turbulence.⁴

³ Center for Southeast Asia Studies. July 2023. "Southeast Asia Quarterly Update April-June 2023" Available at: [https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20\(April-June%202023\)%20\(Print\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/Southeast%20Asia%20Quarterly%20Update%20(April-June%202023)%20(Print).pdf)

⁴ Center for Southeast Asia Studies. October 2023. "Southeast Asia Quarterly Update July-September 2023" Available at: [https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20\(July-September\)%202023%20\(FINAL\).pdf](https://rupp.edu.kh/iispp/cseas/southeast_asia_quarterly_update/2022-2023/documents/SEA%20Quarterly%20Update%20(July-September)%202023%20(FINAL).pdf)

Anwar's Fiscal Strategy

In October 2023, Malaysia's Budget 2024 emphasized its historic size at 393.8 billion ringgits. The budget aimed to control the fiscal deficit, boost economic growth, and address challenges of low tax revenue. Prime Minister Anwar Ibrahim prioritized good governance over taxation, acknowledging systemic corruption and an informal economy estimated at 30.2% of GDP. Malaysia's corruption perception index ranking, economic vulnerabilities in Malay communities, and Anwar's alignment with UMNO were critical issues. Sensitivity surrounded the revision of petrol subsidies and populist measures like increasing civil servants' salaries. The 1MDB financial scandal continued to impact expenditures, with outstanding obligations estimated at RM31.6 billion. Concerns arose about Malaysia's ability to compete in the innovation race, contributing to talent retention challenges and brain drain to countries like Singapore.⁵

Evaluation of Anwar's First Year

Challenges of Anwar Ibrahim's administration included a mismatched PH-BN alliance, political cohesion issues, and insecurities regarding Malay discontent and non-Malay PH supporters. Governance remained unresponsive, marred by mismanagement and a lack of political culture evolution post-UMNO. The government's tactics included silencing critics, pressuring opposition MPs, and making anti-democratic moves under populist facades. Anwar's cabinet saw no changes, and he continued to control the finance portfolio. As Anwar faced economic, societal, and political challenges, observers suggested the need for a revival of the political spirit of the Reformasi era.⁶

Economic Affairs

Malaysia navigates economic challenges through initiatives like the Maritime Single Window system and green technology adoption. Government policies, including the Madani Economic Framework, focus on sustainable development. The job market stabilizes with digital transformation efforts. Criticisms arise regarding the balance between growth and sustainability. Global competitiveness improves, fostering diverse trade relationships.

⁵ Center for Strategic and International Studies. "Spotlight - Malaysia: October 26, 2023" Available at: <https://www.csis.org/blogs/latest-southeast-asia/spotlight-malaysia-october-26-2023>

⁶ Center for Strategic and International Studies. "Spotlight - Malaysia: December 5, 2023" Available at: <https://www.csis.org/blogs/latest-southeast-asia/spotlight-malaysia-december-5-2023>

Malaysia aspires to be an "Asian Digital Tiger" through digital transformation. Climate initiatives face funding challenges, adding uncertainties. International business focus highlights Malaysia's appeal, demanding strategic economic management amid persisting challenges.

Economic Outlook

Malaysia is currently experiencing a difficult economic situation due to the COVID-19 pandemic. On April 7, 2023, the Domestic Trade and Cost of Living Ministry (KPDN) worked to eliminate the role of middlemen and ensure all restricted commodities were available in sufficient quantities for the Aidilfitri celebration.⁷ In addition to this, Malaysia's recent trade and investment mission to China has resulted in potential exports of RM3.2 billion, including aluminum goods, agriculture, palm, and oil.

Last year, Malaysia's commerce with Hong Kong exceeded RM100 billion.⁸ The Klang and Johor ports will be the first to use Malaysia's Maritime Single Window (MMSW) system, which will reduce red tape, boost productivity, shorten operational times, and relieve the financial strain on shippers. During the first quarter of Malaysia, the Malaysian economy is expected to grow at 4.1% due to weaker exports and a return to normal domestic demand. Industrial production and manufacturing sales experienced low single-digit growth, while exports grew 5.4%, and loans outstanding in the banking sector increased.⁹

Green Initiatives toward Green Economy

During the 3rd Quarter until late 4th Quarter, Malaysia's roadmaps had been consistent with the transition from labor-intensive industrial country into green-technology industrial country. Malaysia's attendance in the 2023 United Nations Climate Change Conference or Conference

⁷ Thebornepost. 7 April 2023. "Salahuddin: Domestic Trade Ministry working with other ministries to overcome middlemen issue". Available at: https://www.theborneopost.com/2023/04/07/minister-domestic-trade-ministry-working-with-other-ministries-to-overcome-middlemen-is-sue/?utm_source=Newswav&utm_medium=Website

⁸ Newstraittimes. 9 April 2023. "Potential exports to China from recent trade mission expands to RM3.2 billion - Tengku Zafrul". Available at: https://www.theborneopost.com/2023/04/07/minister-domestic-trade-ministry-working-with-other-ministries-to-overcome-middlemen-issue/?utm_source=Newswav&utm_medium=Website

⁹ Thesundaily. 13 April 2023. "M'sian economy off to slow start in first-quarter 2023. Available at: <https://www.thesundaily.my/business/m-sian-economy-off-to-slow-start-in-first-quarter-2023-DP1086938125>

of Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC) will convene for the 28th time this year in Dubai from Nov 30 to Dec 12.¹⁰

The partnership of the United Nations Development Program (UNDP) collaborated with the Sabah Forestry Department in Malaysia., fueled by the Global Environment Facility, aims to transform palm oil production landscapes, promote deforestation-free supply chains, and improve smallholder livelihoods. The project includes initiatives like tree planting, agroforestry, sustainable land use practices, and stakeholder engagement. It's not just about mitigating harm, it's about carving a path to a sustainable future.¹¹

The Malaysian government is encouraging Technical and Vocational Education and Training (TVET) but the technical stream training in the country can be strengthened further," Simon Ng, Dassault Systèmes Partner sales director for Asia Pacific South, said in his presentation on preparing Malaysia's automotive original equipment manufacturer (OEM), supply chain and workforce for the EV era.¹² The financial sector must continue to play an important role in facilitating the funding and investment required towards reducing the intensity of greenhouse gas. Deputy Finance Minister II Steven Sim said the collective funding required to support the development of projects and initiatives as planned in the National Energy Transition Roadmap (NETR) in the next few decades are big.¹³

On the other hand, in the agricultural industry, the Netherlands has agreed to extend the programmed signed under the memorandum of understanding (MOU) between the Malaysian Palm Oil Board (MPOB) and two Dutch non-governmental organizations (NGOs) for another five years.¹⁴ Deputy Investment, Trade and Industry Minister Liew Chin Tong at the Malaysian

¹⁰ SinarDaily. 11 October 2023. "What is COP and why is it important to Malaysia?". Available at: <https://www.sinardaily.my/article/211179/malaysia/exclusives/what-is-cop-and-why-is-it-important-to-malaysia>

¹¹ SinarDaily. 31 October 2023. "Upskilled labor forces vital for Malaysia's automotive sector". Available at: <https://www.sinardaily.my/article/212044/malaysia/national/upskilled-labour-forces-vital-for-malaysias-automotive-sector>

¹² SinarDaily. 01 November 2023. "Steven Sim urges the financial sector to continue facilitating green financing". Available at: <https://www.sinardaily.my/article/212114/malaysia/national/steven-sim-urges-financial-sector-to-continue-facilitating-green-financing>

¹³ SinarDaily. 01 November 2023. "Programmes between MPOB and two Dutch NGOs extended for another five years - Fadillah". Available at: <https://www.sinardaily.my/article/212124/malaysia/national/programmes-between-mpob-and-two-dutch-ngos-extended-for-another-five-years---fadillah>

¹⁴ SinarDaily. 02 December 2023. "Investment, Trade and Industry Ministry to form independent committee on green financing for steel industry - Liew". Available at: <https://www.sinardaily.my/article/212192/malaysia/national/investment-trade-and-industry-ministry-to-form-independent-committee-on-green-financing-for-steel-industry---liew>

Iron and Steel Industry Federation Trade Forum stated that, the Investment, Trade and Industry Ministry will form an independent committee to look at future funding for a zero-carbon iron and steel industry, and HSBC Bank Malaysia chief executive officer Datuk Omar Siddiq Amin Noer Rashid will lead. The steel industry contributes 28 per cent to the total manufacturing emissions and around 4 per cent to the total national emissions. It is a problem, but it's also an opportunity for investment in green transition.¹⁵

In anticipation of the crucial United Nations (UN) climate summit, the 28th Conference of Parties (COP) to the UN Framework Convention on Climate Change, climate expert Muaz Mohd Hasnol believes that Malaysia, one of the 198 signatories of the convention, has shown promise in its climate goals. Muaz said going into COP28 which will convene for two weeks in November stretching to December in Dubai, United Arab Emirates, Malaysia should consider bringing a strong position on three elements with the first being a strong global goal on adaptation, a push for the dedicated loss and damage fund with a clear purpose and structure and how the funds will be accessed.¹⁶

GDP and Globalization

In the first week of May, Malaysia's central bank unexpectedly increased its benchmark interest rate, bringing borrowing costs back to pre-pandemic levels and causing the Malaysian ringgit to increase.¹⁷ The Economist's most recent index of crony capitalism found that Malaysia fell one spot to third, with Russia and the Czech Republic coming out on top. Singapore's billionaires who benefited from "crony sectors" had 10% of the GDP, placing Singapore at position four on the index. The Malaysian government is encouraging Chinese businesses to invest in the automotive industry and engage in economic cooperation. Proton Holdings Bhd was asked to advance and restore its status as a top automaker, and the National Automotive Policy 2020 was introduced to make Malaysia a regional hub for energy-efficient vehicles (EEVs).

¹⁵ SinarDaily. 10 October 2023. "Malaysia's climate goals moving in the right direction ahead of UN COP28". Available at: <https://www.sinardaily.my/article/211392/malaysia/exclusives/malaysias-climate-goals-moving-in-the-right-direction-ahead-of-un-cop28>

¹⁶ Reuters. 3 May 2023. "Malaysia central bank may hit pause after surprise rate hike". at: <https://www.reuters.com/markets/asia/malaysia-cbank-surprises-by-raising-policy-rate-3-2023-05-03/>

¹⁷ The Vibes. 7 May 2023. "Malaysia to attract more Chinese companies, spur automotive sec-tor". Available at: <https://www.thevibes.com/articles/business/92073/malaysia-to-attract-more-chinese-companies-spur-automotive-sector>

After all, the Malaysian government is confident in achieving its economic growth target of 4.0-5.0% for 2023, with a 5.6% rise in the first quarter of 2023. Inflation has decreased to 3.6% due to price control measures and consumer subsidies, but GDP growth is expected to decelerate due to external demand, geopolitical unrest, price pressures, and tighter financial circumstances.¹⁸

Japan's Minister of Investment, Commercial, and Industry Tengku Datuk Seri Zafrul Abdul Aziz will conduct a trade and investment mission to Malaysia from May 29 to June 3, 2023. The mission will focus on strategic high-end and high value-added technology in chemicals, and electric cars.¹⁹ On the other hand, with the government concentrating on food production and monetary policy to full Datuk Awang Tengah Ali Hasan emphasized the significance of trade and investment between China and Sarawak, with total trade between the two countries expected to reach RM36.73 billion in 2022.²⁰

Malaysia's budget deficit is expected to decrease to 4.5% of GDP in 2023, from 5.5% in 2022, as the government continues fiscal consolidation and prudence. Prime Minister Anwar Ibrahim, and the Finance Minister intend to reduce the deficit gradually and sustainably while ensuring adequate spending for economic recovery and social well-being. The Budget 2024 will be guided by the Madani Economic Framework, focusing on economic growth, investment, and industry strengthening. The budget will align with the 12th Malaysia Plan, which outlines strategic development priorities for 2021-2025.²¹

The Implementation of Open Payment System

From Thaiger on September 15, 2023, Malaysia has implemented the Open Payment System (OPS) for toll collection on highways. According to Datuk Mohammad Azlan Abdullah, the

¹⁸ Ministry of Finance Malaysia. 12 May 2023. "Govt confident of achieving economic growth forecast despite challenges - PM Anwar". Available at: <https://www.mof.gov.my/portal/en/news/press-citations/govt-confident-of-achieving-economic-growth-forecast-despite-challenges-pm>

¹⁹ The Star. 26 May 2023. "Tengku Zafrul to lead Miti trade mission to Japan from May 29 to June 3. Available at: <https://www.thestar.com.my/business/business-news/2023/05/26/tengku-zafrul-to-lead-miti-trade-mission-to-japan-from-may-29-to-june-3>

²⁰ Malaymail. 06 June 2023. "With RM24.6b exports to China in 2022, country remains key to Sarawak's development, says deputy premier". Available at: <https://www.malaymail.com/news/malaysia/2023/06/06/with-rm246b-exports-to-china-in-2022-country-remains-key-to-sarawak-s-development-says-deputy-premier/72801>

²¹ Malaymail. 27 July 2023. "Fahmi: Ekonomi Madani main framework to propel the economy, Malaysians to greater heights". Available at: https://www.malaymail.com/news/malaysia/2023/07/27/fahmi-ekonomi-madani-main-framework-to-propel-economy-malaysians-to-greater-heights/82084#-google_vignette

CEO of Prolintas, the OPS is an additional payment method to existing options such as the Touch 'n Go card, SmartTag, and Radio Frequency Identification (RFID). This initiative aims to provide greater convenience and flexibility for motorists, offering multiple payment options and contributing to the overall improvement of the nation's highway industry. The pilot testing phase will allow authorities to assess the effectiveness and efficiency of the OPS before potentially expanding it to other highways in the future. By embracing digital payment methods, Malaysia aims to enhance its transportation infrastructure and streamline toll collection processes for the benefit of its citizens.²²

State Government 4 Initiative: Malaysia's Plan for Regional Growth

According to Department of Statistics Malaysia (DOSM) on September 19, 2023, "Malaysia's total trade value in August 2023 contracted by 2.9% year-on-year (y-o-y) to RM213.01bil, due to the decline in both exports and imports". The contracting value of outward-bound shipments in August was mainly owing to the electronic and electrical (E&E) segment, which saw a 15.3% decline to RM43.38bil, petroleum products, which fell 38.6% to RM12.44bil and the export value of palm oil and palm-oil based agriculture products plunged 31.9% to RM5.56bil during the month.

²² Thaiger. 15 September 2023. "Malaysia implements open Payment System (OPS) for toll collection on highways". Available at: <https://thethaiger.com/world/news/549187/>

In August, Malaysia's trade values with major partners, including ASEAN, China, and the US, experienced double-digit declines due to reduced exports of petroleum products, electronic and electrical products, LNG, and E&E products, resulting in a 20.6% drop to ASEAN, 20.3% drop to China and 9.7% drop to the US, equal to RM 61.72 bil of the total exports. Meanwhile, the country's imports in August were 21.2% lower to RM 97.85 bil. The value of the imports of intermediate goods fell 22.6% to RM 51.45 bil, capital goods expanded 5.4% to RM10.71bil and consumption goods contracted 5.4% to RM8.53 bil.²³



Source: *The Star*, Malaysia's total trade value contracts to RM213.01bil in August

Malaysia's job market is now stabilizing, with median salaries across most sectors reporting no substantial changes from the previous year, said online employment platform JobStreet. JobStreet Malaysia managing director Vic Sithasanan said Malaysia's heightened focus on digital transformation initiatives, spurred by the government's ongoing push in this area, was likely the reason for the surge in demand for IT, manufacturing, healthcare, and banking and financial services industry.²⁴

The government of Malaysia, led by Ismail Sabri Yaakob has announced a new economic initiative to boost its growth and competitiveness in the region the initiative, called "state government 4" (SG4), involves the grouping of four states under Perikatan Nasional, namely Perlis, Kedah, Penang, and Perak. The SG4 cluster aims to create the best conditions possible for economic development by improving the infrastructure, leveraging the comparative

²³ TheStar. 19 September 2023. "Malaysia's Total Trade Value Contracts to RM 213.01 bil in August". Available at: <https://www.thestar.com.my/business/business-news/2023/09/19/malaysia039s-total-trade-value-contracts-to-rm21301bil-in-august>

²⁴ TheMalaysianReserve. 20 September 2023. "Malaysia's job market stabilizes; no substantial change in median salaries". Available at: <https://themalaysianreserve.com/2023/09/20/malaysias-job-market-stabilises-no-substantial-change-in-median-salaries/>

advantages of each sub-region, and attracting new investment from South Korea and Japan. The initiative also seeks to enhance diversity, increase productivity, and support the grassroots rural economy. The SG4 cluster is expected to generate significant economic benefits for Malaysia and its people.²⁵ In the late 2023, According to Sinar Daily, the brief of Budget 2024 in accordance with the highlights tabled by Prime Minister Anwar Ibrahim, there are 49 factors being described in accordance with the proposal raise by the parliament member (PM) since September.²⁶

Malaysia has risen to 27th position in the World Competitiveness Ranking 2023 report, driven by economic recovery, investment growth, and labor market stability. However, the report also highlighted challenges in corporate regulation, education, and sociocultural framework. Key challenges include developing an industry-ready workforce, encouraging digital thinking, reforming regulations, and pursuing sustainable development.²⁷

Malaysia's Matrade Digital Trade Platform (MDTP), a collaborative effort between Matrade and Fusionex Group, aims to propel local businesses to global success by providing them with the necessary push and direction. The push involves active support, incentives, and resources, while the direction provides strategic guidance for navigating global trade challenges. Attended by key officials and Fusionex Group CEO, the initiative focuses on creating a robust digital commerce environment in Malaysia, offering digital solutions to enhance local businesses' global competitiveness.²⁸

Ekonomi Madani

Malaysia's Prime Minister, Anwar Ibrahim, has unveiled a new economic blueprint called "Ekonomi Madani" to strengthen the country's economy and improve the quality of life. The framework focuses on a value-based, people-centric, and sustainable economy, aiming to create a more equitable distribution of wealth, enhance social justice, and ensure environmental protection. It has also introduced tax incentives for companies focusing on high-impact

²⁵ TheStar. 21 September 2023. "Analysts: SG4 meant to show a united opposition front". Available at: <https://www.thestar.com.my/news/nation/2023/09/20/analysts-sg4-meant-to-show-a-united-opposition-front>

²⁶ SinarDaily. 23 October 2023. "Highlights from Budget 2024". Available at: <https://www.sinardaily.my/article/210606/malaysia/national/highlights-from-budget-2024>

²⁷ Malaymail. 20 June 2023. "Malaysia climbs five spots to 27th place in World Competitiveness Ranking 2023 report". Available at: <https://www.malaymail.com/news/malaysia/2023/06/20/malay-sia-climbs-five-spots-to-27th-place-in-world-competitiveness-ranking-2023-report/75378>

²⁸ Baernama. 13 June 2023. "Deputy minister: Collaboration a key to encourage inclusive economic growth". Available at: <https://www.bernama.com/en/business/news.php?id=2197674>

activities and fosters economic integration with neighboring countries through trade diplomacy and strategic arrangements.²⁹

Anwar aims to transform the country into a great economy within five to six years, citing Tesla's interest in Cyberjaya. His policies, including the Madani Economy, aim to balance growth, equity, social justice, and environmental sustainability. However, Anwar has faced criticism from his coalition partners and opposition parties for being too pro-business and not inclusive enough for marginalized groups. Opposition parties are also trying to woo Parti Warisan Sabah to defect, but Anwar has dismissed these attempts as futile.³⁰ In the early quarter 4 of 2023, Prime Minister Anwar Ibrahim gave assurances of Malaysia's commitment to promoting renewable energy, as well as facilitating business dealings with the United Arab Emirates (UAE). And, in a Facebook post said he had expressed the matter during his meeting with UAE President Sheikh Mohamed bin Zayed Al Nahyan, who is also the Ruler of Abu Dhabi, during a two-day working visit to Abu Dhabi, UAE on Oct 5 and 6.

Asian Digital Tiger

Malaysia can become an "Asian Digital Tiger" following substantial investments and collaborations with esteemed organizations that will position the country as the next big data hub, said Deputy Communications and Digital Minister Teo Nie Ching.³¹ The HSBC Global Connections survey also found that 27 per cent of businesses which already have operations in Malaysia plan to prioritize growth over the same period, the banking group said in a statement today. Which expected Malaysia to be a primary focus for international businesses looking to expand their footprint in ASEAN, with one in four international firms planning to expand into the country over the next two years, according to a survey by HSBC.³²

²⁹ New Straits Times. 05 August 2023. "Anwar aims to turn Malaysia into a great economy in six years". Available at: <https://www.nst.com.my/news/politics/2023/08/939181/anwar-aims-turn-malay-sia-great-economy-six-years>

³⁰ heedgemalaysia. 20 September 2023. "SERC projects a narrower fiscal deficit of 4.5% to 5.5% in 2023". Available at: <https://theadgemalaysia.com/article/serc-projects-narrower-fiscal-defi-cit-45-55-2023>

³¹ SinarDaily. 10 October 2023. "Malaysia committed to promoting renewable energy, facilitating business dealings with UAE - Anwar". Available at: <https://www.sinardaily.my/article/210344/malaysia/national/malaysia-committed-to-promoting-renewable-energy-facilitating-business-dealings-with-uae---anwar>

³² SinarDaily. 25 October 2023. "Malaysia can become 'Asian Digital Tiger' amid strong data center market growth - Teo". Available at: <https://www.sinardaily.my/article/211543/malaysia/national/malaysia-can-become-asian-digital-tiger-amid-strong-data-centre-market-growth---teo>

Adding on, "Malaysia's skilled workforce, rising consumer prosperity, and its network of free trade agreements are tied as the primary attractions for international firms doing business in market, with 28 per cent, and staffing quality, financial stability - including currency volatility, inflation, and interest rates and the challenge of adapting to fast-moving regulatory and policy changes top the list of challenges, all tied at 31 per cent, for international businesses operating in Malaysia, HSBC said.³³ In DUBAI, the opening day of COP28 turned into a landmark decision as developed countries pledged millions of dollars to the Loss and Damage Fund (L&D) but analysts are positively wary if Malaysia can access the funds.

Muhammad Shaqib Shahrilnizam, former Climate Finance Youth Focal Point to the United Nations Framework Convention for Climate Change, said it was a huge achievement under the COP presidency to pass the L&D on the first day but remains skeptical if Malaysia could access it moving forward. On Saturday, over USD 456 million was pledged to the L&D funds by developed nations on top of the Pacific Resilience Fund and the Santiago Network.³⁴

Foreign Affairs

Throughout the year, Malaysia, under Prime Minister Anwar Ibrahim's leadership, has demonstrated proactive and strategic diplomatic engagement. Key initiatives include strengthening ties with Indonesia and Singapore, contributing to peace negotiations in Thailand, and emphasizing regional stability. Malaysia has actively participated in ASEAN meetings, addressing issues like Myanmar crisis and fostering collaboration among ASEAN members and external partners. The country collaborates with India and ASEAN, engages in South China Sea discussions, and advocates for human rights. Malaysia's commitment to global cooperation is evident in collaborations with China, participation in international forums, and hosting the APEC Economic Leaders' Meeting. The nation condemns Israeli aggression, supports Gaza, and elevates ties with Japan. Malaysia plays a pivotal role in regional peace, stability, and global partnerships.

Anwar's Diplomatic Endeavors

³³ SinarDaily. 30 October 2023. "Malaysia a key focus for international firms eyeing expansion in Southeast Asia - HSBC". Available at: <https://www.sinardaily.my/article/211897/malaysia/national/malaysia-a-key-focus-for-international-firms-eyeing-expansion-in-southeast-asia---hsbc>

³⁴ SinarDaily. 04 December 2023. "Landmark Decision at COP28: Millions pledged to climate fund, but can Malaysia access it?". Available at: <https://www.sinardaily.my/article/213431/malaysia/national/landmark-decision-at-cop28-millions-pledged-to-climate-fund-but-can-malaysia-access-it>

In January, Prime Minister Anwar Ibrahim of Malaysia undertook significant diplomatic initiatives with official visits to Indonesia and Singapore, displaying a proactive regional engagement approach in his first month in office. The visit to Indonesia, as the country assumed the chairmanship of ASEAN in 2023, involved crucial discussions with President Joko Widodo on border demarcation, trade, manpower, and palm oil, and Myanmar's situation. Foreign Minister Zambry Abdul Kadir played a pivotal role in preparations, as seen through his courtesy call on President Jokowi on December 30.³⁵

On January 30, Prime Minister Anwar made his maiden official visit to Singapore, fortifying bilateral ties and fostering collaboration in various domains. The comprehensive engagement included strategic meetings with Singaporean leaders, resulting in noteworthy agreements on data, cybersecurity, and the digital economy. The visit extended beyond official matters, with Prime Minister Anwar actively engaging with the Malaysian diaspora in Singapore.³⁶

In February 2023, Malaysia actively took part in diplomatic initiatives and strategic appointments, emphasizing collaboration at both regional and international levels. The country's Foreign Minister, Datuk Seri Zambry Abdul Kadir, led the delegation to key events, such as the 32nd ASEAN Coordinating Council Meeting and ASEAN Foreign Ministers' Retreat in Jakarta. During these gatherings, discussions centered around crucial topics like implementing the Five-Point Consensus on Myanmar, considering Timor-Leste's ASEAN membership application, and addressing various other regional and international issues. This engagement showcased Malaysia's commitment to participating in global dialogues, contributing to diplomatic efforts, and fostering connections with other nations.

Malaysia aimed to strengthen collaborative efforts amid geopolitical challenges, inflationary pressures, and crises in food and energy.³⁷ Prime Minister Anwar Ibrahim's visit to Thailand contributed to peace negotiations between the Thai government and Thai-Malay separatist

³⁵ The Strait Times. 31 December 2022. "Anwar to visit Indonesia on Jan 8 in the first state trip as Malaysia's PM" Available at: <https://www.straitstimes.com/asia/se-asia/anwar-to-visit-indonesia-on-jan-8-in-first-state-trip-as-malaysia-s-pm>

³⁶ Malay Mail. 2 February 2023. "Zambry to attend ASEAN Coordinating Council, Foreign Ministers' Retreat in Jakarta" Available at: <https://www.malaymail.com/news/malaysia/2023/02/02/zambry-to-attend-asean-coordinating-council-foreign-ministers-retreat-in-jakarta/53087>

³⁷ Malay Mail. 2 February 2023. "Zambry to attend ASEAN Coordinating Council, Foreign Ministers' Retreat in Jakarta" Available at: <https://www.malaymail.com/news/malaysia/2023/02/02/zambry-to-attend-asean-coordinating-council-foreign-ministers-retreat-in-jakarta/53087>

rebels, highlighting Malaysia's commitment to regional stability and conflict resolution.³⁸ Malaysia remains steadfast in supporting the implementation of the Five-Point Consensus for Myanmar and prioritizes peaceful and sustainable resolutions to the situation.³⁹

In March 2023, Malaysian Prime Minister Anwar Ibrahim embarked on several diplomatic endeavors. He visited the Philippines to strengthen bilateral relations, with discussions focusing on security, the halal food industry, and the digital economy.⁴⁰ Malaysia welcomed the restoration of diplomatic ties between Saudi Arabia and Iran, brokered by China, contributing to peace and stability in the West Asia region.⁴¹ Malaysia emphasized the importance of respecting its national regime regarding the operation of nuclear-powered submarines in its waters within the context of the Aukus trilateral security partnership.⁴²

Malaysia's Diplomatic Stance on Human Rights and the South China Sea

In April, Malaysia actively engaged in international affairs, co-sponsoring a United Nations Human Rights Council (UNHRC) resolution titled "Promoting Human Rights and Sustainable Development Goals through Transparent, Accountable and Efficient Public Services Delivery." This collaborative effort, aligning with Prime Minister Anwar Ibrahim's 'Malaysia Madani' concept, underscores Malaysia's commitment to advancing human rights and the Sustainable Development Goals.⁴³

Simultaneously, Malaysia maintained its steadfast position on the South China Sea, emphasizing the protection of sovereignty, sovereign rights, and maritime interests based on the 1979 Map. Prime Minister YAB Dato' Seri Anwar Ibrahim advocated for peaceful

³⁸ Nikkei Asia. 5 February 2023. "Malaysia PM Anwar enters Thai peace talks with separatist rebels" Available at: <https://asia.nikkei.com/Politics/Malaysia-PM-Anwar-enters-Thai-peace-talks-with-separatist-rebels>

³⁹ NST Online. 11 February 2023. "Malaysia steadfast in supporting 5PCs to achieve Myanmar's Peaceful, sustainable resolution. Available at: <https://www.nst.com.my/news/nation/2023/02/878664/malaysia-steadfast-supporting-5pcs-achieve-myanmars-peaceful-sustainable>

⁴⁰ The Diplomat. 28 February 2023. "Malaysian PM Anwar to visit the Philippines this week.: Available at: <https://thediplomat.com/2023/02/malaysian-pm-anwar-to-visit-the-philippines-this-week/>

⁴¹ NST Online. 12 March 2023. "Malaysia welcomes restoration of diplomatic ties between Saudi Arabia, Iran) Available at: <https://www.nst.com.my/news/nation/2023/03/888340/malaysia-welcomes-restoration-diplomatic-ties-between-saudi-arabia-iran>

⁴² The Star. 14 March 2023. "Malaysia's position on AUKS remains, wants all parties to respect its national regime" Available at: <https://www.thestar.com.my/news/nation/2023/03/14/malaysia039s-position-on-aukus-remains-wants-all-parties-to-respect-its-national-regime>

⁴³ The Star. 4 April 2023. "UNHRC adopts Malaysia-sponsored resolution" Available at: <https://www.thestar.com.my/news/nation/2023/04/04/unhrc-adopts-malaysia-sponsored-resolution>

discussions and resolutions through diplomatic channels, consistent with Malaysia's goal of preserving the South China Sea as a region of peace, stability, and trade.

Ongoing negotiations with China and other states within the frameworks of the Declaration on the Conduct of Parties in the South China Sea (DOC) and the Code of Conduct in the South China Sea highlight Malaysia's dedication to a resolution in accordance with international law and the 1982 United Nations Convention on the Law of the Sea (UNCLOS).⁴⁴

Malaysia's Role in ASEAN and Beyond

In May, Malaysian Prime Minister YAB Dato' Seri Anwar Ibrahim is poised to lead the Malaysian delegation to the 42nd ASEAN Summit and Related Meetings from May 10 to 11, 2023, in Labuan Bajo, East Nusa Tenggara, Indonesia. The delegation, comprising key ministers and officials, will engage in diverse sessions, addressing ASEAN community-building efforts, the post-2025 ASEAN Community Vision, external partnerships, and regional and international developments, including the implementation of the Five-Point Consensus. Malaysia's active participation reaffirms its commitment to regional cooperation and the advancement of peace, stability, and prosperity in Southeast Asia amid ongoing challenges. The overarching theme for Indonesia's ASEAN Chairmanship in 2023 is "ASEAN Matters: Epicentrum of Growth."⁴⁵

In June, Malaysia actively engages in collaborations with India and ASEAN to implement India's Indo-Pacific vision, focusing on initiatives like the Indo-Pacific Oceans Initiative (IPOI). The nation is involved in the International Palm Oil Environmental Footprint (IPEF) and collaborates with ASEAN nations in talks with China regarding the South China Sea Code of Conduct. Additionally, Malaysia proposes the Partnership for Strategic and Defense Agreement (FPDA) and strengthens partnerships to achieve the UN Sustainable Development Goals by 2030, particularly in housing, solid waste management, and sustainable initiatives.

⁴⁴ Ministry of Foreign Affairs of Malaysia. 8 April 2023. "Malaysia's position on the South China Sea" Available at: <https://www.kln.gov.my/web/guest/-/malaysia-s-position-on-the-south-chinasea#:~:text=Malaysia's%20position%20on%20the%20South%20China%20Sea%20is%20consistent%20and,depicted%20by%20our%201979%20Map>

⁴⁵ Ministry of Foreign Affairs of Malaysia. 9 May 2023. "42nd ASEAN Summit and Related Meetings" Available at: <https://www.kln.gov.my/web/guest/-/42nd-asean-summit-and-related-meetings-10-11-may-2023-labuan-bajo-east-nusa-tenggara-indonesia>

The country's proactive involvement in international forums underscores its commitment to global cooperation and sustainable development.⁴⁶

In July, Malaysia, represented by Minister of Foreign Affairs YB Dato' Seri Diraja Dr. Zambry Abd Kadir, will lead the delegation to the 56th ASEAN Foreign Ministers' Meeting (56th AMM) and Related Meetings in Jakarta from July 11 to 14, 2023.⁴⁷ The agenda includes discussions on ASEAN Community Building progress, ASEAN 2023 Priorities, and regional and international issues. Minister Zambry will co-chair the ASEAN Post Ministerial Conference +1 with Canada's Foreign Minister, engage in bilateral meetings, and contribute to fostering peace, stability, and prosperity in Southeast Asia. The anticipated adoption of outcomes, including the 56th AMM Joint Communiqué on July 14, 2023, signifies the conclusion of these impactful meetings.

In August, Foreign Minister Zambry Abdul Kadir emphasizes ASEAN's enduring importance, celebrating its 56th anniversary and highlighting the region's resilience. He stressed the need for continued member state cooperation amid geopolitical dynamics, envisioning a politically cohesive, economically integrated, and socially responsible ASEAN Community.⁴⁸

In bilateral relations with China, Malaysia prioritized mutual respect and cooperation, addressing global issues like the COVID-19 pandemic and climate change. Malaysia appreciates China's support for ASEAN's Myanmar crisis resolution and South China Sea code of conduct negotiations. Agreements on traditional Chinese medicine and education are signed, acknowledging China's role in regional stability. Malaysia looks forward to hosting the APEC Economic Leaders' Meeting in November 2023, attended by Chinese President Xi Jinping.⁴⁹

⁴⁶ The Vibes. 6 June 2023. "Boost partnerships to address global crises" Available at:

<https://www.thevibes.com/articles/news/94146/malaysia-stresses-need-to-boost-partnerships-to-address-global-crises>

⁴⁷ Ministry of Foreign Affairs of Malaysia. 10 July 2023. "56th ASEAN Foreign Ministers' Meeting and related" Available at: <https://www.kln.gov.my/web/guest/-/56th-asean-foreign-ministers-meeting-56th-amm-and-related-meetings-11-14-july-20-1>

⁴⁸ NST Online. 8 August 2023. "ASEAN is united and will emerge stronger" Available at: <https://www.nst.com.my/news/government-public-policy/2023/08/940262/zambry-asean-united-and-will-emerge-stronger>

⁴⁹ "Wangyi Holds Talks with Malaysian Minister of Foreign Affairs Zambry Abd Kadir" Available at: <https://www.nst.com.my/news/government-public-policy/2023/08/940262/zambry-asean-united-and-will-emerge-stronger>

In September, Prime Minister YAB Dato' Seri Anwar Ibrahim will lead Malaysia's delegation to the 43rd ASEAN Summit, engaging in key dialogues and fostering regional cooperation from September 5 to 7, 2023.⁵⁰ Additionally, Foreign Minister Zambry Abd Kadir will represent Malaysia at the G77+China Summit in Havana, addressing development challenges and emphasizing South-South cooperation from September 15 to 16.⁵¹ In October 2023, Malaysia forged collaborations with Thailand, establishing task forces to enhance cooperation in agriculture and tourism. Addressing cross-border issues such as smuggling, human trafficking, and COVID-19, these task forces focus on food security, agrotourism, and trade while coordinating responses to the pandemic.⁵²

Malaysia's Actions in the Israel-Gaza Conflict

Additionally, Malaysia participated in the inaugural ASEAN-Gulf Cooperation Council (GCC) summit in Riyadh, Saudi Arabia, condemning Israeli attacks on Gaza. Outcomes included a joint statement, the establishment of a joint secretariat, a business council, an energy forum, and a health forum to strengthen cooperation.⁵³ Malaysia also vehemently condemned the Israeli attacks on Gaza, actively participating in pro-Palestinian protests and providing humanitarian assistance.

In November 2023, Malaysia strongly condemned Israeli aggression in the Final Statement of the Arab-Islamic summit, urging an immediate halt to the conflict and supporting humanitarian aid for Gaza.⁵⁴ Malaysia's Foreign Minister attended the UNGA, emphasizing the need for a durable ceasefire and condemning double standards in the Middle East.⁵⁵ Additionally, Malaysia's royal visit to the UAE includes participation in COP28, launching the Malaysian

⁵⁰ Ministry of Foreign Affairs of Malaysia. 4 September 2024. "43rd ASEAN Summit and related Summit" Available at: <https://www.kln.gov.my/web/guest/-/43rd-asean-summit-and-related-summits-5-7-september-2023-jakarta-indones-1>

⁵¹ Malay Mail. 15 September 2023. "Foreign Minister to lead Malaysian delegations to G77+China Summit" Available at: <https://www.thestar.com.my/news/nation/2023/10/11/thai-pm-arrives-in-malaysia-for-two-day-working-visit>

⁵² The Star. 11 October 2023. "Thai PM arrives in Malaysia for two-day working visit" Available at: <https://www.thestar.com.my/news/nation/2023/10/11/thai-pm-arrives-in-malaysia-for-two-day-working-visit>

⁵³ NST Online. 25 October 2023. "ASEAN, GCC Leaders condemn Israel attacks" Available at: <https://www.nst.com.my/news/nation/2023/10/971234/asean-gcc-leaders-condemn-israel-attacks>

⁵⁴ FM.gov.om. 3 December 2023. "Final Statement of extraordinary joint Arab Islamic Summit" Available at: <https://fm.gov.om/final-statement-of-extraordinary-joint-arab-islamic-summit/>

⁵⁵ Ministry of Foreign Affairs of Malaysia. 28 November 2023. "Plenary Meeting of the 78th session of the UNGA and the UNSC High-Level Open Debate"

Pavilion, and celebrating a significant USD8 billion investments in renewable energy by Masdar, reinforcing ties between the two nations.⁵⁶

With the latest December news, Prime Minister Anwar Ibrahim strongly condemned the US veto of a UN Security Council resolution for a Gaza cease-fire, expressing deep sadness and calling the decision outrageous.⁵⁷ Malaysia actively supported and co-sponsored a UN General Assembly resolution addressing the Gaza crisis, emphasizing immediate cease-fire, release of hostages, and humanitarian access. In addition, Japan and Malaysia elevated their relationship to a Comprehensive Strategic Partnership, focusing on security assistance, including a \$2.8 million grant for Malaysia's maritime security through Japan's Overseas Security Assistance program. This aligns with shared commitments to peace, stability, and upholding international law amid tensions in the South China Sea.⁵⁸

Conclusion

In conclusion, in 2023, Malaysia has been marked by intricate shifts in domestic politics, economic challenges and opportunities, and active engagement in international affairs. The 15th general election brought unexpected political alliances and internal conflicts, setting the stage for a dynamic political landscape. Malaysia grappled with economic impacts of the COVID-19 pandemic, implementing measures and exploring collaborations to boost growth and address key sectors. On the global stage, the country actively participated in diplomatic initiatives, showcasing a commitment to regional cooperation and stability. The ASEAN meetings, engagements with China, and collaborations with international partners underscored Malaysia's role in addressing regional and global challenges. Economically, Malaysia faced a historic budget, addressed financial scandals, and pursued initiatives for sustainable development. The country's ambition to become an "Asian Digital Tiger" and collaborations in various sectors demonstrated its dedication to global economic growth. In summary, Malaysia's

⁵⁶ Ministry of Foreign Affairs of Malaysia. 29 November 2023. "Special Visit of his majesty the UAE to attend the 28th Conference of parties"

⁵⁷ Anadolu Ajansi. 9 December 2023. "Really unfortunate: Malaysia Slams US over veto on Gaza cease-fire" Available at: <https://www.aa.com.tr/en/asia-pacific/really-unfortunate-malaysia-slams-us-over-veto-on-gaza-ceasefire/3077974>

⁵⁸ The Diplomat. 18 December 2023. "Japan, Malaysia announce diplomatic upgrade, enhanced security cooperation" Available at: <https://thediplomat.com/2023/12/japan-malaysia-announce-diplomatic-upgrade-enhanced-security-cooperation/#:~:text=The%20elevation%20of%20bilateral%20relations,greater%20benefits%20for%20both%20countries.%E2%80%9D>

journey during this period reflects a nuanced interplay of political, economic, and diplomatic dynamics. As the nation navigates through challenges and seizes opportunities, its commitment to regional cooperation, economic resilience, and global engagement remains evident.

Myanmar

Him Rotha, Hai Sohem, & Navy Royo

Introduction

Myanmar in 2023 was in deep distress as this Southeast Asian country has not only found any light of resolutions for the 2021 Coup d'état. Currently, fighting among the Military Authority and ethnic resistance has been inflamed for weeks. The latest fighting was under the codename of "Operation 1027", which was operated by the Three Brotherhood Alliance consisting of the Arakan Army (AA), the Myanmar National Democratic Alliance Army (MNDAA), and the Ta'ang National Liberation Army (TNLA) since 27 October 2023.¹ This resistance overshadowed various political events in Myanmar in 2023, including the postponement of the general election by the Military Regime as well as the skipping of the 2026 ASEAN Chairmanship to the Philippines. The dynamic within the country has been involved rapidly owing to Operation 1027. For years after the Coup in 2021, the situation in Myanmar has been described as in deadlock. Nevertheless, since the dramatic rising resistance from relevant stakeholders, the country is concerned to be disintegrated as warned by the Military Authority Chief, Min Aung Hlaing.²

Against all of these backdrops, this review will highlight key events concerning Myanmar in 2023. The highlight will be divided into three sections, namely, (1) Domestic Politics; (2) Economy; (3) Foreign Relations. All of those events in Myanmar this year stem from the turbulent aftermath of the Coup in February 2021.

Domestic Politics

Myanmar's domestic politics has been on a roller-coaster in 2023. The armed clash between the Military Authority or the Tatmadaw and multi-front opposing groups (including the National Unity Government of Myanmar (NUG) and other Ethnic Armed Organizations (EAOs)) has been dragged on for years since the coup. Until around October 2023, the overall

¹ The Irrawaddy. 11 November 2023. Operation 1027 in visualization. Available at <https://www.irrawaddy.com/news/conflicts-in-numbers/operation-1027-in-visualizations.html>

² Global New Light of Myanmar. 5 December 2023. Senior General Min Aung Hlaing asserts commitment to democratic and federal Union, warns against disintegration. Available at <https://www.gnlm.com.mm/senior-general-min-aung-hlaing-asserts-commitment-to-democratic-and-federal-union-warns-against-disintegration/>

situation was not completely stable as the Military Authority only had full control in the big cities, like Naypyidaw and Yangon. Nevertheless, the Tatmadaw although struggling, still has had some level of control by employing brute force.

However, since 27 October, the date that Operation 1027 began, the dynamic evolved differently. The Three Brotherhood Alliance attacked the Military Authority and controlled key trade routes to China.³ Even if there is no indication that those ethnic armed groups will march to the Tatmadaw's Headquarter, Naypyidaw yet, the Three Brotherhood Alliance's uprising inspired many other groups along Myanmar's borders with Thailand and Bangladesh to strike against the Military Authority. Yet it was not as successful as the Three Brotherhood Alliance, according to the International Institute for Strategic Studies (IISS).⁴

The recent fighting overshadowed the stagnated evolution of the domestic political landscape over the course of 2023 or even since the Coup in 2021. In this section, the authors will highlight key domestic issues concerning Myanmar. In 2023, there are some key events concerning Myanmar's domestic affairs. Those events include (1) the two extensions of the State of Emergency in Myanmar; (2) No election as promised by the Military Authority; and (3) Operation 1027 and the Question of the Future of Myanmar as an integrated union.

Two State of Emergency Extensions

On February 1, in light of the two years anniversary after the coup, the SAC Head, Min Aung Hlaing extended the state of emergency for another six months. During a national security meeting, Min Aung Hlaing stated that “only 198 townships [out of 330 townships] are 100 per cent peaceful while 65 townships need effective providing of security”.⁵ The Senior General accused that the instability was caused by terrorism conducted by the NUG's armed wings, People's Defense Forces (PDF) and the Ethnic Armed Organizations (EAO).

³ See Footnote Number 1.

⁴ Morgan Michaels. December 2023. Is Myanmar's regime at risk of collapse? International Institute for Strategic Studies (IISS). Available at <https://myanmar.iiss.org/updates/2023-12>

⁵ Myanmar News Agency. 2 February 2023. National Defence and Security Council of the Republic of the Union of Myanmar holds meeting 1/2023. Global New Light of Myanmar. Available at <https://www.gnlm.com.mm/national-defence-and-security-council-of-the-republic-of-the-union-of-myanmar-holds-meeting-1-2023-2/#article-title>

With this occasion, the Myanmar Military Authority also imposed martial law on 37 townships, which in total so far, there are at least 48 townships facing similar military measures. Those townships are considered as the PDF and EAO's strongholds.⁶

On July 31, 2023, as expected, the military authority in Myanmar extended the state of emergency for 6 months more to bring back control over the country. Therefore, there is a possibility that the election will be delayed until 2025.⁷ Min Aung Hlaing stated that the 6 months extension will help Myanmar speed up in restoring peace and stability. Furthermore, he also addressed the resistance movements of the resistance group as terrorist threats and acts.

The extension of the state of emergency posed a critical question on the legitimacy of the Military Authority in Myanmar. Under Article 417 of the 2008 constitution, Myanmar could be taken over by the Commander-in-Chief under some circumstances, including the pretext of:

[disintegration] of the Union or disintegrate national solidarity or that may cause the loss of sovereignty, due to acts or attempts to take over the sovereignty of the Union by insurgency, violence and wrongful forcible means.

Constitution of Myanmar, 2008.⁸

Under Article 418, the Commander-in-Chief could declare the State of Emergency to stabilize the situation in the country with the two times of extensions.⁹

During the February 2021 coup, the Commander-in-Chief Senior General Min Aung Hlaing declared a one-year state of emergency when the coup was in motion and established the State of Administrative Council (SAC). Later on in February 2022, the state of emergency was extended for the first time. The second extension was in August 2022. The third was in February 2023, and the fourth was on 31 July 2023.¹⁰

⁶ Al Jazeera. 4 February 2023. Myanmar military expands martial law in strongholds of resistance. Available at <https://www.aljazeera.com/news/2023/2/4/myanmar-military-expands-martial-law-in-strongholds-of-resistance>

⁷ Leong Wai Kit. 31 July 2023. Available at <https://twitter.com/LeongWaiKitCNA/status/1685950583172485121>

⁸ Constitution of Myanmar, 2008. Available at https://www.constituteproject.org/constitution/Myanmar_2008

⁹ See Footnote number 8.

¹⁰ Institute for Strategy and Policy – Myanmar. 9 August 2023. Prolonged SAC's Rule. Insight Email No. 20. Available at <https://www.ispmyanmar.com/ie-20/>

The Military Authority's legitimacy both in the domestic and international arena has been taunted owing to the coup in 2021. However, the two extensions of the state of emergency in 2023 were examples of the violation of the 2008 Constitution – the law that was drafted and approved by the Military Regime itself.

Nevertheless, some implications could be drawn from the extension of the state of emergency in Myanmar in 2023.

First, the Military Authority began to conduct more offensive operations by using airstrikes on the zones occupied by the NUG and other resistance groups. One of the most internationally outcried ones was the airstrike on the Sagaing Region, a region under the control of the NUG.¹¹ The airstrike was carried out in April 2023 killing more than 160 people, including 40 children.¹² The use of airstrike posed some questions to the military's on-ground capability.

Second, the Military Authority seems to soften its stance with Aung San Suu Kyi in a quest to stabilize the situation and to gain momentum of legitimacy from both domestic and international audiences. There are two subsequent events related to this. First, it is rumored that Military Authority's three generals, such as So Htut, Home Affairs Minister, Yar Pyae, Min Aung Hlaing's Security Adviser, and Retried General, Khin Zaw Oo met with Aung San Suu Kyi twice on May 27 and on June 4. RFA Burmese claimed that those generals asked Suu Kyi to help the military with the peacemaking process, yet she did not respond to the request. However, so far, the military authority denied that the meeting took place.¹³

Further than that, in mid-2023, Aung San Suu Kyi's sentence was partially reduced, while she was allowed to meet with Former Thai Foreign Minister, Don Pramudwinai in-person. The Myanmar military has reduced 6 years off of Aung San Suu Kyi's 33 years sentences. The Military Authority has pardoned five of Aung San Suu Kyi criminal cases among the 19 cases

¹¹ Morgan Michaels. May 2023. Myanmar's conflict intensifies as use of firepower expands. IISS. Available at <https://myanmar.iiss.org/updates/2023-05>

¹² Human Rights Watch. 9 May 2023. Myanmar: Enhanced Blast Strike Likely War Crime. Available at <https://www.hrw.org/news/2023/05/09/myanmar-enhanced-blast-strike-likely-war-crime>

¹³ RFA Burmese. 12 June 2023. Myanmar's junta met jailed NLD chief Suu Kyi twice to discuss peace. Available at <https://www.rfa.org/english/news/myanmar/meetings-06122023165746.html>

due to general amnesty. Alongside Aung San Suu Kyi, U Win Myint was also pardoned for 2 cases, which left him with only remaining 6 cases.¹⁴

On July 28, 2023, Aung San Suu Kyi had been moved from prison to a much higher-level venue compound of a government building, according to NLD's official.¹⁵ According to the same source, she was expected to meet the country's lower house speaker and Chinese special envoy for Asian Affairs afterward as well.¹⁶

Despite many requests from other countries, the military authority never granted their wishes of visiting Aung San Suu Kyi. However, surprisingly, on July 9th, the junta granted Thailand's Foreign Minister Don Pramudwinai a meeting with Aung San Suu Kyi. This unexpected visit was recorded as the first ever time that the junta allowed any diplomat to meet her. On that note, the Junta stated that Aung San Suu Kyi is in good health as well. In addition, they also clarified that they do not have access to the meeting and its contents.¹⁷

Another implication from the extension of the State of Emergency is the frequent cabinet reshuffle within the Military Authority's government. In the February 2023 State of Emergency declaration, there was a change of the Foreign Minister. Than Shwe, former Myanmar Ambassador the US and the United Nations, took over the top diplomatic post, replacing Wunna Muang Lwin. Myanmar Now reported that the regime was not satisfied with Wunna Muang Lwin's performance as the regime was snubbed off from important ASEAN mechanisms and the relations with the West have been deteriorated.¹⁸

A few days after the extension of the state emergency for the fourth time, on August 4th, the Military Authority reshuffled the cabinet which changed the position and key post of many officials within the SAC. According to the report by the Irrawaddy, 10 senior members "were

¹⁴ The Irrawaddy. 1 August 2023. Myanmar Regime Reduces Jailed Leaders' Sentences Under Prisoner Amnesty. Available at <https://www.irrawaddy.com/news/politics/myanmar-regime-reduces-jailed-leaders-sentences-under-prisoner-amnesty.html>

¹⁵ The Irrawaddy. July 28, 2023. Myanmar's Daw Aung San Suu Kyi moved from prison: Party official. Available at <https://www.irrawaddy.com/news/politics/myanmars-daw-aung-san-suu-kyi-moved-from-prison-party-official.html>

¹⁶ Ibid.

¹⁷ Al Jazeera. 14 July 2023. Myanmar says Aung San Suu Kyi in 'good health', met Thai FM. Available at <https://www.aljazeera.com/news/2023/7/14/myanmar-says-aung-san-suu-kyi-in-good-health-met-thai-fm>

¹⁸ Myanmar Now. 21 February 2023. Myanmar's new foreign minister returns to the spotlight. Available at <https://myanmar-now.org/en/news/myanmars-new-foreign-minister-returns-to-the-spotlight>

forced” to retire on the health grounds. Among those 10 included the Chief Justice, Religious Affairs and Culture Minister, Electricity Minister, Energy Minister, and Labor Minister.¹⁹

Another notable internal shake-up was the arrest of the military-quota generals, ministers, and eminent personalities. In September, two SAC Generals, namely Moe Myint Tun, former Member of the SAC and the Chairman of Myanmar Investment Commission, and his assistant, Yan Naung Soe were sacked, then arrested and given life imprisonment, citing corruption according to the military-quota Ministry of Information.²⁰ The corruption, according to the Military Authority, was the violation of the regime’s economic policy and taking bribes from companies that held illegal foreign currencies.²¹

A month later, one of the Deputy Prime Ministers and the Minister of Home Affairs, Soe Htut was arrested and given five years sentence, citing corruption, according to the Irrawaddy.²² He was one of the masterminds of the Coup in February 2021, and during that time, he led the operation to arrest the then-civilian President Win Myint.²³

In November, the military government sentenced their former military minister Ye Htut to 10 years due to his criticism of the military government and defamation by spreading fake news.²⁴ He was arrested in October by the military.²⁵

No Election as Promised

The General Election was the key element for the Military Authority to normalize the situation in Myanmar after the Coup in 2021. Back in February 2021, the Military Authority accused the then-civilian government of committing election fraud in the 2020 General Election.²⁶ In 2020

¹⁹ The Irrawaddy. Chief Justice, Ministers Among Those Forced to Resign from Myanmar’s Military Government. Available at <https://www.irrawaddy.com/news/politics/chief-justice-ministers-among-those-forced-to-resign-from-myanmars-military-government.html>

²⁰ Ministry of Information, Myanmar. 11 October 2023. Court Martial adjudicates and sentences ex-Lt-Gen Moe Myint Tun and ex-Brig-Gen Yan Naung Soe. Available at <https://www.moi.gov.mm/moi:eng/news/11782>

²¹ Ibid.

²² The Irrawaddy. 11 November 2023. Key Myanmar Junta Minister Jailed for Corruption. Available at <https://www.irrawaddy.com/news/burma/key-myanmar-junta-minister-jailed-for-corruption.html>

²³ Ibid.

²⁴ May Wong. November 29, 2023. Junta sentences ex-information minister & ex-military man Ye Htut to 10 years jail. Available at <https://twitter.com/MayWongCNA/status/1729807235923030499>

²⁵ EFE. November 29, 2023. Ex-Myanmar minister gets 10 years in jail for criticizing the junta. Available at <https://efe.com/en/portada-america/2023-11-29/ex-myanmar-minister-gets-10-years-in-jail-for-criticizing-junta/#>

²⁶ Senior General Min Aung Hlaing. 9 February 2021. Republic of the Union of Myanmar Speech of Chairman of State Administration Council Senior General Min Aung Hlaing to public. Available at

General Election, Aung San Suu Kyi's National League of Democracy (NLD) won a landslide election as the NLD secured 496 seats out of 664 of both lower and upper house seats.²⁷

After the Coup in 2021, Min Aung Hlaing promised in August 2021 to have a fresh election by August 2023.²⁸ Since then until August 2023, the preparation was underway. As of 25 March 2023, it was reported that there were at least 52 political parties re-registered for the August election.²⁹ Only 12 political parties planned to contest for nationwide.³⁰ Radio Free Asia reported that those political parties were either pro-military or ethnic political parties that lacked the supports.³¹ Back in 2020, there were 91 registered political parties.³²

On 29 March, it is reported that Myanmar Military Authority dissolved 40 political parties, including Aung San Suu Kyi's National League of Democracy (NLD) as they failed to re-register under the new electoral law.³³ On April 2023, Myanmar's Union Election Commission approved 25 political parties among 63 registered, according to Eleven Myanmar.³⁴ Only 12 parties will contest in the whole country.³⁵ However, the notable issue was a deputy head of the Union Election Commission of Myanmar was killed at Yangon in April.³⁶ The military authority accused its opponent, the People's Defense Force as the perpetrator.³⁷

<https://www.seniorgeneralminaugnhlaing.com.mm/en/24280/republic-union-myanmarspeech-chairman-state-administration-councilsenior-general-min-aung-hlaing-public/>

²⁷ The Irrawaddy. 16 November 2020. Official Results Show Another Election Landslide for Myanmar's Ruling NLD. Available at <https://www.irrawaddy.com/election-2020/official-results-show-another-election-landslide-myanmars-ruling-nld.html>

²⁸ Al Jazeera. 1 August 2021. Min Aung Hlaing says no Myanmar elections until 2023. Available at <https://www.aljazeera.com/news/2021/8/1/min-aung-hlaing-promises-myanmar-multi-party-elections-2023>

²⁹ Leong Wai Kit. 25 March 2023. Twitter. Available at <https://twitter.com/LeongWaiKitCNA/status/1639375614242361344>

³⁰ Ibid.

³¹ Radio Free Asia Burmese. 15 March 2023. Five parties eligible for general election suggest victory for Myanmar military. Available at <https://www.rfa.org/english/news/myanmar/parties-03152023093024.html>

³² The Irrawaddy. 22 March 2023. 33 Myanmar Political Parties, Mostly With Military Links, Register With Junta. Available at <https://www.irrawaddy.com/news/politics/33-myanmar-political-parties-mostly-with-military-links-register-with-junta.html>

³³ Al Jazeera. 28 March 2023. Myanmar military dissolves Aung San Suu Kyi's NLD party. Available at <https://www.aljazeera.com/news/2023/3/28/myanmar-junta-dissolves-suu-kyis-nld-party-state-media>

³⁴ Eleven Myanmar. 12 June 2023. 25 of 63 applicants so far approved for political party registrations: UEC. Available at <https://elevenmyanmar.com/news/25-of-63-applicants-so-far-approved-for-political-party-registrations-uec>

³⁵ Ibid.

³⁶ Al Jazeera. 23 April 2023. Senior military-linked election official shot dead in Myanmar. Available at <https://www.aljazeera.com/news/2023/4/23/senior-military-linked-election-official-shot-dead-in-myanmar>

³⁷ Ibid.

Nevertheless, although election preparation has been ongoing, media reports stated that the Military Authority might delay the election. This is because Myanmar military authority stated that they would conduct national census in 2024.³⁸ The regime spokesperson, Zaw Min Tun told the media on 28 March that he did not know the exact election date. He later on got reprimanded.³⁹

On August 2023, there was an announcement that the General Election orchestrated by the Military Regime was postponed to an unspecified date.⁴⁰ The Military Authority cited nationwide violence as the obstacle hindering the election procedure.⁴¹ The obvious implication on this point is that the Military Authority is expected to extend their ruling over Myanmar under the pretext of state of emergency. The postponement of the election could give the Military Authority more time to neutralize the political landscape to have a favorable condition for the military-friendly political actors.

Operation 1027: An Emerged Alternated Dynamic in Myanmar

Operation 1027, initiated on October 27, is a joint military operation conducted by the three brotherhoods alliance, mainly a military coalition of the Arakan Army (AA), Myanmar National Democratic Alliance Army, and Ta'ang National Liberation Army.⁴² With around 20,000 troops, this biggest anti-military government group has been actively engaged in clashes against the SAC troops in the northern Shan State near the Chinese border.⁴³

According to the unofficial English translation of the statement made by the Three Brotherhood Alliance,⁴⁴ this operation has the aims to eliminate the ruling of the SAC and to crack down crime syndicates such as the cybercrime within their territories. As of December 2023, the Military Authority lost control of 300 military bases, nine towns in Shan and Rakhine states

³⁸ AFP. 10 March 2023. Myanmar junta hints at further election delay. Available at

<https://www.bangkokpost.com/world/2525029/myanmar-junta-hints-at-further-election-delay>

³⁹ Democratic Voice of Burma. 28 March 2023. Regime Reprimands Zaw Min Tun For Election-Related Comments. Available at <https://english.dvb.no/regime-reprimands-zaw-min-tun-for-election-related-comments/>

⁴⁰ Al Jazeera. 1 August 2023. Myanmar military extends emergency, postpones election. Available at <https://www.aljazeera.com/news/2023/8/1/myanmar-military-extends-emergency-postpones-election>

⁴¹ Ibid.

⁴² The Irrawaddy. November 11, 2023. Operation 1027 in visualization. Available at <https://www.irrawaddy.com/news/conflicts-in-numbers/operation-1027-in-visualizations.html>

⁴³ Ibid.

⁴⁴ Development Media Group. 27 October 2023. Three Brotherhood Alliance declares anti-regime 'Operation 1027,' outlines aims of campaign. Available at <https://www.dmediag.com/news/3-bth-n.html>

and Sagaing, Mandalay and Magwe regions, and especially key trade routes to China.⁴⁵ Since then, there have been many other groups and anti-military government citizens getting involved.⁴⁶ Furthermore, there have been new uprising operations taking place such as Operation 1111 in Kayah state in particular.⁴⁷

Who is the Three Brotherhood Alliance? The Three Brotherhood Alliance (3BA) is an alliance among three ethnic armed groups (the Arakan Army (AA), Myanmar National Democratic Alliance Army (MNDAA), and Ta'ang National Liberation Army (TNLA)). Arakan Army is an armed group founded in 2009 to restore Arakanese ethno-nationalism in Rakhine State. MNDAA is an armed group established in 1989 in the Kokang Region, located at the north of Myanmar, near the Chinese border. TNLA, on the other hand, is a group established in 1992 to fight for the self-determination of the Ta'ang people in the northern Shan State. These three groups allied in 2019 and rose to prominence in Operation 1027.⁴⁸

In Operation 1027, China may have given the green light and assistance, such as arms and finance to these ethnic armed groups to fight against the Naypyidaw Regime, according to an analysis by IISS.⁴⁹ There are three probable explanations for this: (1) China may be fed up with the Military Regime in Naypyidaw on the management of cyber-scam operations near the Chinese border; therefore, the Chinese might utilize the ethnic armed groups to crackdown those crime syndicates instead; (2) China may want to have more political and economic concession from the Military Authority; (3) China may want to be an upper hand to prevent any western influence into the ethnic armed groups who allied with the NUG.⁵⁰

Reactions from relevant stakeholders

⁴⁵ The Irrawaddy. 25 December 2023. Myanmar Junta Loses Troops, Bases, One More Town in Five Days of Resistance Attacks. Available at <https://www.irrawaddy.com/news/war-against-the-junta/myanmar-junta-loses-troops-bases-one-more-town-in-five-days-of-resistance-attacks.html>

⁴⁶ The Irrawaddy. November 9, 2023. Brotherhood alliance vows to spread operation 1027 across Myanmar. Available at <https://www.irrawaddy.com/news/burma/brotherhood-alliance-vows-to-spread-operation-1027-across-myanmar.html>

⁴⁷ Kyaw Kha. November 28, 2023. Operation 1111 'close to securing all of Kayah state for Myanmar resistance'. Available at <https://www.irrawaddy.com/in-person/interview/operation-1111-close-to-securing-all-of-kayah-state-for-myanmar-resistance.html>

⁴⁸ Al Jazeera. 27 October 2023. Ethnic rebel alliance attacks military positions across northern Myanmar. Available at <https://www.aljazeera.com/news/2023/10/27/ethnic-rebel-alliance-attacks-military-positions-across-northern-myanmar>

⁴⁹ Morgan Michaels. November 2023. Operation 1027 reshapes Myanmar's post-coup war. International Institute for Strategic Studies. Available at <https://myanmar.iiss.org/updates/2023-11>

⁵⁰ See footnote number 48.

During the heavy offensive from Operation 1027, the military government's troops suffered lots of casualties and lost the military posts in Shan state. In response to a serious confrontation, according to General Min Aung Hlaing, the military government will be in charge of their downfall in Shan State by fighting back against the Armed Resistance.⁵¹ The government decided to launch an airstrike as retaliation for the operation in Shan state.⁵²

Min Aung Hlaing and the Military Authority have subsequently reaffirmed the Tatmadaw's roles in preserving their three national causes; (1) non-disintegration of the Union; (2) non-disintegration of national solidarity; (3) perpetuation of sovereignty.⁵³

On the other front, the National Unity Government of Myanmar (NUG) welcomed Operation 1027 and was willing to join hands with the Three Brotherhood Alliance.⁵⁴ Nevertheless, according to some sources, the NUG was not included in the offensive carried out by the Brotherhood Alliance either in strategic planning or coordination.⁵⁵ Even so, the NUG's personalities gave interviews to the media that they were collaborating with those ethnic armed groups in battles against the Military Authority, but they admitted that there was no central chain of command. They also vouched that the collapse of the Military Authority in Myanmar was imminent.⁵⁶

Another key stakeholder in Myanmar is the United Wa State Army (UWSA) – the most powerful ethnic armed group in the country. UWSA is among the most well-equipped armies in Myanmar with an estimated 20,000 to 30,000 soldiers.⁵⁷ A few days after Operation 1027

⁵¹ Myanmar News Agency. November 30, 2023. Senior general Min Aung Hlaing vows vigilant efforts against insurgents. Available at <https://www.gnlm.com.mm/senior-general-min-aung-hlaing-vows-vigilant-efforts-against-insurgents/#article-title>

⁵² The Irrawaddy. November 28, 2023. Myanmar junta relying on airstrikes, shelling an operation 1027 enters second month. Available at <https://www.irrawaddy.com/news/war-against-the-junta/myanmar-junta-relying-on-airstrikes-shelling-as-operation-1027-enters-second-month.html>

⁵³ Global New Light of Myanmar. 5 December 2023. Senior General Min Aung Hlaing asserts commitment to democratic and federal Union, warns against disintegration. Available at <https://www.gnlm.com.mm/senior-general-min-aung-hlaing-asserts-commitment-to-democratic-and-federal-union-warns-against-disintegration/>

⁵⁴ National Unity Government of Myanmar. 27 October 2023. Statement on Operation 1027 and Related Operations. Available at <https://twitter.com/NUGMyanmar/status/1717859505143238677/photo/1>

⁵⁵ See footnote number 48.

⁵⁶ Ingyin Naing. 12 December 2023. Exclusive Q&A: Myanmar's Opposition Chief Says Battle Against Junta Has Turned. Voice of America. Available at <https://www.voanews.com/a/exclusive-q-a-myanmar-s-exiled-opposition-chief-says-battle-against-junta-has-turned/7394895.html>

⁵⁷ The Irrawaddy. 1 November 2023. Myanmar's Wa Army Vows Neutrality in Fight Between Regime, Ethnic Alliance. Available at <https://archive.ph/20231101205345/https://www.irrawaddy.com/news/burma/myanmars-wa-army-vows-neutrality-in-fight-between-regime-ethnic-alliance.html#selection-1049.0-1056.0>

was launched, the Wa State Army declared to remain neutral and will respond militarily if there is any armed incursion to their territory.⁵⁸

Internationally, so far, only China has played a prominent role in the situation in Myanmar. Primarily, this is because armed clashes have occurred around the Chinese border; hence affecting Chinese interests. Immediately after the fighting erupted, China called for parties to ceasefire and having peace talk.⁵⁹ At the same time, the Chinese authorities also collaborated with the local authorities in Myanmar (not necessarily linking to the Naypyidaw Regime) to crack down on cybercrime gangs in the area near the Chinese territory.⁶⁰

Later on, on 14 December, China announced to step into the conflict between the Military Authority in Myanmar and the Three Brotherhood Alliance.⁶¹ According to the Chinese Foreign Ministry, the conflicted parties agreed on a “temporary ceasefire and maintaining the momentum of dialogue”.⁶² Nevertheless, days later, there is a report stating that the fighting continues between the armed groups and the Naypyidaw Authority.⁶³ Furthermore, the Brotherhood Alliance was reported to reject the peace deal brokered by China as well.⁶⁴

Besides China, there is little reaction from other countries. ASEAN issued one statement on 24 November calling all parties to exercise utmost restraint.⁶⁵ Thailand and Singapore, on the other

⁵⁸ Ibid.

⁵⁹ Al Jazeera. 2 November 2023. Myanmar rebels seize vital border town as China calls for ceasefire. Available at <https://www.aljazeera.com/news/2023/11/2/myanmar-rebels-seize-vital-border-town-as-china-calls-for-ceasefire>

⁶⁰ Channel News Asia. 6 December 2023. China raises stakes in cyberscam crackdown in Myanmar, though loopholes remain. Available at <https://www.channelnewsasia.com/asia/china-myanmar-cyberscams-online-crackdown-loopholes-3968491>

⁶¹ Global Times. 14 December 2023. China helps to mediate in peace talks between Myanmar military and armed groups. Available at <https://www.globaltimes.cn/page/202312/1303674.shtml>

⁶² Ibid.

⁶³ Nikkei Asian Review. 23 December 2023. Myanmar fighting continues despite Beijing-mediated cease-fire. Available at <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/Myanmar-fighting-continues-despite-Beijing-mediated-cease-fire>

⁶⁴ The Irrawaddy. 13 December 2023. Brotherhood Alliance Denies Myanmar Junta Peace Deal Rumors. Available at <https://www.irrawaddy.com/news/politics/brotherhood-alliance-denies-myanmar-junta-peace-deal-rumors.html>

⁶⁵ ASEAN. 24 November 2023. ASEAN Foreign Ministers' Statement on The Escalation of Conflict in The Northern Shan State, Myanmar. Available at <https://asean.org/asean-foreign-ministers-statement-on-the-escalation-of-conflict-in-the-northern-shan-state-myanmar/>

hand, issued travel advisories, prohibiting their nationals from going to the northern Shan State in Myanmar.⁶⁶

Indonesia on 24 November said that the island country hosted a meeting from 20 to 22 November between the NUG, and ethnic organizations, with the Military Authority through “interlocutors”.⁶⁷ The Indonesian said that the meeting had “positive” note to pave the way for an “inclusive dialogue.”⁶⁸ However, the NUG clarified that they did not have the intention to talk with the Military Authority if their conditions were not met.⁶⁹

Ongoing Impacts and Future Scenarios

Operation 1027 posed an additional humanitarian crisis in Myanmar. Since the fighting erupted in October, 378 civilians died while more than 500 others were injured as stated by the United Nations Office in Myanmar.⁷⁰ Furthermore, as of 15 December 2023, 660,000 people were displaced making the total displacement in Myanmar stand at 2.6 million.⁷¹ More than that, according to the United Nations’ Humanitarian Report in 2023, Myanmar is in a serious humanitarian crisis as 18.6 million people, or equivalent to a third of the whole population require humanitarian assistance.⁷² The Humanitarian Agency projected that USD 994 million is needed to help the people in Myanmar; however, so far only USD 20 million could be raised.⁷³

Beyond the humanitarian crisis, the future ruling of the Military Authority has been put into debate among scholars and Myanmar observers. Some, including the Military Authority’s

⁶⁶ Reuters. 18 November 2023. Thais trapped by Myanmar fighting repatriated, Thai army says. Available at <https://www.reuters.com/world/asia-pacific/thais-trapped-by-myanmar-fighting-repatriated-thai-army-says-2023-11-18/>

⁶⁷ Reuters. 24 November 2023.

⁶⁸ Ibid.

⁶⁹ The Irrawaddy. 27 November 2023. Myanmar’s Civilian Govt Rejects Jakarta’s Claim Stakeholders Agree to Dialogue. Available at <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmars-civilian-govt-rejects-jakartas-claim-stakeholders-agree-to-dialogue.html>

⁷⁰ UN Office for the Coordination of Humanitarian Affairs. 15 December 2023. Myanmar: Intensification of Clashes Flash Update #10 (as of 15 December 2023) [EN/MY]. Available at <https://reliefweb.int/report/myanmar/myanmar-intensification-clashes-flash-update-10-15-december-2023-enmy>

⁷¹ Ibid.

⁷² UN Office for the Coordination of Humanitarian Affairs. 18 December 2023. Myanmar Humanitarian Needs and Response Plan 2024 (December 2023). Available at <https://reliefweb.int/report/myanmar/myanmar-humanitarian-needs-and-response-plan-2024-december-2023>

⁷³ Ibid.

installed President, Myint Swe even warned that Myanmar could go into disintegration, separating into small states, ruled by ethnic armed organizations.⁷⁴

The Institute for Strategy and Policy Myanmar (ISP – Myanmar) made some interesting assessments about the event.⁷⁵ Within Myanmar, should there is an all-out involvement from other larger ethnic armed organizations, like the United Wa State Army (USWA) and the Kachin Independence Army (KIA) to pursue political agendas to overthrow the Military Regime, Myanmar would evolve into a full-fledge civil war, of which there will be an all-out armed struggle between the Military Authority and various ethnic armed groups.⁷⁶

However, a new status quo of protracted war would emerge if the Three Brotherhood Alliance fight the war only fulfil their objectives to control only certain part the Myanmar territory, while entering some peace deal or pressure from China.⁷⁷ There are many directions from here. If the Brotherhood Alliance supporting politically the NUG, the confrontation between them and the Military Authority would continue on some scale. However, if they have a sweet deal with the Military Authority and not supporting the NUG, there would be a stalemate until there is a new development.

One more thing that is not impossible is that the Military Authority could have a negotiation with the NUG to have a certain political compromise. As most of them are the majority ethnic Bamar, they would have some deal, just like in the early 2010s, which led to the release of Aung San Suu Kyi and paved the way for democratization in Myanmar. However, this idea could be difficult as the conditions putting by the NUG – calling for Min Aung Hlaing and a few of his people to resign and putting the military under the civilian control – are too high for the Military Authority to accept. Further than that, it would be difficult for the NUG to trust the Military Authority and vice-versa.⁷⁸

⁷⁴ Rona Lee. 17 November 2023. Myanmar's military junta in death spiral decline. Asia Time. Available at <https://asiatimes.com/2023/11/myanmars-military-junta-in-death-spiral-decline/>

⁷⁵ Operation 1027 and Its Consequences. Available at <https://www.ispmyanmar.com/ie-27/>
<https://ispmyanmar.com/community/wp-content/uploads/2023/12/OnPoint-19-eng.pdf>

⁷⁶ *ibid.*

⁷⁷ *Ibid.*

⁷⁸ Maria Siow. 14 December 2023. Myanmar on the brink but Asean could be 'caught off guard' if the junta were to collapse. South China Morning Post. Available at <https://www.scmp.com/week-asia/politics/article/3244925/myanmar-brink-asean-could-be-caught-guard-if-junta-were-collapse?>

Another thing that could be a concern to Southeast Asia and the international community is the emergence of a proxy war. At the height of great powers' competition, empirically, the great powers may involve in small states' domestic affairs or civil wars. During the Cold War era, Cambodia, for instance, the US, China, and the Soviet Union supported different parties of the conflict. In the current case of Myanmar, it would be more complicated.

However, as the current trends show it is observed that the Military Authority growing closer with Russia. For example, in November, Russia and Myanmar conducted the first naval exercise in Myanmar in early November under the theme of the Russia-Myanmar Maritime Security Exercise.⁷⁹ The NUG, on other hand, have tried to woo with the West in order to gain legitimacy. Furthermore, the US is currently having a law called the Burma Unified through Rigorous Military Accountability Act (BURMA Act), which was approved back in December 2022. In this law, legally speaking, the US could send non-lethal aid to the NUG and other ethnic armed groups for the cause of democratization.⁸⁰

China, on the other hand, has multi-channels of communication with various actors in Myanmar, including the Military Authority, the NUG, and many Ethnic Armed Organizations at the Chinese border and Chinese projects in Myanmar. With these multi-facet engagements, one Burmese observer views that the Chinese approach to Myanmar is crucial for Myanmar's future.⁸¹

Nevertheless, if great powers want to deepen their presence in a militaristic way, arming Myanmar's warring parties would be one option. However, currently, this option is not in the interest of everyone either for Myanmar, her neighboring countries in Southeast Asia, and for great powers themselves. Yet, we should not be complacent in this aspect and there is a need to build some kind of understandings among concerning parties in order to prevent any foreign interference within Myanmar.

⁷⁹ CINCDs Myanmar. November 7, 2023. Chairman of State Administration Council Commander-in-Chief of Defense Services Senior Min Aung Hliang welcomed with guard of honor of the Russian Pacific Fleet by a delegation led by Russian Navy Commander-in-Chief. Available at <https://cincds.gov.mm/node/24048?d=1>

⁸⁰ Michael Martin. 6 February 2023. What the BURMA Act Does and Doesn't Mean for U.S. Policy in Myanmar. Center for Strategic and International Studies. Available at <https://www.csis.org/analysis/what-burma-act-does-and-doesnt-mean-us-policy-myanmar>

⁸¹ Kyaw Hsan Hlaing and Naing Lin. 30 October 2023. 'Operation 1027': A Turning-Point For Myanmar's Resistance Struggle?. The Diplomat. Available at <https://thediplomat.com/2023/10/operation-1027-a-turning-point-for-myanmars-resistance-struggle/>

Foreign Relations

Since the Coup in 2021, Myanmar's diplomacy is highly influenced by its domestic situation. The diplomacy has not been fruitful since Myanmar is still in turmoil and there are contested representatives in the international and regional arenas like the United Nations. Therefore, any diplomatic engagements either carrying out by the Military Authority or by the opposing rival, the NUG are mainly competing for international recognition.

In 2023, it was observed that Myanmar's military government actively engaged with Russia, China, India, and Thailand. Other than that, the military authority is involved at the Association of Southeast Asian Nations (ASEAN) and the Mekong subregional affairs on the working group level.

The NUG, on the other hand, in early 2023 opened a new office in Washington D.C. after the U.S. approved the Burma Unified through Rigorous Military Accountability Act (BURMA Act) back in December 2022.

SAC's Diplomacy

The SAC, this year, has shown itself as a normal government by engaging with relevant diplomatic stakeholders both in Myanmar and overseas. Min Aung Hlaing, the new Foreign Minister, Than Swe and some of SAC's ministers held courtesy calls with ambassadors or international organizations' representatives based in Myanmar as publicized by its state media.⁸²

Other than that, Myanmar's military-quota foreign services officials have joined various meetings on working-group level with ASEAN and the Mekong subregional mechanisms. Myanmar's diplomats abroad also actively involved in diplomatic events with their activities publicized on the Ministry of Foreign Affairs' Facebook page.⁸³

Myanmar military authority frequently received Russia's delegations in these three months as 2023 is 75th anniversary of diplomatic ties between the two. Min Aung Hlaing alone met with Russian delegations three times; first in January with the Vice-President of the Russia-

⁸² Observation on the Global New Light of Myanmar and the Ministry of Foreign Affairs, Myanmar's Facebook Page.

⁸³ Ibid.

Myanmar Association for Friendship and Cooperation⁸⁴, second in March with the Director of Fund RC-Investments⁸⁵, and third with Russian Prosecutor-General.⁸⁶ Besides Min Aung Hlaing, many Myanmar and Russian officials met with each other at various working level both face-to-face meetings and virtual meetings. Beyond diplomatic engagement, Myanmar military regime in February this year reiterated its supports toward Russia regarding the War in Ukraine.⁸⁷

On July 2nd, the chairman of the Anti-corruption commission of Myanmar signed a Memorandum of Understanding with the Russian Prosecutor General on the anti-corruption cooperation.⁸⁸ This MoU included the international discussion such as conference and workshop for the sake of information exchange and better practice in anti-corruption actions and research.⁸⁹ Around August to September, it is observed that the SAC's Cabinet Ministers were queuing to visit Russia. Five ministers were visiting Russia in less than a week around that time.⁹⁰ They were the Foreign Minister, U Than Swe; Transport Minister, Mya Tun Oo; Investment Minister, Kan Zaw; Industry Minister, Charlie Than; and Tourism Minister, Thet Thet Khine.⁹¹ During the visit of the Foreign Minister, Myanmar and Russia signed a deal to have a direct flight from Yangon – Mandalay – Novosibirsk (a city in Siberia), for the first time in 30 years.⁹²

⁸⁴ Myanmar News Agency. 31 January 2023. SAC Chairman PM Senior General Min Aung Hlaing receives Vice-President Mr Anatoly Bulochnikov of Russia-Myanmar Association for Friendship and Cooperation and party. Available at <https://www.gnlm.com.mm/sac-chairman-pm-senior-general-min-aung-hlaing-receives-vice-president-mr-anatoly-bulochnikov-of-russia-myanmar-association-for-friendship-and-cooperation-and-party/>

⁸⁵ Myanmar News Agency. 15 March 2023. SAC Chairman PM Senior General Min Aung Hlaing receives delegation of Fund RC-Investments from the Russian Federation. Global New Light of Myanmar. Available at <https://www.gnlm.com.mm/sac-chairman-pm-senior-general-min-aung-hlaing-receives-delegation-of-fund-rc-investments-from-the-russian-federation/>

⁸⁶ Myanmar News Agency. 23 March 2023. SAC Chairman PM Senior General Min Aung Hlaing receives delegation led by Prosecutor-General Mr Igor Krasnov of Russian Federation. Global New Light of Myanmar Available at <https://www.gnlm.com.mm/sac-chairman-pm-senior-general-min-aung-hlaing-receives-delegation-led-by-prosecutor-general-mr-igor-krasnov-of-russian-federation/>

⁸⁷ VOA Burmese Service. 25 February 2023. Myanmar's Military Council Supports Russia's Invasion of Ukraine. Available at <https://www.voanews.com/a/myanmar-s-military-council-supports-russia-s-invasion-of-ukraine/6458527.html>

⁸⁸ Global New Light of Myanmar. July 2, 2023. Myanmar and Russia sign a MoU on cooperation in Anti-corruption. Available at <https://www.gnlm.com.mm/myanmar-russia-sign-mou-on-cooperation-in-anti-corruption/>

⁸⁹ *ibid.*

⁹⁰ The Irrawaddy. 14 September 2023. Myanmar Junta Foreign Minister Visits Moscow for Talks With Sergei Lavrov. Available at <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmar-junta-foreign-minister-visits-moscow-for-talks-with-sergei-lavrov.html>

⁹¹ *Ibid.*

⁹² Russian News Agency. 6 September 2023. Russia, Myanmar resume air flights after 30-year break. Available at https://tass.com/economy/1670339?utm_source=google.com&utm_medium=organic&utm_campaign=google.com&utm_referrer=google.com

Russia and Myanmar have conducted the first naval exercise in Myanmar in early November under the theme of Russia-Myanmar Maritime security exercise.⁹³ In addition, the two countries signed a nuclear power plant deal in mid of October to run on health, agricultural and manufacturing sectors in Myanmar.⁹⁴ Furthermore, both signed a new economic cooperation that focuses on the trade foster on such important products; rice, fishery, and furniture products.⁹⁵ Moreover, both parties have strengthened the financial sector by negotiating on the bilateral payment between banks of both countries for the sake of reducing dollar on their transaction.⁹⁶

Beyond, Russia, the Military Authority in Myanmar also engaged actively with China. It is observed that China actively engaged with Myanmar's internal stakeholders. Chinese Ambassador met with various SAC's senior personalities. China's Special Envoy in charge of Myanmar affairs, Deng Xijun (former Chinese Ambassador to ASEAN) held meetings three times with the SAC as well as held several meetings with ethnic groups in just only four months after his appointment.⁹⁷ Yunnan Provincial Authorities held many meetings with the SAC and some key ethnic armed groups.⁹⁸

On May 2, Chinese Foreign Minister Qin Gang visited military leader, Min Aung Hlaing, the first official visit since the coup.⁹⁹ According to the report by the Radio Free Asia, Qin Gang also inspected Chinese-Myanmar border during his visit.¹⁰⁰ During his time in Myanmar, the

⁹³ CINCDs Myanmar. November 7, 2023. Chairman of State Administration Council Commander-in-Chief of Defense Services Senior Min Aung Hlaing welcomed with guard of honor of the Russian Pacific Fleet by a delegation led by Russian Navy Commander-in-Chief. Available at <https://cincds.gov.mm/node/24048?d=1>

⁹⁴ The Irrawaddy. October 12, 2023. Myanmar and Russia Sign Nuclear Power Plant Deal. Available at: <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmar-and-russia-sign-nuclear-power-plant-deal.html>

⁹⁵ Global New Light of Myanmar. October 26, 2023. Russia-Myanmar trade and economic cooperation to be promoted. Available at: <https://www.gnlm.com.mm/russia-myanmar-trade-and-economic-cooperation-to-be-promoted/>

⁹⁶ The Irrawaddy. November 8, 2023. Russia and Myanmar Junta Look to Bypass International Payment Sanctions. Available at: <https://www.irrawaddy.com/business/russia-and-myanmar-junta-look-to-bypass-international-payment-sanctions.html>

⁹⁷ VOA News. 24 March 2023. China Looks to Myanmar's Rebel Armies to Shore Up Business, Border Goals. Available at <https://www.voanews.com/a/china-looks-to-myanmar-s-rebel-armies-to-shore-up-business-border-goals-/7021032.html>

⁹⁸ Global New Light of Myanmar. 17 February 2023. Discussion on promotion of Yunnan-Myanmar trade and economic cooperation held. Available at <https://www.gnlm.com.mm/discussion-on-promotion-of-yunnan-myanmar-trade-and-economic-cooperation-held/>

⁹⁹ RFA Burmese. 2 May 2023. The Chinese minister said that he stood by the military council. Available at <https://www.rfa.org/burmese/news/chinese-foreign-minister-visit-to-myanmar-05022023161847.html>

¹⁰⁰ Ibid.

Chinese Foreign Minister met with Min Aung Hlaing, former military chief, Than Shwe, and the current Myanmar Foreign Minister, Than Swe.¹⁰¹ In a meeting with Min Aung Hlaing, China supported the political transition in Myanmar, while Myanmar vowed to protect Chinese interests in the country.¹⁰² Since then, it is observed that Myanmar Ministry of Foreign Affairs frequently received delegations from China and have frequent meetings with the Chinese Ambassador to Myanmar.

More than that, at least nine Military Authority's ministers visited China in 2023 for working visits. Nevertheless, Min Aung Hlaing, according to some reports, has not gotten any invitation yet to Beijing.¹⁰³ During the Belt and Road Forum in October 2023, China invited world leaders to Beijing, yet Myanmar was represented by Transport Minister, Mya Tun Oo.¹⁰⁴ It was suggested that China was reluctant to lend any official recognition to the Military Authority.¹⁰⁵

Besides getting closer to China and Russia, Myanmar's Military Authority has also engaged with Thailand, India, and other countries.

Min Aung Hlaing held a meeting with Thai military general back in January. Subsequently, Thai officials and diplomats went to Myanmar to have meetings with various SAC's personalities.¹⁰⁶ Other than that, Thailand also organized Track 1.5 discussion on the resolution to issues in Myanmar in Bangkok on March. The meeting invited experts and officials, notably the Head of Myanmar Foreign Ministry's think tank, Myanmar Institute of Strategic and International Studies.¹⁰⁷ More interestingly, it is suggested that Myanmar is one of the issues for Thai election in May 2023.¹⁰⁸

¹⁰¹ Ministry of Foreign Affairs, China. 3 May 2023. Myanmar Leader Min Aung Hlaing Meets with Qin Gang. Available at https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202305/t20230504_11070139.html

¹⁰² Ibid.

¹⁰³ The Irrawaddy. 21 September 2023. Myanmar Junta Boss Unlikely to Get BRI Forum Invite He Craves From China. Available at <https://www.irrawaddy.com/opinion/analysis/myanmar-junta-boss-unlikely-to-get-bri-forum-invite-he-craves-from-china.html>

¹⁰⁴ Ministry of Information. 21 October 2023. SAC Member DPM MoTC UM-led delegation arrives back. Available at <https://www.moi.gov.mm/moi:eng/news/11903>

¹⁰⁵ Ibid.

¹⁰⁶ Observation on the Global New Light of Myanmar.

¹⁰⁷ Frontier Myanmar. 22 March 2023. Indonesia is charting a new course on Myanmar, but is it working?. Available at <https://www.frontiermyanmar.net/en/indonesia-is-charting-a-new-course-on-myanmar-but-is-it-working/>

¹⁰⁸ Dominic Oo and Thompson Chau. 21 March 2023. Myanmar's democratic struggle at stake in Thailand's election. Al Jazeera. Available at <https://www.aljazeera.com/news/2023/3/21/myanmars-democratic-struggle-at-stake-in-thailands-election>

Moving Forward Party won the 2023 Thai Election. Although the coalition government in Thailand had not been formed yet, MFP's Prime Ministerial Candidate, Pita Limjaroenrat announced some changes in Thai foreign policy, including in its approach on Myanmar. On Myanmar, Pita said that he will coordinate the implementation of the US' BURMA Act and the 5PC.¹⁰⁹

Against this backdrop, The Irrawaddy reported that the Military Authority Second man, Soe Win alerted the troops. According to the Irrawaddy, Soe Win said "The Move Forward Party is pro-West and they will assist terrorists ... we have to watch the border and get information about them, their movements and their activities".¹¹⁰ When the new Thai Government was formed under Srettha Thavisin's Premiership, the tension was eased, but the relations was not as close as during Prayuth Chan-o-cha's time. Analysts suggested that the new Thai Government took more approach to humanitarian assistance, like building more refugee shelters to accommodate refugees from Myanmar.¹¹¹

Other than that, the SAC also attempted to expand the relations to the Middle East. In July 2023, Min Aung Hlaing had a phone call with the Prime Minister of Kuwait, while his Foreign Minister talked with Saudi Ambassador and Qatari Representative in Myanmar.¹¹² Besides, the military regime also engaged with Egypt as well.¹¹³ All the discussions were mainly directed on the economic purpose by which Myanmar demanded the economic ties on trading, investing and exporting from the counterparts.¹¹⁴

In October and November, Myanmar has had some impressive interaction with other states and non-state actors on major issues. On the bilateral basis, however, Russia is still bound to be Myanmar's major partner, as both partners are engaged with their military affairs and many

¹⁰⁹ Pita's Press Conference May 2023. Available at <https://twitter.com/pipob69/status/1658000886868905985>

¹¹⁰ The Irrawaddy. 22 May 2023. Myanmar Junta Alerts Troops After Move Forward Party's Statements on Myanmar. Available at <https://www.irrawaddy.com/factiva/thai-pro-democracy-partys-electoral-victory-troubles-myanmar-junta.html>

¹¹¹ Tommy Walker. 13 December 2023. Is Thailand Changing its Role on Myanmar? Voice of America. Available at <https://www.voanews.com/a/is-thailand-changing-its-role-on-myanmar-7396141.html>

¹¹² The Irrawaddy. July 7, 2023. Myanmar's Junta Aims to Boost Ties to the Mideast to Evade Isolation. Available at

<https://www.irrawaddy.com/news/the-world-myanmar/myanmar-junta-aims-to-boost-ties-to-the-mideast-to-evade-isolation.html>

¹¹³ Mouser. August 27, 2023. Myanmar, Egypt discuss economic cooperation, bilateral trade. Available at <https://www.moi.gov.mm/moi:eng/news/11374>

¹¹⁴ *ibid.*

bilateral deals. And in regard to the issue of heavy operation in Shan state, many actors such as China, ASEAN's chair and the UN have reacted to Myanmar differently with different points of views.

Beyond the attempt to diversify the relations, the Military Authority still has not normalized the relations with the West yet. Since the 2021 coup, there have been multiple rounds of sanctions by countries, like the US, the UK, the European Union, among others against Myanmar, including travel restrictions for senior personalities, like Min Aung Hlaing.¹¹⁵

More than that, the Military Regime also expressed dissatisfaction against any countries or entities that have criticized its own actions within Myanmar. In response to the NUG holding bilateral discussions with East Timor's Prime Minister and Foreign Minister in July, the military authority decided to expel East Timor's diplomat.¹¹⁶ In addition, the action further escalated as the military authority condemned East Timor on the irresponsible actions of encouraging the terrorist (the NUG group) to further commit violence in Myanmar.¹¹⁷

NUG's Diplomacy

On the other side, the NUG has attempted to utilize its available diplomatic platform to engage with the West. On NUG's Foreign Minister, Zin Mar Aung, NUG's Foreign Ministry's page, and NUG's twitter, it is observed that the NUG's personalities appeared to have engaged physically or virtually with many western diplomats.

The most outstanding one was the meeting between NUG's Foreign Minister with the UK's Foreign Minister, James Cleverly back in February.¹¹⁸ In the same month, the NUG opened its office in Washington D.C. to liaise diplomatic engagement with the US after the US approved BURMA Act.¹¹⁹

¹¹⁵ Susannah Patton. 22 June 2023. What's next for sanctions on Myanmar? East Asia Forum. Available at <https://www.eastasiaforum.org/2023/06/22/whats-next-for-sanctions-on-myanmar/>

¹¹⁶ Sebastain Strangio. August 29, 2023. Myanmar Junta orders expulsion of Timor-Leste's top diplomat. Available at [https://thediplomat.com/2023/08/myanmar-junta-orders-expulsion-of-timor-lestes-top-diplomat/#:~:text=Myanmar's%20military%20government%20has%20ordered,National%20Unity%20Government%20\(NUG\).](https://thediplomat.com/2023/08/myanmar-junta-orders-expulsion-of-timor-lestes-top-diplomat/#:~:text=Myanmar's%20military%20government%20has%20ordered,National%20Unity%20Government%20(NUG).)

¹¹⁷ AFP. August 27, 2023. Myanmar expels top East Timor diplomat. Available at <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmar-expels-top-east-timor-diplomat.html>

¹¹⁸ Leong Wai Kit. 7 February 2023. <https://twitter.com/LeongWaiKitCNA/status/1622790858583187457>

¹¹⁹ Twitter. 14 February 2023. <https://twitter.com/UnderSecStateJ/status/1625246713618264074>

Besides meeting with the British Foreign Minister, the NUG's Foreign Minister, Zin Mar Aung had the opportunity to meet with two European Foreign Ministers; namely, Gabrielius Landsbergis of Lithuania in September¹²⁰ and Jan Lipavský of the Czech Republic in October.¹²¹

Other than engagements in Europe, Zin Mar Aung was very noticeable during her trip to Japan in December and Timor-Leste in July. In Japan, she met with various stakeholders, including the Japanese parliamentarian in a bid to get involved in the situation in Myanmar although Japan has no official contact with the NUG.¹²² In Timor-Leste, on the other hand, she attended the inauguration ceremony for the Prime Minister of Timor-Leste, Xanana Gusmão.¹²³ During the visit, she met with many Timorese high-ranking figures, including the President, Jose Ramos Horta.¹²⁴

The NUG's diplomatic stance usually called on the world to stop violence and ill-legitimize the military authority in Myanmar. For its world view, the NUG followed the West's footsteps; for instance, on the War in Ukraine, the NUG condemned Russia for the aggression against Ukraine.¹²⁵

With China, although there is no formal interaction, the NUG's Acting President, Duwa Lashi La claimed that the NUG has been in contact with the Chinese embassy in Myanmar. More than that, the NUG respected the Chinese concerns and pledged not to interfere in any Chinese projects within Myanmar, according to his interview with the Voice of America.¹²⁶

¹²⁰ Zin Mar Aung's Tweet on 22 September 2023.

<https://twitter.com/ZinMarAungNUG/status/1705199681947533417>

¹²¹ Zin Mar Aung's Tweet on 18 October 2023.

<https://twitter.com/ZinMarAungNUG/status/1705199681947533417>

¹²² Japan Times. 22 November 2023. Myanmar shadow government urges more pressure on junta. Available at <https://www.japantimes.co.jp/news/2023/11/22/japan/myanmar-shadow-government-tokyo-visit/>

¹²³ Zin Mar Aung's Tweet on 3 July 2023. <https://twitter.com/ZinMarAungNUG/status/1675859901531439104>

¹²⁴ Timor-Leste News Agency. 3 July 2023. President Horta holds meeting with NUG's Foreign Minister.

Available at <https://en.tatoli.tl/2023/07/03/president-horta-holds-meeting-with-myanmars-foreign-minister/15/>
¹²⁵ VOA Burmese Service. 25 February 2023. Myanmar's Military Council Supports Russia's Invasion of Ukraine. Available at <https://www.voanews.com/a/myanmar-s-military-council-supports-russia-s-invasion-of-ukraine/6458527.html>

¹²⁶ Ingyin Naing. 12 December 2023. Exclusive Q&A: Myanmar's Opposition Chief Says Battle Against Junta Has Turned. Voice of America. Available at <https://www.voanews.com/a/exclusive-q-a-myanmar-s-exiled-opposition-chief-says-battle-against-junta-has-turned/7394895.html>

Since the coup, the situation in Myanmar is considered as one of the protracted humanitarian and political issue in Southeast Asia. The issue was raised occasionally in the United Nations' Security Council, while it has been one of the mainstream issues within ASEAN.

Myanmar in the UN

In the UN, Myanmar's seat was occupied by Kyaw Moe Tun, the Ambassador to the UN, who pledged his allegiance to the civilian government led by the National League of Democracy (NLD) Party. According to the UN's record, the international community still recognizes the deposed President Win Myint and the detained Foreign Minister, Aung San Suu Kyi.¹²⁷

In 2023, the United Nations Security Council held five meetings on Myanmar. Those meetings mainly focused on humanitarian assistance to the country.¹²⁸ The UN also has a Special Envoy to Myanmar. The last Envoy was Noeleen Heyzer, who resigned from the position of the UN Special Envoy to Myanmar after 18 months.¹²⁹ Noeleen Heyzer was in a hot seat as she was criticized by all sides owing to her works in Myanmar. During her term, she engaged both the military and the NUG as well as other actors and stakeholders related to the country. After her resignation, the UN has not immediately appointed her replacement.

Myanmar in ASEAN

The first quarter of 2023, Myanmar seat was still empty in ASEAN's big-ticket meetings, like ASEAN Foreign Ministers' retreat. Indonesia, this year, said that it will not employ "megaphone diplomacy" on Myanmar.¹³⁰ Indonesia revealed some plans, like sending its generals to talk with Min Aung Hlaing and appoint the Special Envoy with longer term, yet three months have passed, these plans remained to be seen.¹³¹

¹²⁷ United Nations. 19 December 2023. List of Heads of State, Heads of Government, and Ministers for Foreign Affairs. Available at

https://www.un.org/dgacm/sites/www.un.org.dgacm/files/Documents_Protocol/hspmfmfmlist.pdf

¹²⁸ Security Council Report. 2023. Myanmar. Available at <https://www.securitycouncilreport.org/myanmar/>

¹²⁹ Tommy Walker. 8 June 2023. UN Myanmar special envoy set to depart — What now?. DW. Available at <https://www.dw.com/en/un-myanmar-special-envoy-set-to-depart-what-now/a-65858954>

¹³⁰ See footnote number 30.

¹³¹ Ibid.

Moving on, before the Summit in May, there was an attack against ASEAN Convoy delivering aids in Myanmar by unidentified actor and ASEAN condemned the action.¹³² ASEAN leaders expressed frustration at the lack of progress in implementing the Five-Point Consensus by the military authority. However, 5PC is still a main reference for responding to the situation in Myanmar, while the settlement shall be Myanmar-led and Myanmar-own, according to the Chair Statement.¹³³ Indonesian Foreign Minister, Retno Marsudi said that her country has conducted 60 engagements with relevant stakeholders on issues related to Myanmar. Nevertheless, who is the ASEAN Chair's Special Envoy and what the Implementation Plan of 5PC looks like are still under questioned.¹³⁴

ASEAN decided to pass the 2026 chairmanship to the Philippines in the ASEAN leaders' review and decision.¹³⁵ In addition to the decision of the same statement, ASEAN still condemned the act of violence in Myanmar, while seeking to assist Myanmar to find a peaceful and durable solution and ensuring the implementation of the five-point consensus.¹³⁶ Predictably, the NUG welcomed this decision, while the military authority rejected ASEAN's latest resolution.

To sum up, ASEAN under the Indonesian Chair in 2023 still could not find a practical solution to deal with the situation on the ground in Myanmar. Indonesia claimed that the country had more than 180 engagements related to the issue in Myanmar, yet it seems not to have any light of solution.¹³⁷ The most visible one was the decision to skip Myanmar from taking over the

¹³² ASEAN. 10 May 2023. ASEAN Leaders' Statement on the Recent Attack on a Convoy of the AHA Centre and ASEAN Monitoring Team in Myanmar. Available at <https://asean.org/asean-leaders-statement-on-the-recent-attack-on-a-convoy-of-the-aha-centre-and-asean-monitoring-team-in-myanmar/>

¹³³ ASEAN. May 2023. Chairman's Statement of the 42nd ASEAN Summit. Available at <https://www.google.com/search?q=asean+chair+statement+May+2023&oq=asean+chair+statement+May+2023&aqs=chrome..69i57.10333j0j4&sourceid=chrome&ie=UTF-8>

¹³⁴ Him Rotha. June 2023. Myanmar after the 42nd ASEAN Summit: What's New? Center for Southeast Asian Studies. http://www.rupp.edu.kh/iispp/cseas/cseas_commentary-v2/2022-2023/documents/CSEAS_Commentary_5_Myanmar_after_the_42nd_ASEAN_Summit_What%E2%80%99s_New.pdf

¹³⁵ ASEAN. September 5, 2023. ASEAN leaders' review and decision on the implementation of the five-point consensus. Available at <https://asean.org/asean-leaders-review-and-decision-on-the-implementation-of-the-five-point-consensus/>

¹³⁶ *ibid.*

¹³⁷ Ministry of Foreign Affairs, Indonesia. 24 November 2023. Office of the Special Envoy Engagements with Myanmar Stakeholders Jakarta, 20-22 November 2023. Available at <https://kemlu.go.id/portal/en/read/5545/berita/office-of-the-special-envoy-engagements-with-myanmar-stakeholders-jakarta-20-22-november-2023>

Chairmanship of ASEAN in 2026; however, this decision is rather a quick fix of saving ASEAN than saving Myanmar.¹³⁸

Myanmar in the Subregional Cooperations

Myanmar is also part of many subregional cooperation mechanisms. However, some of those mechanisms have been paralyzed at the leadership level since there is an awkward position on whether to include the Military Authority in Myanmar. For instance, because of Myanmar, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) – a subregional organization with Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand as members – postponed its 2023 Summit, which was due to hold on 30 November at Bangkok.¹³⁹

One interesting note is related to the Lancang-Mekong Cooperation (LMC) Summit, of which it was Myanmar's turn to be co-chair with China. It was reported in February this year that China's Xi Jinping did not respond to Myanmar's invitation to have the summit in Myanmar back in December 2022.¹⁴⁰ Nevertheless, the Summit was hosted by Myanmar through videoconference a year later.¹⁴¹

Economy

Economically, according to the World Bank's report, the economic situation in Myanmar remains volatile. World Bank's January report projected that Myanmar's economic growth will top 3% in 2023.¹⁴² However in December, the projection of growth from late 2023 to March

¹³⁸ Him Rotha and Him Raksmeay. September 2023. Myanmar after 43rd ASEAN Summit: Quick Fixes but Questions Ahead. Center for Southeast Asian Studies.

https://rupp.edu.kh/iispp/cseas/cseas_analysis/documents/CSEAS_Analysis_9_Myanmar_after_the_43rd_ASEAN_Summit_Quick_Fixes.pdf

¹³⁹ Myanmar Now. 6 October 2023. Thailand to suspend invitation of Myanmar junta chief to attend BIMSTEC: MP. Available at <https://myanmar-now.org/en/news/thailand-to-suspend-invitation-of-myanmar-junta-chief-to-attend-bimstec-mp/>

¹⁴⁰ A.T. 31 January 2023. Beijing's Engagement With Myanmar In 2023: Walking A Tight Rope? Fulcrum. <https://fulcrum.sg/beijings-engagement-with-myanmar-in-2023-walking-a-tight-rope/>

¹⁴¹ Xinhua. 26 December 2023. Chinese premier calls for integrated development, security cooperation among Lancang-Mekong countries. Available at <http://en.people.cn/n3/2023/1226/c90000-20114672.html>

¹⁴² World Bank. 30 January 2023. Myanmar Economic Monitor January 2023: Navigating uncertainty. Available at <https://www.worldbank.org/en/country/myanmar/publication/myanmar-economic-monitor-january-2023-navigating-uncertainty#:~:text=The%20GDP%20forecast%20of%203,on%20both%20supply%20and%20demand>

2024 dropped to only 1%.¹⁴³ Nevertheless, the macroeconomy remained volatile with the local currency, Kyat continued to depreciate coupling with uncertain policy and disruption of business operation due to armed conflicts.¹⁴⁴ Some big brands, like Nestle and Chevron left Myanmar at the first quarter of 2023 as these companies sold their stakes to their partners in Myanmar.¹⁴⁵

The overall big picture of Myanmar's economy is in a state of uncertainty. World Bank even dubbed this country as the only country in East Asia and Asia Pacific that has not yet recovered its economy to its pre-pandemic level.¹⁴⁶ All of these are stemming from the protracted conflicts at the aftermaths of the February 2021 Coup.

Against this backdrop, this section will highlight three key economic sectors concerning to Myanmar; namely, (1) Trade and Investment; (2) Electricity Shortage; (3) Inflation and the Foreign Currency shortage.

Trade and Investment

Myanmar has a major export on products such as foods, minerals, forest products, and manufacturing products.¹⁴⁷ Myanmar earned USD 270 million from fishery product exports in the first semester of this year.¹⁴⁸ In October, Myanmar and China signed an agreement on fishery product exports under the process of the General Administration of Customs China (GACC).¹⁴⁹ And by November, the export value of manufacturing products in Myanmar was worth \$5.86 billion in this financial year.¹⁵⁰

¹⁴³ World Bank. 12 December 2023. Myanmar Economic Monitor : Challenges Amid Conflict. Available at <https://documents1.worldbank.org/curated/en/099121123082084971/pdf/P5006630739fd70a00a66c0e15bf7b34917.pdf>

¹⁴⁴ Ibid.

¹⁴⁵ AFP. 28 February 2023. Nestlé to Close Factory, Head Office in Myanmar, Available at <https://www.irrawaddy.com/news/burma/nestle-to-close-factory-head-office-in-myanmar.html>

¹⁴⁶ Ibid.

¹⁴⁷ Global New Light of Myanmar. November 29, 2023. Manufacturing sector exports generate US\$5.87 bln as of 17 November. Available at:

<https://www.gnlm.com.mm/manufacturing-sector-exports-generate-us5-87-bln-as-of-17-november/>

¹⁴⁸ Global New Light of Myanmar. October 5, 2023. Myanmar to export fishery products to China under GACC processes. Available at:

<https://www.gnlm.com.mm/myanmar-to-export-fishery-products-to-china-under-gacc-processes/>

¹⁴⁹ Ibid.

¹⁵⁰ Global New Light of Myanmar. November 29, 2023. Manufacturing sector exports generate US\$5.87 bln as of 17 November. Available at: <https://www.gnlm.com.mm/manufacturing-sector-exports-generate-us5-87-bln-as-of-17-november/>

Nevertheless, according to the World Bank, the number of exports from Myanmar has declined. The trade deficit increased to USD 831 million from April to September 2023, while at the same time last year, Myanmar enjoyed a trade surplus of around USD 65 million.¹⁵¹

On the importing side, the World Bank stated that the import has been stable this year with a decline of only by 1%.¹⁵² Nevertheless, consumption imported products, such as prepared food and pharmaceutical products have declined to 73% and 12% respectively, while the imports of fuels (gas and diesels) increased by 36%.¹⁵³

Since Operation 1027 occurred, land cross-border trade with China was highly impacted. According to the calculation by ISP – Myanmar, 91% of the trade with China was disrupted, of which Myanmar lost USD 445 million as of 15 December.¹⁵⁴

Beyond the essential consumption, the military government still seeks arms trade to exercise their authority over their counterparts. Myanmar military authority imported weapons worth USD 1 billion according to a report by the United Nations in May.¹⁵⁵ In the detailed infographic, the top five sources of arms include (1) Russia (USD 406 million); (2) China (USD 267 million); (3) Singapore (USD 254 million); (4) India (USD 51 million); (5) Thailand (USD 28 million).¹⁵⁶

In October, both Singapore and Indonesia were still exporting arms to Myanmar even after the Singaporean Foreign Ministry denied the involvement of arms trade to the country.¹⁵⁷ According to a press release by Marzuki Darusman a well-known Indonesian human rights advocate Salai Za Uk Ling from the Chin Human Rights Organization, and the Myanmar Accountability Project (MAP), a human rights group based in London, three state-owned arms

¹⁵¹ See Footnote number 140.

¹⁵² Ibid.

¹⁵³ Ibid.

¹⁵⁴ ISP – Myanmar. 18 December 2023. A Sustained Economic Decline in Myanmar. Available at <https://ispmyanmar.com/ie-29/>

¹⁵⁵ United Nations. 17 May 2023. UN expert exposes \$1 billion “death trade” to Myanmar military. Available at [https://www.ohchr.org/en/press-releases/2023/05/un-expert-exposes-1-billion-death-trade-myanmar-military#:~:text=NEW%20YORK%20%2F%20GENEVA%20\(17%20May,rights%20in%20Myanmar%2C%20Tom%20Andrews.](https://www.ohchr.org/en/press-releases/2023/05/un-expert-exposes-1-billion-death-trade-myanmar-military#:~:text=NEW%20YORK%20%2F%20GENEVA%20(17%20May,rights%20in%20Myanmar%2C%20Tom%20Andrews.)

¹⁵⁶ Ibid.

¹⁵⁷ Bertil Lintner. October 3, 2023. Singapore and Indonesia in Spotlight Over Illegal Arms Exports to Myanmar. Available at: <https://www.irrawaddy.com/opinion/guest-column/singapore-and-indonesia-in-spotlight-over-illegal-arms-exports-to-myanmar.html>

manufacturers in Indonesia such as PT Pindad, PT PAL, and PT Dirgantara Indonesia have sold “handguns, assault rifles, ammunition, combat vehicles and other equipment to the Myanmar military over the last decade, including potentially after the attempted coup in February 2021”.¹⁵⁸

Regarding the Singaporean case, on the other hand, two Singaporean men were charged and fined by the Singaporean court in August for bypassing the official restriction by having false end-user certificates for selling sonar surveillance systems to the Myanmar Navy according to the Straits Times.¹⁵⁹ However, the punishment turned out to be light as the court fined them only USD 58,300, while the deal was around USD 1.5 million.¹⁶⁰

Regarding to the Foreign Direct Investment, the flow of investment to Myanmar dropped this year. Foreign direct investment to Myanmar dropped around 60% in the first quarter of the year, comparing to last year, according to data by the Military’s investment ministry.¹⁶¹ This year, the authority only approved projects around USD 178 million, while last year the number was up to USD 400 million.¹⁶²

According to the World Bank calculation, FDI in Myanmar dropped 61% in first half of 2023 comparing to the same time in 2022.¹⁶³ The total investment capital is USD 484, of which power sector is 66%; transport and communication is 16%; and manufacturing is 13%. Singapore is accounted for 70% of the FDI this year (mostly in power sectors), becoming the largest FDI in Myanmar, while the rest belong to China.¹⁶⁴

Energy Shortage

¹⁵⁸ *ibid.*

¹⁵⁹ Samuel Devaraj. 28 August 2023. Two S’poreans admit role in illegal \$2m sale of sonar that ended up with Myanmar Navy. Straits Time. Available at <https://www.straitstimes.com/singapore/courts-crime/two-singaporeans-admit-role-in-illegal-2-million-sale-of-sonar-which-ended-up-with-myanmar-navy>

¹⁶⁰ *Ibid.*

¹⁶¹ The Irrawaddy. 8 June 2023. Foreign Investment in Myanmar Plunges 60% on-Year in First Quarter. Available at <https://www.irrawaddy.com/business/economy/foreign-investment-in-myanmar-plunges-60-on-year-in-first-quarter.html>

¹⁶² *Ibid.*

¹⁶³ See Footnote number 140.

¹⁶⁴ *Ibid.*

It is reported that there has been widespread of electricity shortage in Myanmar.¹⁶⁵ According to the World Bank, only 50% of households connecting to the public grids.¹⁶⁶ Since the coup 2021, there have been blackouts as some energy companies left the country. This year, according to the state-owned Yangon Electrical Supply Corporation (YESC) the hydropower could not generate powers owing to dry summer.¹⁶⁷

Although there is no drought this year, Myanmar still faced power shortage. This reflects to the poor power management, according to the World Bank's report. The power generation in Myanmar declined by 8% to 4,960 million kWh in the first half of 2023 to 5,376 million kWh over the same period last year.¹⁶⁸ Each day, it is witnessed to have power outages, of which, there are around 4 hours of blackouts in Yangon residential areas on average and 18 hours in industrial zones.¹⁶⁹ The challenges of power sectors include the ongoing fighting around the power grids, the lack of competency of energy management, and the lack of financial investment within this sector.

Inflation and Foreign Currency Shortage

The regime has caused serious damage to the national economy. As expected, Myanmar has experienced a severe dollar crisis as its currency continued to fall and collapse. Relatively, the situation was affected by the restrictions and oppressive intervention due to the political crisis.¹⁷⁰ Beside the dollar crisis, the military authority has been targeting people who use dollars in their bank account after being sanctioned by the United States on state-owned banks and the Ministry of Defense.¹⁷¹

¹⁶⁵ The Irrawaddy. 8 May 2023. Myanmar Power Shortage Leaves Millions at Mercy of Searing Summer. Available at <https://www.irrawaddy.com/features/myanmar-power-shortage-leaves-millions-at-mercy-of-searing-summer.html>

¹⁶⁶ Ibid.

¹⁶⁷ Ibid.

¹⁶⁸ Ibid.

¹⁶⁹ See Footnote number 160.

¹⁷⁰ The Irrawaddy, "Myanmar Plunges Deeper Into Dollar Crisis Under Military Rule," The Irrawaddy, June 1, 2023. Available at <https://www.irrawaddy.com/news/burma/myanmar-plunges-deeper-into-dollar-crisis-under-military-rule.html>.

¹⁷¹ Radio Free Asia. 29 June 2023. Junta Arrests 51 People for Alleged Dollar, Gold Speculation. Available at <https://www.rfa.org/english/news/myanmar/myanmar-forex-arrests-06262023064338.html>.

The military authority also restricted the US dollars in doing trade along the Chinese border, according to the Irrawaddy.¹⁷² To do trade with China, exporters shall obtain trading license and use Yuan currency.¹⁷³

After suffering a bad sanction on two of the most influential state-owned banks from last June, the Military Regime is partially affected by their foreign currency exchange. In fact, on July 10, the United Overseas Bank (UOB) of Singapore declared to close Myanmar Airways International's bank account by August 15th.¹⁷⁴ Moreover, the UN declared a proposal urging the suspension of currency supply to the regime from the international community.¹⁷⁵ By doing so, the UN chief suggested shutting down the accessibility of the international currency to the country.¹⁷⁶

With many external pressures externally, it is witnessed the emergence of multiple exchange rates. According to the World Bank,¹⁷⁷ there are at least five exchange rate tracks:

- (1) **Reference Rate:** the rate that is fixed by the Central Bank of Myanmar. With this rate, 1 USD = 2,100 Kyat.
- (2) **The Online Interbank Foreign Exchange Platform Rate:** This rate applies to goods exporters, which fluctuates between 2,900 – 2,950 kyat per USD.
- (3) **The remittance Rate:** this rate applies to migrant workers' remittances through official channels, which was set at 2,900 kyat per USD and fluctuates around 3,300 kyat per USD.
- (4) **Account transfer rate:** this rate applies to importers and overseas individuals that do business with Myanmar. This rate fluctuates around the market rate.
- (5) **Parallel market rate:** this rate applies to those outside the formal system; however, the parallel dealers have been cracked down by the authorities, making it difficult to access the rate.

¹⁷² The Irrawaddy. 8 June 2023. Myanmar Junta Bans Dollars for Border Trade With China. Available at <https://www.irrawaddy.com/news/burma/myanmar-junta-bans-dollars-for-border-trade-with-china.html>

¹⁷³ Ibid.

¹⁷⁴ The Irrawaddy. July 10, 2023. Singapore's UOB is shutting down Myanmar Junta Allied Airline's bank account. Available at <https://www.irrawaddy.com/news/the-world-myanmar/singapores-uob-is-shutting-myanmar-junta-allied-airlines-bank-accounts.html>

¹⁷⁵ AFP. July 7, 2023. UN urges End to Arms, Currency supplies to Myanmar Junta. Available at <https://www.irrawaddy.com/news/the-world-myanmar/un-urges-end-to-arms-currency-supplies-to-myanmar-junta.html>

¹⁷⁶ *ibid.*

¹⁷⁷ See Footnote number 140.

Conclusion

Myanmar is still in the midst of conflict with no sight of resolution. In the first 10 months of 2023, the situation stagnated with fighting between the Naypyidaw Authority and its opposing rivals becoming the new normal within Myanmar's population's day-to-day life. State of Emergency was extended for two times this year, which prolongs the Military Authority's control within the country. Furthermore, the election orchestrated by the military could not be held, further questioning the military's legitimacy within the country. Externally, Myanmar is known as a conflict-torn country with contested legitimated government. Myanmar's seat in ASEAN left empty, while the UN seat occupied by the anti-military figure. What more is that Myanmar lost the 2026 ASEAN Chairmanship's rights as accordance to the decision made by ASEAN in September 2023. More than that, the military authority regime faces enormous challenges in confronting the conflict against the ethnic resistance troops, as those resistance groups operate the anti-government armed campaign called Operation 1027 in Shan state. It seems that the prospect of stability of Myanmar is getting darker as time goes by.

Singapore

Him Rotha, Sok Molyneang, and Vorn Manatra

Introduction

2023 is an eventful year for Singapore. While maintaining flagship political stability, the country has encountered various spectrum of challenges, ranging from domestic hiccups, economic slowdown, and regional/ international uncertainties. Some of these trends are likely to shape Singapore's year to come. This paper discusses key developments in Singapore on three key aspects, namely, domestic politics; foreign relations, and economy throughout 2023.

Domestic Politics

Domestic affairs in Singapore were be stable overall even though there were some scandals in the mid-year. This year, one outstanding event was the presidential election, in which Singaporeans went to vote to choose their president for the first since 2011. With many difficult eligibility criteria, only three individuals were eligible to contest in the election. As expected, Mr. Tharman Shanmugaratnam, a former senior member of the ruling People's Action Party who held various posts in the government, won a landslide election.

Besides the presidential election, Singapore was rocked with scandal after scandal in mid-2023. In May, two prominent ministers; namely, K Shanmugam, Home Affairs Minister, and Vivian Balakrishnan, Minister for Foreign Affairs were suspected of power abuse over irregularities surrounding their house renting. The case was clear after an investigation led by the Senior Minister, Teo Chee Hean. In July, four Singaporean politicians, two of which are from the PAP and another two from the Workers' Party resigned owing to their extra-marriage affairs. This reflected that the Singaporean society is still conservative and strictly adheres to the family values of one husband and one wife. Another scandal was the corruption case related to the former Minister for Transport, S Iwaran, and Malaysian billionaire and Formula 1 pioneer in Singapore, Ong Beng Seng. High-profile corruption cases are rare in Singapore.

All of these abovementioned issues posed some questions of confidence by the public perception of the Singaporean Government, ruled by the PAP, according to some political

analysts.¹ Before the end of the year, Prime Minister Lee Hsien Loong announced that he would step down to pave the way for the next generation of leadership. With many scandals occurring throughout the year, PM Lee and the apprentice leadership committed to the clean governance system in Singapore.²

Against all of these backdrops, this section will provide key information related to the abovementioned events to shed more light on the understanding of Singapore's domestic affairs in 2023.

Singapore has an elected president for the first time since 2011

Singapore held the presidential election in September this year. This is the first election since 2011. This election came after Former President Halimah Yacob announced on 29 May that she would not run for the second term.³ Her term ended on 13 September this year, paving the way for the election. Halimah was declared to be the President in September 2017.⁴ At that time, there was no presidential election since the presidential candidacy was reserved for Malay ethnicity, and only Halimah Yacob – who was the Speaker of the House of Representatives – was eligible at that time.⁵

This year's election opened to all races in Singapore. To participate in this election, the first steps are to submit community statements and get a Certificate of Eligibility (COE). The candidate must be a Singaporean citizen, who has held a senior public post for at least three years, be the CEO of a firm with at least SGD 500 million in shareholders' equity, be at least 45 years old on Nomination Day, and not be a member of any political party to be eligible. The

¹ Ang Hwee Min and Davina Tham. 17 Jul 2023. PAP faces a severe crisis after string of incidents including Tan Chuan-Jin's affair: Analysts. Channel News Asia. Available at <https://www.channelnewsasia.com/singapore/pap-tan-chuan-jin-cheng-li-hui-affair-workers-party-leon-perera-nicole-seah-3634196>

² Kok Yufeng. 5 November 2023. 'We'll never let standards slip, system go corrupt': PM Lee on need for clean governance. Straits Times. Available at <https://www.straitstimes.com/singapore/politics/we-ll-never-let-standards-slip-system-go-corrupt-pm-lee-on-need-for-clean-governance>

³ Goh Yan Han. 29 May 2023. President Halimah Yacob will not run for second term in upcoming election. Straits Time. Available at <https://www.straitstimes.com/singapore/politics/president-halimah-yacob-will-not-be-running-for-a-second-term-in-upcoming-election>

⁴ Fathin Ungku and Karishma Singh. 11 September 2017. Malay woman to be Singapore president, puts minority representation on agenda. Reuters. Available at <https://www.reuters.com/article/us-singapore-election/malay-woman-to-be-singapore-president-puts-minority-representation-on-agenda-idUSKCN1BM0Y9>

⁵ Ibid.

candidates will be assessed by the Presidential Elections Committee, which will also award the Certificate of Eligibility.⁶

During that time, there were several announced candidates for this year's presidential election. The first one is Tharman Shanmugaratnam, the Senior Minister in charge of social policies and the Chairman of the Monetary Authority of Singapore (MAS). He announced to be a presidential candidate on 7 June, and he will resign from all of his capacities in the government and the ruling People's Action Party (PAP) by June.⁷ He held various ministerial posts for the past 20 years and he has been the Member of Parliament since 2001.⁸ He aimed to address global and domestic issues and aiming to prevent a divided society. With a history in politics and governance, Tharman campaigned to carry out presidential duties, including protecting reserves, while focusing on integrity and independence. He was committed to resolving these challenges and ensuring Singapore's future success.⁹

Another announced candidate is George Goh, a businessman and Singaporean non-resident Ambassador to Morocco since 2017. He announced his candidacy on 12 June.¹⁰ He has founded and owned many companies throughout the past decades. In his statement, he wanted Singapore to have a “non-establishment” president.¹¹ He attempted to gain support from various groups for his presidential election eligibility. He combined shareholder equity of SGD 1.5 billion over three years, but analysts are uncertain if he can combine the averages of several companies. Goh believed he could represent Singapore on the international stage due to his business experience.¹² Unfortunately, the Presidential Election Committee decided that he did not meet the criteria to become the President.

⁶ Mothership. 14 June 2023. Everything about Presidential Election 2023. Available at <https://mothership.sg/2023/06/everything-about-presidential-election-2023/>

⁷ Goh Yan Han. 8 June 2023. SM Tharman to run for president, will resign from Govt and PAP on July 7. Straits Times. Available at <https://www.straitstimes.com/singapore/politics/sm-tharman-to-run-for-president-will-resign-from-govt-and-pap-on-july-7>

⁸ Ibid.

⁹ Min, Chew H. 2023. “Tharman formally launches bid to be Singapore's 'President for a new era.’” CNA. <https://www.channelnewsasia.com/singapore/pe2023-president-election-tharman-shanmugaratnam-launch-3655191>.

¹⁰ Channel News Asia. 12 June 2023. George Goh, founder of Harvey Norman Ossia, to run for President in Singapore. Available at <https://www.channelnewsasia.com/singapore/george-goh-run-presidential-election-candidate-harvey-norman-ossia-3555876>

¹¹ Ibid.

¹² Yeoh, Grace. 2023. “George Goh formally launches bid for Presidential Election, wants to serve 'people left behind.’” CNA. <https://www.channelnewsasia.com/singapore/george-goh-presidential-election-bid-submit-papers-supporters-3677846>.

Besides the announced candidates, in March, Lee Hsien Yang, a brother of the Singaporean Prime Minister, Lee Hsien Loong also publicly expressed his interest in running for presidential position.¹³ Nevertheless, he is currently self-exiled in Europe, avoiding political prosecution in Singapore. Lee Hsien Yang has been under investigation as he was charged with providing false claims regarding Lee Kuan Yew's inheritance house.¹⁴

Later on, Tan Kin Lian also announced to stand for the presidential position. He claimed he was eligible to run for president in the upcoming election as the former Chief Executive Officer of the former NTUC Income, now known as Income Insurance Company, with shareholder stock exceeding S\$500 million. However, political observers believe his future is uncertain due to changes in eligibility standards since 2011. Tan's eligibility remained uncertain due to the final decisions of the Presidential Elections Committee (PEC). Tan Kin Lian used to be a presidential candidate back in the 2011 presidential election; however, he was the most unpopular candidate as he received the least votes in a four-men presidential race. Back then, he received only 4.91%.¹⁵ Tan submitted a proxy application for eligibility for the 2023 election, aiming to lower living expenses, secure employment, and find affordable housing.¹⁶

Another candidate was Ng Kok Song. He was a public servant for 45 years, serving at the Ministry of Finance and later on became the Chief Investment Officer at the Singapore's Government Investment Corporation (GIC).¹⁷ Similar to George Goh, Ng Kok Song presented himself as an independent candidate. One of the interesting phrases he raised during the presidential debate was "Singapore can no longer take for granted that we will always have good and honest government".¹⁸

¹³ Kyodo News. 8 March 2023. Singapore PM Lee's estranged brother to remain self-exiled in Europe. Available at <https://english.kyodonews.net/news/2023/03/4dadc7feddab-singapore-pm-lees-estranged-brother-to-remain-self-exiled-in-europe.html?phrase=Rikako%20Ikee&words=>

¹⁴ Ibid.

¹⁵ Elections Department of Singapore. 2023. PRESIDENTIAL ELECTION RESULTS. Available at https://www.eld.gov.sg/elections_past_results_presidential.html

¹⁶ Begum, Yasmin. 2023. "Tan Kin Lian aims to 'influence government policies' if elected as President, analysts stress role's limitations." CNA. <https://www.channelnewsasia.com/singapore/pe2023-tan-kin-lian-president-influence-government-policy-3674521>.

¹⁷ Tan See Kit. 24 August 2023. The time has come for a non-partisan President, says Ng Kok Song in presidential candidate broadcast. Channel News Asia. Available at

<https://www.channelnewsasia.com/singapore/ng-kok-song-presidential-candidate-broadcast-time-non-partisan-president-3721061>

¹⁸ Ibid.

Three eligible candidates for the presidential election were announced by the Election Department.¹⁹ Those three were Ng Kok Song, Tan Kin Lian, and Tharman. The election was ended with Tharman's victory, which he got 70% of the vote, while the other two got a little over 10% respectively.²⁰ With a history in politics and governance, Tharman will carry out presidential duties, including protecting reserves, while focusing on integrity and independence. He is committed to resolving these challenges and ensuring Singapore's future success.²¹

Singapore since its establishment in 1965, has just had the Presidential Election since 1993. Since 1993, there have been only 6 Presidential Elections, of which three went on uncontested.²²

Singapore to amend Constitution to formalize the president's international roles

After Tharman won the presidential election in November, the Singaporean government sought to amend the country's constitution to formalize the president's role in the international arena. So far, in the current constitution, the president in Singapore has the role of being a national symbol and unity figure for the country. While, internationally, the president represents Singapore in meeting with foreign dignitaries in the form of official or state visits.²³ Nevertheless, according to Lawrence Wong, Deputy Prime Minister and Minister for Finance, having these roles would not maximize the potential for the president's position yet since Mr. Tharman currently holds important positions internationally, such as, Chairman of the Board of Trustees (BoT) of the Group of Thirty (G30); Member of the BoT of the World Economic Forum (WEF); Co-Chair of the Global Commission on the Economics of Water (GCEW); and

¹⁹ Louisa Tang and Matthew Mohan. 18 August 2023. All 3 candidates who qualified for Presidential Election face challenges ahead: Analysts. Channel News Asia. Available at <https://www.channelnewsasia.com/singapore/presidential-election-2023-challenges-ng-kok-song-tan-kin-lian-tharman-3707696>

²⁰ Channel News Asia. 1 September 2023. Highlights: Tharman elected Singapore's next President after landslide victory. Available at <https://www.channelnewsasia.com/singapore/singapore-presidential-election-live-tharman-elected-president-results-3729556>

²¹ Min, Chew H. 2023. "Tharman formally launches bid to be Singapore's 'President for a new era.'" CNA. <https://www.channelnewsasia.com/singapore/pe2023-president-election-tharman-shanmugaratnam-launch-3655191>.

²² Elections Department of Singapore. 2023. PRESIDENTIAL ELECTION RESULTS. Available at https://www.eld.gov.sg/elections_past_results_presidential.html

²³ Prime Minister's Office. 6 November 2023. Legislative Changes to Govern the Performance of Foreign and International Roles. Available at <https://www.pmo.gov.sg/Newsroom/Legislative-Changes-to-Govern-the-Performance-of-Foreign-and-International-Roles>

Co-Chair of the United Nations Human Development Report (UN HDR) Advisory Board.²⁴ Deputy Prime Minister Wong said that the government was of the view that President Tharman shall continue these roles in order make Singapore plugged into the international system and maximize its national interests.²⁵

Therefore, the Government of Singapore suggested to amend Article 22Q of the constitution defining the international roles of the president as the following:

- (1) three conditions for the president to accept international appointments: (i) no active engagement for commercial purposes; (ii) any appointment must be assessed and advised by the government; and (iii) any discretion acts by the president should be “concurring” by the government.
- (2) the president shall perform international roles in accordance to the Singapore’s national interests with three general rules: “(i) against commenting on domestic politics, laws and policies; (ii) against making any commitments on behalf of the government or Singapore, whether formally or informally, and (iii) against retaining any remuneration or benefits in connection with the appointment”.
- (3) it is required for the president to relinquish any international should the government advise so.
- (4) any appointments shall be made in public.²⁶

Ministerial Housing Scandals

In May, Prime Minister Lee Hsien Loong ordered an investigation into the scandal that there was an allegation that two government ministers, Home Affairs Minister, K. Shanmugam and Vivian Balakrishnan, Foreign Minister rented colonial bungalows without accountability.²⁷

Some accusations appeared online around May, which claimed that those houses could have the price up around SGD 1 million a year, while their ministerial annual salaries are around

²⁴ Prime Minister’s Office. 22 November 2023. Opening Speech by DPM Lawrence Wong for the Second Reading Debate of the Constitution of the Republic of Singapore Bill (November 2023). Available at <https://www.pmo.gov.sg/Newsroom/Opening-Speech-by-DPM-Wong-for-the-Second-Reading-Debate-of-the-Constitution-of-Singapore>

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ang Qing. 13 May 2023. Shanmugam, Vivian rented Ridout Road properties in full compliance with procedures: SLA. Straits Times. Available at <https://www.straitstimes.com/singapore/politics/sla-shanmugam-vivian-rented-ridout-road-properties-in-full-compliance-with-procedures>

SGD 1 million.²⁸ No details about this were available as of June, but Singapore Land Authority said that these ministers complied to the law.²⁹ The review will be conducted independently and led by Senior Minister, Teo Chee Hean, while more details will be released around July.³⁰

In July, the investigation on Singapore's Minister for Home Affairs, K. Shanmugam and the Minister for Foreign Affairs, Vivian Balakrishnan over the alleged corruption on renting home was concluded with the two Ministers not guilty.³¹ Rumors circulating around May questioned the two Ministers' financial capability in renting the state bungalows at Rideout Road. Some accusations appeared online around May, which claimed that those houses that could have the price up to almost SGD 1 million a year, while their ministerial annual salaries are around SGD 1 million.³² Nevertheless, according to the investigation report conducted and led by Senior Minister, Teo Chee Hean, the Home Minister, Mr. Shanmugam has paid SGD 26,500 per month, while the Foreign Minister has paid SGD 19,000 and later SGD 20,000 a month, of which less than 70% of the price circulating in the May rumors.³³

However, there are still critics to that report, and among them was Lee Hsien Yang, the Prime Minister's brother. He questioned the credibility of the report in his social media posts.³⁴ Ministers for Law and Home Affairs K. Shanmugam and Foreign Affairs Vivian Balakrishnan have addressed Lee Hsien Yang's legal letters regarding slanderous claims about their renting of two black-and-white houses. Opposition lawmaker Kenneth Jeyaretnam expressed concerns about ministers purchasing public properties for less than fair market value. Investigations have not found any illegal activity or unfair treatment. Yang defended his tweet, claiming it was

²⁸ Terry Xu. 24 May 2023. How Minister K Shanmugam's response obfuscates the allegations of Ridout estates. The Online Citizen. Available at <https://www.theonlinecitizen.com/2023/05/24/how-minister-k-shanmugams-response-obfuscates-the-allegations-of-ridout-estates/>

²⁹ See footnote 11

³⁰ Ibid.

³¹ Ang Hwee Min. 28 June 2023. Ridout Road properties: Investigations, including by CPIB, find no wrongdoing or preferential treatment for ministers. Channel News Asia. Available at <https://www.channelnewsasia.com/singapore/ridout-road-shanmugam-vivian-balakrishnan-state-bungalows-cpiib-investigations-3592041>

³² Terry Xu. 24 May 2023. How Minister K Shanmugam's response obfuscates the allegations of Ridout estates. The Online Citizen. Available at <https://www.theonlinecitizen.com/2023/05/24/how-minister-k-shanmugams-response-obfuscates-the-allegations-of-ridout-estates/>

³³ See Footnote number 3.

³⁴ Channel News Asia. Lee Hsien Yang issued POFMA order over Facebook post on Ridout Road rentals, SPH circulation data. Available at <https://www.channelnewsasia.com/singapore/pofma-order-lee-hsien-yang-facebook-post-ridout-road-rentals-sph-circulation-data-3652176>

written in the UK. Shanmugam and Balakrishnan should file a lawsuit against Yang in the UK if they have a strong case.³⁵

Corruption in Singapore

Singapore's Former Transport Minister S. Iswaran and multibillionaire businessman Ong Beng Seng were detained and released on bail on July 11. Iswaran was given a leave of absence until the investigation is complete, and his passports were seized as a condition of their release.³⁶ The Corrupt Practices Investigation Bureau (CPIB) questioned Iswaran for ten hours on that day.³⁷ As the investigation is still on-going, this corruption case has not yet been revealed any further. Iswaran is still the Minister and a Member of Parliament. Prime Minister Lee Hsien Loong said that his minister's salary has been deducted from SGD 55,000 to SGD 8,500 (around USD 6,500); however, he still can have full MP salary of SGD 16,000 (around USD 12,000) a month.³⁸ Nevertheless, there were some demands to suspension his posts during this investigation, but the Parliament rejected back in September.³⁹ The situation on this alleged corruption case has had any updates since then.

Iswaran has involved in Singapore's politics for 26 years. He has been the Member of Parliament since 1997. He was appointed as the Minister for Transport in 2021. Ong Beng Seng is a Malaysian billionaire based in Singapore. He is known for bringing the formula 1 to Singapore. Iswaran, according to the Channel News Asia, is often appeared in press conferences related to Singapore hosting F1.⁴⁰

Singaporean Politicians' Extramarital Affairs

³⁵ "Shanmugam, Balakrishnan to sue Lee Hsien Yang unless he withdraws Ridout Road allegations and apologises." 2023. CNA. <https://www.channelnewsasia.com/singapore/ridout-road-k-shanmugam-vivian-balakrishnan-lee-hsien-yang-defamation-3658626>.

³⁶ CNA, July 14, 2023 "Singapore Transport Minister S Iswaran was arrested and released on bail as part of CPIB probe." <https://www.channelnewsasia.com/singapore/iswaran-arrested-cpib-bail-passport-impounded-ong-beng-seng-3629671>.

³⁷ CNA. July 18, 2023. Iswaran was questioned by CPIB for 10 hours." CNA. <https://www.channelnewsasia.com/singapore/s-iswaran-questioned-cpib-10-hours-corruption-probe-3637006>.

³⁸ Matthew Mohan and Louisa Tang. 2 August 2023. Iswaran interdicted from duty during CPIB probe, on a reduced pay of S\$8,500 a month until further notice: PM Lee. Channel News Asia. Available at <https://www.channelnewsasia.com/singapore/cpib-probe-iswaran-interdicted-reduced-pay-8500-pm-lee-3671511>

³⁹ Winnie Li. 8 September 2023. PSP's Hazel Poa files motion to suspend Iswaran as MP so he can't get S\$192,500 MP allowance anymore. Mothership Singapore. Available at <https://mothership.sg/2023/09/hazel-poa-files-motion-suspend-iswaran/>

⁴⁰ Channel News Asia. 14 July 2023. Billionaire property tycoon Ong Beng Seng arrested over CPIB probe involving Iswaran. Available at <https://www.channelnewsasia.com/singapore/ong-beng-seng-notice-arrest-cpib-probe-s-iswaran-3628356>

Four Singaporean politicians tendered their resignations in July after the news about their extramarital affairs was revealed.

Speaker Tan Chuan-Jin and MP Cheng Li Hui resigned from their parliament and the People's Action Party (PAP) after an affair. Seah Kian Peng, who was the Deputy Speaker from 2011 to 2016 was elected to replace Tan Chuan-Jin.⁴¹

Regarding the Tan Chuan-Jin and Cheng Li Hui affairs, Lee Hsien Loong, Prime Minister of Singapore and the General Secretary of PAP revealed to the media that he was aware of the relationship since the general election in 2020. The last time that PM Lee met with these two MPs to “counsel” on this matter was in February. They were asked to stop their relationship at that time yet it was continued until July.⁴²

Mr. Tan and Ms. Cheng’s affairs suddenly appeared to the public after the video of Tan Chuan-Jin used “unparliamentary remarks” was leaked in early July. That video showed Tan Chuan-Jin –performing the duty of House Speaker – said “****king populist” after Work Party’s Jamus Lim’s remarks to suggest some policies to help low-income groups back in April.⁴³

In the resignation letter to Mr. Lee, Tan Chuan-Jin expressed remorse over his mistake.⁴⁴ He further said that he needed to “take responsibility..., and help heal my family”. He stepped away from politics and devoted his time for his family.⁴⁵ Cheng Li Hui, on the other hand, just only tendered resignation from her role as the member of the PAP and the Member of Parliament without any elaboration.⁴⁶

⁴¹ CNA. July 17, 2023. “Speaker Tan Chuan-Jin and MP Cheng Li Hui resign over affair.” CNA.

<https://www.channelnewsasia.com/singapore/tan-chuan-jin-mp-cheng-li-hui-resign-parliament-speaker-pap-pmo-3633646>

⁴² Goh Yan Han. 17 July 2023. Inappropriate relationship between Tan Chuan-Jin and Cheng Li Hui continued despite counselling: PM Lee. Straits Times. Available at

<https://www.straitstimes.com/singapore/politics/inappropriate-relationship-between-tan-chuan-jin-and-cheng-li-hui-continued-despite-counselling-pm-lee>

⁴³ Aqil Hamzah. 19 August 2023. Tan Chuan-Jin quits: Other Singapore politicians who resigned after their affairs came to light. Straits Times. Available at <https://www.straitstimes.com/singapore/tan-chuan-jin-quits-other-singapore-politicians-who-resigned-after-their-affairs-came-to-light>

⁴⁴ Tan Chuan-Jin, 54 is a married man with two children, while Cheng Li Hui, 47 is single.

⁴⁵ Taufiq Zalizan. 17 July 2023. Speaker Tan Chuan-Jin and MP Cheng Li Hui resign from Parliament, Tan says he's 'fallen short' in areas of personal conduct. Today Online. Available at

<https://www.todayonline.com/singapore/speaker-tan-chuan-jin-and-mp-cheng-li-hui-resign-parliament-tan-says-hes-fallen-short-areas-personal-conduct-2212666>

⁴⁶ Ibid.

In responding to all of these, Mr. Lee said “I think it’s simply inappropriate to have a Speaker having a relationship with one of the MPs... It is not appropriate, it’s not acceptable.”⁴⁷ In his letter to Tan Chuan-Jin, as the General Secretary of the PAP, Lee Hsien Loong viewed that Mr. Tan’s resignation was necessary as to “maintain the high standards of propriety and personal conduct which the PAP has upheld all these years”.

Immediately, after the two PAP’s Members of Parliament resigned, a 15 second video of two opposition, Workers’ Party’s politicians; Leon Perera and Nicole Seah having romantic moment was leaked.⁴⁸ Both of them were among the 15 members of the Party’s Central Executive Committee (CEC), the top decision-making within the party. WP’s General Secretary, Pritam Singh, Chairwoman, Sylvia Lim as well as other WP’s leadership were aware of the relationship when Perera’s driver approached to them back in late 2020 and early 2021. Nevertheless, the concerned individuals rejected the allegation until the abovementioned video was leaked. Leon Perera and Nicole Seah resigned from the Workers’ Party.⁴⁹ Similar to the PAP, the Workers’ Party also adhered to traditional family value, according to the party’s Secretary General.⁵⁰

Singaporean Power Transition in Motion

Prime Minister Lee Hsien Loong announced in November during the PAP Convention that he would resign from the Prime Ministerial post and pass the torch to the Deputy Prime Minister and Minister for Finance, Lawrence Wong, and his Fourth-Generation team by November 2024.⁵¹ Lee Hsien Loong has been the Prime Minister of Singapore since 2004. So far, the country has three Prime Ministers; namely Lee Kuan Yew, Goh Chok Tong, and Lee Hsien

⁴⁷ See Footnote number 31.

⁴⁸ Chin Hui Shan. 18 July 2023. Workers’ Party looking into video that suggests ‘inappropriate exchange’ between Leon Perera and Nicole Seah. *Stratis Times*. Available at <https://www.straitstimes.com/singapore/workers-party-looking-into-video-of-inappropriate-exchange-between-leon-perera-and-nicole-seah>

⁴⁹ Louisa Tang. 19 July 2023. Leon Perera, Nicole Seah resign from Workers’ Party over extramarital affair. *Channel News Asia*. Available at <https://www.channelnewsasia.com/singapore/workers-party-nicole-seah-leon-perera-resign-inappropriate-exchange-video-3636841>. Leon Perera, 53 is married with two children. Nicole Seah, 36 is also married with two children. Mr. Perera used to be a civil servant and became the non-constituency MP back in 2020. Ms. Seah, on the other hand, was a popular young politician who rose prominent since 2011. She almost won a seat in the parliament back in 2020.

⁵⁰ *Ibid*.

⁵¹ Louisa Tang. 5 November 2023. PM Lee to hand over leadership to DPM Lawrence Wong by November 2024, before next General Election. *Channel News Asia*. Available at <https://www.channelnewsasia.com/singapore/pm-lee-hsien-loong-lawrence-wong-handover-3898156>

Loong. Initially, Prime Minister Lee intended to step down on his 70th birthday, which would have been in 2022. However, due to the Covid-19 pandemic, the succession plan was delayed.⁵²

During the party convention, he expressed full confidence in Lawrence Wong and his team. He said “I have full confidence in Lawrence and his team and there is no reason to delay the political transition. Therefore, I intend to hand over to DPM Lawrence before the next [General Election].”⁵³

Lawrence Wong was selected to become the Fourth-Generation or 4G leader in April 2022.⁵⁴ Mr. Wong had been a civil service at various department, including serving as the principle private secretary to Prime Minister, Lee Hsien Loong. He joint politics in 2011 and took on various ministerial portfolios until his appointment becoming the Deputy Prime Minister in 2022. Initially, the 4G leader position belonged to Deputy Prime Minister, Heng Swee Keat, who resigned from the post in 2021, citing his health issue and the need to have “a younger leader who will have a longer runway can take over”.⁵⁵

Economy

Singapore’s economy in 2023 has been in a fluctuated growth with around 1% of growth in 2023, and estimated to have around 1% to 3% in 2024, according to the report by the Ministry of Trade and Industry of Singapore.⁵⁶ According to the third quarter report, this growth has been dropped from 2022, while in 2022, the third quarter’s economic growth was around 4%.⁵⁷ Other than that, Singapore’s international trade dropped quite significantly all three quarters in 2023, it is witnessed the decrease. As stated in the Trade and Industry Ministry, the international trade in the first quarter dropped by 7.8%, the second quarter dropped by 18.7%, and the third quarter it plummeted by 16.4%.⁵⁸

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Hariz Baharudin. 16 April 2022. Three weeks, 19 leaders interviewed: How Lawrence Wong was picked as PAP’s 4G leader. Straits Times. Available at <https://www.straitstimes.com/singapore/politics/three-weeks-19-office-holders-interviewed-how-lawrence-wong-was-picked-as-paps-4g-leader>

⁵⁵ Straits Times. 9 April 2021. DPM Heng Swee Keat steps down as 4G leader: Read his letter to PM Lee Hsien Loong. Available at <https://www.straitstimes.com/singapore/dpm-heng-swee-keats-letter-to-pm-lee-hsien-loong-to-step-down-as-4g-leader>

⁵⁶ Ministry of Trade and Industry of Singapore. November 2023. MTI Forecasts GDP Growth of “Around 1.0 Per Cent” in 2023 and “1.0 to 3.0 Per Cent” in 2024. Available at <https://www.mti.gov.sg/Resources/Economic-Survey-of-Singapore/2023/Economic-Survey-of-Singapore-Third-Quarter-2023>

⁵⁷ Ibid.

⁵⁸ Ibid.

Beyond the economic outlook, there were some issues related to the socioeconomic affairs in Singapore. Singapore's Goods and Services Tax (GST) was increased from 7% to 8% in 2023, the first time since 2007, and this tax will be further hiking to 9% in 2024.⁵⁹ The increase of GST caused the public some concerns of "cutting non-essential spending".⁶⁰ The government explained that the motives for this increasing were to: (1) improving healthcare; (2) providing pre-school education; (3) enhancing security.⁶¹

The most outstanding one was the money laundering in Singapore, of which the Singaporean authority cracked down and ceased around SGD 1 billion in assets and cash. Other than that, the issue of housing was in a fierce debate within the Singaporean society.

Money Laundering Scandal in Singapore

Singapore cracked down money laundering crimes in September, arresting at least 10 people, of which 3 are Cambodian citizens.⁶² The three Cambodian passport-holders are Chinese-nationals as they were just naturalized into Cambodian citizenship from 2018 to 2021. Those detainees are alleged to be related with an organized crime group, called the Fujian Gang. Singaporean authorities raided their homes and seized luxury goods and money in cash around SGD 1 billion.⁶³

Singapore private home prices fall for the first time in three years

Singapore's private home prices fell for the first time in three years in the second quarter of 2023 by 0.4% as estimated by the Urban Redevelopment Authority (URA). This marks the first quarterly decrease since 2020, as price momentum eased across all market segments. The fall came after property cooling measures, including an increase in additional buyer's stamp duty. The government has increased housing supply to meet demand, with a Confirmed List supply

⁵⁹ Government of Singapore. 2023. GST rate change for consumers. Available at

[https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/gst-rate-change/gst-rate-change-for-consumers1](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/gst-rate-change/gst-rate-change-for-consumers1)

⁶⁰ Clement Yong. 27 December 2023. 2024 GST hike: Bookshops, art dealers and theatre companies worry people will cut 'non-essential' spending. Straits Times. Available at <https://www.straitstimes.com/life/arts/2024-gst-hike-bookshops-art-dealers-and-theatre-companies-worry-people-will-cut-non-essential-spending>

⁶¹ Ministry of Finance. 2019. Why is Singapore raising the GST. Available at

<https://www.mof.gov.sg/docs/default-source/resource/gst/pdf/1-why-is-singapore-raising-the-gst.pdf>

⁶² Wong Shiyong and David Sun. 18 August 2023. About \$1b in cash, assets seized and frozen in one of S'pore's biggest anti-money laundering operations. Straits Times. Available at

<https://www.straitstimes.com/singapore/1b-in-cash-and-assets-seized-and-frozen-30-foreigners-probed-for-money-laundering-and-forgery>

⁶³ Ibid.

of 9,250 units for 2023. Non-landed property prices fell by 0.5% in the second quarter, driven by properties in the rest of the Central Region, the Core Central Region, and the Outside Central Region.⁶⁴

Foreign Relations

Singapore and the Neighboring Countries

Among Singapore's diplomatic partners, namely, Malaysia and Indonesia are among the countries that Singapore has active engagements with. The retreat with Malaysia was held on 30 October 2023.⁶⁵ The two countries issued a Joint Statement laying down the progress of the bilateral relations between the two countries in various sectors, including economy, education, transportation as well as regional and international cooperation.⁶⁶ With Indonesia, on the other hand, the leaders' retreat was held in March 2023.⁶⁷ This year, the two countries signed some agreements related to the digital economy, sustainability as well as human development cooperation.⁶⁸ Furthermore, Indonesia in 2023 just ratified three key agreements with Singapore, namely; air space management; defense cooperation, and extradition agreements.⁶⁹

Besides formal interactions, Singapore has invited many Indonesian and Malaysian politicians and eminent personalities to the country under many different distinguished programs to deepen the ties between Singapore and its neighboring countries.⁷⁰

Singapore's Participation in ASEAN Summits and its Related Meetings

⁶⁴“Singapore private home prices fall for first time in three years: URA flash estimates.” 2023. CNA.

<https://www.channelnewsasia.com/singapore/singapore-private-home-prices-fall-ura-flash-estimates-second-quarter-2023-3601881>

⁶⁵ Prime Minister's Office. 30 October 2023. Joint Statement by PM Lee Hsien Loong and PM Dato' Seri Anwar Ibrahim at the 10th Singapore-Malaysia Leaders' Retreat. Available at

<https://www.pmo.gov.sg/Newsroom/Joint-Statement-by-PM-Lee-Hsien-Loong-and-PM-Dato-Seri-Anwar-Ibrahim-at-10th-SMLR>

⁶⁶ Ibid.

⁶⁷ Prime Minister's Office. 16 March 2023. PM Lee Hsien Loong at the Joint Press Conference at the Singapore-Indonesia Leaders' Retreat (Mar 2023). Available at <https://www.pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-at-the-Joint-Press-Conference-at-the-Singapore-Indonesia-Leaders-Retreat-Mar-2023>

⁶⁸ Ibid.

⁶⁹ Channel News Asia. 17 January 2023. Singapore welcomes Indonesia's ratification of agreements on bilateral issues, including defence and extradition pacts. Available at

<https://www.channelnewsasia.com/singapore/indonesia-singapore-agreements-extradition-treaty-fir-airspace-defence-mfa-welcomes-ratification-3211871>

⁷⁰ Available at the Ministry of Foreign Affairs. <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos?keyword=malaysia&country=&startdate=&enddate=&topic=>

Just like every year, Singapore participated actively in ASEAN. This year, ASEAN Summits and its related Meetings were hosted by Indonesia. Further than that, there were the Special Summit with the Gulf Cooperation Council, which was held in Riyadh, Saudi Arabia in October 2023, and the ASEAN-Japan 50th Year Commemorative Summit in Tokyo, Japan in December 2023. Singaporean Prime Minister, Lee Hsien Loong attended all of those meetings. Within ASEAN, Singapore has vocally expressed its views on specific regional issues.

During the ASEAN Summit in September, PM Lee pushed for the implementation of Myanmar Five-Point Consensus and called for ASEAN to deepen the integration amidst the complexity of geopolitical landscape.⁷¹

At the sideline of ASEAN Summits, Prime Minister Lee Hsien Loong also met with his ASEAN peers and other partners, including Cambodian PM Hun Manet. The two Premiers reaffirmed the commitment to strengthen the two countries' relations. Interestingly, PM Manet expressed his willingness to learn from Singapore's Defense Strategy and National Services.⁷²

PM Lee Hsien Loong wrote a congratulation letter to PM Hun Manet, the new PM of Cambodia, saying that he was looking forward to meeting him. Along with the good relations between Cambodia and Singapore, PM Lee Hsien Long also mentioned that there will be commerce, investment, aid, and a joint military drill between the Cambodian and Singaporean armies. Moreover, he also mentioned cooperation on the export of renewable energy to Singapore and the carbon credit sector, including cooperation in the fields of climate change and digital.⁷³

Towards the Lao ASEAN Chairmanship in 2024, Singapore invited Lao Foreign Minister, Saleumxay Kommasith to visit Singapore.⁷⁴ In a meeting between the Prime Minister of

⁷¹ Hariz Baharudin. 8 September 2023. Asean must push for Myanmar peace plan, says PM Lee, as bloc passes over nation for 2026 chair role. Straits Times. Available at <https://www.straitstimes.com/asia/se-asia/asean-must-push-for-myanmar-peace-plans-says-pm-lee-as-bloc-opts-to-skip-its-upcoming-chairmanship>

⁷² Hariz Baharudin. 6 September 2023. PM Lee meets leaders from Cambodia and the World Economic Forum. Straits Times. Available at <https://www.straitstimes.com/asia/se-asia/pm-lee-meets-leaders-from-cambodia-and-the-world-economic-forum>

⁷³ "PM Lee Hsien Long is looking forward to meeting the new PM of Cambodia." 2023. <https://www.information.gov.kh/articles/110739>.

⁷⁴ Ministry of Foreign Affairs. 7 December 2023. Deputy Prime Minister and Foreign Minister of the Lao People's Democratic Republic Saleumxay Kommasith's Engagements with Singapore Leaders, 7 December 2023. Available at <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos/2023/12/20231207-Lao-DPM-Visit>

Singapore and Lao Foreign Minister, Singapore pledged to support the Lao ASEAN Chairmanship through Singapore-Laos Enhanced Cooperation Package (SLECP), a capacity building program for Lao officials in preparation for ASEAN Chairmanship in 2024.⁷⁵

Singapore and the Situation in Myanmar

Singapore is among the ASEAN countries that has critical views on the situation in Myanmar. During the ASEAN Summit in September 2023, PM Lee further pushed ASEAN for the implementation of Myanmar Five-Point Consensus when Myanmar was stripped from ASEAN Chairmanship rights in 2026.⁷⁶

Nevertheless, there was some critics against Singapore's involvement in Myanmar and the Military Authority in Myanmar. According to the United Nations' Report back in May 2023, Singaporean entities exported arms and spare parts to Myanmar in total with the amount of USD 254 million.⁷⁷ The Ministry of Foreign Affairs aims to stop the gun flow and forbid dual-use military products. MPs demand information on Singaporean banks' financing cases and investigations against military-related companies.⁷⁸

Interestingly, two Singaporean men were charged and fined by the Singaporean court in August for bypassing the official restriction by having false end-user certificates for selling sonar surveillance systems to the Myanmar Navy according to the Straits Times.⁷⁹ However, the punishment turned out to be light as the court fined them only USD 58,300, while the deal was around USD 1.5 million.⁸⁰

⁷⁵ Ibid.

⁷⁶ Hariz Baharudin. 8 September 2023. Asean must push for Myanmar peace plan, says PM Lee, as bloc passes over nation for 2026 chair role. Straits Times. Available at <https://www.straitstimes.com/asia/se-asia/asean-must-push-for-myanmar-peace-plans-says-pm-lee-as-bloc-opts-to-skip-its-upcoming-chairmanship>

⁷⁷ United Nations. 17 May 2023. UN expert exposes \$1 billion "death trade" to Myanmar military. Available at [https://www.ohchr.org/en/press-releases/2023/05/un-expert-exposes-1-billion-death-trade-myanmar-military#:~:text=NEW%20YORK%20%2F%20GENEVA%20\(17%20May,rights%20in%20Myanmar%2C%20Tom%20Andrews](https://www.ohchr.org/en/press-releases/2023/05/un-expert-exposes-1-billion-death-trade-myanmar-military#:~:text=NEW%20YORK%20%2F%20GENEVA%20(17%20May,rights%20in%20Myanmar%2C%20Tom%20Andrews)

⁷⁸ Andres, Gabrielle. 2023. "91 more Singapore-based companies allegedly sending supplies to Myanmar's military." CNA. <https://www.channelnewsasia.com/singapore/myanmar-weapons-arms-supplies-export-3603421>.

⁷⁹ Samuel Devaraj. 28 August 2023. Two S'poreans admit role in illegal \$2m sale of sonar that ended up with Myanmar Navy. Straits Time. Available at <https://www.straitstimes.com/singapore/courts-crime/two-singaporeans-admit-role-in-illegal-2-million-sale-of-sonar-which-ended-up-with-myanmar-navy>

⁸⁰ Ibid.

Furthermore, according to the report by the World Bank, Singapore was the largest source of foreign direct investment to Myanmar.⁸¹ The total investment capital is USD 484, of which power sector is 66%; transport and communication is 16%; and manufacturing is 13%. Singapore is accounted for 70% of the FDI this year (mostly in power sectors), becoming the largest FDI in Myanmar, while the rest belong to China.⁸²

Not all was so rosy between Singapore and Myanmar. on July 10, the United Overseas Bank (UOB) of Singapore declared to close Myanmar Airways International's bank account by August 15th.⁸³ Moreover, the UN declared a proposal urging the suspension of currency supply to the regime from the international community.⁸⁴ By doing so, the UN chief suggested shutting down the accessibility of the international currency to the country.⁸⁵

With all of these involvements, there was an open letter to the Singaporean government by an activist group, called "Justice for Myanmar".⁸⁶ Justice for Myanmar called for Singapore to do more with three aspects:

- "1) Introduce sanctions to stop the direct and indirect transfer of arms, dual-use goods, technology, jet fuel, and related transactions, to the Myanmar military,
- 2) Utilise money laundering provisions and impose sanctions to ensure the illegal junta cannot access the Singapore financial system, including the USD 4.6 billion of funds that belong to the Government of Myanmar,
- 3) Expedite and make public ongoing investigations into Singaporean companies that have supplied arms, dual-use goods and technology to the Myanmar military."⁸⁷

Singapore and the US-China Rivalry

⁸¹ World Bank. 12 December 2023. Myanmar Economic Monitor : Challenges Amid Conflict. Available at <https://documents1.worldbank.org/curated/en/099121123082084971/pdf/P5006630739fd70a00a66c0e15bf7b34917.pdf>

⁸² Ibid.

⁸³ The Irrawaddy. July 10, 2023. Singapore's UOB is shutting down Myanmar Junta Allied Airline's bank account. Available at <https://www.irrawaddy.com/news/the-world-myanmar/singapores-uob-is-shutting-myanmar-junta-allied-airlines-bank-accounts.html>

⁸⁴ AFP. July 7, 2023. UN urges End to Arms, Currency supplies to Myanmar Junta. Available at <https://www.irrawaddy.com/news/the-world-myanmar/un-urges-end-to-arms-currency-supplies-to-myanmar-junta.html>

⁸⁵ Ibid.

⁸⁶ Justice for Myanmar. 29 October 2023. OPEN LETTER TO GOVERNMENT OF SINGAPORE. Available at <https://www.justiceformyanmar.org/press-releases/open-letter-to-government-of-singapore>

⁸⁷ Ibid.

Singaporean high-level leaders have frequently weighed in their views on the US-China rivalry. Most of them foresaw the deepened mistrust and division between the US and China, which would pose pressures on small states, like Singapore. For instance, in August, Lawrence Wong warned “disastrous” impact if the US-China competition is on an “extreme” level.⁸⁸ Tharman Shanmugaratnam back in June urged the US and China to abandon “hubris” and make re-adjustment of their engagements.⁸⁹ In October this year, Prime Minister Lee Hsien Loong had an optimistic view that Southeast Asian countries did not want to choose a side when it comes to the US-China competition since almost every country “still wants to be friends with both”.⁹⁰

Other than rhetorical views, Singaporean leadership has shown an eagerness to engage with both the US and China throughout 2023. In this year, Prime Minister Lee Hsien Loong paid visits to both China and the US. He visited China in March. During the official visit to China in March, Prime Minister, Lee Hsien Loong and Chinese Premier Li Qiang agreed to upgrade the two countries’ diplomatic relations to “All Round High Quality Future Oriented Partnership” from “All-Round Cooperative Partnership Progressing with the Times” in 2015.⁹¹ The two premiers discussed on way to improve trade relations both under the framework of bilateral relations and under the regional frameworks, such as Regional Comprehensive Economic Partnership Agreement (RCEP) and the advancement of ASEAN-China Free Trade Agreement.⁹²

In October, Prime Minister Lee visited the US for the Asia-Pacific Economic Cooperation (APEC) Summit. During the visit, he met the Governor of California as well as business leaders at Silicon Valley.⁹³ Prime Minister Lee also presided over the official opening of the

⁸⁸ Bhavan Jaipragas. 14 August 2023. ‘Extreme’ US-China rivalry could be ‘disastrous’ for global economy: Singapore’s Lawrence Wong. South China Morning Post. Available at <https://archive.is/T5u22#selection-1021.13-1021.107>

⁸⁹ Bhavan Jaipragas. 13 June 2023. Singapore’s Tharman urges US, China to abandon ‘hubris’ of viewing own system as superior. South China Morning Post. Available at <https://archive.is/peJZN#selection-1031.13-1042.0>

⁹⁰ Kimberly Lim. 5 October 2023. Southeast Asia won’t be ‘split between two camps’ over US-China rivalry, Singapore’s Lee Hsien Loong says. South China Morning Post. Available at <https://archive.is/WdU0Z#selection-621.0-632.0>

⁹¹ Singapore Prime Minister’s Office. 1 April 2023. Joint Announcement between the People’s Republic of China and the Republic of Singapore on the establishment of an All-Round High-Quality Future-Oriented Partnership. Available at <https://www.pmo.gov.sg/Newsroom/Joint-Announcement-China-and-Singapore-all-round-high-quality-future-oriented-partnership-Apr-2023>

⁹² Ibid.

⁹³ Prime Minister’s Office. 13 November 2023. PM Lee Hsien Loong to visit the United States of America (13 - 18 Nov 2023). Available at <https://www.pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-to-visit-the-United-States-of-America-Nov-2023#:~:text=18%20November%202023,-Prime%20Minister%20Lee%20Hsien%20Loong%20will%20make%20a%20working%20visit,Biden%20Jr>

Singapore's San Francisco Overseas Center in the US to facilitate Singaporean companies' entry into the US and boost trade and investment between the two countries. The center is Singapore's third in the US, following New York and Los Angeles. The US-Singapore Free Trade Agreement will celebrate its 20th anniversary next year, promoting increased trade and direct investments.⁹⁴

Apart from Lee Hsien Loong's activities, his two Deputy Prime Ministers, the Foreign Minister, and other Cabinet Ministers also actively engaged with both the US and China throughout the year. Both Deputy Prime Minister Lawrence Wong and Heng Swee Keat visited China and the US twice this year. The visits by the Deputy Prime Ministers are mostly to reaffirm bilateral relations between Singapore and China as well as Singapore and the US. Furthermore, their visits usually came along with the visit of Singaporean investments in those countries as well as Singaporean overseas.⁹⁵

Foreign Minister, Vivian, on the other hand, has been in frequent contact with both the Chinese and the American top diplomats. The Top Diplomat usually discusses with the Chinese and the American topics beyond the bilateral relations, meaning that some regional and international issues were also discussed. Another observation is that when Vivian went to the US, be it for an Official Visit or a Working Visit, he usually granted interviews with the American media, such as CNN.⁹⁶

Besides the outgoing visits, Singapore also received a series of high-level delegations from both China and the US. From China, usually the top officials, like Vice President Han Zheng back in November this year, and Foreign Minister, Wang Yi in August.⁹⁷ From the US, it is usually the congressional delegations of the Republican and the Democratic Party and other working-level diplomats, like the US Ambassador to ASEAN.⁹⁸

⁹⁴ Prime Minister's Office. 15 November 2023. PM Lee Hsien Loong at the Official Opening of Enterprise Singapore's San Francisco Overseas Centre. Available at <https://www.youtube.com/watch?v=oeNjytxfBJU>

⁹⁵ Prime Minister's Office. 2023. Foreign Affairs. Available at <https://www.pmo.gov.sg/Topics/Foreign-affairs?page=1&from=>

⁹⁶ Available at the Ministry of Foreign Affairs, Singapore. <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos?keyword=&country=B8609D107D1447108441828B0CFF648A&startdate=&enddate=&topic=&page=2>

⁹⁷ Available at the Ministry of Foreign Affairs, Singapore. <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos?keyword=&country=099139CA851B48D8BE55BF2BEA05128C&startdate=&enddate=&topic=>

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Singapore and the Israel-Hamas Conflict

Unlike most of the international events, the Israel-Hamas conflict created a hot debate within the Singaporean society. The conflict began in 7 October around the Gaza Strip when the Hamas militants began to fire missiles into Israeli territory.⁹⁹ According to the report by the South China Morning Post, some populations were sympathizing with the tragedy of the Palestinians who have been suffering from retaliation by the Israeli Defense Force.¹⁰⁰ It was reported that the Singaporean Government prohibited any rally expressing the political stance over the Israel-Hamas conflict.¹⁰¹ According to Channel News Asia, the authority rejected five requests to hold gatherings related to the international event, citing public security safety and to avoid a “potential divide”.¹⁰² Some figures expressed the disappointment on the government for not accommodating the general public’s demands.¹⁰³

Beyond the different views within the general population, the Singaporean elites also expressed different views. Former Permanent Secretary of the Foreign Ministry of Singapore, Bilahari Kausikan wrote an opinion piece in the Straits Times, stressing the concept of power, of which the restoration of deterrence posed an “existential issue” to Israel to comply with the humanitarian law and laws of war.¹⁰⁴ In response, Tommy Koh, former Singaporean Ambassador to the United Nations stated that Israel must obey the humanitarian law and laws of war.¹⁰⁵ Further than that, the Minister for Law, K. Shanmugam weighed in criticizing Bilahari for not acknowledging the root causes of the issue, of which there have been “illegal

⁹⁹ Joseph Stepansky, Farah Najjar, Linah Alsaafin and Alastair McCreedy. 26 December 2023. Israel-Hamas war updates: Death toll nears 21,000 in Gaza. Al Jazeera. Available at <https://www.aljazeera.com/news/liveblog/2023/12/26/israel-hamas-war-live-no-respite-for-gaza-as-israeli-attacks-continue>

¹⁰⁰ Kimberly Lim. 24 November 2023. Israel-Gaza war: in Singapore, a rare debate among elite emerges as concerned citizens tread a tightrope. South China Morning Post. Available at <https://www.scmp.com/week-asia/politics/article/3242656/israel-gaza-war-singapore-rare-debate-among-elite-emerges-concerned-citizens-tread-tightrope>

¹⁰¹ Ibid.

¹⁰² Davina Tham. 6 November 2023. Singapore rejected 5 bids to use Speakers' Corner for events on Israel-Hamas conflict. Channel News Asia. Available at <https://www.channelnewsasia.com/singapore/israel-hamas-war-speakers-corner-anti-semitist-muslim-police-3899776>

¹⁰³ Ibid.

¹⁰⁴ Bilahari Kausikan. 11 November 2023. Hard truths about Gaza war’s cruel and complex dilemmas. Straits Times. Available at <https://www.straitstimes.com/opinion/hard-truths-about-gaza-war-s-cruel-and-complex-dilemmas>

¹⁰⁵ Tommy Koh. 17 November 2023. Gaza war: Hard truths and humanitarian law. Straits Times. Available at <https://www.straitstimes.com/opinion/gaza-war-hard-truths-and-humanitarian-law>

actions by the Israeli Government, over many years - including in establishing settlements in the West Bank and in essence, preventing a 2 State Solution”.¹⁰⁶

This issue was even raised in the Singaporean parliament on 6 November 2023 under the theme of “Solidarity, Security, and Peace: The Israel-Hamas Conflict”.¹⁰⁷ In essence, the Ministry of Foreign Affairs clarified Singapore’s position on the issue. Singapore’s position on the issue is to “strongly condemn the terrorist attacks by Hamas” on 7 October. While recognizing the Israeli “legitimate right” to safeguard its population and territory, Singapore also called for Israel to comply with international humanitarian law.¹⁰⁸ Beyond that, Singapore has five principles behind its position:

- (1) Zero-tolerance on terrorism.
- (2) Recognizing the right to self-defense, but must comply with international humanitarian law.
- (3) There is a need to deliver humanitarian assistance to the civilians.
- (4) Supporting two-state solution, of which “Singapore supports the right of Palestinian people to a homeland, and Israel’s right to exist as a State within safe and secure boundaries”.
- (5) External politics must not be allowed to be used to divide Singaporeans.

More than political rhetoric, Singapore also provided humanitarian assistance to the people in Gaza. According to the Ministry of Foreign Affairs, Singapore, the country as of 30 November provided a total of SGD 7 million to Gaza.¹⁰⁹ Furthermore, the country also sent its Republic of Singapore Airforce (RSAF) aircraft to deliver life-saving supplies to Gaza as well as deploying Multi-Role Tanker Transport (MRTT) to deliver humanitarian assistance for Egypt.¹¹⁰

¹⁰⁶ K. Shamunagam. 18 November 2023. [Israel, Gaza and Bilahari’s Op Ed]. Available at https://www.facebook.com/k.shanmugam.page/posts/906367740852758/?paipv=0&eav=AfbEpwWhDIJRQ-oM0SrY6eeLTZI8MkWo39x2Uj2AILq_Y1dpbEHZvd60ytWq7TAsY&_rdr

¹⁰⁷ Ministry of Foreign Affairs. 6 November 2023. Parliamentary Motion on the Israel-Hamas Conflict, 6 November 2023. Available at <https://www.mfa.gov.sg/Newsroom/Announcements-and-Highlights/2023/11/20231106-Parl-Sitting>

¹⁰⁸ Ibid.

¹⁰⁹ Ministry of Foreign Affairs. 30 November 2023. Singapore Government Deploys RSAF Aircraft to Deliver Urgent Aid for Gaza. Available at <https://www.mfa.gov.sg/Newsroom/Press-Statements-Transcripts-and-Photos/2023/11/20231130-SG-Delivers-Aid-to-Gaza>

¹¹⁰ Ibid.

Conclusion

2023 is a year full of continuity and changes in Singapore. As a small, yet influential city state located at the heart of Southeast Asia, Singapore has maintained its course in enhancing and maintaining its importance in the region and beyond through preserving political stability, economic creativity, and active participation in regional and international fora. Notwithstanding, Singapore encountered winds of changes that are likely to shape its future. The power transition, the state of the economy along with the concerns related to the trust in the government and social cohesion are long-term trends that will impact significantly Singapore's domestic and foreign policy landscape. After an eventful year, Singapore is likely to find ways to these key challenges and explore ways to broaden its niches and space in its presence in regional and global affairs. Chartering to 2024, Singapore will witness a potential change in top leadership, which the impact will be long-term. Nevertheless, the government either in the present or in the future will need to work hard to enhance the trust and confidence of the Singaporean population after a series of unexpected occurrences in 2023.

Thailand

Long Sovitou, Hol Theaneth, Khim Sotheara, & Chhem Sovannarith

Introduction

This report provides an update on Thailand's domestic politics, economic affairs, and foreign affairs for 2023. In terms of politics, the Move Forward party won the election. But the party's leader, Pita Limjaroenrat was accused of holding shares in a media company so his bid to become prime minister by the Parliament failed before he stepped down from his leadership position in the party. Later on, it was announced that Srettha Thavisin of the Pheu Thai Party was elected as the new prime minister of the country. However, he and his party also encountered obstacles as their THB10,000 digital handout scheme has received much criticism and problems. On the economic front, the country experienced a positive shift with the successful implementation of the Regional Comprehensive Economic Partnership (RCEP), substantially reinforcing its economic standing. Despite challenges, the nation exhibited resilience through strategic initiatives in tourism, digital wallets, and the electric vehicle industry. These efforts emphasize Thailand's commitment to a robust and resilient economic resurgence. In international relations, the new prime minister has been strengthening Thailand's bilateral and multilateral ties with East and Southeast Asia and Middle East countries. Besides restoring international recognition for the newly elected government, Prime Minister Srettha Thavisin has been actively enhancing its economic sphere as a top priority.

Domestic Politics

Move Forward party's unexpected victory caused a major shift in Thailand's political landscape. This new chapter in Thai politics is one of political contests between reforming and maintaining the status quo as the nation's long-standing foreign relations are challenged by the nation's internal instability. Even though Move Forward won the election, they still had to overcome numerous challenges as their leader dealt with personal issues. This shows how deeply ingrained the intricate structures put in place by the Establishment to uphold the Monarchy are in Thai politics. Amidst the events and uncertainties, Srettha Thavisin of the Pheu Thai Party managed to clutch the victory for the position of Prime Minister, adding more complexity and possibilities to an already uncertain future.

Move Forward's victory

Speculation of an early election has resurfaced in the wake of the Jan. 29 adoption of two updated basic laws on elections, which provide Prime Minister Prayut Chan-o-cha with the legal basis to dissolve the House and call for an early poll.¹

Because of Thailand's political system's repressive roots and the parties' increasing rivalry, tensions rise as the country approaches the general election. With one or more parties supported by the military, the opposition Pheu Thai party (PTP) is anticipated to do well and perhaps be included in the upcoming coalition administration. The most visible prime minister candidate for the Pheu Thai Party, Paetongtarn Shinawatra, talks in Ubon Ratchathani province during the general election campaign. Paetongtarn is making a big push in the rural areas important to the Shinawatra family's Pheu Thai political empire to get millions of votes from the working class.² The election is provisionally set for May since the House of Representatives session ends on March 23. But if the House is dissolved before March 23, the legislation requires a quick election to be held 45–60 days after the dissolution. King Maha Vajiralongkorn approved a proclamation on March 20th dissolving the parliament, as widely expected. General elections are set for May 14th.³

The forthcoming Thai election is expected to include fierce campaigning and inside-party strife. A code of conduct for election campaigns has been signed by 36 political parties, promising not to participate in vote buying, electoral fraud, or mudslinging in a way that might inspire violence or hatred. It is important to note that Palang Pracharath and the United Thai Nation Party did not sign the agreement.⁴ The constant reports of a secret deal between the Pheu Thai Party and the Palang Pracharath Party have caused Paetongtarn's popularity to decline since March. The rumored agreements supposedly formed a coalition government and named Deputy Prime Minister Prawit Wongsuwon as the new prime minister following the election. Concerned citizens had voiced discontent with the lack of campaign posters and the

¹ Bangkok Post. 31 January 2023. “Early House dissolution unlikely” Available at:

<https://www.bangkokpost.com/thailand/politics/2494829/early-house-dismissal-unlikely>

² REUTERS. 20 February 2023. “Exclusive: Daughter of Thaksin banking on nostalgia to win Thailand election” Available at <https://www.reuters.com/world/asia-pacific/daughter-thaksin-banking-nostalgia-win-thailand-election-2023-02-19/>

³ Reuters. 20 March 2023. “Thailand dissolves Parliament for crunch election in May” Available at: <https://www.reuters.com/world/asia-pacific/thai-pm-slips-opinion-poll-rival-pulls-ahead-election-looms-2023-03-20/>

⁴ Thai PBS World. 29 March 2023. “36 of Thailand’s political parties sign campaign ethics code”. Available at <https://www.thaipbsworld.com/36-of-thailands-political-parties-sign-campaign-ethics-code/>

party's election candidates' few constituent visits, Paetongtarn remarked in response. In response, the political party has directed candidates to increase their level of involvement in voter outreach and politics.⁵

In a crucial election held on Sunday, May 14th, thousands of voters in Thailand selected progressive opposition organizations from among those affiliated with royalists. Many view this as a chance to topple military-led governments that have ruled for over a decade.⁶ Later on, the Pheu Thai Party and the Move Forward Party joined forces to create an opposition alliance.⁷

Obstacles stand in the Way of the Forward Party to Power

Some senators said they would not support Pita Limjaroenrat, the leader of the Move Forward party, for prime minister because of the party's planned change to the country's lese majeste legislation, which might spark rallies. A conservative majority in the unelected Senate, the ambitions of other opposition groups, and an accusation of wrongdoing against Pita are further barriers.⁸ Three days after winning an unexpected national election, Thailand's progressive Move Forward Party met in person for the first time with five other parties, spending several hours working toward forming a coalition government. In the end, it was agreed that a new prime minister would be chosen by the Senate and House of Representatives in July, at which point a new government would be established.⁹

Later on, Pita Limjaroenrat had to deal with an urgent legal matter. Pita was sued by the Palang Pracharath party, who claimed he had concealed his ownership of stock in the now-defunct television network iTV. Pita refuted accusations of misconduct and omitted to report the

⁵ Thaiger. 19 April 2023. "Pheu Thai Party candidate rejects collaboration with coup leaders" Available at: <https://thethaiger.com/hot-news/elections/pheu-thai-party-candidate-rejects-collaboration-with-coup-leaders>

⁶ INDEPENDENT. 14 May 2023. "Thailand elections: Millions vote in crucial poll that could unseat military generals" Available at: <https://www.independent.co.uk/asia/southeast-asia/thailand-general-election-pheu-thai-b2338541.html>

⁷ Bangkok Post. 15 May 2023. "Pheu Thai Party agrees to Move Forward alliance plan" Available at: <https://www.bangkokpost.com/thailand/politics/2571000/pheu-thai-party-agrees-to-move-forward-alliance-plan>

⁸ REUTERS. 17 May 2023. "Leader of Thailand's Move Forward party faces hurdles on path to power" Available at: <https://www.reuters.com/world/asia-pacific/leader-thailands-move-forward-party-faces-hurdles-path-power-2023-05-16/>

⁹ AP news. 17 May 2023. "Thailand's Move Forward Party in talks with 5 other parties in attempt to form coalition government" Available at: <https://apnews.com/article/thailand-government-election-move-forward-coalition-bfc38c9fdc90975079200efdaffc70f5>

shares.¹⁰ Moreover, the partnership was abandoned on the 20th by party-list MP-elect Kritditat Saengthanayothin, the head of the New Party.¹¹ The Chart Pattana Kla Party was removed from the Move Forward Party's coalition after the party received backlash online over its previous decision to accept it. Pita apologized in public on Twitter.¹² Additionally, because the parties have not yet agreed upon the parameters of a memorandum of agreement, their coalition has to deal with internal tensions.¹³

A memorandum of understanding (MoU) outlining the coalition's protocols for managing social, political, economic, and national crises has been agreed upon by its members.¹⁴ Subsequently, the lese majeste statute was declared to remain unaltered in the draft Memorandum of Understanding made public.¹⁵ In addition, their eight-party alliance unveiled reform proposals in the form of the 23-point accord, promising to ban monopolies, allow same-sex unions, and draft a new constitution.¹⁶ To accomplish these goals, the party began drafting forty-five bills.¹⁷ But when the Pheu Thai Party and the Move Forward Party ran for the House speakership, there were disagreements.¹⁸

The Election Commission (EC) has not yet determined whether to accept the complaint in response to Pita Limjaroenrat's charges since there might not be enough evidence to form a subcommittee to look into it.¹⁹ However, they did begin investigating a complaint against Pita's party and interrogating them over MFP's usage of the sickle and hammer emblem during the

¹⁰ VOA. 18 May 2023. "Thai PM Candidate Faces Disqualification Bid" Available at:

<https://www.voanews.com/a/thai-pm-candidate-faces-disqualification-bid/7099334.html>

¹¹ Thai PBS World. 20 May 2023. "Mai (New) party withdraws from Move Forward coalition after just one day" Available at: <https://www.thaipbsworld.com/mai-new-party-withdraws-from-move-forward-coalition-after-just-one-day/>

¹² Thai PBS World. 20 May 2023. "Move Forward party backtracks on Chart Pattana Kla joining coalition" Available at: <https://www.thaipbsworld.com/move-forward-party-backtracks-on-chart-pattana-kla-joining-coalition/>

¹³ Bangkok Post. 21 May 2023 "New govt coalition parties yet to agree terms" Available at:

<https://www.bangkokpost.com/thailand/politics/2575260/new-govt-coalition-parties-yet-to-agree-terms>

¹⁴ Bangkok Post. 22 May 2023. "Move Forward, allies to sign deal" Available at:

<https://www.bangkokpost.com/thailand/politics/2575360/move-forward-allies-to-sign-deal>

¹⁵ Bangkok Post. 22 May 2023. "No lese majeste changes in coalition MoU" Available at:

<https://www.bangkokpost.com/thailand/politics/2575836/no-lese-majeste-changes-in-coalition-mou>

¹⁶ ALJAZEERA. 23 May 2023. "Thailand's Move Forward Party, allies agree on coalition platform" Available at: <https://www.aljazeera.com/news/2023/5/23/thailands-move-forward-party-allies-agree-on-coalition-platform>

¹⁷ CNA. 25 May 2023. "Thai election winner Move Forward eyes House Speaker post to push through changes" Available at: <https://www.channelnewsasia.com/asia/thailand-move-forward-party-house-speaker-position-change-constitution-3514151>

¹⁸ Bangkok Post. 25 May 2023. "MFP confident Pheu Thai won't walk away" Available at:

<https://www.bangkokpost.com/thailand/politics/2578351/mfp-confident-pheu-thai-wont-walk-away>

¹⁹ The Nation Thailand. 7 June 2023. "Media-share complaint against Pita remains in limbo: EC" Available at: <https://www.nationthailand.com/thailand/politics/40028347>

election campaign. The sign, according to critics, suggested that the MFP was against the constitutional monarchy. In response, MFP said that the political cartoon's hammer and sickle were intended to highlight some of its list of MP candidates' ties to the labor movement.²⁰

In a later development, Move Forward and Pheu Thai established 15 working teams to address the urgent issues facing the country, which was another important step in setting the foundation for the upcoming administration. The Move Forward-managed working groups are concentrated on coming up with quick fixes for the problems facing the public. The Memorandum of Understanding (MoU) that potential coalition members signed on May 22 described the challenges in detail. The Pheu Thai Party has created five policies to serve as a foundation for the next alliance headed by Move Forward.²¹

The Election Commission validated the 500 newly elected members of Parliament on June 19. As mandated by the Constitution, the first sitting of the House of Representatives must convene within 15 days following the announcement. They backed all 400 constituency MPs and 100 party-list MPs in the House of Representatives. The EC acknowledged the MPs' wins but said they would investigate future allegations of election fraud against them if strong proof was found. Referencing Section 138 of the election-related organic law, it also maintains the authority to prevent any MPs convicted from participating in elections or standing for office. They also said that they were still investigating the matter and that only some details had been confirmed in response to Pita's accusation.²²

As the first meeting of the new House of Representatives to choose its speaker draws near, the strain between Move Forward and Pheu Thai, the coalition's main allies, is growing. This is because the eight political parties vying to form the next government are yet to reach a consensus on which party will hold the position of House Speaker, which is postponing the crucial decision.²³ Wan Muhamad Noor Matha, a prominent member of their alliance, was nominated by the Move Forward Party and Pheu Thai on July 3. This move marked the end of

²⁰ Bangkok Post. 7 June 2023 “Move Forward's use of hammer and sickle challenged in complaint” Available at: <https://www.bangkokpost.com/thailand/politics/2586919/move-forwards-use-of-hammer-and-sickle-challenged-in-complaint>

²¹ The Nation Thailand. 10 June 2023. “Move Forward launches policy-making roadshow with 15 working teams” Available at: <https://www.nationthailand.com/thailand/politics/40028409>

²² The Nation Thailand. 19 June 2023. “All 500 elected MPs get Election Commission’s stamp of approval” Available at: <https://www.nationthailand.com/thailand/politics/40028654>

²³ The Nation Thailand. 2 July 2023. “Coalition vying to form govt still can’t agree on House speaker post” Available at: <https://www.nationthailand.com/thailand/politics/40029017>

their impasse. Decided by a parliamentary vote, the decision was announced during a joint news conference after the state opening of parliament in the evening, chaired by King Maha Vajiralongkorn and Queen Suthida.²⁴ The election winners Move Forward and Pheu Thai, the main coalition partner, split the two deputy House speaker roles among themselves following voting in the first House meeting. The two biggest coalition partners chose Padiphat Santipada, a Move Forward MP for Phitsanulok, as the second deputy house speaker and Pichet Chuamuangphan, a Pheu Thai MP for Chiang Rai, as the first, in an attempt to achieve a consensus on the House leadership.²⁵

In other developments, Prayut Chan-o-cha reportedly announced that he would be leaving both the United Thai Nation Party (UTNP) and Thai politics in general. Prayut posted to Facebook, "I would want to express my gratitude to the people who supported the United Thai Nation Party and me in the previous election." He urged all other UTNP members to respect the party's core principles of protecting the state, the monarchy, and religion as well as to advance the interests of the general public, even if he was not a member of the party.²⁶

In the meanwhile, Pita's bid to become prime minister by the Parliament was unsuccessful as he only garnered 324 votes, the bulk of which came from his alliance of eight parties. Eighty-two other people voted against him, and the remaining 199 were undecided. To win, he needed 375 votes.²⁷ In the next round of voting, the eight-party coalition subsequently decided to nominate Pita Limjaroenrat as their candidate for prime minister. In a further development, Srettha Thavasin, one of Pheu Thai's three contenders for prime minister, asserted that it could be necessary to leave the eight-party coalition and that he was prepared to lead Move Forward. Srettha said the representatives of the eight coalition partners will shortly talk about their next coordinated move. Pheu Thai would choose one of its three candidates for prime minister if the

²⁴ CNA, 3 July 2023, "Thai election winner and major ally reach agreement on House Speaker" Available at: <https://www.channelnewsasia.com/asia/thailand-move-forward-party-pheu-thai-nominate-house-speaker-3603371>

²⁵ The Nation Thailand. 4 July 2023. "Move Forward, Pheu Thai seal House leadership compromise by sharing deputy speaker posts" Available at: <https://www.nationthailand.com/thailand/politics/40029067>

²⁶ The Nation Thailand. 11 July 2023. "Prime Minister Prayut announces his retirement from active politics" Available at: <https://www.nationthailand.com/thailand/politics/40029272>

²⁷ The Nation Thailand. 13 July 2023. "Pita fails in bid to become prime minister" Available at: <https://www.nationthailand.com/thailand/politics/40029344>

party's executive board permitted it to suggest a candidate. It was emphasized that the eight-party alliance would "remain united until any change."²⁸

Srettha Thavisin becomes Thailand's 30th prime minister

The almost 100-day legislative impasse was broken by the declaration of Srettha Thavisin, a Pheu Thai candidate, as Thailand's 30th prime minister. The former real estate millionaire garnered 482 votes in the combined parliamentary session, significantly more than the necessary 374 votes, following hours of debate. 165 votes were cast against, 81 members abstained, and 19 lawmakers were not present. Additionally, Srettha was successful in garnering the support of 152 senators, with the majority of his opponents being Move Forward MPs. Later, Pheu Thai leader Cholnan Srikaew put forward Srettha as the coalition's sole nominee for prime minister. With 314 MPs overall, the coalition maintains a majority in the Lower House.²⁹ Regarding this, it is said that Srettha is close to finishing a policy declaration that she would display to the Parliament. A seven-point policy framework, comprising "1 stimulation, 3 speeding up, and 3 creations," characterizes the recently authorized government headed by Prime Minister Srettha Thavisin.³⁰

With Srettha Thavisin selected as the new prime minister of the country, he and his party set about running the nation, promising to continue enacting measures that will help people, and asking the parliament and opposition to acknowledge the government's accomplishments.

The first challenge they encountered was that the opposition party denounced the new government's plans as "impractical" as soon as they were made public in Parliament. Srettha responded to the criticism that the administration planned to pursue both long-term labor capacity building and short-term stimulus measures to address the nation's enduring problems. Nevertheless, the opposition camp denounced the new administration's initiatives, arguing that they lacked a defined objective, time frame, and direction.³¹

²⁸ The Nation Thailand. 20 July 2023. "Srettha ready to be next PM, suggests Pheu Thai may ditch Move Forward" Available at: <https://www.nationthailand.com/thailand/politics/40029546>

²⁹ The Nation Thailand. 22 August 2023. "Pheu Thai's Srettha wins PM post by large majority" Available at: <https://www.nationthailand.com/thailand/politics/40030422>

³⁰ The Nation Thailand. 5 September 2023. "Cabinet policy outlined in upcoming statement to parliament" Available at: <https://www.nationthailand.com/thailand/politics/40030789>

³¹ The Nation Thailand. 11 September 2023. "Move Forward leads the attack as Srettha reveals government's key policies" Available at: <https://www.nationthailand.com/thailand/politics/40030955>

Later on, Prime Minister Srettha Thavisin set up a commission to oversee the implementation of his government's well-known 10,000-baht digital wallet initiative. The premier will lead the committee in his capacity as the minister of finance, according to Deputy Finance Minister Julapun Amornvivat.³²

In another development, Move Forward, the biggest opposition party chose Chaithawat Tulathon to be its new leader during its general assembly. The meeting was held in the Thai Summit Building, and party members voted 330 to 5 in favor of Tulathon, with three abstentions.³³ Pita Limjaroenrat is an adviser to Move Forward's new leader, Chaithawat Tulathon, in this regard. The appointment was announced by the newly elected executive board of the biggest opposition party, Chaithawat, after she was chosen as the party's leader at Move Forward's general meeting earlier in the day.³⁴

In a later news, Padipat Suntiphada, the First Deputy House Speaker and MP for Move Forward, was fired for the party to "completely" assume leadership of the opposition. In a statement, the party said that Move Forward would do all in its power to push forward its progressive laws while in the opposition and to win the next election and take power.³⁵ In a similar development, the Move Forward Party's former leader Pita Limjaroenrat described at a seminar how the organization built its electorally successful policies from the bottom up. Pita said that to address societal issues, the party's 300 initiatives boosted social welfare, supported decentralization, advanced democracy, strengthened agriculture and education, and protected the environment.³⁶

Economic Affairs

Export Challenges and RCEP Success

³² The Nation Thailand. 13 September 2023. "Cabinet takes steps to ease cost of living, sets dates for visa-free scheme" Available at: <https://www.nationthailand.com/thailand/politics/40031013>

³³ The Nation Thailand. 23 September 2023. "Move Forward elects party-list MP Chaithawat as chief on its path to becoming opposition leader" Available at: <https://www.nationthailand.com/thailand/politics/40031290>

³⁴ The Nation Thailand. 23 September 2023. "Pita named adviser to Move Forward's new leader, as many expect his return" Available at: <https://www.nationthailand.com/thailand/politics/40031297>

³⁵ The Nation Thailand. 29 September 2023. "Move Forward party expels its House speaker MP" Available at: <https://www.nationthailand.com/thailand/politics/40031450>

³⁶ The Nation Thailand. 30 September 2023. "Pita outlines grassroots approach to developing election-winning policies" Available at: <https://www.nationthailand.com/thailand/politics/40031482>

In Q4 2022, Thailand faced economic headwinds, experiencing a 1.4% Year-over-Year (YoY) growth slowdown due to diminishing exports and manufacturing.³⁷ The conflict in Ukraine notably impacted Thai exports to Russia, declining by 43.3% in 2022, with exports of heavy vehicles dropping by 74.01%. Despite these challenges, certain exports, such as rice, refined oil, canned and processed seafood, and food seasoning, showed a significant increase.³⁸ The ongoing war's uncertainties have posed challenges for Thai exports to Russia, juxtaposing with Thailand's notable success in the first year of the Regional Comprehensive Economic Partnership (RCEP) implementation, where Thai exports and imports within the 15-nation bloc contributed to substantial economic expansion. Key RCEP markets and successful trade items, such as lubricant oil, canned tuna, tapioca chips, fresh durian, rice bran oil, and processed mackerel, have enhanced Thailand's global competitiveness. The RCEP, covering over 30% of the global population, stands as the world's largest trading bloc, significantly contributing to Thailand's economic growth.³⁹ Moreover, Thai exports rebounded in August 2023, growing 2.6% YoY after a ten-month decline. Factors such as clean energy policies, technological demand, and baht depreciation contributed to this growth. The Commerce Ministry further expressed optimism for continued growth, emphasizing collaboration between the public and private sectors.⁴⁰

Strategies to Revitalize Tourism

Throughout 2023, Thailand's tourism sector has been marked by transformative developments, signaling a vibrant future for the industry. The Tourism Authority of Thailand (TAT) anticipates a robust recovery, confidently predicting full tourism restoration by the end of 2024, targeting 40 million tourist arrivals. The 2024 marketing plan adopts a forward-looking approach, prioritizing sustainability and meaningful travel while demonstrating flexibility in aligning with political transitions.⁴¹ Thailand's diplomatic capability is evident in collaborations with major Chinese businesses, including Huawei and Trip.com Group,

³⁷ Al Jazeera. 17 February 2023. "Thailand's economy slows amid declining exports, manufacturing" Available at: <https://www.aljazeera.com/economy/2023/2/17/thailands-economy-slows-amid-declining-exports-manufacturing>

³⁸ The Nation Thailand. 21 February 2023. "Ukraine war blows huge hole in Thai exports to Russia" Available at: <https://www.nationthailand.com/thailand/economy/40025063>

³⁹ The Nation Thailand. 9 February 2023. "Thailand hails RCEP bonanza as trade passes THB10 trillion in first year" Available at: <https://www.nationthailand.com/thailand/economy/40024754>

⁴⁰ Bangkok Post. 27 September 2023. "Thai exports rebound in August after long decline" Available at: <https://www.bangkokpost.com/business/general/2653443/thai-exports-rebound-in-august-after-long-decline>

⁴¹ TTR Weekly. 2 June 2023. "Thai tourism recovery complete by 2025" Available at: <https://www.ttrweekly.com/site/2023/06/thai-tourism-recovery-complete-by-2025/>

solidifying the commitment to enhance the quality of tourism. The signed letter of intent (LOI) during Prime Minister Srettha's China visit underscores the nation's dedication to elevating the overall tourism experience and boosting Chinese tourists' confidence.⁴² Moreover, Thailand has extended its diplomatic reach to Russian tourists, allowing visa-free stays to extend from 30 to 90 days starting November 1, 2023, showcasing adaptability amid the global geopolitical landscape and reinforcing Thailand's commitment to fostering international tourism sector.⁴³

The Digital Tourism Campaign, represented by the ThailandCONNEX platform, commemorated its first year, contributing over 12 billion Baht to the economy. Serving as a catalyst for business-to-business (B2B) interactions, the platform has seamlessly integrated over 108,000 businesses and 201,000 travel-related products, making a significant economic impact. Plans for further expansion and enhanced functionality underscore Thailand's commitment to embracing digital technology as a cornerstone for advancing its tourism industry.⁴⁴ Prime Minister Srettha set an ambitious revenue target of 3.5 trillion baht for 2024, contingent upon a full recovery to pre-COVID levels. The comprehensive strategy encompasses easing travel, expanding targeted markets, communication campaigns, and economic stimulus measures. Visa exemptions, impactful marketing campaigns like "Meaningful Relationship" and "Thailand Always Cares," and Prime Minister Srettha's emphasis on elevating activities from local to international levels, with over 3,000 nationwide events planned, demonstrate a coordinated effort to stimulate the tourism sector and solidify Thailand's position on the global tourism map.⁴⁵ Moreover, Thailand is actively aiding Laos in transitioning from land-locked to land-linked, focusing on infrastructure and securing low-interest loans. In Vientiane, the Thai and Laotian leaders emphasized bilateral economic cooperation, aiming for a significant increase in annual trade to \$11 billion over the next two years. They stressed the urgency of progressing on a new Mekong River bridge and technical agreements for the train service. Satisfied with the 5th Friendship Bridge's construction, they

⁴² China Daily. 22 October 2023. "Thailand enters quality tourism agreement with Chinese business partners" Available at: <https://www.ttrweekly.com/site/2023/06/thai-tourism-recovery-complete-by-2025/>

⁴³ Voice of America. 23 October 2023. "Thailand Extends Visa-Free Visits for Russian Tourists" Available at: <https://www.voanews.com/a/thailand-extends-visa-free-visits-for-russian-tourists-/7322765.html>

⁴⁴ The Nation Thailand. 26 October 2023. "Thailand's digital tourism platform racks up 100,000 businesses in first year" Available at: <https://www.nationthailand.com/thailand/tourism/40032260>

⁴⁵ The Nation Thailand. 3 November 2023. "PM Srettha eyes 3.5 trillion baht in tourism revenue for 2024" Available at: <https://www.nationthailand.com/thailand/tourism/40032260>

agreed on the 6th Friendship Bridge and the development of Highway 12, connecting Thailand, Laos, and Vietnam.⁴⁶

Thailand's Digital Wallet Scheme is facing Criticism and Challenges

Prime Minister Srettha Thavisin revealed an ambitious plan for Thailand's economic revival in 2023, injecting 560 billion baht (\$15.23 billion) through the Pheu Thai Party's digital wallet initiative. The program, offering 10,000 baht to citizens for local spending, is positioned as a key driver for economic recovery.⁴⁷ However, the \$15 billion digital wallet initiative has encountered criticism from former central bank chiefs and 81 economic experts. Concerns about inflation risks and calls for targeted assistance instead of a blanket handout challenge the government's approach. Despite the pushback, Prime Minister Srettha has remained steadfast, emphasizing the program's fourfold economic multiplier effect and projecting a 5% growth in 2024.⁴⁸ Opposition to the program intensifies, with Thai Pakdee Party leader Warong Dechgitvigrom seeking legal intervention, citing the complexity of digital tokens and their adverse impact on small retailers. Former senator Rosana Tositrakul petitions the Election Commission, expressing concerns over excessive costs and potential violations of financial laws.⁴⁹ Responding to criticism, Prime Minister Srettha announced the exclusion of "rich people" from the scheme, addressing concerns raised by the central bank. The adjustment aims to align with the original objective of assisting those in need. Despite hints of a possible delay, Srettha emphasized a one-time payment to stimulate the economy, downplaying legal concerns and asserting coalition partners' support.⁵⁰

In May 2024, the government confirmed the commencement of the digital wallet program, delayed from February. Eligible recipients, reduced to 50 million, will receive a 10,000-baht handout through the Pao Tang mobile app. Srettha underscored the initiative's economic revitalization role, emphasizing spending rights for citizens. The proposed special loan of 500

⁴⁶ Thai PBS World. 30 October 2023. "Thailand pledges help to develop infrastructure projects in Laos".

Available at <https://www.thaipbsworld.com/thailand-pledges-help-to-develop-infrastructure-projects-in-laos/>

⁴⁷ Nasdaq. 1 October 2023. "Thailand to inject \$15.2 bln into economy through digital wallet plan - PM".

Available at [https://www.nasdaq.com/articles/thailand-to-inject-\\$15.2-bln-into-economy-through-digital-wallet-plan-pm](https://www.nasdaq.com/articles/thailand-to-inject-$15.2-bln-into-economy-through-digital-wallet-plan-pm)

⁴⁸ The Edge Malaysia. 7 October 2023. "Thailand's US\$15b handout plan faces growing criticism". Available at: https://theedgemaalaysia.com/node/685233?utm_source=Newswav&utm_medium=Website

⁴⁹ Thai PBS World. 19 October 2023. "Opposition to the government's digital wallet scheme growing".

Available at: <https://www.thaipbsworld.com/opposition-to-the-governments-digital-wallet-scheme-growing/>

⁵⁰ The Nation Thailand. 25 October 2023. "'Rich people' dumped from 10,000-baht digital wallet scheme after criticism" Available at: <https://www.nationthailand.com/thailand/politics/40032219>

billion baht has faced skepticism over public debt sustainability, while a 100-billion-baht economic enhancement fund aims to boost competitiveness and attract expertise for national growth.⁵¹ As the government has been navigating the program's implementation, Prime Minister Srettha has sought legal clarity from the Council of State on the 500-billion-baht loan bill's legitimacy. Deputy Finance Minister Julapun Amornvivat expects swift approval once the Council gives the green light. Additionally, the Cabinet approves the Easy E-Receipt program, offering tax rebates to ineligible individuals to further stimulate GDP, albeit at a cost of 10.85 billion baht. The government remains resolute in its efforts despite growing criticism and legal challenges, emphasizing the economic benefits of the comprehensive initiative.⁵²

Approach to EV Industry Growth

On November 2, 2023, the Thai government has further committed to the electric vehicle (EV) industry by extending subsidies for EV buyers until 2027. The subsidy package, featuring a 100,000 baht per car incentive along with reductions in import duties and excise taxes, aims to boost EV production and usage. Narit Therdsteeerasukdi, the secretary-general of the Board of Investment, emphasized the broader vision of positioning Thailand as a regional hub for EV production, setting a target of 725,000 EVs by 2030.⁵³ Additionally, Chinese EV bike manufacturer SMOGO announced a substantial investment exceeding 10 billion baht in Thailand's Eastern Economic Corridor (EEC) on November 7, 2023. Partnering with GI New Energy Ltd, SMOGO plans to produce 150,000 units annually, contributing significantly to Thailand's growing EV landscape. Beyond investment, SMOGO is committed to enhancing Thailand's EV industry by collaborating with local training institutes to offer vocational courses on EV technology⁵⁴. Simultaneously, Thailand sought international collaboration for EV industry growth, targeting Saudi Arabian investment. Partnering with the Public Investment Fund (PIF) of Saudi Arabia, Foxconn, and BMW, Thailand actively manufactures EVs under the "Ceer" brand, showcasing a comprehensive strategy for sector competitiveness⁵⁵.

⁵¹ Bangkok Post. 10 September 2023. "Digital wallet to start in May, says PM" Available at:

<https://www.bangkokpost.com/thailand/general/2682593/digital-wallet-to-start-in-may-says-pm>

⁵² The Nation Thailand. 5 December 2023. "Council of State to rule on legality of loan bill for digital wallet"

Available at: <https://www.nationthailand.com/thailand/policies/40033503>

⁵³ Thai PBS World. 2 November 2023. "Government extends subsidy for EV buyers until 2027". Available at:

<https://www.thaipbsworld.com/government-extends-subsidy-for-ev-buyers-until-2027/>

⁵⁴ The Nation Thailand. 7 December 2023. "Chinese EV bike maker to invest 10 billion baht over 5 years in EEC manufacturing set up" Available at: <https://www.nationthailand.com/thailand/economy/40032628>

⁵⁵ Thai PBS World. 7 November 2023. "Saudi Arabian investment in electric vehicle production in Thailand sought". Available at: <https://www.thaipbsworld.com/saudi-arabian-investment-in-electric-vehicle-production-in-thailand-sought/>

Investment Landscape and Stock Market Struggles

Thailand's investment landscape faced challenges as foreign direct investment (FDI) dropped by 20% to 58.95 billion baht, despite a 17% increase in the number of foreign investors. Japan led in investment with 19.893 billion baht. Notably, 19% of investors focused on the Eastern Economic Corridor.⁵⁶ In contrast, the Thai stock market hit a 10-year record low, reaching 1,400 points on October 20. Investor concerns were fueled by international issues and rising US bond yields. The Thai government's digital wallet policy added economic hardship, contributing to a 16.8% market decline by October 27.⁵⁷

Minimum Wage Dynamic

In September 2023, Prime Minister Srettha Thavisin pledged to swiftly raise Thailand's minimum daily wage to 400 baht, emphasizing negotiations with laborers and employers and addressing labor concerns. He also vowed a one-stop government service, stimulating economic measures, and announced plans for ride-hailing service improvements.⁵⁸ Despite the current wage being 328-354 baht, the subsequent reality revealed differently, with the minimum daily wage set to increase by 2.4% from January 1, 2024. Ranging from 330 to 370 baht across provinces, this adjustment falls short of the 400 baht promised earlier, reflecting economic considerations and a plan for a subsequent increase in 2024.⁵⁹

Battle Against Soaring Household Debt

In Q2 2023, Thailand grappled with escalating household debt, reaching 16.07 trillion baht, a 3.6% YoY increase, constituting 90.6% of the GDP. Personal consumption and real estate debts surged, contributing to 147 billion baht in non-performing loans. The NESDC criticized the ineffectiveness of the government's debt moratorium for farmers, urging strategies to enhance their income and proposing debt-restructuring solutions. Despite job growth in agriculture and tourism, concerns persist as the government addresses informal loans.⁶⁰ Deputy Finance

⁵⁶ The Nation Thailand. 17 August 2023. "FDI falls 20% so far this year despite a rise in number of foreign investors" Available at: <https://www.nationthailand.com/thailand/economy/40030286>

⁵⁷ The Nation Thailand. 31 October 2023. "Thai stocks heading towards 10-year record low" Available at: <https://www.nationthailand.com/business/trading-investment/40032396>

⁵⁸ The Nation Thailand. 12 September 2023. "Srettha vows to increase minimum daily wage to 400 baht as soon as possible" Available at: <https://www.nationthailand.com/thailand/politics/40030981>

⁵⁹ Bangkok Post. 9 December 2023. "Daily minimum wage to rise by 2.4%" Available at: <https://www.bangkokpost.com/thailand/general/2701661>

⁶⁰ The Nation Thailand. 27 November 2023. "Household debts in Thailand soar to 16 trillion baht, as NESDC urges new strategies" Available at: <https://www.nationthailand.com/thailand/economy/40033273>

Minister Krisada Chinavicharana has emphasized the government's focus on addressing high household debts, implementing measures to boost consumption, and unveiling solutions to combat shark loans. The government aims to stimulate short-term demand, reduce debt, and enhance workforce skills for long-term income stability. Thailand's household debt, standing at 90% of GDP, hinders growth, requiring multifaceted strategies and fiscal policies.⁶¹

Economic Outlook: Growth Strategies and Global Initiatives

The economic landscape in Thailand for 2024 reflects a comprehensive growth strategy. The Board of Investment (BOI) greenlit projects is worth \$1.1 billion, spanning electric vehicles, renewable energy, data centers, and travel infrastructure. BOI's revised 5-year strategy emphasizes sectors such as EVs, renewables, and digital industries, aligning with the "New Economy" vision.⁶² On a global scale, Thailand plans to resume Free Trade Agreement (FTA) talks with the European Union in 2025 after the 2014 suspension. Commerce Minister Phumtham Wechayachai has emphasized sustainability at the core of the agreement, addressing market access, intellectual property, and digital trade. The EU is Thailand's fourth-largest trading partner, and exports to the EU in 2023 reached \$18.2 billion, with a focus on computer and air conditioner parts. Discussions with the American ambassador centered on joint investments, including the Green Investment Fund, medical research, and agricultural development.⁶³

The Thai cabinet has approved a draft act for the fiscal 2024 budget, amounting to 3.48 trillion baht. Budget Bureau director Chalermphol Pensoot highlighted that over 99% of respondents in public hearings support the budget details, with minor adjustments required. The increased budget, aligned with the medium-term fiscal plan for 2024 to 2027, accommodates a deficit of 693 billion baht, reflecting rising interest rates. The focus remains on deficit spending to stimulate economic recovery, supporting national strategy and development plans, with the assumption of a 5% economic growth in the fiscal 2024 budget.⁶⁴ Additionally, the Thai cabinet has granted a three-year visa exemption for Japanese businesspeople, effective from

⁶¹ The Nation Thailand. 27 November 2023. "Thai govt targets high household debt with strategic measures for economic growth" Available at: <https://www.nationthailand.com/thailand/economy/40033272>

⁶² Thailand Business News. 11 October 2023. "BOI approved \$1.1B investment applications for EV, renewable energy, data centers, and travel infrastructure projects in Thailand" Available at: <https://www.nationthailand.com/thailand/economy/40033272>

⁶³ Bangkok Post. 3 December 2023. "FTA talks with EU to get reboot" Available at: <https://www.bangkokpost.com/business/general/2697194/fta-talks-with-eu-to-get-reboot>

⁶⁴ Bangkok Post. 13 December 2023. "Cabinet approves fiscal 2024 budget" Available at: <https://www.bangkokpost.com/business/general/2704213/cabinet-approves-fiscal-2024-budget>

Jan 1, 2024, to Dec 31, 2026. The move aims to bolster trade and investment between the two nations, fostering economic revitalization. The decision aligns with efforts to attract foreign investment, with data showing a 33% increase in foreign direct investment applications, notably from Japan, in the first half of the year.⁶⁵

Foreign Affairs

Thailand's Relations with Myanmar Amid Allegations and Criticisms

Thailand has grown tight ties with other ASEAN nations and external partners over the years in terms of economics, politics, and cultures. However, the Thai government has faced international criticism for maintaining normalized relations with Myanmar's junta and downplaying alleged atrocities in its neighbor, which descended into disorder two years ago.⁶⁶ On the same note, the ASEAN Parliamentarians for Human Rights also urged the Thai government to stop continuous engagement with the military junta which perpetuated atrocities against its own population to consolidate power. They also made a petition to the Thai authorities to provide help to refugees and asylum seekers fleeing persecution and military attacks from Myanmar.⁶⁷ In April, the head of the military junta, Min Aung Hlaing, and foreign minister, Don Pramudwinai, met to explore how the international community might cooperate with the military government to find a solution to the crisis. The meeting was covered such as transportation, tourism, energy, rural development, connectivity between people, and humanitarian aid for disaster management.⁶⁸ In June, Thailand's caretaker government has summoned the ASEAN foreign ministers to an informal meeting and recommended that they "fully re-engage" the military leader of Myanmar; however, many ASEAN members rejected the plan, and Thailand was criticized as a result.⁶⁹ After the informal meeting, Sang Thai Party spokeswoman, Tidarat Yingcharoen, said that the caretaker government should deal with Myanmar issues under the ASEAN agreement for resolving the crisis in the neighboring

⁶⁵ Bangkok Post. 13 December 2023. "Cabinet grants visa access to Japan firms" Available at: <https://www.bangkokpost.com/business/general/2704213/cabinet-approves-fiscal-2024-budget>

⁶⁶ The Jakarta Post. 10 February 2023. "Anwar urges Thailand to step up on Myanmar crisis" Available at <https://www.thejakartapost.com/world/2023/02/10/anwar-urges-thailand-to-step-up-on-myanmar-crisis.html>

⁶⁷ ASEAN Parliamentarians for Human Rights. 26 January 2023. "Southeast Asian MPs urge the Thai government to stop engaging with the Myanmar junta and help refugees" Available at <https://aseanmp.org/2023/01/26/southeast-asian-mps-urge-the-thai-government-to-stop-engaging-with-the-myanmar-junta-and-help-refugees/>

⁶⁸ Bangkok Post. 22 April 2023. "Foreign minister Don meets Myanmar junta chief" Foreign minister Don meets Myanmar junta chief" Available at: <https://www.bangkokpost.com/thailand/general/2554880/foreign-minister-don-meets-myanmar-junta-chief>

⁶⁹ REUTERS. 17 June 2023. "Exclusive: Thailand seeking to re-engage Myanmar junta with ASEAN meeting" Available at: <https://www.reuters.com/world/asia-pacific/thailand-seeking-re-engage-myanmar-junta-with-asean-meeting-letter-sources-2023-06-16/>

country. She also said that the next government should handle the crisis in Myanmar by providing humanitarian aid to refugees, helping the internally displaced, and helping the country's economy.⁷⁰ Thailand defended the decision of holding the meetings by arguing that dialogue was required to secure the country's border with Thailand, despite the fact that other significant Southeast Asian neighbors abstained.⁷¹ Thailand and Myanmar relations remain attached to each other in terms of humanitarian assistance and other solutions that Thailand is seeking in ASEAN whether Thai government faced the criticisms from other countries. This might be one of the achievements if Thailand could facilitate and seek a peaceful way for Myanmar, as a neighboring country, to step down its tension in the country.

Thailand's Strategic Moves in International Security: From Ukraine to the Indo-Pacific

Thailand has backed the UN resolution to end the war in Ukraine and demand Russia's immediate withdrawal from the country. This decision could help restore Thailand's international recognition, which in turn enhances its economic ties with the west.⁷² Noticeably, Thai-US relations have been integrated in security cooperation starting from February 28th to March 10th, the Cobra Gold military hosted war games with the biggest US attendance. Thailand kicked off an international military exercise with more than 6,000 US military as the biggest participation in a decade as Washington looks to strengthen ties with a crucial security ally during a period of escalating geopolitical confrontation with Beijing.⁷³ Later on, the Nimitz Carrier Strike Group (CSG-11) of the US Navy also visited Thailand to strengthen their security cooperation aiming to work toward a common vision of a free and open Indo-Pacific while assuring their allies and partners of their steadfast commitment to the rules-based international order.⁷⁴

Politically, concerns persist over the potential US influence on politics in Thailand after the Move Forward Party announced its foreign policy, which aimed to “Revive, Rebalance,

⁷⁰ The Nation Thailand. 18 June 2023. “Caretaker govt urged to comply with Asean consensus on Myanmar” Available at: <https://www.nationthailand.com/thailand/politics/40028624>

⁷¹ REUTERS. 19 June 2023. “Thailand justifies talks with Myanmar as key ASEAN members stay away” Available at: <https://www.reuters.com/world/asia-pacific/thais-host-myanmar-junta-official-talks-key-asean-members-stay-away-2023-06-19/>

⁷² Bangkok Post. 25 February 2023. “Thailand votes to end Ukraine war” Available at <https://www.bangkokpost.com/thailand/general/2514544/thailand-votes-to-end-ukraine-war>

⁷³ Bloomberg. 28 February 2023. “Thailand Hosts War Games with Biggest US Attendance in Decade” Available at <https://www.bloomberg.com/news/articles/2023-02-28/thailand-hosts-war-games-with-biggest-us-attendance-in-decade#xj4y7vzkg>

⁷⁴ Bangkok Post. 22 April 2023. “US Navy to visit Thailand” Available at: <https://www.bangkokpost.com/thailand/general/2554870/us-navy-to-visit-thailand>

Recalibrate” in hopes of a greater international presence. Such concern has been raised that Move Forward desire to reach an agreement with the US in establishing a military base in Thailand but it was dismissed from both sides. Besides, the Thai Airforce confirmed that the US denied Thailand’s request to purchase the F35s stealth fighter jets due to lack of training and technical requirement. Dr. Somjai Phagaphasvivat stated that if the US sold the F35s to Thailand, the US could have more leverage because the sale needs justification in terms of security rather than in economic terms.⁷⁵

In September, Thailand's 30th Prime Minister, Srettha Thavisin was set to attend the 78th session of the UN General Assembly in New York, marking his first overseas mission to engaged with foreign leaders, and head of international organizations to present the country position by strengthening international cooperation through bilateral and multilateral framework.⁷⁶ Following Srettha Thavisin's election as the country's new prime minister, he visited Cambodia. In Cambodia, Srettha complimented Hun Sen during their meeting for his "significant role" in fostering connections between Thailand and Cambodia. Hun Sen assured the Thai leader that he will work to develop even tighter bilateral ties in exchange.⁷⁷ Thailand and Cambodia both began to further deepen and expand cooperation within bilateral and multilateral framework. As a result, both sides agreed to increase bilateral trade to \$15 billion within two years while upgrading border checkpoints and rail links for cargo trains. In addition, both countries attended the Handover Ceremony of the Transit and Reception Centre for Victims of Trafficking and Other Vulnerable Groups, which is located in Poipet. The centre is aimed to provide services for victims of human trafficking.⁷⁸

Thailand's Prime Minister, Srettha Thavisin, was set to visit Hong Kong, Brunei Darussalam, Malaysia, Singapore, Beijing, and Lao PDR in this October.⁷⁹ The purposes were to enhance

⁷⁵ Thai PBS World. 3 June 2023. “Move Forward’s foreign policy raises concerns about US leverage in Thailand” Available at: <https://www.thaipbsworld.com/move-forwards-foreign-policy-raises-concerns-about-us-leverage-in-thailand/>

⁷⁶ Asia News Network. 19 September 2023. “Thai PM Srettha sets agenda for his attendance at the UNGA” Available at: <https://asianews.network/thai-pm-srettha-sets-agenda-for-his-attendance-at-the-unga/>

⁷⁷ The Nation Thailand. 29 September 2023. “Srettha meets Hun Sen as he concludes Cambodia trip on a high” Available at: <https://www.nationthailand.com/thailand/politics/40031456>

⁷⁸ The Nation Thailand. 28 September 2023. “Srettha and Cambodian PM target big jump in bilateral trade” Available at: <https://www.nationthailand.com/thailand/general/40031433>

⁷⁹ Ministry of Foreign Affairs, Kingdom of Thailand. October 7, 2023. “Prime Minister of the Kingdom of Thailand to Pay Official Visits to Hong Kong Special Administrative Region of the People's Republic of China (PRC), Brunei Darussalam, Malaysia, and the Republic of Singapore.” Available at: <https://www.mfa.go.th/en/content/pmvisitinoct-2?cate=5d5bcb4e15e39c306000683e>

Thailand's bilateral relations with these countries mainly in economic aspect. Besides, the Royal Thai Government approved a temporary tourist visa exemption scheme for Russian passport holders entering Thailand from November 2023 to April 2024, aiming to improve people-to-people ties between the two countries.⁸⁰ This has been seen as a positive view to Thailand toward international cooperation. This year, Thailand's backing of the UN resolution on Ukraine reflects a strategic move to enhance its international standing. The country's diplomatic engagements, particularly with the US, which is constantly working closely on militarization, aim to strengthen its credibility and potential in the Indo-Pacific. This could be implicated in China's presence in the region. However, the new prime minister began to visit many countries to demonstrate his presence in enhancing relations through bilateral relations.

Thailand's Response to Israeli-Palestine crisis: Support for a Two-State Solution

In early October, the biggest event has been happening in Middle East. The conflict between Israel and Hamas has resulted in over a thousand casualties.⁸¹ Thailand supports a two-state solution in the Middle East, following the United Nations' stance. The Thai government and Israelis government have been working closely to rescue all the hostages. Israeli authorities have reported that 25 of the 239 hostages are Thai nationals. As of now, according to Ministry of Foreign Affairs latest update, 39 Thais have been reported to lose their lives with 18 injuries (3 receiving medical treatments in hospital), and 8 abductions (23 were released).⁸² The new government is working closely with all stakeholders; particularly, with Israeli authorities and neighboring countries of Israel to evacuate Thai people and keep them in the safe place. This is also the opportunity for Thailand to strengthen their relations with Middle east countries.

Economic Promises of Foreign Policy

Thailand achieved a significant milestone by reaching an understanding with the European Union (EU) to resume negotiations for a free trade agreement (FTA). Commerce Minister Jurin Laksanawisit requested Cabinet permission to recommence trade negotiations, while EU Trade Commissioner Valdis Dombrovskis will seek approval from the 27 member states. This marks

⁸⁰ Ministry of Foreign Affairs, Kingdom of Thailand. October 18, 2023. "The Royal Thai Government Promotes Tourism with a 90-day Tourist Visa Exemption Scheme for Russian Tourists Starting from 1 November 2023 to 30 April 2024." Available at: <https://www.mfa.go.th/en/content/pr1810232?page=5d5bd3da15e39c306002aaf9&menu=5d5bd3cb15e39c306002a9b0>

⁸¹ Thai PBS World. 11 October 2023. "Thailand remains neutral on Israeli-Palestine conflict" Available at: <https://www.thaipbsworld.com/thailand-remains-neutral-on-israeli-palestine-conflict/>

⁸² The Nation Thailand. 13 November 2023. "Israel underscores rescue of all hostages as its top priority" Available at: <https://www.nationthailand.com/world/middle-east-africa/40032811>

a crucial step forward for Thailand, which has been actively pursuing an FTA with the EU for nearly a decade, given the EU's status as Thailand's fourth-largest trading partner.⁸³ In July, Thailand also expressed its intention to sign a free trade agreement (FTA) with the East African Community (EAC) to bolster investment and commerce with the group of seven countries.⁸⁴

Continuing its efforts in regional cooperation, Thailand has been actively involved in the Bay of Bengal Initiative. Thailand signed four vital documents, including the Rules of Procedure for Core BIMSTEC Mechanisms, Sectoral BIMSTEC Mechanisms, Rules of Procedure for BIMSTEC's External Relations, and Draft Terms of Reference for the Eminent Persons Group on the Future Direction of BIMSTEC. Thailand has garnered praise for fostering collaboration with seven South and Southeast Asian nations comprising BIMSTEC, namely Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, and Thailand.⁸⁵

This year, Thailand and Saudi Arabia have strengthened their cooperation in various economic and trade fields. A Saudi business group has invited PTT Oil and Retail Businesses to set up filling stations in Saudi Arabia, complete with retail areas, toilets, and other facilities similar to those in Thailand and that PTT is currently in talks about joint investment in large projects, such as enabling Thailand to become a supply chain for green hydrogen.⁸⁶ PM Srettha Thavisin met with Saudi Arabia's Crown Prince at the ASEAN-Gulf Cooperation Council Summit on the 20th, expressing gratitude for normalized diplomatic relations and agreeing to enhance bilateral relations. They discussed increasing trade volume, expanding investment, and holding the first Saudi-Thai Coordination Council in Thailand next year.⁸⁷ In the mid of 2023, Thailand noticeably worked closely with many countries, particularly powerful states, to strengthen their relations and people-to-people relationships through FTAs and visa exemptions to improve their economic status.

⁸³ Thailand Business News. 27 January 2023. "Thailand-EU free Trade talks to resume in March" Available at: <https://www.thailand-business-news.com/european-union/95871-thailand-eu-free-trade-talks-to-resume-in-march>

⁸⁴ The Nation Thailand. 12 July 2023. "Thailand aims to forge an FTA with the East African Community" Available at: <https://www.nationthailand.com/thailand/economy/40029295>

⁸⁵ The Nation Thailand. 4 February 2023. "Thailand enhances regional cooperation through the Bay of Bengal Initiative" Available at <https://www.nationthailand.com/thailand/general/40024606>

⁸⁶ The Nation Thailand. 13 June 2023. "Thai delegation's visit to Riyadh strengthens business ties with Saudi Arabia" Available at: <https://www.nationthailand.com/thailand/economy/40028489>

⁸⁷ Ministry of Foreign Affairs, Kingdom of Thailand. October 21, 2023. "Prime Minister meets with Crown Prince and Prime Minister of Kingdom of Saudi Arabia." Available at: <https://www.mfa.go.th/en/content/pr201023-2?cate=5d5bcb4e15e39c306000683e>

Conclusion

The 2023 general election and Srettha Thavisin of the Pheu Thai party elected to be Thailand's prime minister have marked a significant shift in Thailand's politics. It may be too soon to predict whether or not these occurrences will have any significant impact on Thailand in any way shape or form. Eyes will be on Srettha Thavisin and his party as they take office and carry out the 10,000-baht digital wallet program. Economically, Thailand's economy this year has been transformative from 2022 with economic challenges, including a growth slowdown. However, the country's experience with the successful implementation of the Regional Comprehensive Economic Partnership (RCEP) and resilient strategies in the tourism sector underscores the nation's adaptability. Prime Minister Srettha Thavisin's bold economic revival, notably the digital wallet scheme, stirred diverse opinions while maintaining prominence. Thailand's commitment to sustainable growth, evident in the emphasis on electric vehicles, approved projects, and global trade engagement, positions the country for resilience. The fiscal 2024 budget's focus on deficit spending signals a determined effort to stimulate recovery amid evolving economic dynamics, showcasing Thailand's commitment to economic adaptability and advancement. Simultaneously, Thailand has balanced their role in international relations characterized by a delicate balancing act in international security, political dynamics, and economic engagements. Despite facing international criticism for maintaining relations with Myanmar's military junta and US-Thai relations, the leadership change with Prime Minister Srettha Thavisin reflects a proactive approach to international cooperation, as seen in engagements with East and Southeast Asian leaders, attendance at the United Nations, and efforts to enhance bilateral relations with Middle East countries.

The Philippines

Cheng Ousa & Sovann Tepy

Introduction

Like any other country, the Philippines' present and future are significantly shaped by its domestic politics, economy, and foreign policy. The political system, which runs under a democratic framework, is at the center of Philippine domestic affairs. Regarding its economy, the Philippines is one of the fastest-growing economies in the world because of consistent growth. The GDP of the nation is mostly driven by important industries including services, manufacturing, agriculture, and tourism, but issues like income inequality and infrastructure development continue to be top priorities for the government as it works to promote inclusive and sustained economic growth. On the other hand, the Philippines, for years, has been engaged in a persistent struggle against Muslim armed separatist and terrorist factions in its southern region. ISIS-East Asia (ISIS-EA) is an informal coalition of organizations that have sworn loyalty to the Islamic State, and it comprises predominantly Filipino fighters, along with a few foreign combatants. This group, consisting of approximately 300 to 500 members, has conducted intermittent assaults in Mindanao and Sulu.¹ Through its foreign relations, the Philippines also maintains a strong bilateral relationship with both its Asian neighbours and its international partners while actively participating in the world community. To go even further, this paper aims to investigate the nation's activities in 2023, in terms of domestic affairs, socio-economics, and foreign relations as they are the interconnected aspects that shape the nation's trajectory for the country to build a prosperous and inclusive society that upholds its cultural heritage and values.

Domestic Affairs

In January 2023, Benjamin Abalos Jr, the Secretary of the Department of Interior and Local Government in the Philippines, began a procedure to evaluate high-ranking police officials. As part of this process, all generals and colonels of the Philippine National Police (PNP) were requested to submit courtesy resignations, while a committee of five individuals examined their potential involvement in drug-related activities within the country. However, this initiative was

¹ Lum, T. (14 September 2022). The Philippines: Background and US Relations. *Congressional Research Service*. Available at: <https://sgp.fas.org/crs/row/R47055.pdf>

not solely about cleansing the police force but was also a political maneuver. It was suggested that diverse political actors in the Philippines, including supposed allies, are engaged in a power struggle using the police institution as a political vehicle. Human rights groups point out that the war on drugs has disproportionately targeted the poor and marginalized, and many individuals involved in drug trafficking have remained in positions of power.²

As the Philippines is a diverse country with various ethnic groups, the conflict between the Armed Forces of the Philippines and alleged members of armed groups in Barangays Madia and Elian, Municipality of Datu Saudi Ampatuan in Maguindanao is still ongoing. The conflict, which began on April 22, 2023, has resulted in the displacement of approximately 11,000 individuals belonging to 2,300 families. Reports indicated that houses have been burned, and there have been casualties. The affected individuals have sought temporary shelter at evacuation camps in Barangay Dapiawan, Datu Saudi Ampatuan, and Mahad Saada in Pagtin, Sharrif Saydona Mustapha. Some have also found refuge with their relatives in the neighboring towns.³

Furthermore, to achieve peace in the southern region of the Philippines, particularly in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), there was an urgency to establish the peace initiative in order to address the underlying grievances and aspirations of the Bangsamoro people.⁴ Local conflicts, land disputes, and political rivalries, particularly in central Mindanao, have led to violence and breaches of the ceasefire. Additionally, the interim governing authority has not passed crucial legislation for the transition, including rules for local governance and revenue collection. To ensure the success of the peace process, the regional government, Manila, and international donors need to collaborate. It is believed that the Filipino government should focus on addressing local conflicts, accelerating the normalization process, and fulfilling socio-economic commitments to ex-rebels. It is crucial to resolve these issues before the 2025 parliamentary elections in which it is when Bangsamoro is supposed to elect its parliament, concluding the transition to full autonomy.

² Jensen, S. (9 March 2023). The political theatre behind Philippines police cleansing. *East Asia Forum*. Available at: <https://www.eastasiaforum.org/2023/03/09/the-political-theatre-behind-philippines-police-cleansing/>

³ OCHA Service. (27 April 2023). Philippines - Mindanao armed conflict (DG ECHO Partners, Local Media) (ECHO Daily Flash of 27 April 2023). Available at: <https://reliefweb.int/report/philippines/philippines-mindanao-armed-conflict-dg-echo-partners-local-media-echo-daily-flash-27-april-2023>

⁴ Crisis Group. (1 May 2023). Southern Philippines: Making Peace Stick in the Bangsamoro. Available at: <https://www.crisisgroup.org/asia/south-east-asia/philippines/331-southern-philippines-making-peace-stick-bangsamoro>

Following this, President Marcos had authorized the release of P12.7 billion for the Rice Farmers Financial Assistance (RFFA) program, President Marcos has allocated P12.7 billion for the Rice Farmers Financial Assistance (RFFA) program, benefiting 2.3 million small rice farmers. Each registered beneficiary in the Registry System for Basic Sectors in Agriculture (RSBSA) will receive P5,000 in financial aid, sourced from excess tariff collections on rice imports in 2022. Various farm groups, including cooperatives and associations, will also benefit from the RFFA.⁵ This assistance was provided under the Cash Assistance to Filipino Farmers Act of 2021 and is unconditional for farmers with less than two hectares of land. Additionally, President Marcos has approved the use of P700 million in excess tariff collections for the "Palayamanan Plus" conditional cash transfer program, benefiting RSBSA-registered farmers who are part of the Pantawid Pamilyang Pilipino Program (4Ps) of the Department of Social Welfare and Development (DSWD). Around 78,000 beneficiaries were expected to receive P10,000 each through this program. President Marcos was committed to finding sustainable solutions for agricultural challenges and encourages collaboration to improve the sector. Prior to this, he also provided financial assistance of P15,000 to small rice retailers and sari-sari store owners affected by the price cap on rice.⁶

During the election period in the Philippines, which lasted from August 28 to November 29, there will be heightened security measures and certain activities will be prohibited.⁷ The entire country is officially under the election period leading up to the barangay and Sangguniang Kabataan polls on October 30. To ensure public safety, the Commission on Elections (Comelec) has set up checkpoints across the country, which will be manned by the police or military starting from midnight on August 28. The election period would continue until November 29, which was the deadline for barangay and Sangguniang Kabataan election aspirants to submit their statements of contributions and expenditures (SOCE). Despite a Supreme Court ruling in June declaring the law rescheduling the December 2022 polls to October 2023 as unconstitutional, the elections would proceed this year due to legal practicality

⁵ Corrales, N. (1 October 2023). P13.4-B cash aid coming for 2.5M rice farmers | Inquirer News.

INQUIRER.net. <https://newsinfo.inquirer.net/1839183/p13-4-b-cash-aid-coming-for-2-5m-rice-farmers>

⁶ Marcos OKs P12.7-B aid for 2.7-M rice farmers. (n.d.). Manila Bulletin. <https://mb.com.ph/2023/9/30/marcos-o-ks-p12-7-b-financial-aid-for-rice-farmers>

⁷ Leon, D. D. (August 28 2023). Philippines enters election period for 2023 barangay, SK polls. Available at: <https://www.rappler.com/nation/philippines-election-period-2023-barangay-sangguniang-kabataan-polls/>

and necessity. Approximately 67.8 million people are eligible to vote in the barangay elections, while 23.2 million people are registered to participate in the Sangguniang Kabataan polls.⁸

Beginning with the domestic state of the Philippines in October, there was a recent surge in hacking incidents targeting government websites. In response to the escalating hacking incidents, the Philippine National Police (PNP), Gen. Benjamin Acorda Jr. had taken decisive action such as investigation and vulnerability tests to bolster the cybersecurity of police force offices and has mandated the Anti-Cybercrime Group (ACG) to spearhead efforts in fortifying the cybersecurity infrastructure across police force offices. The decision reflected a proactive approach to mitigate potential vulnerabilities and enhance the resilience of the PNP's digital ecosystem. A crucial aspect of the cybersecurity initiative involved an ongoing investigation into the alleged compromise of the PNP Forensic Group's data system. The cybersecurity measures undertaken by the Philippine National Police underscored the evolving nature of contemporary threats faced by government institutions. The decisive actions taken by Gen. Benjamin Acorda Jr. reflect a commitment to fortifying the nation's digital defenses and ensuring the integrity of critical databases. As the PNP navigates the complex landscape of cyber threats, collaboration, vigilance, and ongoing adaptation to emerging risks are imperative to safeguarding the nation's cybersecurity resilience.⁹

Furthermore, President Ferdinand R. Marcos Jr. pledged to advance the Philippines' interests in energy, food, and trade during his participation in the inaugural Association of Southeast Asian Nations-Gulf Cooperation Council (ASEAN-GCC) Summit in Riyadh, Saudi Arabia. Marcos emphasized the significance of the summit as a platform to promote the country's priorities, leveraging the vibrant economic development within ASEAN and the GCC. He underscored the importance of cooperation in energy and food security, logistics, digital transformation, and the protection of the rights of overseas workers. Committing to a constructive engagement with ASEAN and GCC leaders, Marcos highlighted the necessity of a rules-based international order for regional peace, security, and stability. Additionally, he planned to meet with the Filipino community in Riyadh, expressing gratitude for their contributions and sharing key developments in the Philippines. The summit, focused on

⁸ De Leon, D. (August 28 2023). Philippines enters election period for 2023 barangay, SK polls. *RAPPLER*. <https://www.rappler.com/nation/philippines-election-period-2023-barangay-sangguniang-kabataan-polls/>

⁹ Caliwan, C.L. (19 October 2023). PNP chief orders boosted cybersecurity measures amid hacking incidents. Philippine News Agency. Available at: <https://www.pna.gov.ph/articles/1212114>

endorsing cooperation frameworks between ASEAN and GCC, signifies a milestone in intensifying ties between the two regional organizations established in 1990. The engagement is particularly crucial given the significant presence of 2.2 million Filipinos in GCC nations, contributing to critical fields.¹⁰

The Marcos administration also intensified efforts to create more employment opportunities and enhance job quality to assist Filipinos in coping with the escalating prices of essential commodities according to the National Economic and Development Authority (NEDA). NEDA Undersecretary Rosemarie Edillon emphasized the adoption of an "all-of-government" approach to augment employability and upgrade the skills of Filipino workers, focusing on attracting strategic investments to lower the cost of doing business. Despite a moderation in headline inflation to 4.9 percent in October from 6.1 percent in September, Edillon stressed the need for coordinated efforts to address inflationary challenges. The government implemented development projects like the "Build Better More" infrastructure program to generate employment, reducing dependence on cash assistance amid rising inflation. Speaker Ferdinand Martin Romualdez acknowledged the positive impact of lower inflation on Filipinos' purchasing power, expressing the House's commitment to supporting the government's efforts to strengthen the economy, lower the cost of living, and protect citizens from external economic challenges. Fiscal responsibility, supply chain infrastructure improvement, consumer protection, and reinforcing the central bank's efforts to meet inflation targets are highlighted as crucial legislative priorities. Overall, the comprehensive approach underscored the administration's commitment to addressing economic challenges and fostering sustainable development¹¹.

Socioeconomics

The Filipino economy performed strongly, surpassing its neighbouring countries with a growth rate of 6.4 percent in the first quarter of 2023.¹² This growth was fuelled by pent-up demand, a recovering labor market, steady remittances, and a rebound in tourism. Unfortunately, 2023 also marked the beginning of many environmental catastrophes for the Filipino people. A

¹⁰ PBBM to push for energy, food, trade cooperation in ASEAN-GCC summit. Philippine News Agency. <https://www.pna.gov.ph/articles/1212100>

¹¹ Gov't boosting job creation to help Pinoys cope with inflation. (n.d.). Philippine News Agency. <https://www.pna.gov.ph/articles/1213156>

¹² World Bank. 2023. Philippines Economic Update, June 2023: Securing Clean Energy Future. © Washington, DC. <http://hdl.handle.net/10986/39858>

combination of low-pressure areas, the Northeast Monsoon, and Shear Line storms affected over 500,000 people across multiple regions in the country in early 2003. The regions affected include Cagayan Valley, Central Luzon, Calabarzon, Bicol Region, Western Visayas, Central Visayas, Eastern Visayas, Zamboanga Peninsula, Northern Mindanao, Davao Region, and Bangsamoro. There have been 687 flood incidents and 31 landslides reported in these regions. Central Luzon, Mimaropa, and Davao Region are among the areas with the highest number of people affected. The severe weather has resulted in the destruction of 192 houses, with 112 of them in Mimaropa. Currently, there are 123 evacuation centers housing around 71,442 displaced individuals.¹³ These events clearly showed us how environmental issues are serious concerns for the people.

In the first quarter of 2023, with a good economic growth rate of 6.4, there were more positive indicators of economic development, such as a decrease in unemployment rates, suggested a positive outlook for 2023. According to the statistics agency, the country's gross domestic product (GDP) expanded by 6.4% compared to the same period last year. This growth rate represents the slowest expansion since the first quarter of 2021 when the economy contracted by 3.8%.¹⁴

Talking about the labor market, the Philippines has continued to show positive developments with a decrease in the unemployment rate to 4.7% in March 2023 compared to 5.8% in March 2022. This improvement indicates a growing number of Filipinos actively participating in the labor force and finding employment. Finance Secretary Benjamin E. Diokno sees these trends as signs of economic recovery and sustained growth.¹⁵

Within the same time frame, the Philippines expected to achieve a GDP size of one trillion USD by 2033 when measured in US Dollar nominal terms. This would position the Philippines as one of the largest emerging markets in the Asia-Pacific region and a prominent emerging market globally. Over the past two decades, there has been a significant increase in average

¹³ Davies, R. (13 January 2023). Philippines – 17 Dead, 70,000 Displaced After Days of Storms, Rain and Floods. *FloodList*. Available at: <https://floodlist.com/asia/philippines-floods-january-2023>

¹⁴ Morales, N.J. & Cruz, E.D. (10 May 2023). Philippine Q1 growth cools, but on track for 2023 target. *Reuters*. Available at: <https://www.reuters.com/markets/asia/philippines-q1-gdp-slows-64-faster-than-forecast-2023-05-11/>

¹⁵ Department of Finance. (8 May 2023). March 2023 labor market performance improves further, signals continued recovery and growth. Available at: <https://www.dof.gov.ph/march-2023-labor-market-performance-improves-further-signals-continued-recovery-and-growth/>

annual GDP per person, rising from below USD 1,000 per person in 2000 to USD 3,500 by 2022.¹⁶ Projections indicate that this figure will surpass USD 6,000 per person by 2030.¹⁷

Philippines' merchandise exports contracted by 20.2% in April, the largest decline since May 2020. Merchandise imports also plummeted by 17.7%, the weakest performance since July 2020. As a result, the merchandise trade balance improved, with a deficit of USD 4.5 billion in April. Analysts anticipate a widening goods trade deficit in 2023, leading to an overall current account deficit of 5.3% of GDP, attributed to weaker global demand for goods. However, the services surplus is expected to be supported by the return of Chinese travellers.¹⁸

The Filipino economy experienced a deceleration in the second quarter of 2023, with a year-on-year growth rate of 4.3% which was lower than both the 7.5% recorded in the same quarter of 2022 and the 6.4% in the first quarter of 2023.¹⁹ This slowdown was primarily due to slow government spending. On a quarterly basis, GDP contracted by 0.9% after growing by 1.1% from January to March, with all supply-side sectors experiencing negative growth.²⁰ The government expenditures and private investments also declined compared to the same period last year. The government expenditures contracted by 7.1% and private investment by 0.04%, compared to growth rates of 10.9% and 17.2% respectively in the second quarter of 2023.²¹

The absence of election-related spending in the first half of the year, which referred to increased economic activity during national elections in May last year, contributed to the slowdown in the economy. Economists expressed disappointment with the report, attributing the slowdown to all major sectors of the economy, fading "revenge spending," and lower government

¹⁶ Outsource Asia. (31 May 2023). Philippines: Fastest Growing Emerging Market in the World. Available at: <https://www.outsourceasia.org/philippines-fastest-growing-emerging-market-in-the-world/>

¹⁷ Biswas, R. (24 April 2023). Philippines on Track to Become One Trillion Dollar Economy by 2033. *S&P Global Market Intelligent*. Available at: <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/philippines-on-track-to-become-one-trillion-dollar-economy-by-2033.html>

¹⁸ Focus Economics. (9 June 2023). Philippines Trade April 2023. Available at: <https://www.focus-economics.com/countries/philippines/news/trade/merchandise-exports-contract-further-in-april/>

¹⁹ Presidential Communication Office. (10 August 2023). Economy grew by 4.3% in 2nd quarter of 2023; Gov't to accelerate spending, delivery of social services to gain momentum. Available at: https://pco.gov.ph/news_releases/economy-grew-by-4-3-in-2nd-quarter-of-2023-govt-to-accelerate-spending-delivery-of-social-services-to-gain-momentum/

²⁰ Hermonio, E. (10 August 2023). Philippines' GDP growth slowed to 4.3% in Q2 on lower spending. *Nikkei Asia*. <https://asia.nikkei.com/Economy/Philippines-GDP-growth-slowed-to-4.3-in-Q2-on-lower-spending>

²¹ Philippines Information Agency. (10 August 2023). Economy grew by 4.3% in 2nd quarter of 2023; Gov't to accelerate spending, delivery of social services to gain momentum. Available at: <https://pia.gov.ph/press-releases/2023/08/10/economy-grew-by-4-3-in-2nd-quarter-of-2023-govt-to-accelerate-spending-delivery-of-social-services-to-gain-momentum>

expenditure. To boost the economy, the government implemented remedial measures, including accelerating the execution of government programs and projects. The administration of President Ferdinand Marcos Jr. relied on the Build Better More infrastructure plan to fuel growth, with a medium-term objective of sustaining infrastructure spending at 5% to 6% of GDP annually through 2028. While the country was still on track to meet its 2023 growth target of 6% to 7%, risks such as El Niño and volatile external trade conditions remain.²²

On the other hand, according to the Philippine Statistics Authority (PSA), the headline inflation in August rose to 5.3%, surpassing the 4.7% recorded in July which marks the end of six consecutive months of deceleration in inflation.²³ The increase was primarily driven by higher prices of rice and fuel during the period.²⁴ The surge in rice prices can be attributed to reduced rice production caused by El Niño and the export ban imposed by major rice exporters like India and Myanmar. Vegetable prices also increased due to production losses caused by enhanced monsoon rains and Super Typhoon Egay. Fuel prices also contributed to the rise in inflation, with oil companies raising diesel and gasoline prices. In response to the rising inflation, President Ferdinand Marcos Jr. ordered a price cap on rice. Economists have expressed concerns about supply constraints and the negative impact on consumers and farmers. Finance Secretary Benjamin Diokno emphasized the importance of ensuring sufficient rice supply at reduced prices while avoiding non-competitive behavior in the rice industry.²⁵

The third quarter of 2023 witnessed an enhanced budget utilization by the Department of Public Works and Highways (DPWH) and the Department of Social Welfare and Development (DSWD), as reported by the National Economic and Development Authority (NEDA). During a press conference, NEDA Undersecretary Rosemarie Edillon highlighted that both agencies demonstrated increased capital spending, a development based on the Department of Budget and Management's report presented at a sectoral meeting presided over by President Ferdinand R. Marcos Jr. The NEDA official noted that these agencies submitted catch-up plans, resulting in elevated spending for the third quarter. Notably, the DSWD, previously among agencies

²² Benise Balaoing, ABS-CBN News. (29 September 2023). PH economy may still hit 6 percent growth target: NEDA. ABS-CBN News. <https://news.abs-cbn.com/amp/video/business/09/29/23/ph-economy-may-still-hit-6-percent-growth-target-neda>

²³ Philippines Statistics Authority. (4 August 2023). Summary Inflation Report Consumer Price Index (2018=100): July 2023. Available at: <https://psa.gov.ph/price-indices/cpi-ir/node/1684060116>

²⁴ Rivas, R. (5 September 2023). Rice, fuel price spikes push up inflation to 5.3% in August 2023. RAPPLER. <https://www.rappler.com/business/inflation-rate-philippines-august-2023/>

²⁵ Rivas, R. (5 September 2023). Rice, fuel price spikes push up inflation to 5.3% in August 2023. RAPPLER. <https://www.rappler.com/business/inflation-rate-philippines-august-2023/>

with low budget utilization rates in the first half of 2023, showcased significant improvement. The government had also taken measures to address underspending, including early procurement activities, capacity-building programs, and the adoption of digital payments. While end-September 2023 spending reached PHP3.82 trillion, an improvement from June 2023, it fell short of the PHP3.86 trillion programmed for the period. Despite this, the Development Budget Coordination Committee is optimistic about improved spending in the fourth quarter, supported by successful catch-up plans and accelerated program implementation. This development reflects a concerted effort to optimize government spending, particularly in vital sectors like infrastructure, transport, labor, social protection, and education.²⁶

In the third and fourth quarters of 2023, the economy in the Philippines showed a robust increase back of 5.9% in GDP²⁷. Factors contributing to the economic growth include sustained remittance inflows from overseas workers, the fast-growing IT-BPO sector exports, and the recovery of the tourism sector. There was an improvement in the Philippines' balance of payments position, with a surplus of USD 3 billion for the first eleven months of 2023 compared to a deficit in the same period the previous year, and this improvement is attributed to factors such as an improvement in the trade balance, higher net inflows from personal remittances, trade in services, and foreign borrowings by the national government.²⁸

Foreign Affairs

In early 2023, Filipino President Ferdinand 'Bongbong' Marcos Jr emphasized that the Philippines does not choose sides between the United States and China and works for the national interests of the Philippines. Marcos Jr's foreign policy echoes his predecessor's approach of being friendly to all and an enemy to none. Marcos Jr's foreign policy is characterized as flexible, allowing the Philippines to adapt to changing geopolitical realities. This adaptable approach to foreign policy brings two significant advantages to the Philippines. Firstly, it strengthens the alliance between the Philippines and the United States, ensuring that Manila's security needs are met. Secondly, it improves relations with China, potentially leading

²⁶ DPWH, DSWD show improved budget utilization in Q3 of 2023: NEDA. (n.d.). Philippine News Agency. <https://www.pna.gov.ph/articles/1213173>

²⁷ Biswas, R. (22 December 2023). Philippines economy shows robust growth into the new year. *S&P Global*. Available at: <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/philippines-economy-shows-robust-growth-into-the-new-year.html>

²⁸ Xinhuanet. (20 December 2023). Philippines posts 216 mln USD deficit in November. Available at: <https://english.news.cn/20231220/259201d8f5ef4499a713ae0b3400709c/c.html>

to economic benefits and aiding in the country's post-pandemic economic recovery. However, maintaining a flexible foreign policy in a competitive geopolitical landscape poses challenges. The extent to which Marcos Jr's government can remain flexible in its foreign policy decisions while safeguarding national interests remains uncertain.²⁹ However, this policy was not without challenges. There are risks and limitations of the Philippines' balanced diplomacy, particularly in relation to the situation in the Taiwan Strait and the intensification of China's provocative actions in the South China Sea. Looking ahead, apart from the South China Sea dispute, developments in the Taiwan Strait may necessitate the Philippines to make crucial decisions. Although the Philippines would stand to gain advantages from both the United States and China, given its strategic significance to both nations, any disruption to this delicate balance could leave the Philippines in a vulnerable position.³⁰

Meanwhile, President Ferdinand R. Marcos Jr. has pledged to promote the interests of the Philippines at the 43rd Association of Southeast Asian Nations (ASEAN) Summit and Related Summits in Indonesia. He highlighted advocacies such as promoting a rules-based international order, addressing issues in the South China Sea, ensuring food security, advocating for climate justice, harnessing the potential of digital and creative economies, protecting migrant workers in crises, and combating human trafficking. Marcos also intended to participate in the ASEAN Plus Three and East Asia Summits to discuss developments in the South China Sea, the situation in Myanmar, the conflict in Ukraine, and major power rivalries. He planned to engage with bilateral partners to advance cooperation aligned with Philippine foreign policy. Marcos expected to attend 13 leader-level engagements, including summit sessions with other leaders.³¹

The relationship between the United States and the Philippines has traced back a long time ago, and it is built upon deep historical and cultural connections, as well as a shared dedication to democracy and human rights. The 1951 U.S.-Philippines Mutual Defense Treaty forms a strong basis for our robust security partnership in the post-World War II era. In addition to this, strong

²⁹ Banlaoi, R. (21 January 2023). Marcos Jr fashions a flexible foreign policy for the Philippines. *East Asia Forum*. Available at: <https://www.eastasiaforum.org/2023/01/21/marcos-jr-fashions-a-flexible-foreign-policy-for-the-philippines/>

³⁰ Shoji, T. (16 May 2023). The Philippines' policy on the South China Sea under the Marcos administration: Recalibrating its distance from the United States and China. *The Sasakawa Peace Foundation*. Available at: https://www.spf.org/iina/en/articles/shoji_16.html

³¹ *Press releases*. (24 September 2023). PIA. <https://pia.gov.ph/press-releases/2023/09/04/pbbm-departs-for-indonesia-to-attend-43rd-asean-summit-and-related-summits>

interpersonal relationships and economic collaboration provide further avenues for engagement on various bilateral, regional, and global issues. The U.S.-Philippine Bilateral Strategic Dialogue (BSD) serves as the yearly platform for proactive planning across all aspects of our relationship. The most recent BSD occurred in January 2023, bringing together high-ranking officials from the Philippines and the United States in Manila.³² A momentous ministerial dialogue occurred between the United States and the Philippines on April 11, 2023, marking an important development in the alliance following a turbulent period during the administrations of Presidents Rodrigo Duterte and Donald Trump.³³ This dialogue took place after the largest-ever joint military exercise between the two countries. The event signifies a renewed dedication from the United States to enhance interoperability and strengthen its longstanding partnership with one of its oldest allies in Asia.

During the second quarter of 2023, there was a rise in tension between China and the Philippines over maritime issues. In response to China's assertiveness in the Taiwan Strait and the West Philippine Sea, Marcos has strengthened the Philippine alliance with the United States and sought a strategic partnership with Japan. Moreover, there is an increase in developments in security cooperation, such as allowing US access to additional military bases in the Philippines and conducting large-scale military exercises. On the economic front, there are talks of enhancing cooperation with the United States in infrastructure and 5G connectivity, as well as various agreements with Japan in agriculture, information communication technologies, and infrastructure.³⁴

The fact that China constructed a 300-meter floating barrier, which the Philippines coastguard claimed was preventing fishing vessels from accessing Scarborough Shoal and they promised to remove any more floating barriers installed by China at a disputed reef in the South China Sea, made the tension between the two countries rise again. Following the removal of the barrier at the mouth of Scarborough Shoal by the Filipino coastguard, the Filipino fishing boats entered the shallow lagoon and captured approximately 164 tonnes of fish in one day.³⁵ The

³² United States Department of State. (23 February 2023). U.S. Relations with the Philippines. State Department. Available at: <https://www.state.gov/u-s-relations-with-the-philippines/>

³³ Rattanakit, N. (16 May 2023). Renewal and realignment in the US–Philippines alliance. *East Asia Forum*. Available at: <https://www.eastasiaforum.org/2023/05/16/renewal-and-realignment-in-the-us-philippines-alliance/>

³⁴ Vicedo, C.O. (10 May 2023). The Philippines' fight for foreign policy freedom. *East Asia Forum*. Available at: <https://www.eastasiaforum.org/2023/05/10/the-philippines-fight-for-foreign-policy-freedom/>

³⁵ Aljazeera. (29 September 2023). 'Bold step': Philippines vows to remove future South China Sea barriers. <https://www.aljazeera.com/news/2023/9/29/philippines-promises-to-remove-future-barriers-at-disputed-reef>

shoal, which is 594 nautical miles (1,100 kilometers) from China's southern island of Hainan and 120 nautical miles (222 kilometers) from the Philippine island of Luzon, is claimed by both nations; since the 2012 standoff, China has maintained a coast guard force there.³⁶ On the same note, there was a sign of a win-win situation for both countries by establishing a hotline between the Philippines and China as a diplomatic win, aimed at improving communication and preventing the escalation of tensions in the West Philippine Sea (South China Sea). However, the hotline was put to the test when the Chinese Coast Guard fired water cannons at the Philippines' boats, and the Chinese did not respond to calls made through the hotline during the crisis. Moreover, China's publication of the new map of 10-dash lines was seen as an attempt to disrupt the rules-based international order.³⁷

Moreover, President Marco Jr. announced that the Philippines and Malaysia have agreed to hold the next Philippines-Malaysia Joint Commission Meeting. The meeting would focus on discussing priority areas of cooperation in various fields of mutual interest. President Marcos made this announcement following his bilateral meeting with Malaysian Prime Minister Anwar Ibrahim. President Marcos highlighted the commitment of both nations to collaborate closely in building capacity in the Bangsamoro Autonomous Region in the southern Philippines, particularly in sectors such as the Halal industry, Islamic banking, and food security. Malaysia offered its expertise to train Philippine personnel and officials to strengthen their capabilities in these important sectors. Both President Marcos and Prime Minister Ibrahim reaffirmed their commitment to support activities within the framework of the Association of Southeast Asian Nations (ASEAN) and the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), recognizing the importance of ASEAN Centrality. Prime Minister Ibrahim echoed President Marcos' sentiments and highlighted their agreement to accelerate the process of resolving outstanding MOUs and signing them prior to or during the joint commission meeting.³⁸

³⁶ Aljazeera (28 September 2023) China issues warning for military exercises in parts of South China Sea. <https://www.aljazeera.com/news/2023/9/28/china-issues-warning-for-military-exercises-in-parts-of-south-china-sea>

³⁷ Manhit, V. (17 October 2023). Amid China Tensions, the Philippines Relies on Alliances and Rule of Law. *United States Institute of Peace*. Available at: <https://www.usip.org/publications/2023/10/amid-china-tensions-philippines-relies-alliances-and-rule-law>

³⁸ Peralta-Malonzo, T. A. (27 July 2023). PH, Malaysia to convene joint commission meeting to boost priority cooperation. *SUNSTAR*. <https://www.sunstar.com.ph/article/1968014/manila/local-news/ph-malaysia-to-convene-joint-commission-meeting-to-boost-priority-cooperation>

Additionally, to commemorate their 49th year of diplomatic relations, the Philippines and the United Arab Emirates (UAE) pledged to further strengthen their technology partnerships in the coming year. Leveraging the Philippines' pool of skilled IT professionals and the UAE's status as a prominent technology and innovation hub, the two nations are set to embark on a collaborative journey. Already having signed multiple agreements centered around technology, the Philippines is committed to further amplifying these joint efforts to foster a fruitful exchange of knowledge and expertise. In a recent interview, H.E. Mohammed Noordin Macatoman, the Philippine ambassador to the UAE, expressed the Philippines' enthusiasm for engaging in various technology initiatives alongside the UAE. These aspirations include Smart City Development, Data Center Establishment, AI and Robotics Research, and IT Workforce Training. By amplifying their technological collaboration, the Philippines and the UAE are not only strengthening their bilateral relations but also positioning themselves as formidable players in the global technology landscape. This synergy would undoubtedly yield innovations that extend far beyond their borders, impacting various sectors and industries.³⁹

Bilateral trade between the Philippines and New Zealand is rebounding to pre-pandemic levels. The implementation of the Regional Comprehensive Economic Partnership (RCEP) and President Marcos Jr's foreign visits were expected to attract more Foreign Direct Investments to the Philippines. The areas of potential for New Zealand businesses in the Philippines include renewable energy, enhancing economic and environmental outcomes, and back-office support and skilled labour.⁴⁰ The regional geo-strategic contest is impacting trade and supply chain resilience, with China remaining the dominant market and ASEAN being its primary source of imports.

From November 3-4, President Ferdinand R. Marcos Jr. engaged in discussions with Japanese Prime Minister Kishida Fumio on critical issues concerning the West Philippine Sea (WPS) and Japan's Official Development Assistance (ODA) during Kishida's official visit to the Philippines. Both leaders delved into multifaceted cooperation encompassing political and security collaboration, as well as economic and people-to-people relations. Specific topics on

³⁹ Dixit, A. (20 August 2023). Philippines and UAE forge stronger technology bonds on 49th diplomatic anniversary. News Track. <https://english.newstracklive.com/news/philippines-and-uae-forge-stronger-technology-bonds-on-49th-diplomatic-anniversary-sc57-nu355-ta355-1293131-1.html>

⁴⁰ New Zealand Foreign Affairs and Trade. (2023). SUPPLY CHAINS, PRIMARY PRODUCTS: June 2023. Available at: <https://www.mfat.govt.nz/en/trade/mfat-market-reports/philippines-economy-steady-as-she-goes-june-2023/>

the agenda include the West Philippine Sea, trade and investment, and Japan's ODA. The meeting aimed to facilitate an exchange of views on major regional, international, and United Nations issues impacting the region and the world. Japan's initiatives in the Philippines and Southeast Asia are rooted in its Free and Open Indo-Pacific (FOIP) strategy, which aimed to uphold principles for peace and prosperity, address global challenges, strengthen connectivity, and ensure security and safe use of the air and sea. Japan is particularly concerned about China's unilateral changes to the status quo in the East China Sea and the South China Sea, as it could disrupt trade and undermine regional peace and stability. As part of its efforts, Japan has provided assistance to the Philippine Coast Guard and donated aircraft to the Philippine Navy. Both countries are engaged in territorial and maritime disputes with China and share a strategic interest in maintaining peace and stability in the Indo-Pacific region.⁴¹ Earlier 2023, during his official visit to Japan, President Marcos secured substantial investment pledges totaling USD 13 billion, signifying a significant economic collaboration that is anticipated to generate additional employment opportunities for Filipinos. This dialogue reflected a continued effort to strengthen diplomatic ties and address pertinent regional and economic concerns between the Philippines and Japan.⁴²

Conclusion

In conclusion, the 2023 updates of the Philippines highlighted significant developments in domestic affairs, economy, and foreign relations. In terms of domestic affairs, the country entered the election period, which brought heightened security measures and restrictions on certain activities. President Ferdinand R. Marcos Jr. pledged to promote the interests of the Philippines, emphasizing advocacies such as a rules-based international order, addressing issues in the South China Sea, and combating human trafficking. Furthermore, President Marcos Jr. authorized financial assistance programs for rice farmers and small retailers affected by price caps. In the economic sphere, the Philippines experienced a deceleration in growth during the second quarter, primarily attributed to slow government spending. The government expenditures and private investment declined compared to the same period last year. The conflict between the Armed Forces of the Philippines and armed groups in certain regions, such as Barangays Madia and Elian in Maguindanao, continues to displace thousands of individuals

⁴¹ Arugay, A.A & Galang, M. A. (16 November 2023). The Philippines-Japan Security Relationship: A New Golden Age. *Fulcrum*. Available at: <https://fulcrum.sg/the-philippines-japan-security-relationship-a-new-golden-age/>

⁴² Gonzales, A.L. (2 November 2023). PBBM, Japan PM Kishida to discuss issues on West Philippine Sea. *Philippine News Agency*. Available at: <https://www.pna.gov.ph/articles/1212937>

and result in casualties. Efforts to establish peace initiatives in the southern region, particularly in the Bangsamoro Autonomous Region, are crucial to address underlying grievances and fulfil socio-economic commitments.

To stimulate the economy, the government had been implementing measures to accelerate the execution of programs and projects, particularly through the Build Better More infrastructure plan. While the country is still on track to meet its growth target, risks such as El Niño and volatile external trade conditions remain. The Philippine National Police has taken decisive action to bolster cybersecurity infrastructure in response to hacking incidents targeting government websites. Collaboration, vigilance, and adaptation to emerging risks are essential to safeguard the nation's cybersecurity resilience.

Regarding foreign affairs, the Philippines engaged in bilateral meetings with Malaysia, the United Arab Emirates, New Zealand, Australia, and many more to strengthen cooperation in various fields. The Philippines and Malaysia agreed to hold a joint commission meeting to discuss areas of mutual interest, particularly in building capacity in the Bangsamoro Autonomous Region. The Philippines and the UAE aimed to enhance technology partnerships, leveraging each country's strengths to foster knowledge exchange and collaboration. Additionally, the tension between China and the Philippines in the South China Sea remained high with disputes over the shoal. Overall, in 2023, the Philippines had a complex landscape of domestic, economic, and foreign affairs. The government's efforts to address challenges such as slow growth, agricultural support, and geopolitical tensions demonstrate its commitment to promoting inclusive and sustained development for the country.

Vietnam

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Introduction

The year 2023 is a year of navigating complex challenges for Vietnam. From the first to the fourth quarter, Vietnam experienced different challenges. Balancing domestic politics in the period of reforming its political landscape, Vietnam has been seen fighting against corruption, social stability, environmental issues, natural disaster as well as sustainable development toward fully recovery of post Covid-19. On the economic front, Vietnam faced the dual challenge of a global recession and a domestic export uncertainty. The geopolitical tension and global conflict remain a big concern for the economy of Vietnam in this year while the concerns of global inflation and rising interest rates linger. In the international arena, Vietnam actively pursued its foreign policy objectives, strengthening ties with key allies and partners. While ASEAN remains its central strategy toward balancing and solidifying its interest, Vietnam has seen seeking deeper engagement with various other superpowers such as the U.S, Japan, China, Australia and more. Therefore, this paper updates key developments concerning Vietnam in the spheres of domestic politics, economy, and international affairs in 2023.

Domestic Politics

On January 5, the National Assembly of Vietnam voted to remove Pham Binh Minh and Vu Duc Dam from their positions as deputy prime ministers¹, and, on the same day, approved the appointment of Tran Hong Ha and Tran Luu Quang as the new deputy prime ministers². On January 12, the General-Secretary of the Communist Party of Vietnam, Nguyen Phu Trong, presided over the 23rd session of the Central Steering Committee on Prevention and Control of Corruption and Negative Phenomena to review its operations in 2022 and determine its working agenda for 2023; he stated that it was necessary to examine and address any gaps and insufficiencies in policies and laws relating to finance, as well as draft laws related to anti-

¹ Khanh Vu. 5 January 2023. "Vietnam removes two deputy PMs amid anti-corruption drive". Reuters. Available at: <https://www.reuters.com/world/asia-pacific/vietnam-removes-two-deputy-pms-amid-anti-corruption-drive-2023-01-05/>

² Vietnam Plus. 5 January 2023. "NA approves appointment of two Deputy Prime Ministers" Available at: <https://en.vietnamplus.vn/na-approves-appointment-of-two-deputy-prime-ministers/246604.vnp>

corruption, and promulgate the National Strategy on Corruption Prevention and Combat of 2030.³ On January 17, President Nguyen Xuan Phuc announced his resignation, as the anti-corruption scandal caused hundreds of Communist Party members to be investigated and him to be held accountable⁴. The 13th Party Central Committee convened an extraordinary meeting on Tuesday to approve his resignation as President, member of the Politburo and the Committee, and chairman of the Council for National Defense and Security.⁵

On February 2, General-Secretary and head of the Central Steering Committee on Anti-Corruption, Nguyen Phu Trong, released his book, "Resolutely, Persistently Fighting Corruption and Negative Phenomena to Contribute to Building More Transparent and Stronger Party and State," in a ceremony on February 2 in Hanoi.⁶ The first part includes an overview article by the General-Secretary that re-evaluates this work since the establishment of the Committee in 2013 up to now, four concluding remarks by the General Secretary at 2014, 2018, 2020, and 2022 national anti-corruption conferences, and conclusions at the 36 meetings of the Committee. The second part features 22 essays written by General-Secretary Nguyen Phu Trong about Party's building, emphasizing the training of officials and party members, 14 articles discuss the Party's development from the beginning of Doi Moi to the present, while 8 additional pieces, including those from the 1970s, discuss the training of officials and party members. The third part contains 62 opinions from all classes of people, 10 opinions from National Assembly deputies, and 24 opinions from politicians and scholars worldwide, showing the recognition, support, and trust of people from all walks of life.⁷ On February 3, the Communist Party of Vietnam celebrated its 93rd Anniversary. Prime Minister Pham Minh Chinh, National Assembly Chairman Vuong Dinh Hue, a permanent member of the CPV Central Committee's Secretariat Vo Van Thuong, Vietnam Fatherland Front President Do Van

³ Vietnam Plus. 12 January 2023. "Party chief chairs anti-corruption central steering committee's session". Available at: <https://link.gov.vn/zIDPOOk4>

⁴ Quynh Le. 17 January 2023. "Vietnam politics: Power shift as President Nguyen Xuan Phuc quits". BBC News. Available at: <https://www.bbc.com/news/world-asia-64302745>

⁵ VnExpress International. 17 January 2023. "Vietnam Party agrees for president Nguyen Xuan Phuc to step down". Available at: <https://e.vnexpress.net/news/news/vietnam-president-nguyen-xuan-phuc-steps-down-4561196.html>

⁶ Vietnam Plus. 2 February 2023. "Party chief's book on fight against corruption released". Available at: <https://link.gov.vn/eWvtRAVv>

⁷ Nguyen Minh. 2 February 2023. "Vietnam publishes book on Communist Party chief's anti-corruption". Available at: <https://hanoitimes.vn/vietnam-publishes-book-on-communist-party-chiefs-anti-corruption-322890.html>

Chien, and Acting President Vo Thi Anh Xuan paid floral tribute to President Ho Chi Minh at his mausoleum in Hanoi.⁸

On March 2, Vietnam's National Assembly selected Vo Van Thuong as the country's new president, during a vote in an extraordinary session of the assembly, a day after the Central Committee of the Communist Party of Vietnam officially nominated him.⁹ On March 10, Deputy Minister of Foreign Affairs, Nguyen Minh Vu, made a proposal to the Chinese Assistant Minister of Foreign Affairs, Nong Rong, in Hanoi. The two sides agreed to continue fully implementing the high-level perceptions and thoroughly prepare for the 15th meeting of the Steering Committee for Vietnam-China Bilateral Cooperation, coordination in managing and protecting the shared border, and the maintenance of peace and stability at sea.¹⁰ On March 14, Vietnam tax authorities planned to extend tax relief for 2023 to tackle the problem of liquidity for households and businesses to accelerate the economic growth momentum.¹¹

In April, the government's monthly meeting on 3rd April was put together to discuss an evaluation report on the results of the public investment plan, the socio-economic development, the performance of the state budget in 2022, and the deployment of new plans for 2023.¹² Several policies related to the energy transition, renewable energy, tax and fee reduction, mine management, and the national budget plan were discussed.

Following the meeting was the 4th Mekong River Commission Summit in Laos, joined by Prime Minister Pham Minh Chinh.¹³ Vietnam remains active as the lower basin of the river and continuously urges other partners to promote the effectiveness of using water resources in the

⁸ Vietnam Plus. 3 February 2023. "Leaders pay tribute to President Ho Chi Minh on Party's founding anniversary". Available at: <https://link.gov.vn/ZUOb6euH>

⁹ Dan Novak. 2 March 2023. "Vietnam Parliament Elects Vo Van Thuong as New President". Voice of America. Available at: <https://learningenglish.voanews.com/a/vietnam-parliament-elects-vo-van-thuong-as-new-president/6986848.html>

Sebastian Strangio. 2 March 2023. "Vietnam's Parliament Selects Vo Van Thuong as New President". The Diplomat. Available at: <https://thediplomat.com/2023/03/vietnams-parliament-selects-vo-van-thuong-as-new-president/>

¹⁰ Voice of Vietnam. 11 March 2023. "Vietnam proposes China speed up market opening for farm products". Available at: <https://english.vov.vn/en/politics/diplomacy/vietnam-proposes-china-speed-up-market-opening-for-farm-products-post1006711.vov>

¹¹ Xinhua. 14 March 2023. "Vietnam plans to extend tax relief in 2023". Available at: http://www.china.org.cn/world/Off_the_Wire/2023-03/14/content_85167831.htm

¹² Vietnam Plus. 03 April 2023. "PM urges greater efforts to maintain growth, inflation targets in 2023". Available at: <https://en.vietnamplus.vn/pm-urges-greater-efforts-to-maintain-growth-inflation-targets-in-2023/250937.vnp>

¹³ Voice of Vietnam. 04 April 2023. "Vietnam actively cooperates to ensure water security in the Mekong River". Available at: <https://english.vov.vn/en/politics/vietnam-actively-co-operates-to-ensure-water-security-in-mekong-river-post1011727.vov>

context of deep international integration and secured politics, security, and defense. Meanwhile, this year the government of Ho Chi Minh City planned to spend more than US\$435 million on a sustainable poverty reduction program with the aims of reducing the amount of poor households and near-poor households by 0.38% and 0.28% respectively and also increase the poor's average per capita income by the end of 2023.¹⁴

On May 24, Vietnam's legislators debated a verification of the draft revised laws which scrutinized banned acts and incentives towards domestic enterprises, aiming to raise competitiveness, publicity, transparency, and efficiency with no corruption in bidding.¹⁵ It was also reported that the draft laws have also proposed an option for further application of reductions in tax and changes to new policy visas in the urge to draw more foreign tourists.¹⁶

On August 25, the Chairman of the National Assembly made this evaluation on the draft amended land laws and Telecommunication laws.¹⁷ The new amendment land laws focus on adding necessary detailed criteria and guiding principles for empowering localities to oversee the bidding and auction of land use rights, while telecommunication laws will also adjust regulations for three new services, including over-the-top (OTT) telecommunications, data center, and cloud computing services.¹⁸

On October 8, the 13th Party Central Committee concluded its 8th plenum, which commenced on October 2. The purposes of the plenum were to discuss the country's socio-economic situation, State budget in 2023 and plan for 2024, State financial and budget plan for the 2024-26 period, and roadmap for implementing the new salary regime. At the closing ceremony, Party General Secretary Nguyễn Phú Trọng stressed the importance of absolute and direct leadership of the Party as well as the State's centralized and unified management and

¹⁴ VN Express International. 12 April 2023. "HCMC to spend \$435M on poverty reduction". Available at: <https://e.vnexpress.net/news/news/hcmc-to-spend-435m-on-poverty-reduction-4592464.html>

¹⁵ Vietnam Plus. 24 May 2023. "15th National Assembly to debate two draft laws on May 24". Available at: <https://en.vietnamplus.vn/15th-national-assembly-to-debate-two-draft-laws-on-may-24/253521.vnp>

¹⁶ Vietnam News. 30 May 2023. "Favorable visa policy urged to draw foreign tourists to Việt Nam". Available at: <https://vietnamnews.vn/society/1544550/favourable-visa-policy-urged-to-draw-foreign-tourists-to-vietnam.html>

¹⁷ Vietnam News. 26 August 2023. "Draft amended land law has made great steps: NA Chairman". Available at: <https://vietnamnews.vn/politics-laws/1582964/draft-amended-land-law-has-made-great-steps-na-chairman.html>

¹⁸ Vietnam News. 25 August 2023. "National Assembly discusses draft amended Law on Telecommunications". Available at: <https://vietnamnews.vn/politics-laws/1582907/national-assembly-discusses-draft-amended-law-on-telecommunications.html>

administration in all aspects in order to maintain a peaceful, stable environment and favorable conditions for the building and development of the country.¹⁹

On October 30, the fragmentation in the implementation of poverty reduction projects was initially addressed. The National Assembly of Vietnam implemented resolutions on the national target programmes on new-style rural area building for 2021-2025, which costs nearly 8 billion USD, sustainable poverty reduction for 2021-2025, and socio-economic development in the mountainous and ethnic-inhabited areas for 2021-2030.²⁰

On November 10, the National Assembly adopted the resolution on the socio-economic development plan for 2024 with 12 key socio-economic targets for next year. These mainly include a 6.0–6.5% increase in the gross domestic product (GDP), a per capita GDP of approximately US\$4,700–4,730, a 24.1-24.2% GDP growth rate for the processing and manufacturing sectors, and a 4.8–5.3% productivity increase for social labor.²¹

On November 29, the 15th National Assembly (NA)'s sixth plenary session was concluded. The legislative body addressed numerous significant problems, approved seven laws and eight resolutions, offered suggestions for eight draft laws, and issued a general resolution of the session during this plenary session.²² Some of the laws include the Law on Citizen Identification, the Housing Law (amended), the Law on Water Resources (amended), the Law on Real Estate Business (amended), and the law on forces participating in the protection of security and order at the grassroots level.²³

On November 22, Vietnam and Cambodia hosted the conference to spotlight the cooperation of border issues. Both countries affirmed the importance of maintaining the good momentum

¹⁹ Viet Nam News. 8 October 2023. "Party Central Committee's 8th plenum wraps up". Available at <https://vietnamnews.vn/politics-laws/1594906/party-central-committee-s-8th-plenum-wraps-up.html>

²⁰ Vietnam Plus. 30 October 2023. "Fragmentation in implementation of poverty reduction projects initially solved: NA deputy". Available at <https://en.vietnamplus.vn/fragmentation-in-implementation-of-poverty-reduction-projects-initially-solved-na-deputy/270396.vnp>

²¹ Viet Nam News. 10 November 2023. "NA adopts resolution on socio-economic development plan for 2024". Available at <https://vietnamnews.vn/politics-laws/1636356/na-adopts-resolution-on-socio-economic-development-plan-for-2024.html>

²² Vietnam Plus. 29 November 2023. "15th NA's sixth plenary session wraps up, with set agenda completed". Available at <https://en.vietnamplus.vn/15th-nas-sixth-plenary-session-wraps-up-with-set-agenda-completed/272022.vnp>

²³ SGGP News. 27 November 2023. "National Assembly to pass five laws this week". Available at <https://en.sggp.org.vn/national-assembly-to-pass-five-laws-this-week-post106582.html>

of current relations while highlighting the achievement in the past. As of today, both countries have managed to complete the border demarcation of about 1,045 km out of 1,258km, built 2,048 border markers, 1,511 auxiliary markers at 1,068 locations and 221 marker posts.²⁴

Economy

For the first quarter of 2023 as a new momentum underscored the development of major economic poles of Vietnam. On January 3, General-Secretary of the Communist Party of Vietnam Nguyen Phu Trong approved a Politburo's resolution outlining the goals and tasks for the development of Ho Chi Minh City by 2030, as the city is expected to reach annual growth of 8% to 8.5% per capita and contribute to 40% of Vietnam's gross domestic product by 2030.²⁵ On January 30, Prime Minister Pham Minh Chinh visited a construction site of the 6.61km My Thuan 2 Bridge, which crosses the Tien River, connecting the Trung Luong-My Thuan and My Thuan-Can Tho expressways between Ho Chi Minh City and Can Tho, with a total investment of USD 213.22 million; and the construction of the bridge is expected to finish this year.²⁶

On February 27, according to Nhan Dan, the aquaculture product exports were expected to bring in between USD 800,000 and USD 1 billion. Processing manufacturing and the tourism industries in February increased compared to last year's period, such as the production of beverages, coke, refined petroleum, and chemicals. Moreover, the total area of sea culture is set to hit 280,000 hectares with an annual yield of 850,000 tons. According to the Ministry of Agriculture and Rural Development, the country now has about 7,447 (85,000ha) aqua-culture establishments, with an estimated 23.3% growth rate annually.²⁷ According to the General Statistics Office on February 13, the global consumer demand is reducing, causing the number of export orders and turnover to decrease, and the exports to some key markets also decline, such as the EU (down 4.2%), South Korea (5.7%), Japan (5.9%), ASEAN (7.9%), and the US (21%). The recession of the world economy also prevented foreign investors from expanding

²⁴ Vietnam Plus. 22 November 2023. "Conference spotlights achievements in Vietnam-Cambodia border affairs". Available at: <https://en.vietnamplus.vn/conference-spotlights-achievements-in-vietnamcambodia-border-affairs/271650.vnp>

²⁵ Vietnam News. 3 January 2023. "Politburo issues resolution on development of HCM City". Available at: <https://vietnamnews.vn/Politics%20-%20Laws/1445378/politburo-issues-resolution-on-development-of-hcm-city.html>

²⁶ Vietnam Plus. 30 January 2023. "PM inspects key transport project in Mekong Delta". Available at: <https://link.gov.vn/bGFe2Co8>

²⁷ Nhan Dan. 27 February 2023. "Vietnam eyes 1 billion USD from sea-culture product exports by 2025." Available at: <https://en.nhandan.vn/vietnam-eyes-1-billion-usd-from-seaculture-product-exports-by-2025-post122921.html>

the scale of existing projects in Vietnam; as of the end of February, registered FDI capital reached USD 535.4 million, the lowest from 2019 to 2023.²⁸

On March 12, the Ministry of Transport and Quang Nam People's Committee of Vietnam launched a road upgrade project on National Route 14E, which connects the east and the west sides of Quang Nam province to the Central Highlands region and neighboring countries of Cambodia, Laos, and Thailand. Under the upgrade project, 74 km of the route will be renovated with a total investment of over USD 75.8 million from 2021 to 2025²⁹. On March 13, a local property expert in Vietnam reportedly said the property market was expected to stay stalled throughout next year despite measures taken by the government to boost the market. According to the chairman of the Vietnam Association of Construction Contractors, Nguyen Quoc Hiep, the property market would not rebound until the end of 2024 as real estate developers still face financing pressure from higher interest rates and stricter rules on private placement bonds. The government has already extended tax payments by a maximum of two years for an extended negotiation period with bondholders on payment delay or exchange the bonds for other assets, and implemented the VND 120 trillion support package for social housing projects for workers. However, experts have urged property firms to take efforts themselves first instead of depending on governmental support measures.³⁰

In the second quarter of 2023, according to general statistics, Vietnam's export was estimated at USD 108.57 billion while the import turnover was estimated at USD 102.22 billion for the first 4 months only.³¹ Overall, Vietnam's trade surplus reached USD 6.3 billion, an increase of USD 4 billion compared to the same period last year. In April alone, export turnover stood at USD 27.5 billion while import turnover was estimated at USD 26 billion. Noting that, the

²⁸VietNam News. "Business environment reform is the most efficient support for enterprises: GSO" 13 March 2023. Available at: <https://vietnamnews.vn/economy/1496249/business-environment-reform-is-the-most-efficient-support-for-enterprises-gso.htm>

²⁹ Khmer Times. 2 March 2023. "Vietnam launches \$76 million project for roads connecting Quang Nam province to Cambodia, Laos, and Thailand". Available at: <https://www.khmertimeskh.com/501253387/vietnam-launches-76-million-project-for-road-connecting-quang-nam-province-to-cambodia-laos-and-thailand/>

³⁰The Star. 14 March 2023. "Vietnam's property market to stay in slump till late 2024". Available at: <https://www.thestar.com.my/aseanplus/aseanplus-news/2023/03/14/vietnam039s-property-market-to-stay-in-slump-till-late-2024>

Voice of Vietnam. 13 March 2023. "Real estate market won't recover until late 2024: Experts". Available at: <https://english.vov.vn/en/economy/real-estate-market-wont-recover-until-late-2024-experts-post1007114.vov>

³¹ Voice of Vietnam. 3 May 2023. "Vietnam's Trade Surplus in four months". Available at: <https://vovworld.vn/en-US/news/vietnams-trade-surplus-in-four-months-estimated-at-63-billion-usd-1196068.vov>

United State was Vietnam's biggest importer for the past four months with an estimated turnover of USD 28.4 billion, while China was Vietnam's biggest exporter with an estimated turnover of USD 33.3 billion.³²

On May 3, the Trade Office of Vietnam in the Netherlands said that Vietnamese industrial products exported to the EU would be impacted directly by the EU new trade regulation. Under the new rules, the bloc will impose a carbon tax on all goods exported to the market which are commodities with higher carbon footprints including steel, cement, fertilizer, aluminum, and electricity.³³ On May 20, Vietnam and Canada agreed to bolster trade and investment cooperation to bring the two countries bilateral trade turnover to USD 10 billion in the meeting between Vietnamese Prime Minister Pham Minh Chinh and Canadian Prime Minister, Justin Trudeau. Chinh requested Canada to cooperate in new fields like digital transformation or circular economy and also hoped that Canada would create more open opportunities for Vietnamese exports to enter the country.³⁴

At the same time, Vietnam and the United Arab Emirates (UAE) will strengthen all-round cooperation to raise their trade turnover to USD 10 billion in the near future from the current USD 5 billion. The two sides encouraged their businesses to engage in investment and trade promotion activities and create favorable conditions for their key products to enter each other's markets. Both sides agreed to start negotiations on a new free trade agreement for the Comprehensive Economic Partnership Agreement (CEPA) between Vietnam and the UAE. Moreover, Vietnam and UAE also promise to expand cooperation and investment on oil and gas.³⁵

For the third quarter, Vietnam continued to be hit by global inflation, which has been slowing down its economic forecast. According to the General Statistics Office, Vietnam's economy grew only 3.72% in the first six months of 2023 which was much lower than the official target

³² *ibid*

³³ Vietnam Net Global. 3 May 2023. "Vietnam Headline: Vietnam likely to be impacted by EU carbon tax". Available at: <https://vietnamnet.vn/en/vietnam-news-headlines-may-3-2023-2138873.html>

³⁴ H.Thu. 20 May 2023. "VN Express: Vietnam, Canada to increase bilateral trade turnover to \$10B" Available at: <https://www.bing.com/search?q=VN+Express%3A+Vietnam%2C+Canada+to+increase+bilateral+trade+turnover+to+%2410B&form=ANNTH1&refig=6db67aefd60e411780ec95a9b393e6e3>

³⁵ Voice of Vietnam. 3 May 2023. "Vietnam and UAE eye US\$10 billion trade target". Available at: <https://english.vov.vn/en/politics/diplomacy/vietnam-and-uae-eye-us10-billion-trade-target-post1017878.vov>

of 6.5% and the lowest half-year growth in 13 years except 2020.³⁶ As a result, the Global Market and Economic Research revised its GDP growth forecast for Vietnam by the end of this year to 5.2%, from the previous forecast of 6% and forecast that interest rates continued to be cut off in this third quarter in order to curb economic growth.³⁷

However, according to the Vietnam National Authority of Tourism, Vietnam welcomed approximately 7.8 million international visitors in the first eight months this year, hitting 97.5% of the whole year target already.³⁸ This was the peak of the tourism industry as a result of the new visa policy and more are expected to come in the second half of 2023.

On July 10, according to the statistics of the Cambodia Ministry of Commerce, Vietnam became the largest trading partner of Cambodia among members of ASEAN. The bilateral trade between the two countries increased by nearly 50% in the first five months of 2023. Cambodia exported about US\$1.3 billion worth of goods to Vietnam and imported goods totaling over US\$1.5 billion from Vietnam.³⁹

On 25 July, Israel joined with another 16 partners to have a Free Trade Agreement (FTA) with Vietnam.⁴⁰ This is the first-ever FTA between Israel and ASEAN countries which ultimately removes duties on at least 86% of Vietnamese products and 93% of Israeli products while both countries expected to boost bilateral trade from US\$2.2 billion to US\$3 billion after signing this FTA.⁴¹

³⁶ Vietnam News. 30 June 2023. “Viet Nam’s economy will grow 3.72 percent in the first half of 2023”. Available at: <https://vietnamnews.vn/economy/1550509/viet-nam-s-economy-grows-3-72-per-cent-in-first-half-of-2023.html>

³⁷ Vietnam Plus. 4 July 2023. “Vietnam’s regulatory interest rates to further decline in the third quarter: UOB”. Available at: <https://en.vietnamplus.vn/vietnams-regulatory-interest-rates-to-further-down-in-third-quarter-uob/255720.vnp>

³⁸ VietnamNet Global. 28 August 2023. “Vietnam welcomes 7.8 million foreign arrivals over eight months”. Available at: <https://vietnamnet.vn/en/vietnam-welcomes-7-8-million-foreign-arrivals-over-eight-months-2182964.html>

³⁹ VNA. 10 July 2023. “Vietnam becomes largest ASEAN trading partner of Cambodia: media”. Vietnam Express. Available at: <https://e.vnexpress.net/news/business/economy/vietnam-becomes-largest-asean-trading-partner-of-cambodia-media-4627328.html>

⁴⁰ Ngoc Ha. 25 July 2023. “Vietnam signs free trade agreement with Israel”. Vietnam Express. Available at: <https://e.vnexpress.net/news/economy/vietnam-becomes-southeast-asia-s-first-to-sign-fta-with-israel-4633892.html>

⁴¹ *ibid*

As of August 15, according to the General Department of Customs, Vietnam enjoyed a trade surplus of over US\$16 billion as the country's total exports hit US\$209.43 billion while total imports were only US\$192.5 billion.⁴² This value of product imports declined 10.1%, or US\$23.5 billion, in comparison with the same period last year.⁴³ Moreover, as of August 20, according to the Ministry of Planning and Investment, Vietnam's total foreign investment including newly-registered, additional capital and capital contributions reached US\$18.1 billion, which increased 8.2% for the first eight months of this year.⁴⁴ Singapore ranks first with more than US\$3.8 billion accounting for 21.2%, followed by China, Japan, and Korea.⁴⁵

According to the General Statistics Office, in the first eight months of this year, exports to major markets such as the US, EU, ASEAN, and South Korea dropped 19.1%, 8.3%, 8%, and 7.3% respectively; while the major drops which were smartphones fell 15.4% and electronics fell 17.6%.⁴⁶ Despite the positive progression, Vietnam has been facing a sixth-month consecutive drop in exports since March due to declining orders.⁴⁷ In the same period, vegetable and fruit exports increased by nearly 56% which is equivalent to US\$3.5 billion.⁴⁸ This resulted from the expanding demand of Vietnam's agricultural market in China, the EU, and the US while several countries in the region were hit by droughts and floods.

For the fourth quarters of 2023, Vietnam continued to grow but underperformed as an export-oriented model, global inflation, and domestic affairs still faced plenty of headwinds. By the end of December, Vietnam's GDP growth will be accomplished with only 4.7% below target.⁴⁹ According to the General Statistics Office of the Ministry of Planning and Investment, as of 29 November, the primary trade surplus of Vietnam has reached \$25.83 billion despite the trade

⁴² Vietnam Plus. 25 August 2023. "Trade surplus reaches 16.25 billion USD by mid-August". Available at: <https://en.vietnamplus.vn/trade-surplus-reaches-1625-billion-usd-by-midaugust/266906.vnp>

⁴³ *ibid*

⁴⁴ Chu Nhat. 27 August 2023. "Vietnam attracted over 18.1 billion USD in FDI in eight months." Baoapbac Vietnam. Available at: <http://baoapbac.vn/english/business/202308/vietnam-attracts-over-181-billion-usd-in-fdi-in-eight-months-988627/>

⁴⁵ *ibid*

⁴⁶ Dat Nguyen. 30 August 2023. "Exports decline for 6th straight month". Available at: <https://e.vnexpress.net/news/data-speaks/exports-decline-for-6th-straight-month-4647869.html>

⁴⁷ *ibid*

⁴⁸ Dat Nguyen. 27 August 2023. "Vegetable, fruit exports hit new highs". Vietnam Express. Available at: <https://e.vnexpress.net/news/markets/vegetable-fruit-exports-hit-new-high-4646240.html>

⁴⁹ Flich Solution. 5 October 2023. "Vietnam Economy Set To Underperform". Available at: <https://www.fitchsolutions.com/country-risk/vietnam-economy-set-underperform-05-10-2023#:~:text=We%20recently%20lowered%20our%20real,7.0%25%20during%202014%2D2019>

deficit of \$0.12 billion in November for the first time this year.⁵⁰ Goods export reaching \$322.5 billion, and imports reached \$296.67 billion down 5.9% and 10,7% respectively.⁵¹ Overall, for the first 11 months of 2023, the total retail sales of goods and services including tourists, accommodation and other at current prices was estimated to reach 5.667 trillion VND, an increase of 9,6% compared to the same period last year.⁵² Moreover, as of 20 November the total registered capital accounted for \$28.85 billion dollar while total implemented capital was \$20.25 billion.⁵³

In the meantime, in the agricultural aspect, the aquaculture products have increased 4.2 % equivalent to 4,903.6 thousand tons while catching 3,569.9 thousand tons down 0.4% compared to the first 11 months last year.⁵⁴ Moreover, the whole industrial production over the past 11 months increased in the scale of only 1% with manufacturing having increased 1.1%, electricity production 3.2%, water supply 4.9% but mining down 2.8%.⁵⁵

In response to the economic underperformance and the investment promotion, on 29 November, Vietnam's parliament decided to raise the effective tax rate of 15% on multinational corporations and delayed measures to offset the higher levy in a potential the foreign investments such as Samsung and chip companies.⁵⁶

Moreover, with the recent upgraded comprehensive strategic partnership with the United State and Japan, Vietnam is determined to promote itself to be one of the leading chip makers in the region as it is currently holding talks with various chip producers such as GlobalFoundries, Intel Corp, and Taiwan's PSMC. By 2030, with the technological and financial support from developed countries and countries' readiness, Vietnam has transformed to be one of the most favorable nations to invest in semiconductor.⁵⁷ In terms of policy and infrastructure, Vietnam

⁵⁰ GENERAL STATISTICS OFFICE. 29 November 2023. "INFOGRAPHIC SOCIAL-ECONOMIC SITUATION IN NOVEMBER OF 2023". Available at: <https://www.gso.gov.vn/en/data-and-statistics/2023/11/infographic-social-economic-situation-in-november-of-2023/>

⁵¹ ibid

⁵² ibid

⁵³ ibid

⁵⁴ ibid

⁵⁵ ibid

⁵⁶ Khanh Vu and Francesco Guarascio. 29 November 2023. "Vietnam parliament approves global minimum corporate tax, delays offsets". *REUTERS*. Available at: <https://www.reuters.com/world/asia-pacific/vietnam-parliament-approves-global-minimum-corporate-tax-2023-11-29/>

⁵⁷ The Star. 8 October 2023. "Vietnam aims to be the leading chip production country in South-East Asia by 2030". Available at: <https://www.thestar.com.my/aseanplus/aseanplus-news/2023/10/08/vietnam-aims-to-be->

has built various industrial parks as well as incentive set a supporting policy of 50% of tuition fee for students from high school related to semiconductor skill.⁵⁸ However, experts also warned on the cost as the foundry could be as much as \$50 billion, and would entail competing with subsidies of China, South Korea and Taiwan.⁵⁹

Foreign Affairs

On January 11, Prime Minister Pham Minh Chinh paid a two-day official visit to Laos, the first foreign leader to visit Laos since Prime Minister Sonexay Siphandone took office.⁶⁰ The two prime ministers co-chaired the conclusion of the Vietnam-Laos, Laos-Vietnam Solidarity and Friendship Year 2022, agreeing to continue expanding investment, with a focus on projects in border localities while enhancing cooperation in justice, science-technology, culture, tourism, and cooperation among localities, especially those along the common border.⁶¹

On January 13, Prime Minister Pham Minh Chinh told the Japanese Minister of State for Financial Services Suzuki Shunichi during a reception in Hanoi that Vietnam always considered Japan a strategic and long-term partner of top importance and that Vietnam would further maintain favorable conditions for Japanese companies to do business effectively in the country. This year also marks the 50th anniversary of both countries' diplomatic ties.⁶²

On January 26, Ambassador Nguyen Phuong Tra, Deputy Permanent Representative of Vietnam to the United Nations, said that Vietnam supported the expansion of the UN Security Council in terms of both permanent and non-permanent members with the fair representation of groups of nations, as well as improving the working method of the UNSC and limiting the use of veto power.⁶³

[the-leading-chip-production-country-in-south-east-asia-by-2030#:~:text=Vietnam%20aims%20to%20be%20the%20leading%20chip%20production,nation%20for%20cooperation%20and%20investment.%20-%20Vietnam%20News](#)

⁵⁸ Voice of Vietnam. 8 December 2023. "Infrastructure for the semiconductor industry in Vietnam ready". Available at: <https://english.vov.vn/en/economy/infrastructure-for-the-semiconductor-industry-in-vietnam-ready-post1064188.vov>

⁵⁹ Francesco Guarascio. 31 October 2023. "Vietnam eyes first semiconductor plant, US officials warn of high costs". Available at: <https://www.reuters.com/technology/vietnam-eyes-first-semiconductor-plant-us-officials-warn-high-costs-2023-10-31/>

⁶⁰ Vietnam Plus. 11 January 2023. "Prime Minister starts official visit to Laos". Available at: <https://link.gov.vn/zDWC9tze>

⁶¹ Vietnam Plus. 13 January 2023. "PM's Lao visit brings fresh air to Vietnam - Lao relations: Friendship association chairman". Available at: <https://link.gov.vn/TUFsRJ8G>

⁶² Vietnam Plus. 13 January 2023. "Vietnam always considers Japan top strategic partner: PM". Available at: <https://link.gov.vn/GeixWut5>

⁶³ Vietnam Plus. 27 January 2023. "Vietnam supports expansion of UN Security Council". Available at: <https://link.gov.vn/qy3icb2I>

On the CPTPP participations, on February 26, Minister of Industry and Trade Nguyen Hong Dien stressed that Vietnam would continue its coordination with other CPTPP members to conclude the negotiations on the UK's participation in the agreement during his phone call with the Secretary of State for the Department for Business and Trade of the UK Kemi Badenoch. Badenoch said joining the CPTPP is one of her top priorities and thanked Vietnam for its support for the process. Minister of State for Trade Policy, Greg Hands, said the UK joining CPTPP would help it grow its GDP to GBP 11 trillion (12% to 15% of global GDP).⁶⁴

On February 27, Deputy Prime Minister Tran Luu Quang met United Nations Secretary-General, António Guterres, and other foreign officials during the 52nd regular session of the UN Human Rights Council in Geneva. At the meeting with Irish Deputy Prime Minister and Minister of Foreign Affairs and Defense, Micheál Martin, Quang suggested the Irish government create favorable conditions for Vietnamese goods to enter Ireland. Martin said that the Irish government would strengthen cooperation with Vietnam. Vietnam also pushed Norway to accelerate the negotiations of the Free Trade Agreement (FTA) between Vietnam and the European Free Trade Association at another meeting with the Minister of Foreign Affairs of Norway Anniken Huitfeldt.⁶⁵

On March 13, the Deputy Minister of Industry and Trade, Tran Quoc Khanh, hosted a reception for his Lao counterpart Bunthong Duonsavan in Hanoi. At the meeting, the Lao official briefed on Laos' economic difficulties in the first months of 2023 and that Laos was eager to learn experience related to management policies from Vietnamese ministries and sectors, especially regarding developing industrial parks and clean production centers, promoting renewable and green energy development, and stabilizing the petroleum market.⁶⁶ On March 14, Australian Ambassador Andrew Goledzinowski held a meeting with Deputy Prime Minister Tran Luu Quang at the Government headquarters in Hanoi. At the meeting, the Ambassador announced that Australia considered Vietnam a close-strategic partner. The bilateral trade between the two

⁶⁴ VietnamPlus. 24 February 2023. "UK's joining CPTPP will benefit agreement members: Vietnamese minister" Available at: <https://en.vietnamplus.vn/uk-s-joining-cptpp-will-benefit-agreement-members-vietnamese-minister/248921.vnp>

⁶⁵ Vietnamplus. 27 February 2023. "Deputy PM meets UN Secretary General, foreign officials in Geneva" Available at: <https://link.gov.vn/MMg8iAcN>

⁶⁶ Voice of Vietnam. 14 March 2023. "Vietnam shares experience in solving economic difficulties with Laos". Available at: <https://english.vov.vn/en/economy/vietnam-shares-experience-in-solving-economic-difficulties-with-laos-post1007271.vov>

countries hit US\$16.1 billion last year, which is up more than 30 times compared to 2021. Australia is the 10th largest trading partner for Vietnam, and Vietnam is the seventh largest trading partner for Australia.⁶⁷

From April 18-24, Vuong Dinh Hue, Chairman of the National Assembly, paid official visits to Cuba, Argentina, and Uruguay.⁶⁸ The visits are made after the invitations of President of the National Assembly of People's Power of Cuba Esteban Lazo Hernandez, President of the Chamber of Deputies of Argentina Cecilia Moreau, and Speaker of the Senate of Uruguay Beatriz Argimon Cedeira, with the aims to strengthening diplomatic ties, facilitating economic cooperation, and fostering party-to-party political relations.

On April 24, during a working session with the Vietnamese Ambassador to Germany, the judge President of the International Tribunal for the Law of the Sea (ITLOS) Albert Hoffmann highlighted Vietnam's endeavors initiative, the 2020 Law on Environmental Protection and the National Strategy on Climate Change by 2050, is in perfecting relevant policies and law. Vietnam has been actively delimiting overlapping territorial waters and exclusive economic zones with its neighboring countries and effectively contributed to building and negotiating a Code of Conduct between ASEAN and China. Minh thanked Hoffmann, who has always made efforts in enhancing cooperation between the ITLOS and Vietnam and hopes to cover the training of international law experts for the country at all levels, enabling it to make more contributions to the Tribunal's affairs and international law enforcement efforts.

On April 25, Vietnamese Deputy Prime Minister Tran Luu Quang and Cambodian Deputy Prime Minister and Minister of the Interior Sar Kheng co-chaired the 12th Conference on Cooperation and Development of Border Localities between Vietnam and Cambodia in southern Tay Ninh Province, regarding provincial cooperation, authorities, people of border

⁶⁷ Voice of Vietnam. 14 March 2023. "Australia considers Vietnam a close-strategic partner: Ambassador Goledzinowski". Available at: <https://english.vov.vn/en/politics/diplomacy/australia-considers-vietnam-a-close-strategic-partner-ambassador-goledzinowski-post1007449.vov>

⁶⁸ Vietnam News. 18 April 2023. "National Assembly Chairman leaves for Cuba, Argentina, Uruguay visits". Available at: <https://vietnamnews.vn/politics-laws/1521321/na-chairman-leaves-for-cuba-argentina-uruguay-visits.html>

provinces, maintaining cooperation channels, and supporting each other in education, health care, social security, infrastructure construction, and economic development.⁶⁹

In May, for the 42nd ASEAN annual summit in Indonesia, Prime Minister Pham Minh Chinh emphasized the need to strengthen solidarity, unity, and self-resilience in order to play a central role in bringing peace and economic growth in the region.⁷⁰ Vietnam also suggested ASEAN to step up cooperation in the digital economy and digital government in the circular economy, especially in digital currency and renewable energy. Subsequently, from 19th to 21st of May, Prime Minister Pham Minh Chinh continued to represent Vietnam in attending the expanded G7 Summit in Japan.⁷¹ While Vietnam was one of the only two nations from ASEAN to be invited, Vietnam has become even more active and wildly shown its position to the international community. On May 22, President Vo Van Thuong had talks with the Chairman of the United Russia Party and Deputy Chairman of the Security Council of Russia, Dmitry Medvedev. Despite the tension of the world on Russia, this meeting was conducted to discuss orientations to Vietnam-Russia party ties and cooperation as a comprehensive strategic partnership.⁷²

On May 25, Vietnam accused China that its vessel and its escorts have violated Vietnamese sovereignty, and demanded that Beijing must remove the ships from its waters. Vietnam accused China of recently conducting its research ship in the Exclusive Economic Zone (EEZ). The Vietnamese foreign ministry spokesperson Pham Thu Hang said in a government statement that Vietnam demands China immediately remove the survey ship Xiang Yang Hong 10, Chinese coast guard ships and fishing vessels out of Vietnam's water. Vietnam also told China to respect international law and Vietnamese law to ensure lawful and legitimate rights and interests of Vietnam. The Vietnamese side also asks the international community to join its efforts in maintaining peace and security in the South China Sea and contributing to the

⁶⁹ Vietnam News. 26 April 2023. "Vietnam and Cambodia agree to promote land border gate cooperation". Available at: <https://vietnamnews.vn/politics-laws/1525437/viet-nam-and-cambodia-agree-to-promote-land-border-gate-cooperation.html>

⁷⁰ Vietnam Plus. 10 May 2023. "PM emphasizes core factors of ASEAN at the 42nd summit". Available at: <https://en.vietnamplus.vn/pm-emphasises-core-factors-of-asean-at-42nd-summit/252797.vnp>

⁷¹ Vietnam Plus. 22 May 2023. "PM's trip to Japan, attendance at expanded G7 summit a success: Foreign Minister". Available at: <https://en.vietnamplus.vn/pms-trip-to-japan-attendance-at-expanded-g7-summit-a-success-foreign-minister/253398.vnp>

⁷² Vietnam News. 23 May 2023. "President welcomes United Russia Party Chairman Medvedev's visit". Available at: <https://vietnamnews.vn/politics-laws/1541528/president-welcomes-united-russia-party-chairman-medvedev-s-visit.html>

development of the two countries' mutual interests. China has said that the ship is just used for scientific research, which is a normal activity in areas under Chinese jurisdiction.⁷³

Start off June 2, with the fear of a “red card from the European Commission” as a warning by the Deputy Prime Minister. The warning came at the seventh meeting of the national steering committee, as Vietnam may face a full ban from exporting seafood to Europe due to the increase of Vietnamese illegal fishing vessels in foreign waters.⁷⁴ On 5th June, Minister of Foreign Affairs, Bui Thanh Son, paid his official visit to France as the first ministerial delegate in the past decade. The visit aims to promote Vietnam’s relations with France, especially to boost cooperation in renewable energy, science-technology, strategic security, and defense dialogue.⁷⁵

On June 7, Vietnam defense delegations were led by the Chief of the General Staff of the Vietnam People's Army and the Deputy Minister of National Defense attended the 20th ASEAN Chiefs of Defense Forces Meeting in Indonesia.⁷⁶ The Vietnamese general called on relevant parties to continue to commit to maintaining peace, stability, security, and freedom of navigation in the East Sea in line with international law.

On July 4, Vietnam and China held the 16th round of negotiations of the working group on the sea area beyond the mouth of the Gulf of Tonkin and the 13th round of talks of the working group for consultation on cooperation for mutual development to discuss marine issues. Both parties reaffirmed each nation's stance on the delimitation of the sea area beyond the mouth of

⁷³ Reuter, 25 May 2023. “Vietnam demands Chinese ships leave its exclusive economic zone”. Available at: <https://www.bing.com/search?q=Vietnam+demands+Chinese+ships+leave+its+exclusive+economic+zone&qsn&form=QBRE&sp=-1&lq=1&pq=vietnam+demands+chinese+ships+leave+its+exclusive+economic+zone&sc=1-63&sk=&cvid=9B9998DB4A9C4C388D1357B64A4899CB&ghsh=0&ghacc=0&ghpl=>

[1-63&sk=&cvid=9B9998DB4A9C4C388D1357B64A4899CB&ghsh=0&ghacc=0&ghpl=](https://www.bing.com/search?q=Vietnam+demands+Chinese+ships+leave+its+exclusive+economic+zone&qsn&form=QBRE&sp=-1&lq=1&pq=vietnam+demands+chinese+ships+leave+its+exclusive+economic+zone&sc=1-63&sk=&cvid=9B9998DB4A9C4C388D1357B64A4899CB&ghsh=0&ghacc=0&ghpl=)

⁷⁴ Vietnam News. 2 June 2023. “Việt Nam needs stronger anti-IUU fishing actions or face ‘red card’: Deputy PM”. Available at: <https://vietnamnews.vn/society/1546005/viet-nam-needs-stronger-anti-iuu-fishing-actions-or-face-red-card-deputy-pm.html>

⁷⁵ Vietnam News. 6 June 2023. “Việt Nam, France hopes to elevate ties to greater height”. Available at: <https://vietnamnews.vn/politics-laws/1548790/viet-nam-france-hope-to-elevate-ties-to-greater-height.html>

⁷⁶ Vietnam News. 08 June 2023. “Việt Nam shows responsible engagement at the ASEAN Chiefs of Defence Forces Meeting”. Available at: <https://vietnamnews.vn/politics-laws/1549531/viet-nam-shows-responsible-engagement-at-asean-chiefs-of-defence-forces-meeting.html>

the Gulf of Tonkin and exchanged opinions to promote cooperation at sea, including the early negotiation and signing of a new agreement on fisheries cooperation in the East Sea.⁷⁷

On July 6, the Spokesperson of Vietnam's Ministry of Foreign Affairs, Pham Thu Hang, held a press conference in response to the public concern on the issues of the terrorist incident in Dak Lak and the news that Japan will soon release treated radioactive water into the ocean. In response to Dak Lak's case, the government rejected that the terrorist group was caused by "ethnic discrimination", but instead due to the violation of the law and national security. Meanwhile, in response to Japan's treated radioactive water, Vietnam held that each country must be responsible for ensuring nuclear safety and security while cooperating closely with the international community for information transparency.⁷⁸

Meanwhile, on July 16, the Ministry of Foreign Affairs made the official statement regarding Vietnam's standpoint on the East Sea that the dispute needs to be resolved through peaceful means in accordance with international law while also reaffirming its legitimate sovereignty over Hoàng Sa (Paracel) and Trường Sa (Spratly).⁷⁹ On July 17, the President's Office announced the adoption of the eight new laws to be put in order by President Vo Van Thuong. The new eight laws are the Law on Civil Defence, Law on Cooperatives, Law on Bidding, Consumer Rights Protection Law, Law on Electronic Transactions, Law amending and supplementing a number of articles of the Law on People's Public Security, Law amending and supplementing a number of articles of the Law on exit and entry of Vietnamese citizens and the Law on entry, exit, transit, and residence of foreigners in Vietnam, and Price Law.⁸⁰

On July 10, a Vietnamese Communist Party delegation led by Politburo member Nguyen Xuan Thang went on a visit to China at the invitation of the Communist Party of China Central Committee. During meetings, both sides highlighted the positive growth between the two

⁷⁷ Vietnam Plus. 7 July 2023. "Vietnam, China hold negotiations on maritime issues". Available at: https://en.vietnamplus.vn/vietnam-china-hold-negotiations-on-maritime-issues/255943.vnp?utm_source=link.gov.vn#source=link.gov.vn

⁷⁸ The Voice of Vietnam. 6 July 2023. "Foreign Ministry's press conference: Vietnam's views on issues of public concern". Available at: <https://vovworld.vn/en-US/news/foreign-ministrys-press-conference-vietnams-views-on-issues-of-public-concern-1213370.vov#:~:text=Spokesperson%20of%20the%20Ministry%20of%20Foreign%20Affairs%20Pham,domestic%20and%20international%20reporters%20on%20July%206%2C%202023.>

⁷⁹ Vietnam News. 16 July 2023. "East Sea disputes need to be resolved through peaceful means: Spokeswoman". Available at: <https://vietnamnews.vn/politics-laws/1551162/east-sea-disputes-need-to-be-resolved-through-peaceful-means-spokeswoman.html>

⁸⁰ Vietnam News. 18 July 2023. "The President's Office announces eight new laws". Available at: <https://vietnamnews.vn/politics-laws/1551214/president-s-office-announces-eight-new-laws.html>

Parties and countries' relations over the past years and hoped to deepen the Vietnam-China comprehensive strategic cooperative relationship.⁸¹

On July 11-12, the Vietnamese Minister of Foreign Affairs, Bui Thanh Son, attended the 56th ASEAN Foreign Ministers' Meeting (AMM) in Jakarta, Indonesia. On the sideline of the meeting, the foreign minister met with his Chinese counterpart Wang Yi. Despite the tensions in the South China Sea, Wang said that China was willing to import more goods from Vietnam and would continue to enhance its communication with Vietnam to “consolidate strategic mutual trust and expand cooperation of mutual benefit.”⁸² Furthermore, on 16 August, Vietnamese Deputy Prime Minister Tran Luu Quang met Wang Yi in China, where Wang stressed that Vietnam and China shared the same communist-led socialist ideas, so “the two sides should prepare for the next stage of high-level exchanges” and urged Vietnam to prevent external interference.⁸³

On July 20, Malaysian Prime Minister Anwar Ibrahim started the two-day official visit to Vietnam, where he met with the four most influential leaders of Vietnam: Party General Secretary Nguyen Phu Trong, President Vo Van Thuong, PM Chinh, and National Assembly Chairman Vuong Dinh Hue. Both countries also signed numerous cooperation agreements in many fields such as science, trade, and technology. Malaysia is now Vietnam's second-biggest trade partner within ASEAN.⁸⁴ Before the visit, PM Anwar said Malaysia could learn from Vietnam’s redeveloping experience after French colonialism and the Second Indochina War.⁸⁵

⁸¹ Vietnam Plus. 10 July 2023. “Vietnamese Party official on working visit to China”. Available at: <https://en.vietnamplus.vn/vietnamese-party-official-on-working-visit-to-china/256087.vnp>

⁸² Laura Zhou. 14 July 2023. “China urges more cooperation with Vietnam as disputes simmer over the South China Sea”. South China Morning Post. Available at: <https://www.scmp.com/news/china/diplomacy/article/3227664/beijing-urges-more-cooperation-hanoi-disputes-simmer-over-south-china-sea>

⁸³ Laura Zhou. 17 August 2023. “Amid South China Sea tension, Beijing’s top diplomat Wang Yi urges Vietnam to help uphold Communist ideals”. South China Morning Post. Available at: <https://www.scmp.com/news/china/diplomacy/article/3231393/amid-south-china-sea-tension-beijings-top-diplomat-wang-yi-urges-vietnam-help-boost-trust-and-uphold>

⁸⁴ Vietnam Plus. 21 July 2023. “Malaysian PM concludes official visit to Vietnam ”. Available at: <https://en.vietnamplus.vn/malaysian-pm-concludes-official-visit-to-vietnam/259795.vnp>

⁸⁵ Bernama. 21 July 2023. “Anwar: Learn from Vietnam's experience for Malaysia to rise again as a great nation”. New Straits Times. Available at: <https://www.nst.com.my/world/world/2023/07/933476/anwar-learn-vietnams-experience-malaysia-rise-again-great-nation>
Anwar: Learn from Vietnam's experience for Malaysia to rise again as a great nation

On August 3, another press conference by the Ministry of Foreign Affairs spokesperson resolutely opposed China's drill in the East Sea and asked China to respect Vietnam's sovereignty over the Paracel Islands and avoid the repeat of similar violations. It also stated, "China's inclusion of part of the Paracel Islands in a military drill area in the East Sea from July 29 to August 2 seriously infringed on Vietnam's sovereignty over the archipelago".⁸⁶

On August 22, Australian Foreign Minister Penny Wong met with the Vietnamese Minister of Foreign Affairs Bui Thanh Son in Hanoi. Both sides agreed to upgrade both countries' relationship to a comprehensive strategic partnership and acknowledged that cooperation in the areas of security and national defense has been improving. They also exchanged views on the South China Sea, emphasizing the role of international law, namely the 1982 UN Convention on the Law of the Sea (UNCLOS).⁸⁷ On August 28, Prime Minister Pham Minh Chinh met with his Singaporean counterpart Lee Hsien Loong in Hanoi, following the Vietnamese Foreign Minister's visit to Singapore in July.⁸⁸ During the meeting, Lee considered upgrading the relationship between both countries to a comprehensive strategic partnership. Chinh recommended Singapore import Vietnamese goods into its market and called for more Singapore's investment in the country, especially in the technology field.⁸⁹

On August 28, according to the Ministry of Foreign Affairs spokeswoman Pham Thu Hang, Vietnam demanded Taiwan to permanently cancel its illegal military drills in Vietnam's Truong Sa (Spratly archipelago) as it is a serious violation of Vietnam's territorial sovereignty over these islands, threatening peace, stability, maritime safety and security.⁹⁰

On September 5–9, Vietnamese PM Pham Minh Chnhinh led a delegation to the 43rd ASEAN summit and related summit at the invitation of the President of Indonesia, Joko Widodo. As

⁸⁶ Vu Anh. 3 August 2023. "Vietnam opposes China's illegal drills at the Paracel Islands". Vietnam Express. Available at <https://e.vnexpress.net/news/news/vietnam-opposes-china-s-illegal-drills-at-paracel-islands-4637505.html>

⁸⁷ Duc Trung. 22 August 2023. "Vietnam, Australia agree to 'comprehensive strategic partnership'". VN Express. Available at: <https://e.vnexpress.net/news/news/vietnam-australia-agree-to-comprehensive-strategic-partnership-4644824.html>

⁸⁸ Vietnam News. 18 July 2023. "Vietnamese Minister of Foreign Affairs pays an official visit to Singapore". Available at: <https://vietnamnews.vn/politics-laws/1551256/vietnamese-minister-of-foreign-affairs-pays-official-visit-to-singapore.html>

⁸⁹ Vietnam Plus. 28 August 2023. "Vietnam, Singapore eye comprehensive strategic partnership". Available at: <https://en.vietnamplus.vn/vietnam-singapore-eye-comprehensive-strategic-partnership/267031.vnp>

⁹⁰ Vu Anh. 28 August 2023. "Vietnam opposes Taiwan's illegal military drills in Spratlys". Available at: <https://e.vnexpress.net/news/news/vietnam-opposes-taiwan-s-illegal-military-drills-in-spratlys-4647097.html>

one of the active members of ASEAN, Vietnam continues to discuss essential issues with regional and dialogue partners. Moreover, the PM urges all members to maintain the importance of ASEAN's central role, as it is the only way to uphold the spirit of independence, self-reliance, self-resilience, and respect for the rule of law and stay steadfast to their fundamental principles and norms of conduct. On the sidelines of the summit, the PM also joined a bilateral discussion with all ASEAN leaders as well as dialogue partners and investors.⁹¹

On September 9, the President of the U.S. Joe Biden arrived in Vietnam as the new chapters of bilateral relations between the two nations began. President Biden has met and held talks with General Secretary Nguyen Phu Trong, PM Pham Minh Chinh, and other Vietnamese leaders to further discuss Vietnam-US relations. Both nations have also agreed to upgrade their bilateral relations to the highest level, which is "Comprehensive Strategic Partnership for Peace, Cooperation, and Sustainable Development".⁹²

On September 16, PM Pham Minh Chinh led a Vietnamese delegation to attend the 20th China-ASEAN Expo and the 20th China-ASEAN Business and Investment Summit in China.⁹³ On the sidelines of the summit, PM Chinh held talks with Chinese Premier Li Qiang to discuss essential issues such as border issues, bilateral trade, the framework for opportunities, and collaboration.⁹⁴

On September 17, PM Pham Minh Chinh and a high-ranking Vietnamese delegation attended the high-level week of the 78th session of the United Nations General Assembly (UNGA) and official bilateral visits to the United States and Brazil.⁹⁵ This official visit to the U.S. followed the establishment of a comprehensive strategic partnership last week. During the trip to the US,

⁹¹ Vietnam Plus. 9 September 2023. "Prime Minister attends summits between ASEAN and partners". Available at: <https://en.vietnamplus.vn/prime-minister-attends-summits-between-asean-and-partners/267473.vnp>

⁹² The White House. 10 September 2023. "JOINT LEADERS' STATEMENT: ELEVATING UNITED STATES-VIETNAM RELATIONS TO A COMPREHENSIVE STRATEGIC PARTNERSHIP". Available at: <https://www.whitehouse.gov/briefing-room/statements-releases/2023/09/11/joint-leaders-statement-elevating-united-states-vietnam-relations-to-a-comprehensive-strategic-partnership/>

⁹³ Vietnam Plus. 14 September 2023. "PM to attend China-ASEAN Expo, China-ASEAN Business and Investment Summit". Available at: <https://en.vietnamplus.vn/pm-to-attend-chinaasean-expo-chinaasean-business-and-investment-summit/267975.vnp>

⁹⁴ Vietnam News. 16 September 2023. "Việt Nam, China to further reinforce cooperation in trade, maintenance of stability at sea: Gov't leader". Available at: <https://vietnamnews.vn/politics-laws/1593871/viet-nam-china-to-further-reinforce-cooperation-in-trade-maintenance-of-stability-at-sea-gov-t-leader.html>

⁹⁵ Vietnam News. 17 September 2023. "PM Chinh heads to the US for the high-level week of UN General Assembly's 78th session". Available at: <https://vietnamnews.vn/politics-laws/1593896/pm-chinh-heads-to-the-us-for-high-level-week-of-un-general-assembly-s-78th-session.html>

the PM made official statements at the UNGA summit on economic recovery and post-pandemic response. Moreover, he also held nearly 20 bilateral meetings with the leaders of countries as well as private and international organizations.⁹⁶ Following that, the PM paid his official visit to Brazil at the invitation of the Brazilian President, Luiz Inacio Lula da Silva. The two countries discussed essential opportunities for collaboration across related sectors with the aim of promoting bilateral trade to 10 billion dollars by 2025 and diplomatic relations as the biggest trading partners in Southeast Asia and South America.⁹⁷

On October 17, President Vo Van Thuong met with Russian President Vladimir Putin in Beijing, China on the sidelines of the third Belt and Road Forum for International Cooperation (BRF). Both leaders expressed satisfaction with the positive development of the Vietnam-Russia relationship and discussed a variety of cooperation, such as economy, trade, security, defence, science, technology, culture, education, energy, and other areas according to bilateral agreements.⁹⁸

From November 1-2, Dutch Prime Minister Mark Rutte paid an official visit to the country. Speaking with PM Chinh, he described Vietnam as a priority and important partner of the Netherlands in the region. Both sides also pledged to continue pushing for the framework of the Strategic Partnership on Climate Adaptation, Water Management, Sustainable Agriculture, and other fields.⁹⁹

On November 27, Vietnamese President Vo Van Thuong and Japanese Prime Minister Fumio Kishida announced that the Vietnam-Japan relations have been upgraded to a "Comprehensive Strategic Partnership for Peace and Prosperity in Asia and the world". Both sides agreed to promote people-to-people exchanges, favorable conditions for diplomatic and consular representatives to operate smoothly, economic cooperations, and many other areas.¹⁰⁰

⁹⁶ Vietnam News. 27 September 2023. "PM arrives in Hà Nội, wrapping up working trips to US, Brazil". Available at: <https://vietnamnews.vn/politics-laws/1594443/pm-arrives-in-ha-noi-wrapping-up-working-trips-to-us-brazil.html>

⁹⁷ Ibid.

⁹⁸ Viet Nam News. 17 October 2023. "President Thường meets with Russian counterpart Putin in Beijing". Available at: <https://vietnamnews.vn/politics-laws/1595316/president-thuong-meets-with-russian-counterpart-putin-in-beijing.html>

⁹⁹ Vietnam Plus. 3 November 2023. "Dutch Prime Minister concludes Vietnam visit". Available at <https://en.vietnamplus.vn/dutch-prime-minister-concludes-vietnam-visit/270645.vnp>

¹⁰⁰ Vu Anh. 27 November 2023. "Vietnam, Japan upgrade ties to comprehensive strategic partnership". *VN Express*. Available at <https://e.vnexpress.net/news/news/vietnam-japan-upgrade-ties-to-comprehensive-strategic-partnership-4681955.html>

Furthermore, both countries also expressed interests in strengthening security ties. On 29 November, speaking in front of Japan's parliament, President Vo Van Thuong stated that both countries should work together on maritime security and other areas as part of a joint vision for defense cooperation over the next decade.¹⁰¹

On November 29, PM Pham Minh Chinh paid a visit to Turkey and met with the Turkish PM Erdogan. Both sides agreed to promote ties between the Communist Party of Vietnam and the ruling Justice and Development Party of Türkiye, exchanged views on regional and international issues, and acknowledged the importance of both countries' bilateral economic cooperation. Both leaders also agreed to enhance cooperation in other fields, such as the development of the Halal industry, tourism, agriculture, education and training, and increased people-to-people exchanges.¹⁰² On November 29, Ambassador Đặng Hoàng Giang, Permanent Representative of Việt Nam to the UN, met with UN Secretary-General António Guterres to discuss the situation in Gaza. The government of Vietnam will donate US\$500,000 through the United Nations (UN) Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to show the spirit of solidarity with the Palestinian people, and the country also shows support for the implementation of the two-state solution.¹⁰³

On December 1, the 15th Meeting of the Vietnam-China Steering Committee for Bilateral Cooperation was held in Hanoi, where both sides reviewed the development of the bilateral relations since the previous Meeting and agreed that the relations have been positive.¹⁰⁴ Alongside the meeting, Minister of Foreign Affairs Bui Thanh Son met with his Chinese counterpart Wang Yi. In this meeting, Son requested that China continue to increase its imports of Vietnam's goods and agricultural products. Both sides also committed to properly handle

¹⁰¹ Yuji Nitta. 30 November 2023. "Vietnam president calls for deeper security ties in Japan speech". *Nikkei Asia*. Available at <https://asia.nikkei.com/Politics/International-relations/Vietnam-president-calls-for-deeper-security-ties-in-Japan-speech>

¹⁰² Viet Nam News. 29 November 2023. "Vietnamese PM, Turkish President agree to boost cooperation in Halal industry, tourism, agriculture". Available at <https://vietnamnews.vn/politics-laws/1637282/vietnamese-pm-turkish-president-agree-to-boost-cooperation-in-halal-industry-tourism-agriculture.html>

¹⁰³ Viet Nam News. 30 November 2023. "Việt Nam contributes US\$500,000 to aid Palestinians, calls for implementing two-state solution". Available at <https://vietnamnews.vn/politics-laws/1637305/viet-nam-contributes-us-500-000-to-aid-palestinians-calls-for-implementing-two-state-solution.html>

¹⁰⁴ Vietnam Law Magazine. 2 December 2023. "Vietnam, China hold 15th meeting of Steering Committee for Bilateral Cooperation". Available at <https://vietnamlawmagazine.vn/vietnam-china-hold-15th-meeting-of-steering-committee-for-bilateral-cooperation-70899.html#:~:text=The%2015th%20Meeting%20of%20the,Foreign%20Affairs%20and%20Minister%20of>

the tension in the South China Sea.¹⁰⁵ Prior to the meeting, the coast guards of Vietnam and China had conducted a joint patrol from November 29 to December 1 on the waters close to the demarcation line in the Gulf of Tonkin.¹⁰⁶

On December 6, the first Cambodia-Laos-Vietnam (CLV) Parliamentary Summit was concluded in Vientiane, Laos. The three top legislators reaffirmed their commitment in strengthening parliamentary cooperation and promoting collaboration across politics, security, defense, culture and economy for the socio-economic development in the CLV countries.¹⁰⁷

Conclusion

Under the leadership of the Communist Party of Vietnam, Vietnam's domestic political landscape was poised for further evolution and reformation while successfully stabilizing challenges and adapting toward achieving its ambitious development goals. Meanwhile, the global economic slowdown and domestic uncertainty shadowed the prospects of Vietnam's economy this year. Vietnam has experienced a slow-growing momentum, contrasting its high expectations and goals. Yet, amidst this uncertainty, Vietnam has demonstrated remarkable resilience and adaptability in dealing with it. Simultaneously, Vietnam managed to maintain a balanced approach in its international relations and solidify its position as a vital player in Southeast Asia and the broader world.

¹⁰⁵ Viet Nam News. 2 December 2023. "Vietnamese, Chinese Foreign Ministers hold talks". Available at <https://vietnamnews.vn/politics-laws/1637420/vietnamese-chinese-foreign-ministers-hold-talks.html>

¹⁰⁶ Viet Nam News. 3 December 2023. "Việt Nam, China coast guards conduct joint patrol". Available at <https://vietnamnews.vn/politics-laws/1637437/viet-nam-china-coast-guards-conduct-joint-patrol.html>

¹⁰⁷ Vietnam Plus. 6 December 2023. "First CLV Parliamentary Summit wraps up". Available at <https://en.vietnamplus.vn/first-clv-parliamentary-summit-wraps-up/272441.vnp>



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