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ASEAN

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Introduction

This third quarterly update reports on ASEAN’s three community pillars: Political-Security Community, Economic Community, and Socio-Cultural Community. In the Political-Security pillar, the South China SEA dispute and Israeli-Hamas pose a divisive issue for the ASEAN Member States due to conflict of interest. In contrast, the political issue of Myanmar remains. In the economic and socio-cultural communities, ASEAN leaders are working on strengthening both communities regionally and with external partners while working towards the Post-2025 Strategic Plan for both communities.

ASEAN Political-Security Community

The current geopolitical landscape in the South China Sea reflects heightened tensions, particularly between China and the Philippines. One article noted that the Association of Southeast Asian Nations (ASEAN) must prepare for potential conflicts in this region, especially in times of remarks from Philippine President Ferdinand Marcos Jr., who indicated that the killing of Filipino citizens by Chinese forces could be viewed as an act of war. Despite ongoing negotiations regarding a Code of Conduct (CoC), ASEAN still lacks a decisive strategy for conflict response, which means it must establish clear red lines to prevent escalation.¹ On the one hand, ASEAN Secretary-General Kao Kim Hourn expressed optimism about a recent provisional accord between the Philippines and China to reduce tensions, suggesting that ongoing dialogue could increase diplomatic momentum among claimant states.²

On the other hand, there are concerns that China’s assertive actions undermine ASEAN’s effectiveness. A commentary pointed out that while China engages ASEAN in discussions

¹ Darmawan, Aristyo Rizka, “ASEAN Should be Prepared for a South China Sea Crisis,” *Australian Institute of International Affairs*, July 4, 2024, <https://www.internationalaffairs.org.au/asean-south-china-sea-crisis>

² Heijmans, Philip. "Asean Chief Sees Chance to Ramp Up Diplomacy in South China Sea." *Bloomberg*, July 26, 2024, <https://www.bloomberg.com/news/articles/2024-07-26/asean-chief-sees-chance-to-ramp-up-diplomacy-in-south-china-sea>

about the CoC, it simultaneously continues aggressive actions against Filipino vessels.³ Moreover, The Philippines has warned that ASEAN risks losing its relevance if it continues to go soft on Beijing's actions. Philippine Defense Chief Gilberto Teodoro urged ASEAN to devise a strategy to counter China's influence, warning that mere condemnation is insufficient.⁴

Amid these challenges, some experts argue that multilateral cooperation, as proposed in the ASEAN Outlook on the Indo-Pacific, could facilitate peaceful resolutions to ongoing conflicts.⁵ However, given the varying member interests and China's strategic maneuvers, skepticism remains about the effectiveness of ASEAN's responses.

While the South China Sea dispute continues to simmer, the ongoing crisis in Myanmar has also emerged as a major challenge for ASEAN. As the situation has worsened, with military advances by revolutionary groups and significant geopolitical tensions involving China, India, and the United States, ASEAN's Five-Point Consensus, established post-coup, appears inadequate.⁶ Member states are divided, with some advocating for direct engagement with the junta. In contrast, others push for broader humanitarian support and collaboration with non-junta actors like the National Unity Government (NUG).⁷

The ASEAN Ministerial Meeting held on July 27, 2024, emphasized the bloc's struggle to address the violence in Myanmar.⁸ Despite these discussions, the effectiveness of the Five-Point Consensus has been questioned, as the military junta has shown little willingness to cooperate. The NUG has demanded greater recognition and direct engagement from ASEAN, emphasizing the need for the bloc to acknowledge multiple stakeholders in Myanmar. Without

³ Singh, Gurjit. "Chinese Lake or South China Sea? Beijing Entangles ASEAN Nations with COC That Has Only One Winner." *EurAsian Times*, August 19, 2024. <https://www.eurasiantimes.com/chinese-lake-or-south-china-sea-beijing/>

⁴ "Philippines Says ASEAN Remains Soft on China Over Maritime Row, Risks Irrelevance." *South China Morning Post*, August 28, 2024. <https://www.scmp.com/week-asia/politics/article/3276260/philippines-says-asean-remains-soft-china-over-maritime-row-risks-irrelevance>

⁵ Banlaoi, Rommel C. "China-ASEAN Multilateralism and the Peaceful Resolution of Conflicts in South China Sea – Speech." *Eurasia Review*, August 27, 2024. <https://www.eurasiareview.com/27082024-china-asean-multilateralism-and-the-peaceful-resolution-of-conflicts-in-south-china-sea-speech/>

⁶ Aung, Thiha Wint, Jaivet Ealom, and Mehek Berry. "ASEAN Must Step Up or Face Irrelevance on the Myanmar Crisis." *The Diplomat*, July 25, 2024. <https://thediplomat.com/2024/07/asean-must-step-up-or-face-irrelevance-on-the-myanmar-crisis/>

⁷ Royandoyan, Ramon. "ASEAN Members at Odds Over How to Resolve Myanmar Crisis." *Nikkei Asia*, July 25, 2024. <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/ASEAN-members-at-odds-over-how-to-resolve-Myanmar-crisis>

⁸ Saksornchai, Jintamas. "Southeast Asia Top Diplomats Condemn Myanmar Violence, Urge Peaceful Means to Settle Sea Disputes." *Associated Press News*, July 27, 2024. <https://apnews.com/article/asean-laos-america-china-south-china-sea-myanmar-dd476c783aef67c12bea66ab8ffadf7a>

a more decisive and unified approach, ASEAN risks losing its relevance as Myanmar's crisis rapidly evolves.⁹

In addition to the Myanmar crisis, ASEAN ministers have struggled to unify their stance on the Israel-Hamas conflict as the humanitarian crises continue to deepen. A recent joint statement expressed "grave concern" over the situation in Gaza, condemning attacks on civilians and calling for immediate humanitarian access.¹⁰ Despite these condemnations, disagreements among member states emerged, particularly between predominantly Muslim countries like Malaysia and Indonesia, which advocated stronger positions for Palestinians, and Singapore, which maintained a neutral stance due to security ties with Israel. The bloc urged a ceasefire and a two-state solution, emphasizing the need for sustained humanitarian assistance.¹¹ As the crisis evolves, ASEAN's cohesion is increasingly tested, showing underlying divisions within the organization

Another key area of focus for ASEAN is combating transnational crime through collaborative efforts with regional partners. Recent meetings, including the 5th ASEAN Plus Ministerial Meeting of the Republic of Korea and the 9th ASEAN Plus Japan Ministerial Meeting, focused on addressing shared challenges and enhancing cooperation under their respective Work Plans for Cooperation.¹² The 11th ASEAN Plus China Ministerial Meeting also highlighted the need to tackle emerging crimes, particularly cybercrimes like online scams and fraud.¹³ ASEAN reinforces its commitment to regional security and collective action against transnational crime through these initiatives.

Beyond combating transnational crime, ASEAN is also actively advancing its international relations and diplomacy. In recent meetings, ASEAN and the U.S. reaffirmed their

⁹ Strangio, Sebastian. "On Myanmar, ASEAN Continues to Lag Behind a Fast-Evolving Conflict." *The Diplomat*, July 29, 2024. <https://thediplomat.com/2024/07/on-myanmar-asean-continues-to-lag-behind-a-fast-evolving-conflict/>

¹⁰ Royandoyan, Ramon, "ASEAN Ministers at Loggerheads Over Israel-Hamas Conflict." *Nikkei Asia*, July 27, 2024. <https://asia.nikkei.com/Politics/International-relations/ASEAN-ministers-at-loggerheads-over-Israel-Hamas-conflict>

¹¹ Anakara, "ASEAN Condemns Israeli Attacks in Gaza." *Anadolu Agency*, July 27, 2024. <https://www.aa.com.tr/en/politics/asean-condemns-israeli-attacks-in-gaza/3286817>

¹² ASEAN, "9th ASEAN Plus Japan Ministerial Meeting on Transnational Crime Consultation Takes Place in Vientiane, Lao PDR." ASEAN, August 29, 2024. <https://asean.org/9th-asean-plus-japan-ministerial-meeting-on-transnational-crime-consultation-takes-place-in-vientiane-lao-pdr/>

¹³ ThePrint, "ASEAN, China Meet to Discuss Issue of Transnational Crime.", August 29, 2024. <https://theprint.in/world/asean-china-meet-to-discuss-issue-of-transnational-crime/2244047/>

Comprehensive Strategic Partnership (CSP), emphasizing the importance of ASEAN Centrality for regional stability and prosperity.¹⁴ They reviewed the progress of their cooperation and initiated plans for a new action plan spanning 2026-2030 to enhance their partnership.¹⁵

Concurrently, ASEAN and Russia have pledged to deepen political, security, and economic ties, celebrating three decades of cooperation. A joint statement highlighted their commitment to promoting maritime cooperation to contribute to peace and stability.¹⁶ These engagements reflect ASEAN's strategy to strengthen its influence and central role in regional architecture while addressing common challenges and opportunities in an evolving geopolitical landscape.

Despite its efforts to strengthen its international relations, ASEAN continues to face significant geopolitical challenges as it navigates complex regional dynamics and external pressures. The Philippines' alignment with the U.S. as tensions are rising with China raises questions about ASEAN's unity and centrality. Former Indonesian Foreign Minister Hassan Wirajuda emphasizes that regional stability depends on ASEAN's ability to maintain neutrality and foster dialogue among member states.¹⁷ The ongoing discussions at the East Asia Summit reflect deep divisions regarding Russia's actions and China's maritime activities, highlighting ASEAN's challenges in maintaining consensus among its members.¹⁸

Furthermore, Malaysian Prime Minister Anwar Ibrahim underscores the importance of ASEAN's collective neutrality, especially as China's influence grows. He advocates for leveraging ASEAN's strengths to foster mutual benefits among member states, reinforcing the need for a cohesive approach to regional integration.¹⁹ Ultimately, ASEAN's capacity to adapt

¹⁴ ASEAN, "ASEAN, United States Advance Comprehensive Strategic Partnership." *ASEAN*, July 9, 2024.

<https://asean.org/asean-united-states-advance-comprehensive-strategic-partnership/>

¹⁵ ASEAN, "ASEAN Post-Ministerial Conference with the U.S. Reviews Progress of ASEAN-U.S. Comprehensive Strategic Partnership.", July 27, 2024. <https://asean.org/asean-post-ministerial-conference-with-the-u-s-reviews-progress-of-asean-u-s-comprehensive-strategic-partnership/>

¹⁶ Bernama, "Russia and ASEAN Vow to Deepen Political, Security, and Economic Ties.", July 26, 2024. <https://www.bernama.com/en/news.php?id=2322306>

¹⁷ Global Times, "By Taking Sides in Major Power Rivalry, Manila Weakens ASEAN's Unity, Centrality.", July 18, 2024. <https://www.globaltimes.cn/page/202407/1316285.shtml>

¹⁸ Tachikawa, Tomoyuki. "Deep Rift Surfaces at East Asia Meeting Over Russia's War, China's Rise." *Kyodo News*, July 27, 2024. <https://english.kyodonews.net/news/2024/07/c26258949a1e-update2-deep-rift-surfaces-at-e-asia-meeting-over-russias-war-chinas-rise.html>

¹⁹ Carvalho, Martin, and Rahimy Rahim. "ASEAN Consensus, Neutrality Crucial in Light of China Ties, Says Malaysian PM Anwar." *The Star*, July 4, 2024. <https://www.thestar.com.my/news/nation/2024/07/03/asean-consensus-neutrality-crucial-in-light-of-china-ties-says-anwar>.

to these geopolitical challenges will determine its relevance and effectiveness in maintaining regional peace and stability.

ASEAN Economic Community

On July 4, 2024, a consultative forum on “Post-ASEAN Economic Community (AEC) 2025: Investment Priorities and Policy Imperatives” was held in Bangkok, organized by the ASEAN Secretariat, UNCTAD, Australia4ASEAN Futures Initiatives, and the Board of Investment of Thailand. The forum brought together ASEAN officials and business representatives, including observers from Timor Leste. Moreover, the forum aims to evaluate the past decade of investment integration under the AEC and identify future strategies to enhance ASEAN's attractiveness as a global hub for production, trade, and investment. It also acknowledged the positive growth of ASEAN in foreign direct investment (FDI) and improvements in the investment policy environment despite global challenges such as geopolitical tension and microeconomic uncertainties. The discussions also focused on emerging opportunities in digital transformation, sustainability, and inclusive development.²⁰

Following this, on July 12, 2024, in Vientiane, Lao PDR, Satvinder Singh, the Deputy Secretary-General of ASEAN for the ASEAN Economic Community, met with H.E. Vicky Singmin, the Ambassador of Canada to ASEAN, during the 20th SEOM-Canada Consultation. They discussed the status of the ASEAN-Canada Free Trade Agreement (ACAFTA) negotiations and explored various aspects of economic cooperation between ASEAN and Canada.²¹

On July 16, according to the ASEAN+3 Macroeconomic Research Office (Amro), the ASEAN+3 region, which includes China, Japan, South Korea, and the 10 ASEAN member states, is projected to grow at a steady rate of 4.4% in 2024. This growth is driven by resilient private consumption, export increases, and a recovery in global travel, particularly tourism. While the growth forecast is slightly lower than the previous estimate of 4.5%, Amro's chief economist noted that China's economy remains robust and tourism has rebounded pre-

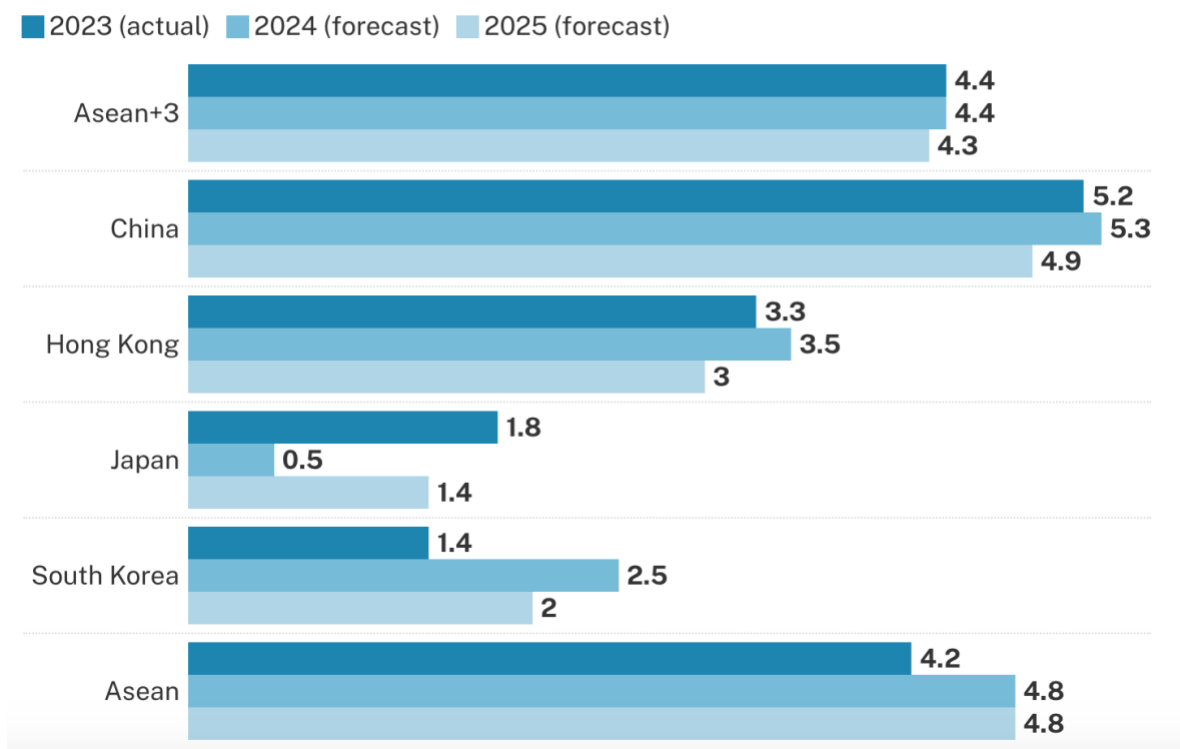
²⁰ ASEAN, “ASEAN Officials, Business Councils Gather to Discuss Post-2025 Investment Policy Priorities. 2024. ASEAN.” ASEAN Secretariat. July 4, 2024. <https://asean.org/asean-officials-business-councils-gather-to-discuss-post-2025-investment-policy-priorities/>

²¹ ASEAN, “Deputy Secretary-General of ASEAN for Economic Community Met Ambassador of Canada to ASEAN at the Sideline of 20th SEOM-Canada Consultation. 2024.”, July 12, 2024. <https://asean.org/deputy-secretary-general-of-asean-for-economic-community-met-ambassador-of-canada-to-asean-at-the-sideline-of-20th-seom-canada-consultation/>

pandemic levels across the region. Vietnam's growth estimate has been revised upwards to 6.3%, and South Korea's to 2.5%. However, Japan's growth forecast has been cut to 0.5% due to weak consumption in the year's first half, though a recovery is expected. For 2025, Amro maintains a growth estimate of 4.3%, slightly up from April's 4.2%, as regional economies stabilize and monetary easing in major economies resumes. The report anticipates a return to pre-pandemic tourist volumes and a stronger recovery in manufacturing exports.²²

Steady growth momentum

% Y-O-Y



Source: NATIONAL AUTHORITIES VIA HAVER ANALYTICS AND AMRO STAFF ESTIMATES

GRAPHIC: HANNAH KWAH, BT

Following that, on 17 July, the CEOs of six major ASEAN stock exchanges collaborate to enhance the region's attractiveness to investors by developing four proofs of concept (POCs)

²² Goh Ruoxue. 2024. "Steady Growth for Asean+3 on Export Growth, Tourism Recovery and Domestic Demand: Amro." The Business Times. The Business Times. 2024. <https://www.businesstimes.com.sg/international/asean/steady-growth-asean3-export-growth-tourism-recovery-and-domestic-demand-amro>.

over the next three years. These initiatives, discussed at Malaysia's 37th ASEAN Exchanges CEOs Meeting, focus on creating a regional data infrastructure and a standard ESG curriculum for listed companies. The goal is to establish a sustainable ecosystem and improve regional market connectivity. Ramon Monzon, CEO of the Philippine Stock Exchange, emphasized that sustainability is a collective effort. The Philippine Stock Exchange has recently joined the ASEAN-Interconnected Sustainability Ecosystem, which aims to implement common ESG metrics across member exchanges. Additionally, the exchanges agreed to pursue the joint offering of depository receipts (DRs), which are negotiable certificates issued by a bank. It represents shares in a foreign company traded on a local stock exchange and allows investors to hold shares in the equity of foreign countries.²³ This would provide investors in the region with greater access to investment opportunities in neighboring countries.²⁴

On 25 July, the 8th Selangor ASEAN Business Conference (SABC) 2024 is set to address challenges and explore economic growth opportunities within ASEAN. Oudet Souvannavong, chair of the ASEAN Business Advisory Council (ASEAN-BAC) Laos, emphasized the importance of dialogue between the private sector and governments. He highlighted key focus areas such as digital transformation, sustainable development, and regional connectivity, aiming to enhance strategic infrastructure and resilience. Following that, he stated that ASEAN-BAC plays a crucial role in promoting economic integration as global businesses seek alternative supply chains amid deteriorating US-China trade relations. The council is actively gathering input to facilitate the smooth flow of goods and investments, focusing on health resilience and food security. A significant initiative is the ASEAN Digital Economy Framework Agreement (DEFA), which aims to harmonize regulations on e-commerce, digital payments, and data flows, fostering a secure online environment. The ASEAN Mentorship Entrepreneurs Network (AMEN) also aims to connect experienced leaders with young entrepreneurs to support their growth. He pointed out the need for closer collaboration among member countries to overcome trade barriers and enhance intra-ASEAN trade, which is essential for economic growth. Despite a global decline in foreign direct investment (FDI),

²³ Hayes, Adam. 2023. Review of *What Is a Depository Receipt (DR)? Definition, Types and Examples*. Edited by Julius Mansa. Investopedia. April 11, 2023. <https://www.investopedia.com/terms/d/depositaryreceipt.asp>

²⁴ Quek, Hykel. 2024. "Asean Bourses to Increase Region's Attractiveness through Sustainability, Market Connectivity Initiatives." *The Business Times*. The Business Times. 2024. <https://www.businesstimes.com.sg/international/asean/asean-bourses-increase-regions-attractiveness-through-sustainability-market-connectivity-initiatives>.

ASEAN still recorded a record-high inflow of \$224 billion in 2023, with intra-ASEAN FDI reaching \$28 billion.²⁵

Small and medium-sized enterprises (SMEs) are vital to ASEAN member states' economies, with over 70 million SMEs across the region. However, their participation in international markets and global value chains (GVCs) is limited. Many SMEs struggle with finding foreign buyers, complying with export requirements, and managing logistics, which hinders their ability to engage in trade. Research shows that only 23% of ASEAN SMEs import and less than 12% export, highlighting their underrepresentation in GVCs compared to larger firms. Establishing connections between SMEs and transnational corporations (TNCs) is crucial for integrating them into GVCs, with foreign direct investment (FDI) playing a key role in fostering these links. Ongoing efforts include the ASEAN SME Policy Index, which monitors policies supporting SMEs and will be updated in 2024. Better data collection is necessary for evidence-based policymaking, focusing on improving access to finance and export procedures. Furthermore, regional cooperation and policy alignment enable ASEAN SMEs to thrive in a globalized economy, fostering sustainable growth and resilience against global challenges. Digitalization is essential for enhancing competitiveness and facilitating GVC participation, yet many SMEs lack awareness of available export support programs. The ASEAN Strategic Action Plan on SME Development (2016-2025) aims to address these challenges by promoting market access, partnerships, and adherence to international standards.²⁶

Moving forward to the 1st of August, Mr. Satvinder Singh, the Deputy Secretary-General of ASEAN for the ASEAN Economic Community (AEC), met with Mr. Paul Thoppil, Canada's Indo-Pacific Trade Representative, to discuss Canada's initiative, "The Five Global Innovation Clusters," and explore how it can support ASEAN's initiatives.²⁷

²⁵ Jalil, Asila. 2024. "Promoting Asean Growth." NST Online. New Straits Times. July 25, 2024. <https://www.nst.com.my/business/corporate/2024/07/1081233/promoting-asean-growth>.

²⁶ Sefrina, Mima. 2024. Review of *Strategies to Boost the Inclusion of ASEAN Small and Medium-Sized Enterprises in Global Value Chains*. FULCRUM ANALYSIS on SOUTHEAST ASIA. July 26, 2024. <https://fulcrum.sg/aseanfocus/strategies-to-boost-the-inclusion-of-asean-small-and-medium-sized-enterprises-in-global-value-chains/>.

²⁷ ASEAN, "Deputy Secretary-General of ASEAN for ASEAN Economic Community Meets with Canada's Indo-Pacific Trade Representative.", August 1, 2024. <https://asean.org/deputy-secretary-general-of-asean-for-asean-economic-community-meets-with-canadas-indo-pacific-trade-representative/>

From 1 to 30 August, Deputy Secretary-General for ASEAN Economic Community (DSG AEC) H.E. Satvinder Singh opened the Second High-Level Talk as part of the 3rd ASEAN Junior Fellowship Programme at the ASEAN Secretariat. Following that, H.E. Delia Domingo Albert, former Secretary of Foreign Affairs of the Republic of the Philippines, also provided an insightful briefing on “Empowering Women in Diplomacy: Strengthening ASEAN Relations through 50 Years of Global Experience” to Junior Fellows from all ten ASEAN Member States and Timor-Leste during this session.²⁸

Scheduled on 7 August 2024, the 6th ASEAN Economic Integration Forum (AEIF) 2024 is a hybrid event designed to facilitate high-level and expert discussions on regional issues and challenges and organized by the Institute of Malaysian and International Studies (IKMAS) at The National University of Malaysia. The forum aims to publish actionable policy recommendations for distribution and further discussion. It is jointly organized by IKMAS and Malaysia's Ministry of Investment, Trade and Industry, with support from various partners, including Kaneka Corporation and the Economic Research Institute for ASEAN and East Asia (ERIA).

The forum focused on key topics relevant to Malaysia's upcoming chairmanship of ASEAN in 2025. These topics include megatrends affecting ASEAN, such as the impact of geopolitics and geoeconomics on the region's future. Additionally, discussions will center around the ASEAN Community Vision 2045, emphasizing the importance of enhancing integration and maintaining ASEAN centrality. Another critical area of focus will be technology and sustainability. The forum aims to explore how ASEAN can transition from being technology adopters to leaders in sectors like semiconductors, artificial intelligence, and electric vehicles while ensuring supply chain sustainability. Furthermore, the forum will address inclusive and responsible business practices, incorporating investment and Environmental, Social, and Governance (ESG) considerations. Next, Talent development and labor migration within ASEAN will also be key discussion points, along with climate-related initiatives emphasizing trade and investment in climate actions. The forum aims to narrow the development gap by enhancing the competitiveness of micro, small, and medium enterprises (MSMEs).²⁹

²⁸ ASEAN, “Deputy Secretary-General for ASEAN Economic Community Opens Second High-Level Talk of 3rd ASEAN Junior Fellowship Programme.”, ASEAN. ASEAN Secretariat. August 19, 2024.

<https://asean.org/deputy-secretary-general-for-asean-economic-community-opened-the-second-high-level-talk/>

²⁹ ERIA, “The 6th ASEAN Economic Integration Forum (AEIF) 2024.”, 7 August 2024.

<https://www.eria.org/events/the-6th-asean-economic-integration-forum--aeif--2024>.

On August 22, 2024, ERIA hosted a high-level discussion with a delegation from Peking University at its Jakarta office, focusing on the future of ASEAN's economic integration and cooperation. The delegation included prominent scholars from various fields and high-ranking university officials. The event covered industry cooperation, the ASEAN Connectivity 2025 plan, climate change, and infrastructure development for electric vehicles. Dr. Lili Yan Ing emphasized the importance of leveraging ASEAN's comparative advantages to enhance industry collaboration, while Dr. Doan Thi Thanh Ha provided updates on the ASEAN Connectivity 2025 plan. The issue of climate change was highlighted by Dr. Yessi Vadila, who called for a clear roadmap toward sustainability, stressing the need for innovation to balance economic growth and environmental responsibility. China's growing influence in ASEAN's economy, particularly in sectors like semiconductors, was also discussed, focusing on the foreign direct investment trends benefiting countries like Singapore, Malaysia, and Vietnam. Concluding the session, Prof. Kong expressed hope for deeper collaboration between ERIA and Peking University through joint research and exchange programs. The insights gained from this discussion are expected to inform policies that support regional integration and enhance global competitiveness.³⁰

ASEAN Socio-Cultural Community

ASEAN has been proactively engaging with external partners under the framework of the ASEAN Socio-Cultural Community. On June 21, the Secretary-General of ASEAN, Dr. Kao Kim Hourn, had an interview with China Media Group to celebrate the long-lasting relations between ASEAN and China by covering various aspects of cooperation and ASEAN's actions toward regional peace, stability, and prosperity.³¹ On the same day, on a separate occasion, Timor-Leste concluded a briefing session that lasted from 19-21 June and was supported by Australia under the framework of the Aus4ASEAN Futures initiative. The three-day mission is part of the ASEAN Travelling Resource Persons Programme, and it delved deeply into

³⁰ ERIA, “ASEAN Economic Future Discussed in Dynamic ERIA–Peking University Meeting.” August 22, 2024. <https://www.eria.org/news-and-views/asean-economic-future-discussed-in-dynamic-eriapeking-university-meeting>.

³¹ ASEAN, “Secretary-General of ASEAN engages in an interview with China Media Group” ASEAN, June 21, 2024, <https://asean.org/secretary-general-of-asean-engages-in-an-interview-with-china-media-group/>

training on in-depth knowledge and capacity building to achieve the three ASEAN Community pillars.³²

On 26 June, the International Conference on ASEAN-Korea Cultural Heritage Cooperation was held in Seoul to commemorate the 35th Anniversary of ASEAN-ROK Dialogue Relations. The conference covered the theme “The Future of ASEAN-Korea Cooperation: Cultural heritage and Socio-Cultural Solidarity,” with many honorable attendees, including H.E. Ekkaphab Phanthavong, Deputy Secretary-General of ASEAN for ASEAN Socio-Cultural Community, along with attendees from the Republic of Korea, ambassadors and Representatives of ASEAN Member States, and others.³³

ASEAN has also extended its engagement across the regional border. On 11-12 July, the 45th Asia-Europe Foundation Board of Governors’ Meeting (ASEFBoG45) was held in Bali, attended by the Deputy Secretary-General of ASEAN for ASEAN Socio-Cultural Community H.E. Ekkaphab Phanthavong and relevant individuals. The meeting covered various ASEF initiatives and projects.³⁴ On July 24, H.E. engaged with Antoine Petit, President of the National Center for Scientific Research of France (CNRS), to promote cooperation in research and health between the two parties under the framework of the ASEAN-France Development Partnership (2022-2026).³⁵

ASEAN member states have been collaboratively working for regional solidarity and development. On 5-9 August at Vientiane Capital, Lao PDR, the 16th ASEAN Health Ministers Meeting was held resulting in a joint statement on the 16th AHMM emphasizing the ASEAN Leaders’ vision of an ASEAN Community under the framework of the ASCC Blueprint 2025.³⁶ On 23-26 in Buriram, Thailand, the ASEAN Education Ministers and Senior Officials came

³² ASEAN, “Timor-Leste hosts briefing on ASEAN Development Cooperation and Cooperation Project” ASEAN, June 21, 2024, <https://asean.org/timor-leste-hosts-briefing-on-asean-development-cooperation-and-cooperation-project/>

³³ ASEAN, “ASEAN and ROK Strengthen Socio-Cultural Ties at an International Conference held in Seoul, ROK” ASEAN, June 30, 2024, <https://asean.org/asean-and-rok-strengthen-socio-cultural-ties-at-an-international-conference-held-in-seoul-rok/>

³⁴ ASEAN, “Deputy Secretary-General of ASEAN participates in the 45th Asia-Europe Foundation Board of Governors’ Meeting” ASEAN, July 12, 2024, <https://asean.org/deputy-secretary-general-of-asean-participates-in-the-45th-asia-europe-foundation-board-of-governors-meeting/>

³⁵ ASEAN, “Deputy Secretary-General for ASEAN Socio-Cultural Community meets with the National Center for Scientific Research of France” ASEAN, July 24, 2024, <https://asean.org/deputy-secretary-general-for-asean-socio-cultural-community-meets-with-the-national-center-for-scientific-research-of-france/>

³⁶ ASEAN, “Joint Statement of The Sixteenth ASEAN Health Ministers Meeting (16th AHMM)” ASEAN, August 8, 2024, <https://asean.org/joint-statement-of-the-sixteenth-asean-health-ministers-meeting-16th-ahmm/>

together for a series of meetings on the theme of “Transforming Education in the Digital Era. The meetings resulted in a Joint Declaration, which will be submitted for the ASEAN Leaders for the upcoming 44th and 45th ASEAN Summit.³⁷

The ASCC has also been working on preparing for the post-2025 Community. On July 10, in Jakarta, Indonesia, the ASCC held the 20th Meeting of the ASEAN Socio-Cultural Community Coordinating Conference (SOC-COM). The conference covered many key aspects of the ASCC cross-pillar initiatives, which are crucial for the 2025 plan and post-2025 plan.³⁸ On August 22, an Inception Workshop was held virtually to commence the End-Term Review of the ASCC Blueprint 2025. The ETR would help inform stakeholders on which ASCC priorities and initiatives need extra effort for the upcoming ASCC Post-2025 Strategic Plan.³⁹

Conclusion

In conclusion, the second quarterly update focuses on ASEAN’s progress on the three communities: Political-Security Community, Economic Community, and Socio-Cultural Community. In the Political-Security Community, Myanmar political issues still remain a hot topic for ASEAN to tackle while the South China Sea dispute and the Israeli-Hamas conflict have proven to be a challenge within ASEAN due to differences in political positions on the matter. On the other hand, the other two communities are seeing positive signs in development and ASEAN leaders are working towards Post-2025 Strategic Plan for both the AEC and ASCC respectively.

³⁷ ASEAN, “ASEAN, partners call on joint efforts to transform education in the digital era”, August 26, 2024, <https://asean.org/asean-partners-call-on-joint-efforts-to-transform-education-in-the-digital-era/>

³⁸ ASEAN, “20th ASEAN Socio-Cultural Community Coordinating Conference calls for enhanced stakeholder engagements, cross-pillar synergy for post-2025 community”, July 10, 2024, <https://asean.org/20th-asean-socio-cultural-community-coordinating-conference-calls-for-enhanced-stakeholder-engagements-cross-pillar-synergy-for-post-2025-community/>

³⁹ ASEAN, “ASEAN Socio-Cultural Community commences review of ASCC Blueprint 2025”, August 22, 2024, <https://asean.org/asean-socio-cultural-community-commences-review-of-ascc-blueprint-2025/>

Cambodia

Chansomanita Meung, Mey Nimith, Poun Huyching, and Thai Sreyvin

Introduction

This report highlights significant diplomatic activities undertaken by Cambodia from September 2024, covering engagements in domestic and foreign politics, socioeconomic, international relations, and bilateral cooperation. The Cambodian government has actively pursued deepening ties with various nations and international organizations. Key activities include Japan's Foreign Minister Kamikawa Yoko's visit to advance infrastructure and technology cooperation and enhance humanitarian efforts. Cambodia also welcomed Vietnamese President To Lam, focusing on strengthening bilateral relations based on traditional friendship and comprehensive cooperation. Cambodia's domestic political landscape has been shaped by significant developments in legal reforms, public safety, and economic cooperation. Cambodia is undergoing significant transformations across various sectors, from infrastructure development to socio-economic growth. Key investments include the Stung Met hydropower project, multi-purpose port developments, solar power facilities, and strategic investments in special economic zones like aluminum processing and tire manufacturing.

Domestic Politics

Cambodia's Council of Ministers will review a new draft of the road traffic law when it is approved during the inter-ministerial meeting on July 16. The draft, prepared during the previous government's tenure and now under review, aims to reduce traffic accidents and fatalities. The law is expected to help decrease the current rate of traffic accidents, which saw 1,520 incidents and 793 deaths in the first half of 2024. The proposed law includes revisions to 52 of the current 92 articles, with updates provided by various ministries. Notably, it introduces new fines for inappropriate vehicle lighting and excessive noise but does not increase fines for other offenses. The majority of changes involve minor corrections rather than substantial amendments. Minister of Interior Sar Sokha emphasized that the draft law aligns with Cambodia's development goals and the UN Global Road Safety Plan, which seeks to halve road traffic deaths and injuries by 2030. The Cambodian government has taken a new initial step in introducing a new prakas (regulation) to regulate alcoholic advertisements to

reshape social order, national culture, and public image. The alcohol product advertising management team will review these regulations effective from July 23. Neth Pheaktra, the team leader, stated that the new prakas applies to all alcoholic products with more than 3% ethanol by volume and encompasses all advertising forms, including digital media.

Senate President Hun Sen clarified the nation regarding the Cambodia-Laos-Vietnam Development Triangle Area (CLV-DTA) on July 23 after three people were arrested and were called “slanderous” by the president. Hun Sen addressed that the purpose of CLV-DTA is to enhance economic, social, and national security cooperation among the three countries. As some social media commentary has suggested, it does not aim to create a new country or federation. The initiative focuses on mutual growth rather than territorial integration. The framework also encompasses several provinces from Laos and Vietnam, all working together within the development area. One of the arrested individuals, identified as a teacher of the Paris Peace Agreement, was apprehended in Siem Reap along with two others. The arrests are part of a broader effort to address misinformation and public concerns about the development area.¹

On August 19, A press conference was launched by the government spokesman regarding the achievements of the seventh-mandate government under Manet’s leadership since he came into office on August 22 last year. Analysts have different points of view. First, Ou Chanrath, the president of the Cambodia Reform Party, criticized the administration for continuity with past practices, alleging ongoing restrictions on freedoms, political and activist detentions, and unresolved issues with corruption and social problems. He also expressed concerns about limited Western investment and issues like online crime, calling for stronger democratic and legal reforms.

Second, Yong Kim Eng of the People Center for Development and Peace acknowledged the government’s positive achievements, such as stable economic growth and infrastructure projects, notably the Funan Techo Canal project, but also noted ongoing human rights and democratic issues. He suggested that more freedom of expression could improve public support for the prime minister. Third, Yang Peou from the Royal Academy of Cambodia praised the government's successful policy implementation, macroeconomic stability, and balanced

¹ Chheng, Niem. July 23, 2024. "Three Arrested in Connection with "slander" over CLV Development Triangle." The Phnom Penh Post. <https://www.phnompenhpost.com/national/three-arrested-in-connection-with-slander-over-clv-development-triangle>.

foreign relations. He stressed the importance of combating corruption, enhancing public trust, and improving public service quality to maintain support and effectiveness. While there is recognition of the government's achievements, there are calls for further improvements in democracy, human rights, and transparency.²

It has been a year since the Cambodian National Assembly (NA) of the 7th legislature has been in office (August 22, 2023- August 22, 2024). NA's report noted notable strides in various areas, including legislation, oversight, law enforcement, and international diplomacy. First, the NA approved several important laws, such as the Law on the Establishment of the Ministry of Inspection, the Secretariat of State for Border Affairs, the Secretariat of State for Civil Aviation, the Law on Inland Water Transport, and the Comprehensive Economic Partnership Agreement with the United Arab Emirates. Second, in representing the whole population, the NA increased its cooperation with the government and various institutions to evaluate the implementation of new laws, ensuring their effectiveness and addressing any issues.³

Prime Minister Hun Manet, on August 26th, praised the public's response in supporting the border infrastructure development initiative, highlighting the patriotic spirit and national unity demonstrated through these contributions. Contributions to the "Border Infrastructure Development Fund" have come from citizens, government officials, and businessmen, reflecting a broad commitment to improving regional transport and connectivity. The funds will be used for building and maintaining roads and bridges, specifically targeting the construction of a border ring road in the northeastern provinces and other infrastructure to enhance accessibility and attract investment in the region. Recent achievements include 685.96 kilometers of roads completed along the Cambodia-Vietnam border, 455.5 kilometers along the Thai border, and 179.2 kilometers along the Laos border. The ongoing support emphasizes the importance of such infrastructure projects in strengthening national defense and economic development.⁴

² Chheng, Niem. August 22, 2024. "Mixed Opinions on Hun Manet's First Year of Leadership." The Phnom Penh Post. <https://www.phnompenhpost.com/national/mixed-opinions-on-hun-manet-s-first-year-of-leadership>.

³ Hang, Punreay. August 28, 2024. "National Assembly report reviews one year of progress." Khmer Times. <https://www.khmertimeskh.com/501548701/national-assembly-report-reviews-one-year-of-progress/>.

⁴ Khmer Times. August 27, 2024. "Government receives strong public support for border infrastructure development." <https://www.khmertimeskh.com/501548206/government-receives-strong-public-support-for-border-infrastructure-development/>.

Since the Ministry of Information started accepting registrations on August 30, over 700 people have signed up for free tours of the Cambodia-Laos-Vietnam Development Triangle Area (CLV-DTA) and Tbong Khmum province. The tours are available in three options: a one-day round-trip to Tbong Khmum, Kratie, and Monduliri; an overnight trip to Kratie and Monduliri; and a longer overnight trip to Stung Treng and Ratanakiri. Prime Minister Hun Manet announced the tours on August 22, alongside the launch of the "Foundation for Border Infrastructure Development," which has received public donations. The tours aim to let the public observe border areas and their development firsthand, and they will be carefully organized with participant safety in mind. Information Ministry spokesman Tep Asnarith highlighted the high registration interest as evidence of a public desire to understand border situations better.⁵

Socioeconomic Affairs

On 7th July 2024, the Council for the Development of Cambodia (CDC) approved 190 investment projects worth more than \$ 3.2 billion in the first half of 2024, resulting in more than 160,000 jobs. Compared to the same period in 2023, there are 77 more projects and about \$ 2 billion more in investment. Major projects include the Stung Met hydropower project in Koh Kong province, a multi-purpose port, a solar power plant, a data center in Phnom Penh, a five-star hotel and a business center in Sihanoukville, and more. Aluminum processing and the production of tires and brake pads are significant investments in special economic zones. Cambodia is leading with 50.15% of the investment capital, followed by China with 42.64%. Despite encouraging investment data, economist Ky Sereyvath warned that many projects take time to mature so that immediate economic benefits could be limited. However, export expansion is seen as a key driver of foreign investment.⁶

The Japanese government has announced nearly 8 billion yen (\$ 2 million) in assistance to Cambodia to expand Phnom Penh's electricity grid. On July 5 and 6, Cambodian Foreign Minister Sok Chenda Sophea and Japan's Foreign Minister, Kamikawa Yoko confirmed the donation. Along with increasing its energy supply, Japan also aims to enhance cooperation in areas such as cyber security, clean water supply, digital wastewater treatment and infrastructure

⁵ Chheng, Niem. September 2, 2024. "People Should See for Themselves: PM to Personally Fund Free Trips to CLV Areas." The Phnom Penh Post. <https://www.phnompenhpost.com/national/people-should-see-for-themselves-pm-to-personally-fund-free-trips-to-clv-areas>.

⁶ RFI. July 25, 2024. "In the First Half of 2024, CDC Approved More than \$ 3 billion Investment Project." . Radio France International .<https://rfi.my/Aku3>

development. Along with discussing how to continue the role of Sihanoukville Autonomous Port as a logistics hub, the two countries also stressed the importance of digital cooperation. Enhancing economic, security and defense cooperation is a topic covered in bilateral talks. Japan promises to assist the Cambodian navy by supplying patrol vessels. As Cambodia prepares to host the fifth review meeting of the Ottawa Convention, the two countries reaffirmed their commitment to humanitarian operations, including demining programs.⁷

According to Prime Minister Hun Manet, France is Cambodia's main European investor with \$ 206.4 million in bilateral trade between the two countries in the first five months of 2024. PM Manet has noted that some French businesses, such as Vinci and Total Energies, have offices in Cambodia and are helping to build the country's infrastructure and labor market. In 2023, \$ 515.21 million trade will occur between the two sides. Hong Vannak an economist, points out that France invests heavily in tourism and cultural heritage conservation, contributing to the limited trade between Cambodia and other countries. During the EU talks for Cambodia, he mentioned the potential impact of France. Prime Minister Hun Manet urged French investors to investigate prospects in Cambodia, emphasizing the government's response to improving the business environment.⁸

At the same time, Cambodia's economy and tourism are projected to be boosted by the \$ 4.2 billion Phnom Penh-Siem Reap-Poipet Expressway. Economists predict that the route will speed up the transport of tourists from Phnom Penh to Siem Reap and facilitate the movement of goods to the Thai border. The project will be completed in two phases: the first will cost more than \$ 2.5 billion and cover the 249-kilometer road from Phnom Penh to Siem Reap, while the second will cost about \$ 1.7 billion. On the Siem Reap-Poipet section, 151 km long. With the service area and parking lot, the total length will be about 420 km. China Roads & Bridge Corporation (CRBC), which has a record of managing major infrastructure projects, oversees construction. The highway, experts say, will improve transportation to neighboring provinces, reduce travel time and costs, and boost tourism and local investment. The highway

⁷ RFI. July, 07 2024. "Japan Provides Nearly \$ 2 million for Electricity Expansion in Phnom Penh.". Radio France Internationale. <https://rfi.my/A1BW>

⁸ Sreypich, M. July, 08 2024. "Bilateral Trade Between Cambodia and France Hits \$206.4 Million." Kiripost. <https://kiripost.com/stories/bilateral-trade-between-cambodia-and-france-hits-2064-million>

is generally seen as a major force behind economic expansion, boosting regional trade and tourism.⁹

However, Cambodia's national debt increased by \$ 1 billion in the first quarter of 2024 to \$ 11.09 billion, of which \$ 628.93 million was related to unpaid war debt. To encourage long-term growth and attract investment, analysts advise directing a large portion of this debt to education. With \$ 3.9 billion in loans, China remains Cambodia's top creditor, followed by the World Bank and the Asian Development Bank. During this time, the government invested 52% of its public debt in transportation projects, 10% in education, and the rest in irrigation and infrastructure. H.E Aun Porn Moniroth, Minister of Finance and Economy, emphasized the importance of effective public debt management procedures while determining the nature of sustainable and manageable debt. About 25% of Cambodia's GDP is now in debt, considered a moderate risk. To attract more international investment, experts emphasize strengthening corporate governance and integrity. Preliminary studies show that despite financial problems, Cambodia's public debt is still manageable and significantly below the probable level.¹⁰

Although Cambodia's garment, footwear, and footwear (GFT) export industry grew significantly by 16.54% in sales in the first half of 2024, reaching \$ 6.246 billion. Despite persistent obstacles from epidemics and global concerns, the rise indicates a promising economic recovery. Footwear exports rose 10.53% to \$ 774.38 million, travel products 12.74% to \$ 903.45 million, and textiles and clothing 18.4% to \$ 4.568 billion.¹¹ Strong demand in the sector, particularly from the United States and the European Union, has been credited with setting up more than 3,000 new plants and resulting in an additional 1.7 million jobs. Experts suggest that in order to boost GDP, the government should prioritize increasing the social protection of workers, enhancing industrial capacity, and attracting foreign investment. According to the World Bank, tourism and industry, GFT will be a major driver of Cambodia's 5.8% economic development by 2024.¹²

⁹ Molika, M. July, 17 2024. “\$4.2 Billion PP-SR-Poipet Expressway Predicted to Boost Economy and Tourism.” Kiripost. <https://kiripost.com/stories/42-billion-pp-sr-poipet-expressway-predicted-to-boost-economy-and-tourism>

¹⁰ Molika, M. July, 18 2024. “Cambodia's Debt Increases by \$1 billion in Q1 2024.” Kiripost. <https://kiripost.com/stories/cambodias-debt-increases-by-1-billion-in-q1-2024>

¹¹ “Cambodia Records 16.5 Pct Rise in Garment, Footwear, Travel Goods Export in H1.” 2024. News.cn. <https://english.news.cn/20240716/620915b5ee5a49b5a7e48f999580ff8b/c.html>.

¹² Kuch, S. July, 20 2024. “Cambodia's GFT Sector Fuels Economic Recovery with 16.54% Export Surge.” Kiripost. <https://kiripost.com/stories/cambodias-gft-sector-fuels-economic-recovery-with-1654-export-surge>

Moreover, during the first half of 2024, Vietnam accounted for the largest share of Cambodia's exports, totaling \$ 2.2 billion out of \$ 2.99 billion to members of the Regional Comprehensive Economic Partnership (RCEP). While imports rose 15.17% to \$ 6.19 billion, exports rose 9.35% year-on-year. Experts have assessed this high export rate as Cambodia's low ability to process agricultural products, which causes raw materials such as cashew nuts and cassava to be sent to Vietnam for processing. To increase exports of finished products, especially to border countries such as Japan and Korea, analysts stress that Cambodia must invest in processing plants and expand its market. In addition, they recommend strengthening cooperation on free trade agreements to increase the market potential of processed goods.¹³

While compared to the same period in 2023, Cambodia's agricultural exports increased by about 60% in the first half of 2024, with a total of 6 million tons exported to 77 destinations. Major commodities, including rice, cassava, mangoes, and cashew nuts, have significantly increased in the last five years. Fresh vegetables, rice, beans, bananas, and other large quantities are among the top exports (94%) to China, Vietnam, and Thailand. In particular, Cambodia has sold large quantities of rice to ASEAN and European nations and more than 75,000 tons to China. Financially, rice exports reached \$ 400 million, while total agricultural exports were worth more than \$ 1.8 billion. It should be noted that raw cashew nuts account for about a third of all agricultural exports worth more than \$ 800 million.¹⁴

Furthermore, the Royal Government of Cambodia is financing four major infrastructure projects worth more than \$6 billion to improve connectivity between Phnom Penh, its provinces, and neighboring countries. These developments greatly aid transportation and commerce.

1. Phnom Penh-Bavet Expressway: The \$ 1.35 billion project, which was officially inaugurated in June 2023, will connect Phnom Penh with Kandal, Prey Veng, and Svay Rieng provinces, thus facilitating cross-border trade with Vietnam.
2. Bridge from National Road No. 1 to Lvea Em: This \$200 million project will increase the connectivity and efficiency of the transportation system in the Lvea Em area by building a bridge instead of a ferry crossing.

¹³ Mao, S. August, 21 2024. "Vietnam Tops Cambodia's \$2.99 Billion Exports to RCEP." Kiripost. <https://kiripost.com/stories/vietnam-tops-cambodias-299-billion-exports-to-rcep>

¹⁴ Lak, C. July 21 2024. "Ministry of Agriculture: In the First Half of 2024, Cambodia's Agricultural Exports Increased by Almost 60%, an Unprecedented Amount." Radio France Internationale. <https://rfi.my/AngP>

3. Techo International Airport: The \$1.5 billion airport, which is expected to open in mid-2025, will allow direct flights to other countries, boosting Cambodia's aviation industry.
4. Funan Techo Canal Project: The \$ 1.7 billion project was recently honored for its historical significance and will improve maritime trade by connecting freshwater ports to deep-sea ports.

Experts such as Advance Real Estate's Po Eav Kong predict that these infrastructure improvements will attract domestic and foreign sources of capital for Phnom Penh and the surrounding area.¹⁵

Cambodia has benefited economically from its links with Laos and Vietnam, especially through 25 years of development triangle cooperation, according to Commerce Minister H.E Cham Nimmol. In the first seven months of 2024, trade between Cambodia and Laos increased by 10%, while exports to Laos increased by 272%, indicating the positive impact of this partnership on trade and agricultural growth. Trade. Similarly, trade increased by 24% with Vietnam and 38% of Cambodian goods were exported to Vietnam. Four northeastern provinces of Ratanakkiri, Mondulkiri, Kratie and Stung Treng, with an average per capita income of \$ 1,630 in 2022, have benefited from this collaboration, as seen by five priority investment projects in infrastructure in the region. Cham Nimol emphasized. He stressed that cooperation with Laos and Vietnam is important for national growth and that it would be counterproductive to withdraw from the alliance despite some public concerns about Cambodia sharing territory with neighboring countries. The border ring road is part of the infrastructure that some nationalists have suggested that Cambodian tycoons spend money on development.¹⁶

In the meantime, The Cambodia-Laos-Vietnam Development Triangle (CLV-DTA) has shown good results, as highlighted by Minister of Commerce Cham Nimol, alleviating fears that Cambodia could lose territory. In her speech, she stressed the growth of trade and investment that the three countries have seen in the past 25 years. Eleven intergovernmental meetings have been held since 1999, and as a result, provinces such as Stung Treng, Ratanakkiri, Mondulkiri,

¹⁵ Ich, N. August,06 2024. “Four Infrastructure Development Projects from Phnom Penh Worth Over 6,000 million USD. Apsara Media Service.” <https://economy.ams.com.kh/real-estate/news/infrastructure-development-projects-connected-from-phnom-penh-4-alone-worth-more-than-one-billion-us-dollars>

¹⁶ Oar, S. August, 09 2024. “Ms. Chamnim Said that Cambodia has Benefited a lot from Economic Ties with Laos and Vietnam.” Radio France Internationale. <https://rfi.my/ArKw>

and Kratie have experienced significant economic growth and interaction. Cambodia's exports to Laos will increase by 272% in 2024, contributing to a 10% increase in trade between the two countries. Both trade and exports increased by 24% and 38%, respectively, with Vietnam.¹⁷

On September 1, 2024, the Cambodian government will launch its e-arrival system, which will expedite passenger entry procedures by including immigration forms, visa applications, customs reports, and health declarations. The system aims to promote tourism, attract investors, and strengthen security.¹⁸

Techo International Airport (TIA) will begin a test flight on September 8, 2024, anticipating its official launch in early 2025. These five-day test flights will evaluate the airport's navigation and communications systems. TIA construction is now 84% complete, with \$ 1.2 billion of its \$ 1.5 billion budget. The final improvements needed to ensure the airport's operational readiness will be paid for using the remaining cash. The TIA aims to handle large passenger capacity in the future and is built to handle large aircraft such as the Airbus A380 and Boeing 747-8.¹⁹

Foreign Affairs

On July 06th, the Japanese Foreign Minister, H.E. Ms. Kamikawa Yoko, paid an official visit to Cambodia to keep the momentum of frequent high-level exchanges and further deepen the Comprehensive Strategic Partnership between Cambodia and Japan.²⁰ Upon meeting with Cambodian Prime Minister Hun Manet, he wished to advance the cooperation under the “Comprehensive Strategic Partnership” with Japan, to which Her Excellency enthusiastically expressed the desire. During the meeting, the foreign minister discussed the water and digital technology fields that support sustainability, utilizing Japan’s expertise in infrastructure and enhancing humanitarian mine action in Cambodia. Furthermore, they discussed the security

¹⁷ Yatt, M. August, 10 2024. “Minister Highlights Successes of CLV-DTA.” Kiripost. <https://kiripost.com/stories/minister-highlights-successes-of-clv-dta>

¹⁸ Sam, U. August, 10 2024. “Cambodia to Launch Cambodia e-Arrival System at Airports to Attract Tourists.” Radio France Internationale. <https://rfi.my/ArZq>

¹⁹ Kuch, S. September, 07 2024, September 07. “Techo International Airport Gears Up for Test Flights on September 8.” Kiripost. <https://kiripost.com/stories/techo-international-airport-gears-up-for-test-flights-on-september-8>

²⁰Ministry of Foreign Affairs and International Cooperation of Cambodia. 2024. “Japanese Foreign Minister to Pay an Official Visit to Cambodia . - Ministry of Foreign Affairs and International Cooperation.” Mfaic.gov.kh. <https://www.mfaic.gov.kh/posts/2024-07-01-Press-Release-Japanese-Foreign-Minister-to-pay-an-official-visit-to-Cambodia---10-17-44>.

cooperation with the Japan Maritime Self-Defense Force (JMSDF) at Ream Base. The meeting continued when Japan expressed the willingness to develop cooperation at Sihanoukville Port as a hub port for attracting Japanese firms.²¹

Aside from meeting with Prime Minister Hun Manet, she had also engaged with Senate President Hun Sen and Cambodian Foreign Minister Sok Chenda Sophea to express Japan's ongoing commitment and efforts to enhance the relations. The government of Japan also provided an ODA loan of 8 billion yen to Phnom Penh City Transmission and Distribution System Expansion Project to improve the investment environment. Both ministers then signed an exchange of notes, such as the National Road No. 5 Improvement Project and the Project for Human Resource Development Scholarship.²²

The President of the Socialist Republic of Vietnam, H.E. To Lam, embarked on his first state visit to Cambodia on July 12th²³. During this visit, he met with King Norodom Sihamoni, as well as a separate meeting with Senate President Hun Sen, Prime Minister Hun Manet and National Assembly President Khuon Sudary to discuss the continuous commitment to deepening the bilateral relations. This visit marked a significant milestone in strengthening the bilateral relationship based on “good neighborliness, traditional friendship, comprehensive cooperation, and long-term sustainability.”²⁴

On 18th July, H.E. Sok Chenda Sophea received a courtesy call by H.E. Kyaw Soe Min, an Ambassador Extraordinary and Plenipotentiary of the Republic of the Union of Myanmar, to Cambodia²⁵. Earlier in March this year, the Ambassador had met with the Acting Head of State, Say Chhum, to promote diplomatic relations between the two countries. Regarding the conflict

²¹Ministry of Foreign Affairs of Japan. 2024. “Foreign Minister KAMIKAWA’s Courtesy Call on Prime Minister HUN Manet of the Kingdom of Cambodia.” Ministry of Foreign Affairs of Japan. https://www.mofa.go.jp/sa/sea1/kh/pageite_000001_00423.html.

²² Ministry of Foreign Affairs of Japan. 2024. “Japan–Cambodia Foreign Ministers’ Meeting.” Ministry of Foreign Affairs of Japan. https://www.mofa.go.jp/sa/sea1/kh/pageite_000001_00427.html.

²³ Ministry of Foreign Affairs and International Cooperation. 2024. “Warmly Welcome the State Visit of His Excellency to Lam, President of the Socialist Republic of Viet Nam, to the Kingdom of Cambodia”. Ministry of Foreign Affairs and International Cooperation. <https://www.mfaic.gov.kh/Posts/2024-07-12-News-Warmly-welcome-the-State-Visit-of-His-Excellency-TO-Lam--President-of-the-Socialist-Republic-of-Viet-20-15-25>.

²⁴ Phạm Long. 2024. “President to Lam Arrives in Phnom Penh, Starting State Visit to Cambodia.” Vietnam Economic Times. <https://en.vneconomy.vn/president-to-lam-arrives-in-phnom-penh-starting-state-visit-to-cambodia.htm>.

²⁵ Ministry of Foreign Affairs and International Cooperations. 2024. “His Excellency the Deputy Prime Minister Receives a Courtesy Call on by Myanmar’s New Envoy - Ministry of Foreign Affairs and International Cooperation.” <https://www.mfaic.gov.kh/Posts/2024-07-19-News-His-Excellency-the-Deputy-Prime-Minister-receives-a-courtesy-call-on-by-Myanmar-s-new-envoy-17-27-33>.

in Myanmar, Cambodia goes through “engagement and dialogue,” meaning that Cambodia is still maintaining diplomatic relations and still supporting the 5-point-consensus.²⁶ The meeting concluded with shared commitments to work together toward commemorating the 70th Anniversary of bilateral relations.

Cambodia was admitted to Member of the Conference on Cooperation among East Asian Countries for Palestinian Development (CEAPAD) when H.E Mean Kim Heng, Secretary of State of MFAIC, joined the 5th Working Level Meeting of the CEAPAD. The meeting focused on the role of the Palestinian Authority in the recovery and reconstruction of Gaza and the assistance efforts to help the Palestinian people. Cambodia and Lao PDR became the new official members. Cambodia is committed to sharing its knowledge and experience in socio-economic rehabilitation with the Palestinian people for rebuilding efforts.²⁷

On 23rd July, Foreign Minister H.E. Sok Chenda Sophea departed to Vientiane, Lao PDR, for various ASEAN meetings to contribute to the growth of the community. During his 4-days visit, H.E. attended various meetings, such as the Asia Nuclear-Weapon-Free Zone (SEANWFZ) Commission and the ASEAN Foreign Ministers’ Interface Meeting with ASEAN Intergovernmental Commission on Human Rights (AICHR) Representatives. Moreover, he participated in other meetings, including the 15th Mekong-Japan Cooperation Foreign Ministers’ Meeting. He acted as a co-chair for the ASEAN Post-Ministerial Conference with Russia as the Country Coordinator. On 27th July, he also joined the 14th East Asia Summit (EAS) Foreign Ministers’ Meeting, the 31st ASEAN Regional Forum, and the 25th ASEAN Plus Three (APT) Foreign Ministers’ Meeting.²⁸ His visit had contributed enormously to the ASEAN community.

²⁶ Meng, Seavmey. March, 05 2024. “Cambodia Welcomes New Myanmar Ambassador, Emphasizes on ASEAN’s 5PC: Analysts.” Cambodianess. <https://cambodianess.com/article/cambodia-welcomes-new-myanmar-ambassador-emphasizes-on-aseans-5pc-analysts>.

²⁷ Ministry of Foreign Affairs and International Cooperation. July, 19 2024. “Cambodia Admitted to Be Member of the Conference on Cooperation among East Asian Countries for Palestinian Development (CEAPAD) - Ministry of Foreign Affairs and International Cooperation. <https://www.mfaic.gov.kh/Posts/2024-07-19-News-Cambodia-admitted-to-be-Member-of-the-Conference-on-Cooperation-among-East-Asian-Countries-for-Pales-16-28-29>.

²⁸ Ministry of Foreign Affairs and International Cooperation. July, 23 2024. “His Excellency Deputy Prime Minister SOK Chenda Sophea Departs for Vientiane, Lao PDR - Ministry of Foreign Affairs and International Cooperation.” Mfaic.gov.kh. <https://www.mfaic.gov.kh/posts/2024-07-24-News--His-Excellency-Deputy-Prime-Minister-SOK-Chenda-Sophea-departs-for--Vientiane--Lao-PDR-09-14-08>.

On 15th August, Foreign Minister H.E. Sok Chenda Sophea met with His Excellency WANG Yi, Member of the Political Bureau of the Communist Party of China Central Committee, Director of the office of the Central Commission for Foreign Affairs, and Minister of Foreign Affairs of the People’s republic of China, on the sidelines of the Ninth Mekong-Lancang Foreign Ministers’ Meeting in Chiang Mai, Thailand.²⁹ Both parties discussed the strong bilateral relations and demonstrated efforts to enhance the cooperation. H.E. Wang Yi also congratulated Cambodia on the Funan Techo Canal Project and showcased China’s support. The Mekong-Lancang Cooperation marked the bonds Cambodia and China have in strengthening the relations and addressing regional and international issues.³⁰

In the same month, Cambodian foreign minister, H.E. Sok Chenda Sophea, co-chaired the 5th Meeting of the Cambodia-Indonesia Joint Commission for Bilateral Cooperation (JCBC) with Indonesian Foreign Minister Retno L.P. Marsudi. The high-level meeting demonstrated tremendous progress since the previous JCBC session in Jakarta in 2018, with both countries expressing satisfaction with the advances made in numerous sectors. The conversations focused on the strengthening of political, defense, economic, and cultural connections between the two countries.³¹

In late August, Cambodian foreign minister H.E. Sok Chenda Sophea led a delegation to the 4th Meeting of the Cambodia-Philippines Joint Commission for Bilateral Cooperation at the invitation of the Philippines Foreign Minister Enrique A. Manalo. The meeting discussed the monitoring and reviewing of the progress at the previous joint commission in 2021, but also drafting new plans and agenda to further enhance the relationship. At an earlier meeting at the ASEAN-Australia Special Summit, it was agreed to strengthen further and expand trade cooperation to facilitate and promote rice exports from Cambodia to the Philippines and further promote inter-sectoral linkage to enhance bilateral trade.³²

²⁹ Ministry of Foreign Affairs and International Cooperation. August, 06 2024. “H.E. Deputy Prime Minister Has a Productive Meeting with H.E. WANG Yi, on the Sidelines of the Ninth Mekong-Lancang Foreign Ministers’ Meeting - Ministry of Foreign Affairs and International Cooperation.” Mfaic.gov.kh. <https://www.mfaic.gov.kh/posts/2024-08-16-News-H-E--Deputy-Prime-Minister-has-a-productive-meeting-with-H-E--WANG-Yi--on-the-sidelines-of-the-Ninth-07-41-20>.

³⁰ Taing, Rinith. August, 09 2024. “Cambodia, China Praise Strong Ties.” Khmer Times. <https://www.khmertimeskh.com/501543508/cambodia-china-praise-strong-ties/>.

³¹ Taing, Rinith. August, 23 2024. “Cambodia and Indonesia Enhance Ties at 5th JCBC Meeting.” Khmer Times. <https://www.khmertimeskh.com/501546143/cambodia-and-indonesia-enhance-ties-at-5th-jcbc-meeting/>.

³² Hang, Punreay. August, 27 2024. “FM in Philippines for Joint Commission Meeting on Bilateral Ties.” Khmer Times. <https://www.khmertimeskh.com/501547985/fm-in-philippines-for-joint-commission-meeting-on-bilateral-ties/>.

On 6th July, A defense minister and President-elect of the Republic of Indonesia paid a working visit to Cambodia. This was done after the Joint Commission meeting in August to discuss the bilateral relations between the two states. The visit underlines the warm relations between Cambodia and Indonesia, and maintains the good momentum of high-level exchanges and engagements by leaders of the two countries.³³

Conclusion

In conclusion, Cambodia's diplomatic and international activities during July and August 2024 have significantly advanced its strategic partnerships and regional influence. The country's engagements with Japan, Vietnam, Myanmar, and China reflect a concerted effort to deepen bilateral relations and enhance cooperation across various sectors, including infrastructure, technology, and socio-economic development. Cambodia's domestic political agenda showcases a blend of legal reform, public safety enhancements, and regional cooperation. While challenges persist in human rights and governance, the government has made strides in addressing social concerns, particularly through traffic law reforms and judicial transparency campaigns. Continued progress will depend on balancing these reforms with efforts to foster greater democratic freedoms and public trust.

³³ Ry, Sochan. September, 06 2024. “Indonesian President-Elect Pays Working Visit to Cambodia.” Phnom Penh post. <https://www.phnompenhpost.com/national/indonesian-president-elect-pays-working-visit-to-cambodia>.

Indonesia

Cheng Ousa, Sum Pichkanika, and Mey Monita

Introduction

As we reach the third quarter of 2024, Indonesia continues navigating a dynamic landscape marked by challenges and opportunities. This third quarterly update provides an overview of key political, economic, and social developments, highlighting the progress made and the remaining obstacles. With a focus on sustainable growth and resilience, Indonesia is poised to strengthen its position in the Southeast Asian region. In this report, we will examine recent policy initiatives, economic trends, and the impact of global events, setting the stage for the future of this vibrant nation from July to September. The key areas will be focused on domestic affairs, socio-economic, and foreign relations. It has been marked by challenges and opportunities in Indonesia's domestic affairs. At the same time, socio-economics also presents challenges regarding Chinese investment to Indonesia's decision-making. Lastly, we will explore Indonesia's foreign relations, starting with its connection to China and, subsequently, its relationship with Russia. We will also cover Indonesia's stance on the Russia-Ukraine conflict and highlight President Prabowo Subianto's recent visit to the Kingdom of Cambodia, which aims to strengthen bilateral ties between Cambodia and Indonesia.

Domestic Affairs

Regarding domestic matters, Indonesia is currently facing the problem of a declining middle class. This problem has raised economic alarms in Indonesia as the middle class is decreasing, which could contribute to widening social inequality. Mr. Muhammand Yudhi, a motorcycle taxi driver, said he had been trying to apply for factory work, but they told him he was too old to work there. Therefore, being a motorcycle taxi driver was his only choice to support the family. However, the problem is that being a motorcycle taxi driver does not offer the financial stability or benefits of working in the factory. Mr. Muhammand Yudhi added that he could only make 100.000 rupiah (6.51\$) daily, which is insufficient to support his family. It is inadequate to pay for the rent, children's school fees, food, etc. Furthermore, as he is older and older, he cannot work as a motorcycle taxi driver all his life. Because of that, many economic experts have shown concern about Indonesia's declining middle class. According to the Indonesian Statistics Bureau (BPS), there were 57.33 million middle class in Indonesia in 2019,

representing 21.4% of the total population. On August 28th, 2024, BPS showed that the Indonesian middle class has declined to 17.1%. This is one of the concerns for the Indonesian government as the country is moving backward.¹ Moreover, this also signifies the country's lack of employment opportunities.

Another domestic news from Indonesia is about establishing a cyber military force. This is an essential creation for Indonesia's defense against non-conventional threats, including cyberattacks, coordinating minister for politics, legal, and security affairs because attacks nowadays could have easily come from cyberspace; therefore, Indonesia's defense and security no longer depend on fighter aircraft, battleships, tanks, and other conventional instruments. Indonesia is currently trying to strengthen its capability on the technological and informational capacity of its military to tackle foreign cyber threats such as the spread of inaccurate information and hacking of the government's strategic systems. By creating a cyber-military force, Indonesia could counter cyber war surfs on information that is considered a tool to shape people's opinions² Because cyber war is a war of mind that could influence people's opinions, a cyber-military force needs to be created.

Socio-economic Affairs

Indonesia is becoming a global powerhouse in the nickel industry, a crucial component of electric vehicle batteries. Becoming a global powerhouse has been one of Indonesia's biggest dreams; it wishes to be a supplier to Western countries and others. However, it might be hard for Indonesia as it relies on China for the nickel industry.³ China is known to be a significant investor in Indonesia's nickel industry, especially in downstream processes such as stainless steel and nickel production.⁴ This has raised concern that Indonesia has fallen into China's grip as Indonesia is currently dependent on Chinese companies' support. The support from China

¹ “Indonesia’s Middle Class Lament ‘Worsening’ Plight, as Sharp Drop in Their Population Sets off Economic Alarm Bell.” 2021. CNA. 2021. <https://www.channelnewsasia.com/asia/indonesia-middle-class-worsening-plight-population-economy-4590816>.

² Walda. 2024. “Minister Stresses Importance for Cyber Military Force.” Antara News. ANTARA. September 4, 2024. <https://en.antaranews.com/news/324727/minister-stresses-importance-for-cyber-military-force>.

³ Guild, James. 2024. “Why Indonesia’s Antam Wants to Acquire a Chinese Nickel Smelter.” TheDiplomat.com. The Diplomat. September 6, 2024. <https://thediplomat.com/2024/09/why-indonesias-antam-wants-to-acquire-a-chinese-nickel-smelter/>.

⁴ “How Indonesia Used Chinese Industrial Investments to Turn Nickel into the New Gold.” 2023. Carnegie Endowment for International Peace. 2023. <https://carnegieendowment.org/research/2023/04/how-indonesia-used-chinese-industrial-investments-to-turn-nickel-into-the-new-gold?center=china>.

has influenced Indonesia's decision on the price and the nickel industry market. Because of that, it is hard for Jakarta to reach other international markets.⁵

Another piece of news related to Indonesia's socio-economic situation concerns Indonesia's rail project, Whoosh. It is a government-state-owned construction firm that is building the first high-speed rail in Southeast Asia, which will be built in collaboration with China.⁶ It is viewed as part of the Belt and Road Initiative (BRI) to connect Asia and Europe through land and maritime networks. Since its operation last year, the Whoosh train has reportedly saved the government trillions of rupiahs in fuel. For instance, it contributed 86.5 trillion rupiah to the gross domestic product (GDP) of Jakarta and West Java between 2020 and 2023.⁷ Moreover, it has boosted tourism numbers and economic growth.⁸ However, there is a concern about this rail project: the interest burden due to loans to China. For instance, China requests to repay the interest rate of 3.4% while Indonesia insists on lower than 2%. Many experts are concerned that China is practicing debt-trap diplomacy in the developing world.

Foreign relations

His Excellency Mr. Prabowo Subianto, after being elected as the President of the Republic of Indonesia, has done a great job continuing the legacy of former President Joko Widodo in the role of international affairs and maintaining good diplomatic skills with States and other stakeholders. In this part, the discussion of Indonesia's foreign relations will focus on the connection between Indonesia and China, followed by Indonesia's relationship with Russia. Moving next to the discussion of Indonesia's stand in the Russia-Ukraine war and the new visit of H.E. Mr. Prabowo Subianto to the Kingdom of Cambodia to upscale the bilateral relations between Cambodia and Indonesia.

⁵ Lu, Christina. 2024. "U.S.-China Rivalry Ensnarers Indonesia's Nickel Industry." Foreign Policy. Foreign Policy. August 8, 2024. <https://foreignpolicy.com/2024/08/08/indonesia-nickel-china-us-critical-mineral-inflation-reduction-act/>.

⁶ "Indonesia Launches Southeast Asia's First High Speed Railway." 2023. ASEAN Business News. October 5, 2023. <https://www.aseanbriefing.com/news/indonesia-launches-southeast-asias-first-high-speed-railway/>.

⁷ U-Wen, Lee. 2024. "Whoosh-Ing through Indonesia." The Business Times. The Business Times. 2024. <https://businesstimes.com.sg/international/asean/whoosh-ing-through-indonesia>.

⁸ CNA "Indonesia's High-speed Rail Contributes to Fuel Savings, Local Economy Amid Reports of Losses by State Firms: Minister." CNA, July 22, 2024. <https://www.channelnewsasia.com/asia/indonesia-whoosh-high-speed-rail-jakarta-bandung-4495831>

Firstly, the discussion will focus on the relationship between Indonesia and China. Talking about the connection between Jakarta and Beijing, it is more likely to concentrate on the economic relations of the two governments. The number of trades and economic activities significantly increased in the first quarter of 2024; the result showed that the trade export from Indonesia to China was more than 85% compared to Indonesia's major trading partner, Japan.⁹ Regardless of the trading opportunities, Indonesia is in financial debt with China, which has made the eyes of the international actors think that Indonesia's policy has shifted to China. However, H.E. Prabowo Subianto stated that his foreign policy remains the same: to wait for Beijing's Government and still uphold the non-alignment principle of Indonesia, regardless of the debt facing China.¹⁰ Therefore, neutrality is still Indonesia's main goal in foreign relations.

For Indonesia's foreign relations, the principle of non-alignment is still the primary goal of this SEA country. H.E. Mr. Prabowo visited the Russian Federation and had a diplomatic talk with President Vladimir Putin at the end of July 2024. The relationship between Indonesia and Russia is called a great friend by both parties, and they want to strengthen the cooperation on education, energy, and defense.¹¹ Taking this opportunity, the newly elected Indonesia's Prime Minister strengthened the bilateral relationship with Russia regarding the development of nuclear power generation, which had been planned since Jokowi Dodo was the prime minister of Indonesia.¹² For this collaboration, Russia is ready to cooperate fully with Indonesia in developing Nuclear power. With all of these diplomatic activities, Indonesia maintains neutrality in its relationship with Russia while having good economic cooperation with Russia.

Speaking of Russia's relations with Indonesia and the Russia-Ukraine War, Indonesia also shows its non-alignment with this issue. The ambassador of Indonesia to the Swiss Confederation participated in the High-Level Conference/Summit on Peace related to the situation in Ukraine that was hosted on 15-16 June 2024; Indonesia showed its firm stand on the line of neutrality and tried to promote peace against war. During the plenary of the meeting, Indonesia offered support respecting the International Law and UN Charter in resolving peace

⁹ Syifaatika02. 2024. "Q1 2024 INDONESIA ECONOMIC REPORT – Macroeconomic Dashboard." June 3, 2024. <https://macroeconomicdashboard.feb.ugm.ac.id/q1-2024-indonesia-economic-report/>.

¹⁰ Daniel, Peterson. Expect the expected with Prabowo's incoming China Policy. July 11 2024. <https://eastasiaforum.org/2024/07/11/expect-the-expected-with-prabowos-incoming-china-policy/>

¹¹ Strangio, Sebastian. Indonesia to Pursue Closer Relations with Russia, President-Elect Says. August 02 2024. <https://thediplomat.com/2024/08/indonesia-to-pursue-closer-relations-with-russia-president-elect-says/>

¹² Jayanty, Nada, Shofa,. Russia says Ready to work with Indonesia on Nuclear Power Generation. August 20 2024. <https://jakartaglobe.id/news/russia-says-ready-to-work-with-indonesia-on-nuclear-power-generation>

because they believe that only peace can go through everything.¹³ Thus, this highlights Indonesia's commitment to playing a role in international issues. Indonesia is willing to cooperate and find solutions with the other member states.

Lastly, Indonesia paid a working visit to the Kingdom of Cambodia and a courtesy call with Samdech Akka Moha Sena Padei Techo HUN Sen, Acting Head of State, and Samdech Moha Borvor Thipadei HUN Manet, Prime Minister of the Kingdom of Cambodia, on September 6, 2024, to strengthen the bilateral relations of this old friend.¹⁴ These two countries committed to maintaining the ties and regional stability through a collaborative effort and working on the defense field, stressing the issue of Myanmar and the South China Sea Dispute. Cambodia and Indonesia have noticed good diplomatic, political, economic, and people-to-people relations from history until today. Likewise, Indonesia is helping with capacity building for military defense, and it used to be the co-chair of the Paris Peace Conference in the 1950s.¹⁵ Thus, Indonesia is a friend who has been a backbone and has helped Cambodia build a defense system and seek peace. With the visit, both parties are committed to continuing and strengthening bilateral relations in the future.

Conclusion

Since Indonesia is changing the Prime Minister's mandate, this country is walking on a rough path, and it has encountered challenges while maintaining good international relations. In this third quarter of 2024, Indonesia is facing economic decline and challenges with the growth of technology. The advancement of technology is the cause of cybercrime acts that alter the safeguarding place of this island country. Moreover, as a good friend of the Russian Federation and having China as a significant investor, Indonesia is preparing to be the global powerhouse that can help Indonesia grow its economy. Despite having an economic problem with middle-income families, Indonesia is progressing in its macroeconomic management. Becoming a global powerhouse is a thing; Indonesia has an infrastructure project with China on the fastest

¹³ “Press Release Indonesia’s Presence at the Summit on Peace in Ukraine, A manifest of Indonesia’s commitment to World Peace.” Embassy of the Republic of Indonesia in Bern, Switzerland. June 25 2024. <https://kemlu.go.id/bern/en/news/29655/press-release-indonesias-presence-at-the-summit-on-peace-in-ukraine-a-manifest-of-indonesias-commitment-to-world-peace>

¹⁴ “His Excellency Prabowo Subianto, Minister of Defense and President-elect of the Republic of Indonesia, is paying a working visit to the Kingdom of Cambodia.” Kingdom of Cambodia, Ministry of Foreign Affairs and International Cooperation. September 06 2024. <https://mfaic.gov.kh/Posts/2024-09-06-News-His-Excellency-Prabowo-Subianto--Minister-of-Defence-and-President-elect-of-the-Republic-of-Indonesi-14-40-04>

¹⁵ Nop, Sreymao. Positive Signal: Indonesia’s President-elect pledges to enhance ties. September 09 2024. <https://www.khmertimeskh.com/501555462/positive-signal-indonesias-president-elect-pledges-to-enhance-ties/>

railway named Whoosh. However, this is still a debt trap for China regarding infrastructure development. Indonesia might not be doing well with its financial health, but it upholds the non-alignment principle very well with its other foreign friends. For instance, Indonesia paid a business trip to many countries to show sincere respect as the new president of Jakarta. H.E. Mr. Prabowo continues the policy from H.E. Mr. Jokowi, and this is the first year for Mr. Prabowo as the representative of Indonesia. Therefore, seeing the next move and moving forward from Indonesia is crucial.

Laos

**Meung Chansomanita, Lim Cheamara, Lim Ponleu,
Nguon Socheata, and Raksmev Lytangoun**

Introduction

This report looks at major changes that occurred in Laos during the third quarter of 2024 in several areas, including domestic politics, economy, socioeconomics, and international affairs. The Laotian government has made significant changes in domestic politics by appointing new officials and is prioritizing security cooperation, employee allowances, and hosting ASEAN summits. Economically, Laos is still struggling with the highest inflation in Southeast Asia and a decline in living standards. The government is tackling these problems by introducing measures like creating the Lao Bullion Bank to stabilize the economy and strengthen the Lao kip. There are also plans to boost domestic production, reduce imports, and control inflation. Despite these challenges, Laos maintains strong trade and investment ties with key partners, including Vietnam, China, and Thailand, vital for its economic recovery. For Laos' socio-economic sector, the World Bank recommends urgent action due to inadequate healthcare and poor recycling rates. Also, Vientiane is working hard to reduce flooding, improve drainage infrastructure, and increase development corporations. In terms of international affairs, Lao Deputy Prime Minister Saleumxay Kommasith attended political forums, border defense exchanges, and ASEAN senior official meetings and joined the School Meals Coalition.

Domestic Politics

Another government reshuffle has taken place by announcing changes in key positions across various ministries. The current Governor of the Bank of Laos (BOL) was appointed to take a new position in Luang Prabang Province, with his deputy promoted to Acting Governor of the BOL.¹ The President of the Law Commission was chosen to serve as Vice President of the National Assembly (NA), while the former President of the Justice Commission of the NA heads the new President of the Law Commission. Meanwhile, the former President of the

¹ Chanlivong, Kheuakham. "Lao Government Reshuffles Key Positions Across Ministries." The Laotian Times. Last Modified July 2, 2024. https://laotiantimes.com/2024/07/02/lao-government-reshuffles-key-positions-across-ministries/?fbclid=IwY2xjawE_me5leHRuA2FlbQIxMAABHYimX5wp1dsV2XAAp-qZL--PW4jkqYGKdd68SxAJ1c8lrf326a268F07bg_aem_sl6RnMcvyKlhxy8kjHJ9XA

Cultural and Social Affairs Commission of NA has been promoted to President of the Justice Commission of NA while the latter position will be taken by Bounta Thephavong, previously the Vice President of Planning, Finance, and Audit.

On July 21, Lao police rescued a total of 13 Indian nationals trapped in cyber-scamming centers, according to the Indian Embassy based in Vientiane.² The 13 victims were promptly repatriated to India. Around 518 Indian nationals have been rescued from the cyber security scam.³ Those scams promised jobs such as ‘Digital Sales and Marketing Executives’ or ‘Customer Support Service’ rooted in call center scams and cryptocurrency fraud in the Golden Triangle Special Economic Zone. The recent police operation highlights the persistent problem of deceptive job offers in the country.

Besides the rescue effort on cyber scams, another sector that the Lao government is focusing on is raising employee allowance. To counter the growing cost of living, the Laotian government is considering a proposal to increase the allowance for factory employees. In Laos, employees are struggling with low labor costs and high inflation, which lower their purchasing power. However, the government year-end’s target is to reduce the inflation rate to a single digit.⁴ This action signifies the government’s effort to create a conducive environment for the standard of living of the Laotian people.

On August 26, high-ranking Vietnamese officials visited Laos to fortify military relations and bilateral security cooperation.⁵ The Vietnamese officials met with the General Secretary of the Lao People’s Revolutionary Party, Lao President Thongloun Sisoulith, and Prime Minister Sonexay Siphandone. This meeting marks an important milestone in bilateral cooperation

² The times of India. “13 Indians, lured into cyber-scamming centres in Laos, rescued.” The times of India. Last Modified July 21, 2024. <https://timesofindia.indiatimes.com/india/13-indians-lured-into-cyber-scamming-centres-in-laos-rescued/articleshow/111905710.cms>

³ Lapuekou, Chono. “Lao Police Rescue Indian Nationals from Cyber-Scam Centers, Total Rescued Reaches 518.” The Laotian Times. Last Modified July 23, 2024. https://laotiantimes.com/2024/07/23/lao-police-rescue-indian-nationals-from-cyber-scam-centers-total-rescued-reaches-518/?fbclid=IwY2xjawE_Is1leHRuA2FlbQIxMAABHZ1TII5ft_EiVm0ZRKqDRs4Wz0vF19QzIzYydn2buBTm4_kse82lBuGyuQ_aem_RfejnW65YYPvnBz23_HStw

⁴ Chanthavong, Namfon. “Government Considers Increasing Employee Allowances to Counter Rising Costs.” The Laotian Times. Last Modified August 27, 2024. https://laotiantimes.com/2024/08/27/government-considers-increasing-employee-allowances-to-counter-rising-costs/?fbclid=IwY2xjawE_nr9leHRuA2FlbQIxMAABHXkewxaZ0nX3m0sIH3hs5jplTGXGX9J5T_vebM37XWJhxJNGNAN0uOYwIg_aem_02JksJTmGBodNIWi7trMMw

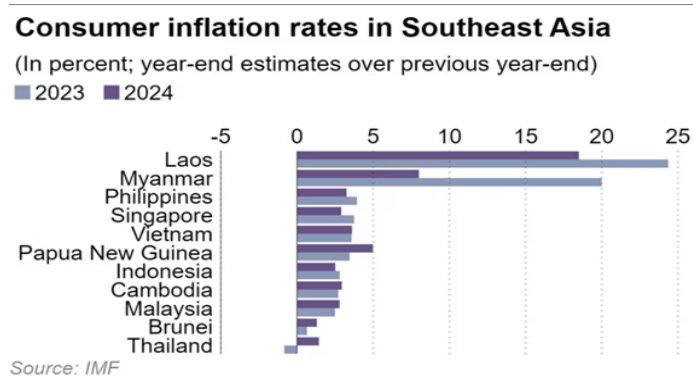
⁵ Siththixay, Phonethida. “Vietnam, Laos Strengthen Military Ties During High-Level Visit.” The Laotian Times. Last Modified August 29, 2024. [Vietnam, Laos Strengthen Military Ties During High-Level Visit - Laotian Times](https://laotiantimes.com/2024/08/29/vietnam-laos-strengthen-military-ties-during-high-level-visit)

between both parties, reinforcing friendship and solidarity. The Vietnamese delegates also reaffirmed Vietnam’s strong support for Laos’ ASEAN Chairmanship, expressing confidence and continued collaboration to enhance regional stability and mutual development.

In a public address video, Laotian Prime Minister Sonexay Siphandone urged the Lao people to actively participate and support the country’s role in hosting the 44th and 45th ASEAN Summits and related meetings this year. 2024 marks a significant year for all Laotians as the country embarks on both Visit Laos Year and the chairmanship of the ASEAN Summits.⁶ Under the theme “ASEAN: Enhancing Connectivity and Resilience,” Laos aims to connect the country from the so-called “landlocked” nations to the “land-linked” ones, transforming into a regional hub where collaboration in trade, investment, tourism, and human resource development can be cherished. Successfully hosting the 57th ASEAN Foreign Ministers’ Meeting and related events contributed to the nation’s long-term growth and growing global role.

Socio-Economic Affairs

In the economic sector, Laos is still facing soaring inflation and decline in the livelihood of its people. Based on the Lao Statistics Bureau, Laos’ inflation rate was 24.3% in August. It is a slight decrease compared to July which was 26.1%.⁷ Nonetheless, the high inflation rate has been causing a decline in its people’s purchasing power. According to the International Monetary Fund, Laos stands in the first place as the highest inflation rate in the Southeast Asia region.⁸



⁶ Lao News Agency. “PM Encourages Lao People to Participate in Hosting ASEAN Summits in 2024.” Lao News Agency. Last Modified September 06, 2024. <https://kpl.gov.la/EN/detail.aspx?id=85613>

⁷ Visapra, Phontham. “Inflation Rate in Laos Sees Slight Dip in August.” The Laotian Times. Last Modified August 28, 2024. <https://laotiantimes.com/2024/08/28/inflation-rate-in-laos-sees-slight-dip-in-august/>

⁸ Royandoyan, Ramon. “Laos Hit Hard by Inflation, Currency Woes, and Plunging Spending Power.” Nikkei Asia. Last Modified September 09, 2024. <https://asia.nikkei.com/Economy/Inflation/Laos-hit-hard-by-inflation-currency-woes-and-plunging-spending-power>

The Laotian Government has been actively implementing new measures to tackle the soaring inflation and improve its people's livelihood. In August, the Ministry of Finance and PTL Holding Co., Ltd. signed an agreement to establish the Lao Bullion Bank. The purpose is to increase gold reserves, improve financial stability, and bolster the strength of the Lao Kip. This initiative serves to stabilize Lao Kip by securing gold reserves and standardizing gold trading.⁹

On top of that, the government also revealed a strategic plan to curb inflation and stabilize the Lao economy by the end of 2024. The Lao government plans to boost domestic production, cut import reliance, reduce inflation below 20% by December, and stabilize the exchange rate while controlling money supply growth such as cash, checking deposits, and other liquid assets.¹⁰ To address inflation, the Bank of Lao PDR is increasing interest rates on kip deposits from 10% to 10.5% and on foreign currency deposits from 10% to 11%. It also raised the 7-day kip term rate from 8.5% to 10.0%. The bank would keep a centralized foreign exchange market and manage foreign currency, while also improving its payment system to encourage kip usage.¹¹

According to the government, Laos' exports to China were 1.13 billion USD, with 680 million USD in imports. Whereas, Laos had a trade imbalance with Thailand, with exports of 565.5 million USD and imports of 1.6 billion USD in the first half of the year. Meanwhile, Laos generated almost 620 million USD from exports to Vietnam and imported goods worth 216 million USD in the same period. Vietnam is an important investor and trading partner for Laos, with bilateral commerce reaching 1.37 billion USD last year, representing a 33% growth.¹² In the first six months of 2024, Laos approved six new Vietnamese investment projects worth

⁹ Chanlivong, Kheuakham. "Laos Establishes Bullion Bank to Secure Gold Reserves, Stabilize Kip." The Laotian Times. Last Modified August 09, 2024. <https://laotiantimes.com/2024/08/09/laos-establishes-bullion-bank-to-secure-gold-reserves-stabilize-kip/>

¹⁰ The Star. "Lao Government Launches Detailed Plan to Tackle Inflation and Stabilize Falling Currency by Year-End." The Star. Last Modified August 24, 2024. <https://www.thestar.com.my/aseanplus/aseanplus-news/2024/08/24/lao-government-launches-detailed-plan-to-tackle-inflation-and-stabilise-falling-currency-by-year-end>

¹¹ Vietnam Investment Review. "Laos Tightens Monetary Policy to Ease Inflation." Vietnam Investment Review. Last Modified August 30, 2024. <https://vir.com.vn/laos-tightens-monetary-policy-to-ease-inflation-114054.html>

¹² VietReader. "Laos Enjoys \$400 Million Trade Surplus with Vietnam." VietReader. Last Modified n.d. <https://vietreader.com/business/61435-laos-enjoys-400-million-usd-of-trade-surplus-with-vietnam.html>

\$339 million. Vietnamese companies have invested in 256 projects in Laos so far, amounting to a total capital of \$5.5 billion. These investments cover various sectors including telecommunications, banking, rubber, food production, and dairy.¹³

In Laos' socio-economic sector, several events took place in the third quarter of 2024. Due to inadequate healthcare, garbage collectors in Vientiane are exposed to harmful living circumstances and serious risks to their health. Due to their lack of access to quality treatment and high risk of illness, the World Bank has advised taking urgent action to improve their safety and legal situation. It is physically and financially demanding labor, and some employees make between LAK 700,000 and LAK 1 million a month. The World Bank calls for government social support to enhance the lives of informal workers, recognizing their difficulties. To guarantee the identification and defense of waste collectors, the World Bank urges increased awareness and action. This includes offering education, the required tools, and access to safety, health, and welfare safeguards. There are currently poor recycling rates and limited waste collection services available to only 31% of households in Vientiane. So, worker health, safety, and financial stability can be protected when waste collection personnel are integrated into the formal sector, which can enhance waste management results.¹⁴

Besides, Vientiane is putting extensive plans into place to reduce flooding brought on by inconsistent buildings, inappropriate filling of the soil, fast-paced urban growth, and shifting weather patterns. The Vientiane Water Department also intends to improve drainage infrastructure, clear and maintain canals, and remove rubbish from roadside waterholes. Campaigns to raise public awareness will motivate locals to take part in routine maintenance and refrain from inappropriate garbage disposal. The city has partnered with foreign organizations to conduct research and provide support. Given that Vientiane frequently experiences overflowing and urban floods, the Ministry of Public Works and Transport has

¹³ Thanh, Thanh. “Vietnam’s Registered Investment Capital in Laos Hits \$5.5 Billion.” The Investor. Last Modified August 18, 2024. <https://theinvestor.vn/vietnams-registered-investment-capital-in-laos-hits-55-bln-d11846.html>

¹⁴ Visapra, Phontham. “Harsh Conditions for Vientiane’s Garbage Collectors Highlighted in World Bank Report.” The Laotian Times. Last Modified July 1, 2024. <https://laotiantimes.com/2024/07/01/harsh-conditions-for-vientianes-garbage-collectors-highlighted-in-world-bank-report/>

recommended 15 more drainage cleaning projects for 2025, totaling LAK 44.46 billion (USD 1.9 billion).¹⁵

On 8 August, Laos and CGI Energy Technology Co., Ltd. signed a Phase II agreement in order to initiate the Northern Clean Energy Connection Project, which aims to integrate wind, solar, and water storage energy solutions across three northern provinces. Building on the first phase of the deal, CGI Energy plans to develop 420 MW in Oudomxay and 580 MW in Luang Namtha. The project's objectives are to advance sustainable, environmentally friendly energy alternatives and fortify the Laos-China energy alliance.¹⁶

Additionally, six hospitals in Vientiane Capital, along with the Ministry of Labor and Social Welfare, have decided to establish occupational and health check-up facilities to prevent work-related illnesses and injuries. The purpose of the program is to identify risk factors for workers and create a framework for regular health checks. To help authorities and employers improve labor safety and health standards, a centralized database will study diseases and deaths related to the workplace. It is the employer's responsibility to make sure employees have health examinations at least once a year and to submit the results to the Department of Labor Management.¹⁷

The first meteorological tower in Savannakhet Province's Nathou village, Phine district, has been installed by Naseng-Wayo Renewable Resources and Investment Co., Ltd. and UPC Vietnam (Singapore). And they held this historic ceremony on 22 August. The tower's measurements of wind characteristics and speeds will be used to determine whether the wind farm project is practicable. The districts of Vilabouly and Atsaphon will be included in the project, and the authorities from the village, district, province, and central government will approve the installation and issue certificates and licenses. In order to enhance traveling conditions during the wet season, funding has also been provided for road maintenance related

¹⁵ The Star. "Laos capital Vientiane going all out to tackle persistent flooding issues during wet season." The Star. Last Modified July 14, 2024. <https://www.thestar.com.my/aseanplus/aseanplus-news/2024/07/14/laos-capital-vientiane-going-all-out-to-tackle-persistent-flooding-issues-during-wet-season>

¹⁶ Chanlivong, Kheuakham. "New Phase Boosts Laos-China Clean Energy Project." The Laotian Times. Last Modified August 13, 2024. <https://laotiantimes.com/2024/08/13/new-phase-boosts-laos-china-clean-energy-project/>

¹⁷ Visapra, Phontham. "Laos to Open New Health Centers to Tackle Work-Related Injuries." The Laotian Times. Last Modified August 15, 2024. <https://laotiantimes.com/2024/08/15/laos-to-open-new-health-centers-to-tackle-work-related-injuries/>

to the project. The project management team has completed the interim feasibility study report and is getting ready to sign a project development partnership with the Lao government.¹⁸

According to a warning issued by the Department of Meteorology and Hydrology on 08 September, the 11th storm of 2024, Tropical Storm Yagi, is now heading westward at a speed of 10 to 15 km/h and is predicted to diminish into a depression by the evening. The weather for September 9th is predicted to deliver extensive rainfall to the northern region of Phongsaly Province in northern Laos. From September 8 to September 10, 2024, there will be high gusts and thunderstorms in certain places, along with moderate to heavy rainfall. Residents are therefore advised to exercise caution and make preparations for any possible effects, including flash floods, landslides, and rising water levels, along with local authorities.¹⁹

International Affairs

From July 15 to 17, the Lao Deputy Prime Minister and Minister of Foreign Affairs led a team of Lao delegates to attend the high-level political forum in New York City, USA. The meeting reviewed the progress of the development of the sustainable development goals (SDGs). During the general debate, Deputy Prime Minister Saleumxay Kommasith delivered remarks addressing the long-term challenges of global crises, such as geopolitical tensions and climate change, which impact the 2030 agenda of the SDG. In his remarks, he further reiterated the need for comprehensive international cooperation, especially for least-developed countries, as well as showed Laos's commitment to attaining the goal of SDG.²⁰

The working delegations from the defense ministries of Vietnam and Laos met up on August 12 to inspect preparations for the border defense friendship exchange to be held in late October. Senior Lieutenant Generals from Vietnam and Laos visited locations such as Moc Chau district, Vietnam, and Sop Bao district, Laos, where the events are planned to take place. In their visits, they reviewed protocols, logistics, security, and safety arrangements to conduct a successful

¹⁸ Lao News Agency. “Installation of first meteorological mast begins at the cluster wind farm projects in Savannakhet.” Lao News Agency. Last Modified August 25, 2024. <https://kpl.gov.la/En/detail.aspx?id=85343>

¹⁹ Lao News Agency. “Tropical Storm Yagi Warning Issued for September 8, 2024. Lao News Agency.” Last Modified September 08, 2024. <https://kpl.gov.la/En/detail.aspx?id=85625>

²⁰ Lao News Agency. “DPM Saleumxay Attends High-Level Political Forum on Sustainable Development.” Lao News Agency. Last Modified July 16, 2024. <https://kpl.gov.la/En/detail.aspx?id=84310>

event. The friendship exchange of both countries is aimed at enhancing border protection cooperation and promoting peace and development on their shared 2,300 km border.²¹

On August 21, 2024, Lao, deputy minister of foreign affairs, chaired the ASEAN senior official meeting, discussing multiple different outcomes and future prospects of the ASEAN meeting. The meeting assessed the outcomes of the previous ASEAN foreign minister's meeting, where topics such as economic integration, digital transformation, and strategic plans for the ASEAN community vision 2045 were discussed. Furthermore, officials talked about preparations for the 44th and 45th ASEAN Summits to be held on October 8-11 in Vientiane. In addition to that, the membership of Timor-Leste and the accession of external countries to the Treaty of Amity and Cooperation (TAC) were also discussed in the meeting. Overall, the meeting underscored Laos' role as the 2024 ASEAN Chair and the progress made in enhancing connectivity and resilience in ASEAN.²²

On September 4, Laos officially joined the School Meals Coalition, a global collaboration focused on improving nutrition, education, and student well-being in school meal programs. By taking part, Laos is demonstrating its dedication to advancing the sustainable development goal of the UN, which calls to provide all children a healthy meal by 2030. According to the reports, thirty percent of Laotian children suffer from malnutrition, which has a detrimental effect on their capacity to contribute academically. As a recent addition to this coalition, Laos assured that it would continue to integrate school meal programs throughout the nation, efficiently utilizing international experience to support long-term, local based initiatives.²³

A meeting held on September 5 between Cambodia and Laos featured the Chairman of Cambodia's Corruption Unit, Om Yentieng, and the Prime Minister of Laos, Sonexay Siphandone, along with the Lao state inspection authority. The two sides convened to discuss anti-corruption measures and exchange experiences and strategies to address these issues. Additionally, the two countries emphasized their appreciation and commitment to the collaborative efforts and hope to continue to explore new ways to strengthen their bilateral ties and efforts for mutual benefits. Within the meeting itself, both sides worked on reviewing

²¹ Lao News Agency. "Preparations for 2nd Vietnam–Laos Border Defence Friendship Exchange Checked." Lao News Agency. Last Modified August 14, 2024. <https://kpl.gov.la/En/detail.aspx?id=85060>

²² Lao News Agency. "ASEAN Senior Officials' Meeting Held in Luang Prabang, Prepares for ASEAN Summits." Lao News Agency. Last Modified August 22, 2024. <https://kpl.gov.la/En/detail.aspx?id=85286>

²³ Chanthavong, Namfon. "Laos Joins School Meals Coalition." The Laotian Times. Last Modified September 5, 2024. <https://laotiantimes.com/2024/09/05/laos-joins-school-meals-coalition/>

economic, social, and political circumstances within both countries. They exchanged insights as to how they could work together on tackling these issues effectively.²⁴

Conclusion

In conclusion, the Laotian government has announced significant changes in major positions, including the appointment of the current Governor of the Bank of Laos and the Vice President of the Law Commission in the National Assembly. The government is also focusing on increasing employee allowances to combat rising living costs. Moreover, Vietnamese officials visited Laos to improve security cooperation and military ties. To bridge the gap between "landlocked" and "land-linked" countries, Laos's prime minister, Sonexay Siphandone, urged his country to take an active role in hosting the 44th and 45th ASEAN Summits as well as related meetings. For economics, Laos is taking considerable steps to address its economic issues, particularly high inflation and its impact on living standards. The government is working to strengthen the economy improve financial stability, and implement plans to increase local production and stabilize the exchange rate. While inflation remains a major worry, significant trade and investment ties with nations such as Vietnam, China, and Thailand provide crucial assistance to Laos' continued economic development. Furthermore, Laos faces challenges like inadequate healthcare and poor recycling rates, so the World Bank recommends urgent action. Vientiane is also working to reduce flooding and improve drainage infrastructure. Besides, six hospitals have established occupational and health check-up facilities, as well as the first meteorological tower in Nathou village, Phine district, Savannakhet Province,, was installed to measure wind characteristics for a wind farm project. However, high gusts, thunderstorms, moderate to heavy rainfall, which was caused by Tropical Storm Yagi, are expected from September 8 to 10, prompting residents to prepare for potential flash floods, landslides, and rising water levels in Phongsaly Province, northern Laos. Lastly, Lao Deputy Prime Minister Saleumxay Kommasith attended a political forum in New York City to discuss sustainable development goals and international cooperation. He also attended a border defense friendship exchange with Vietnam. In August 2024, he chaired an ASEAN senior official meeting, discussing economic integration, digital transformation, and strategic plans and Laos officially joined the School Meals Coalition in September.

²⁴ Hang, Punrey. "Cambodia-Laos Exchange Expand Anti-corruption Cooperation." Khmer Times. Last Modified September 5, 2024. <https://www.khmertimeskh.com/501553370/cambodia-laos-exchange-expand-anti-corruption-cooperation/>

Malaysia

Long Sovitou, Ngoun Sovannmakara, and Chum Sothealeap

Introduction

The third quarter of 2024 was a period of significant activities for Malaysia, both domestically and internationally. Domestically, the government faced key political challenges, including high-profile legal cases and social tensions, while managing economic growth and subsidy reforms. Internationally, Malaysia strengthened its role in foreign affairs, focusing on bilateral relationships and regional stability, particularly within ASEAN and the South China Sea. The country also maintained its advocacy for the Palestinian cause and engaged actively in global discussions on economic partnerships. This report highlights the key political, economic, and foreign policy developments that shaped Malaysia's path in Q3 2024.

Domestic Politics

In Q3 2024, Malaysia's political landscape was marked by ongoing legal battles and electoral shifts. Former Prime Minister Najib Razak's continued legal struggles around the 1MDB scandal captured national attention, raising questions about corruption and governance. Meanwhile, the government cracked down on discussions around race, religion, and royalty (3R issues), stressing national unity. Perikatan Nasional's by-election win reflected growing public discontent, further intensifying the political dynamic. Within Umno, calls for reclaiming political dominance by 2026 underscored the shifting alliances and challenges the ruling coalition faces, making the political environment increasingly competitive.

The 1MDB Scandal and Najib Razak's Legal Battles

The legal saga surrounding former Malaysian Prime Minister Najib Razak and the 1Malaysia Development Berhad (1MDB) scandal continues to unfold, showcasing a complex interplay of legal challenges and political ramifications. In July 2024, Najib faced a significant setback when the Kuala Lumpur High Court dismissed his bid to serve the remainder of his 12-year corruption sentence under house arrest. The court ruled that no valid case warranting a full hearing, effectively maintaining his incarceration at Kajang Prison, Selangor. Najib's lawyer

announced plans to appeal the decision, emphasizing the ongoing complexities of his legal situation.¹

In September, the narrative took a contentious turn when Najib’s defense team argued that he was denied a fair trial due to a hasty investigation by the Malaysian Anti-Corruption Commission (MACC). His lawyer criticized the probe for being biased and incomplete, stating that crucial elements of Najib's defense were overlooked. This claim underscored broader concerns about the integrity of the judicial process in high-profile corruption cases.²

On September 10, 2024, the 1MDB trial was postponed again due to Najib’s acute knee pain, which rendered him unfit to attend court. This postponement was notable as it marked yet another delay in a trial that had already seen interruptions due to Najib's medical issues in previous years. As the legal proceedings continue, they reflect Najib's ongoing battle with the justice system and the broader implications for Malaysia's political landscape, where corruption and accountability remain deeply entrenched. The unfolding situation emphasizes the need for judicial transparency and fairness in addressing high-profile corruption allegations, particularly as the public interest in the 1MDB scandal remains high.³

3R Issues in Malaysia: Government Warnings and Public

In August 2024, Prime Minister Datuk Seri Anwar Ibrahim warned against the exploitation of sensitive issues related to race, religion, and royalty, collectively known as the 3R issues. During a press conference following a Unity Government Leadership Consultative Council meeting, Anwar emphasized that the Malaysian Communications and Multimedia Commission (MCMC) and the Royal Malaysia Police (PDRM) would be closely monitoring activities associated with these matters. He expressed that the nation’s security is paramount and that no individual should be considered above accountability due to their status, background, or

¹ (2024, July 03). “Malaysian Ex-Premier Najib Loses Legal Battle Over House Arrest.” *Anadolu Agency*. Retrieved <https://www.aa.com.tr/en/asia-pacific/malaysian-ex-premier-najib-loses-legal-battle-over-house-arrest/3264520>.

² Ahmad Johari Mohd Ali. (2024, Sep 18). “Lawyer: Najib Denied Fair Trial; MACC Probe Was Hurried and Shoddy.” *New Straits Times*. Retrieved: https://www.nst.com.my/news/crime-courts/2024/09/1107380/lawyer-najib-denied-fair-trial-macc-probe-was-hurried-and-shoddy#google_vignette.

³ Lim, Ida. 2024. “Najib on Two-Day Sick Leave for Knee Pain; 1MDB Trial Postponed.” *Malay Mail*, September 10. Retrieved: <https://www.malaymail.com/news/malaysia/2024/09/10/najib-on-two-day-sick-leave-for-knee-pain-1mdb-trial-postponed/149898>

wealth. Anwar stressed that unchecked actions by certain parties could jeopardize the stability and unity of the country.⁴

Despite the government’s warnings, discussions surrounding the 3R issues have persisted, raising concerns among various stakeholders. Public servant Firdaus Foad highlighted the risks of discussing such topics, particularly on social media, where divisive comments can spread rapidly. Amirul Faiz, a private sector employee, noted that the global reach of modern media emboldens individuals to make incendiary remarks about the 3R issues, urging tighter monitoring to prevent escalation and unrest. National Unity Minister Aaron Ago Dagang acknowledged the challenges posed by the digital age, where hateful sentiments can increase quickly, emphasizing that while the government is not stifling free speech, the public should refrain from discussing sensitive matters to avoid severe consequences. The National Unity Ministry has since implemented measures to promote racial and religious harmony, including establishing councils to monitor divisive rhetoric and a centralized data system to track reported incidents.⁵

On September 9, 2024, Anwar addressed claims made by the Opposition regarding restrictions on discussions about 3R issues during the 25th Suhakam Silver Jubilee celebration. He clarified that while discussions on 3R topics are permitted, they must occur on appropriate platforms and be rooted in valid protests, reiterating that incitement will not be tolerated. This ongoing dialogue reflects the complexity of addressing sensitive societal issues in Malaysia as the government seeks to balance free speech with national unity.⁶

PN Secures Victory in Sungai Bakap By-Election

Both articles discuss the Sungai Bakap state seat by-election in Penang, which took place on July 6, 2024. The opposition alliance Perikatan Nasional (PN) won decisively, with Mr. Abidin Ismail from Parti Islam SeMalaysia garnering approximately 58.6% of the votes. This election followed the death of the previous PN assemblyman and highlighted rising public

⁴ “FINAL WARNING TO THOSE PLAYING UP 3R ISSUES - ANWAR.” *Ministry of Communication*. Retrieved: <https://www.komunikasi.gov.my/en/public/news/24381-final-warning-to-those-playing-up-3r-issues-anwar>

⁵ Yusof, Zeanaaima Mohd. (2024, August 30). “Why Are 3R Issues Still Being Raised?” *Free Malaysia Today / FMT*. Retrieved: <https://www.freemalaysiatoday.com/category/nation/2024/08/30/why-are-3r-issues-still-being-raised/>

⁶ (2024, September 10). “Report: PM Anwar Refutes Opposition’s 3R Gag Claims, but Says Incitement Won’t Be Tolerated.” *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/09/10/report-pm-anwar-refutes-oppositions-3r-gag-claims-but-says-incitement-wont-be-tolerated/149890>

dissatisfaction with Prime Minister Anwar Ibrahim's administration, particularly concerning living costs and subsidy cuts.⁷ In the wake of this electoral outcome, Datuk Seri Tengku Zafrul Abdul Aziz, a member of Umno's supreme council, emphasized the party's need for fresh ideas to regain voter support. He criticized internal politics and stressed that voters seek leaders who genuinely address their concerns. This context underscores the challenges faced by the ruling coalition and highlights the shifting political dynamics in Malaysia, with public sentiment increasingly favoring the opposition.⁸ The upcoming Nenggiri state by-election is set to be a direct contest between Umno and PAS, with Mohd Azmawi Fikri Abdul Ghani representing Umno and Mohd Rizwadi Ismail from PAS. The competitive atmosphere between these parties may be influenced by the recent electoral results, making the Nenggiri by-election a critical moment for both to consolidate their positions amid challenges from the opposition.⁹

Umno Youth Chief Calls for Reclaiming Political Dominance by 2026

During the Umno Youth Wing's general assembly on August 22, 2024, Dr. Muhamad Akmal Saleh, the party's Youth chief, stressed the necessity for Umno to reclaim its dominant position in the Malaysian government. He expressed concerns about the party's current role as merely a "supplement" to Prime Minister Anwar Ibrahim's unity administration, stating that this status is inadequate for Umno's future viability. Dr. Akmal urged delegates to increase Umno's representation in the Dewan Rakyat, the lower house of Parliament, aiming for a two-thirds majority by 2026. He emphasized that regaining such a position is crucial for Umno to restore its influence and leadership within the national political landscape. This call to action highlights a broader desire within the party to strengthen its authority and move away from a subordinate role in the current government setup, aiming for a more significant impact in Malaysian politics.¹⁰

King Applauds Malaysia's Economic Gains, Warns Against Corruption

⁷ Saieed, Zunaira. (2024, July 07). "Malaysia's Opposition PN Retains Penang State Seat With Comfortable Majority in By-Election." *The Straits Times*. Retrieved: <https://www.straitstimes.com/asia/se-asia/malaysia-s-opposition-pn-retains-penang-state-seat-with-comfortable-majority-in-by-election>

⁸ (2024, July 27). "Umno Needs One Thing Really to Win Back Voters, Says Tengku Zafrul, and That's Fresh Ideas." *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/07/27/umno-needs-one-thing-really-to-win-back-voters-says-tengku-zafrul-and-thats-fresh-ideas/145148>

⁹ Chong, Debra. (2024, August 3). "It's Umno Vs PAS for Nenggiri State Poll, No Other Contenders In the Ring." *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/08/03/its-umno-vs-pas-for-nenggiri-state-poll-no-other-contenders-in-the-ring/145880>

¹⁰ Zalani, Anis. (2024, August 22). "Youth Chief: Umno Must Reclaim Dominance in Govt by 2026, Being Mere 'Supplement' to Anwar Admin Not Enough." *Malay Mail*. Retrieved: https://www.malaymail.com/news/malaysia/2024/08/22/youth-chief-umno-must-reclaim-dominate-in-govt-by-2026-being-mere-supplement-to-anwar-admin-not-enough/147821#google_vignette

During an investiture ceremony celebrating his official birthday, His Majesty Sultan Ibrahim, the King of Malaysia, expressed satisfaction with the nation’s improved economic and trade performance. He encouraged the government to continue stimulating the economy, creating job opportunities, and enhancing living standards. Emphasizing the importance of integrity, the King cautioned leaders against corruption and the abuse of power, urging Malaysians to uphold unity and adhere to the principles of the Rukun Negara. Prime Minister Datuk Seri Anwar Ibrahim reaffirmed the government's commitment to fostering a stable and business-friendly environment in his message. Additionally, the ceremony honored Chief Secretary Tan Sri Shamsul Azri Abu Bakar with the Panglima Mangku Negara award, bestowing him the title 'Tan Sri.' The King and Her Majesty Queen Raja Zarith Sofiah expressed gratitude to the public for their prayers and congratulations during the occasion.¹¹

Economic Affairs

Malaysia’s economy displayed strong performance in the third quarter of 2024, with growth driven by increased exports and domestic demand. Prime Minister Anwar Ibrahim's “Madani Economy” strategy continued to create job opportunities and push technological and energy-efficient reforms. Economic growth surpassed expectations, reaching 5.8% in Q2 2024, with positive forecasts for the rest of the year. Malaysia’s bid to join BRICS also highlighted its ambition to diversify international partnerships. Despite concerns over subsidy reforms and boycott movements, Malaysia’s economy remained resilient, supported by growing investor confidence and strong fiscal management.

Malaysia’s Strategic BRICS Bid

Malaysia’s aspiration to join the BRICS group, which includes Brazil, Russia, India, China, and South Africa, reflects its strategic vision as the next ASEAN chair in 2025. This bid is a crucial extension of Malaysia’s existing regional commitments. By aligning itself with BRICS, Malaysia aims to enhance its economic growth and diversify its international partnerships. The collective economic influence of BRICS nations can open doors for increased trade opportunities, particularly with emerging markets. Furthermore, Malaysia’s engagement with this bloc can strengthen its diplomatic leverage in a region marked by geopolitical tensions. Through this strategic alignment, Malaysia can address shared challenges such as climate

¹¹ Bernama. (2024, September 7). “King Happy with Country'S Economic, Trade Performance.” *NST Online*. Retrieved: <https://www.nst.com.my/news/nation/2024/09/1102500/king-happy-countrys-economic-trade-performance>

change and economic development, reinforcing its role as a key player in ASEAN and the global arena.¹²

The pursuit of BRICS membership indicates a broader shift in global power dynamics. As BRICS is increasingly seen as a counterbalance to Western influence, particularly from the United States, Malaysia's inclusion in this coalition presents an opportunity to assert its sovereignty. Joining BRICS aligns with Malaysia's long-standing foreign policy of non-alignment and commitment to diverse partnerships. This strategic engagement with BRICS allows Malaysia to navigate the complexities of global geopolitics while prioritizing national interests and regional stability.¹³

Moreover, Malaysia's accession to BRICS could significantly enhance its influence in economic forums and international platforms. With membership in BRICS, Malaysia could collaborate across sectors, including technology, trade, and sustainable development. This aligns with Malaysia's Vision 2025, which emphasizes innovation and economic diversification as crucial elements of its growth strategy. By leveraging its BRICS membership, Malaysia could attract foreign investments and access new markets, further integrating itself into the global economy.¹⁴

As Malaysia continues strengthening its ties with BRICS, it positions itself as a proactive player on the global stage while pursuing its national objectives. The engagement with BRICS can also empower Malaysia to advocate for the interests of smaller nations in multilateral negotiations, reinforcing its image as a voice for the Global South. Ultimately, Malaysia's bid to join BRICS signifies a strategic maneuver to bolster its economic and diplomatic standing, enabling it to navigate the complexities of the evolving global landscape.¹⁵

Strong Economic Performance in Q2 2024

¹² Abdullah, Mohd Faiz. (2024, August 18). "Malaysia's BRICS Bid to Build on Its Allegiance to ASEAN." *East Asia Forum*. Retrieved: <https://eastasiaforum.org/2024/08/18/malaysias-brics-bid-to-build-on-its-allegiance-to-asean/>

¹³ Strangio, Sebastian. (2024, July 30). "Malaysia Has Applied for BRICS Membership, Anwar Says." *The Diplomat*. Retrieved: <https://thediplomat.com/2024/07/malaysia-has-applied-for-brics-membership-anwar-says/>

¹⁴ Shankaran Nambiar. (2024, August 2). "Will Malaysia Build ASEAN With BRICS?" *Lowy Institute*. Retrieved: <https://www.lowyinstitute.org/the-interpreter/will-malaysia-build-asean-brics>

¹⁵ Jingzhi, Xu. (2024, September 5). "Malaysia's BRICS Bid: Not Aligning Away From Non-Alignment | FULCRUM." *FULCRUM*. Retrieved: <https://fulcrum.sg/malaysias-brics-bid-not-aligning-away-from-non-alignment/>

On July 20, 2024, Prime Minister Datuk Seri Anwar Ibrahim announced that Malaysia's economy exceeded expectations with a remarkable growth rate of 5.8% in the second quarter (Q2) of 2024. This growth marks an improvement from the previous quarter's 4.2% and is the highest growth rate since Q2 2022, which recorded a 7.4% increase. The positive performance is attributed to the government's "Madani Economy" initiative, which aims to enhance job opportunities, facilitate technology transfer, and transition towards a more digital and energy-efficient economy. Anwar thanked the people, workers, professionals, and investors who supported this vision. He emphasized that this growth reflects Malaysia's resilience in overcoming uncertainties and believes cooperation will propel economic success.¹⁶

Supporting this optimism, Bank Negara Malaysia (BNM) reported that the economy expanded by 2.9% on a quarter-on-quarter basis in Q2 2024, a significant increase from the 1.5% growth in the first quarter. This acceleration is driven by robust domestic demand and a resurgence in exports, particularly in petroleum and chemical products, alongside non-electronics goods. BNM forecasts a continued positive trend for the rest of the year, projecting an overall GDP growth of 4-5% for 2024, which surpasses the 3.7% growth recorded in 2023. This consistent performance indicates Malaysia's strong economic recovery and its potential for sustainable growth (ICIS).¹⁷

Malaysia's Economic Growth



¹⁶ (2024, July 20). "PM Anwar: Malaysia's Economic Growth Exceeds Expectations at 5.8pc for Q2 2024 (VIDEO)." *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/07/20/pm-anwar-malaysias-economic-growth-exceeds-expectations-at-58pc-for-q2-2024video/144374>

¹⁷ (2024, August 16). "Individual News - ICIS Explore." *ICIS Explore*. Retrieved <https://www.icis.com/explore/resources/news/2024/08/16/11026906/malaysia-q2-economy-grows-5-9-on-better-exports-consumption/>

ICIS 2024: “Malaysia Q2 economy grows 5.9% on better exports and consumption.”

Balancing Growth and Subsidy Reforms

Malaysia's economy is enjoying significant growth, with projections indicating a remarkable expansion of 5.8% in the second quarter of 2024. This unexpected surge allows Prime Minister Datuk Seri Anwar Ibrahim to consider postponing proposed cuts to blanket subsidies for RON95 gasoline. Economists from the Maybank Investment Bank suggest that Malaysia could narrow its fiscal deficit to 4.3% of GDP even with delayed subsidy cuts. This growth translates into higher government revenue, potentially keeping inflation around 2% in 2024, compared to an initial estimate of 2.4%.¹⁸

While the government has replaced blanket diesel subsidies with targeted assistance, leading to a 56% overnight increase in pump prices, public dissatisfaction remains a concern. Anwar has acknowledged the need for unpopular reforms, such as revising electricity tariffs, and emphasized the importance of educating the public about these policies. He pointed to strengthening the ringgit and increasing investor confidence as signs of economic resilience. With the ringgit trading at around 4.42 against the US dollar, Anwar believes that responsible governance can ensure the benefits of economic improvements reach the Malaysian people.¹⁹

Economic Impact of Boycott Movements on Foreign Businesses

The Ministry of Economy in Malaysia has reported that the ongoing boycott against foreign businesses and products has not significantly impacted the national economy. According to the ministry, the food and beverage subsector contributed only 2.4% to the country's GDP in the first quarter of 2024. This limited contribution suggests that the boycott, which began following the West Asian conflict on October 7, 2023, is unlikely to have far-reaching economic consequences. However, the ministry encourages local businesses to innovate and enhance the quality of Malaysian-made products to capture consumer interest.²⁰

¹⁸ (2024, July 24). “Report: Malaysia’s Economic Growth May Allow PM Anwar to Delay Subsidy Cuts.” *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/07/24/report-malaysias-economic-growth-may-allow-pm-anwar-to-delay-subsidy-cuts/144810>

¹⁹ Jun, Soo Wern. (2024, August 6). “As Ringgit Grows Stronger, PM Anwar Signals of Better Days After Difficult Subsidy Cuts.” *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/08/06/as-ringgit-grows-stronger-pm-anwar-signals-of-better-days-after-difficult-subsidy-cuts/146147>

²⁰ (2024, August 1). “Economy Ministry: Boycott Movement on Foreign Businesses Redirects Consumers to Malaysian Products.” *Malay Mail*. Retrieved: <https://www.malaymail.com/news/malaysia/2024/08/01/economy-ministry-boycott-movement-on-foreign-businesses-redirects-consumers-to-malaysian->

Economists, including Goh Lim Thye from Universiti Malaya, warn of potential long-term implications from sustained boycotts. Approximately 1.37 million Malaysians and 207,200 non-citizens employed in the food and beverage sector could face job losses if foreign-brand businesses continue to close. Goh highlighted that these closures could increase the unemployment rate and adversely affect local suppliers, including farmers and manufacturers, thereby creating a ripple effect throughout the economy. While the ministry acknowledges a shift toward local products, it cautions that this alone may not offset the demand typically met by foreign-owned enterprises.²¹

To counter the negative effects of the boycott movement, Goh advocates for government interventions such as tax breaks, grants, and low-interest loans to support local businesses in scaling up production. Additionally, he suggests implementing training and reskilling programs for displaced workers, alongside initiatives to help local suppliers diversify their customer base. Meanwhile, Nazari Ismail, a pro-Palestinian boycott leader, concurs with the ministry's findings, noting that many consumers are shifting to local brands like Indocafe. He emphasizes the need for global companies to align their strategies with consumer sentiments to avoid backlash.²²

Foreign Affairs

During Q3 2024, Malaysia focused on enhancing its diplomatic relationships and regional influence. High-level visits with nations like the Philippines, Russia, and Poland reinforced trade, defense, and political cooperation. Malaysia actively supported the Palestinian cause, contributing to humanitarian efforts and advocating for international accountability. Regionally, Malaysia reaffirmed its commitment to peace in the South China Sea through diplomatic dialogue while preparing for its ASEAN Chairmanship in 2025. This quarter, the country's foreign policy highlighted its proactive stance in promoting regional stability and international cooperation.

[products/145637#:~:text=The%20Ministry%20of%20Economy%20said%20the%20West%20Asian%20conflict%20between,branded%20companies%20by%20most%20Malaysians](#)

²¹ Tung, Tan Chin. (2024, August 04). "Think Carefully About Prolonged Consumer Boycotts, Says Economist." *Free Malaysia Today* / *FMT*. Retrieved: <https://www.freemalaysiatoday.com/category/nation/2024/08/04/think-carefully-about-prolonged-consumer-boycotts-says-economist/>

²² Bernama. (2024, July 31). "Boycott Movement Has No Significant Impact on Economy, Says Govt." *Free Malaysia Today* / *FMT*. Retrieved: <https://www.freemalaysiatoday.com/category/nation/2024/07/31/boycott-movement-has-no-significant-impact-on-economy-says-govt/>

Bilateral Relations

Malaysia's Foreign Minister Dato' Seri Utama Haji Mohamad Bin Haji Hasan visited the Philippines on July 1, 2024, in celebration of 60 years of diplomatic relations between the two nations. During the visit, he discussed with President Ferdinand Marcos Jr. on expanding economic ties, particularly in Southern Philippines, where Malaysian companies were invited to participate in socio-economic development. The foreign ministers of both nations emphasized the importance of strengthening bilateral cooperation in trade, investment, halal industries, and food security. They also discussed regional issues, such as the need for ASEAN unity and an immediate ceasefire in Palestine, and the Philippines assured Malaysia of its cooperation during Malaysia's ASEAN Chairmanship in 2025.²³

Following the Philippine visit, Malaysia continued to enhance its regional partnerships with Brunei. The Foreign Minister of Brunei, Dato' Seri Setia Haji Erywan, visited Malaysia from July 10 to 12, 2024. The visit centered on the third meeting of the Malaysia-Brunei Land Boundary Committee, which focused on border cooperation and ongoing joint demarcation efforts. In addition, the visit celebrated the 40th anniversary of diplomatic ties between the two nations, with both ministers reaffirming their commitment to furthering collaboration for mutual benefit. Brunei remains Malaysia's sixth-largest ASEAN trading partner, with total trade reaching USD 2.04 billion, underscoring the importance of this diplomatic relationship.²⁴

The momentum in strengthening diplomatic ties continued with Russia's Foreign Minister Sergey Lavrov visiting Malaysia from July 27 to 28, 2024. The bilateral discussions between Malaysia and Russia covered trade, defense, Islamic banking, science, technology, and education, specifically focusing on increasing economic collaboration. Russia also voiced its support for Malaysia's aspirations to join BRICS. The visit highlighted the growing bilateral trade between the two countries, which saw a 15.6% increase in 2023. It reaffirmed the

²³ Putrajaya. (2024, July 2). "OUTCOME OF THE OFFICIAL VISIT OF THE MINISTER OF FOREIGN AFFAIRS TO THE REPUBLIC OF THE PHILIPPINES 1 JULY 2024." *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/outcome-of-the-official-visit-of-the-minister-of-foreign-affairs-to-the-republic-of-the-philippines-1-july-2024>

²⁴ Putrajaya. (2024, July 12). "OUTCOME OF THE WORKING VISIT OF THE MINISTER OF FOREIGN AFFAIRS II OF BRUNEI DARUSSALAM TO MALAYSIA 10-12 JULY 2024." *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/outcome-of-the-working-visit-of-the-minister-of-foreign-affairs-ii-of-brunei-darussalam-to-malaysia-10-12-july-2024>

significance of Malaysia-Russia relations in addressing regional and international issues, including the Palestinian conflict.²⁵

In early September 2024, Malaysia welcomed Polish Foreign Minister Radosław Sikorski for a working visit. The discussions focused on strengthening bilateral ties, particularly in defense, higher education, and agriculture. Both nations emphasized the need for stronger economic resilience and supply chains. Additionally, Malaysia supported Poland's application to become a High Contracting Party to the ASEAN Treaty of Amity and Cooperation. This visit further solidified Malaysia's diplomatic relations with Poland, especially as Poland expressed its support for Malaysia's ASEAN Chairmanship in 2025.²⁶

Palestinian Cause

As Malaysia engaged with bilateral partners, it also actively supported the Palestinian cause. On July 13, 2024, Malaysia pledged an additional USD 1 million to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), bringing its total contribution to USD 5.2 million. Malaysia's continued financial and humanitarian support underscores its long-standing commitment to the Palestinian people. This support was further bolstered by the International Court of Justice's July ruling, which declared Israel's occupation of Palestinian territories illegal. Malaysia praised this decision and reiterated its advocacy for an independent Palestinian state within pre-1967 borders.²⁷

Throughout the third quarter of 2024, Malaysia consistently condemned Israel's attacks on Palestinians. The country criticized Israeli airstrikes in Gaza and West Bank cities, calling for the international community to intervene and enforce a ceasefire. Malaysia's foreign policy emphasized holding Israel accountable for its actions and protecting the rights of Palestinians. In line with this stance, Malaysia participated in an OIC Extraordinary Meeting on August 9,

²⁵ Putrajaya. (2024, July 2024). "WORKING VISIT BY THE MINISTER OF FOREIGN AFFAIRS OF THE RUSSIAN FEDERATION TO MALAYSIA 27 - 28 JULY 2024" *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/working-visit-by-the-minister-of-foreign-affairs-of-the-russian-federation-to-malaysia-27-28-july-2024>

²⁶ Putrajaya. (2024, September 3). "OUTCOME OF THE WORKING VISIT BY THE MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF POLAND 3 SEPTEMBER 2024." *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/outcome-of-the-working-visit-by-the-minister-of-foreign-affairs-of-the-republic-of-poland-3-september-2024>

²⁷ The Straits Times, (2024, July 13). "Malaysia pledges additional contribution of US\$1 million to UNRWA.", Retrieved: <https://www.nst.com.my/news/nation/2024/07/1075925/malaysia-pledges-additional-contribution-us1-million-unrwa/>

2024, to address the ongoing Israeli-Palestinian conflict. Malaysia proposed the establishment of a group of eminent persons to ensure the follow-up of the ICJ’s decision and the reinstatement of the UN Special Committee on Apartheid. The country remained committed to supporting Palestine’s socio-economic rebuilding efforts, continuing its role in global advocacy for Palestinian rights.²⁸

Regional and Global Developments

Malaysia’s diplomatic activity was not limited to bilateral relations and advocacy for Palestine but also extended to regional cooperation. On August 8, 2024, Malaysia hosted the 57th ASEAN Day celebration, themed “Connectivity and Resilience.” This event focused on regional unity, shared experiences, and the importance of ASEAN cooperation in overcoming challenges. Malaysia collaborated with AirAsia to organize the event, highlighting the goal of a borderless ASEAN. The event aligned with Lao PDR’s ASEAN Chairmanship theme for 2024 and reinforced Malaysia’s growing leadership role within ASEAN as it prepares for its ASEAN Chairmanship in 2025.²⁹

Malaysia reaffirmed its position on the South China Sea dispute in parallel with regional engagements. The Ministry of Foreign Affairs responded to a leaked Diplomatic Note from China to Malaysia, revealed by a Filipino media outlet on August 29, 2024. The Ministry expressed concern over this breach of classified information and initiated an internal investigation while filing a police report for further inquiry. Malaysia reaffirmed its strong bilateral ties with China, emphasizing the peaceful resolution of disputes in the South China Sea through diplomatic channels. The country’s position on the South China Sea remains unchanged, asserting its sovereignty and maritime rights based on the 1979 Malaysia Map, by international law, particularly UNCLOS 1982. Malaysia also highlighted its commitment to maintaining peace and stability in the region and continues to engage diplomatically with China and other nations. As of August 2024, Malaysia and China co-chair negotiations with ASEAN

²⁸ Putrajaya. (2024, August 9). “OIC backs Malaysia's stance on Israel's actions against Palestinians and Iran.” *The Star*. Retrieved: <https://www.thestar.com.my/news/nation/2024/08/09/oic-backs-malaysia039s-stance-on-israel039s-actions-against-palestinians-and-iran>

²⁹ Putrajaya. (2024, August 8). “THE 57TH ASEAN DAY CELEBRATION “CONNECTIVITY AND RESILIENT COMMUNITY” 8 AUGUST 2024.” *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/the-57th-asean-day-celebration-connectivity-and-resilient-community-8-august-2024>

to finalize a substantive Code of Conduct (COC) in the South China Sea, focusing on peaceful dispute resolution.³⁰

Following Malaysia's reaffirmation of its stance on the South China Sea, the Ministry of Foreign Affairs addressed another critical issue regarding Sabah's sovereignty. A social media video had circulated, questioning Sabah's status as part of Malaysia. In response, the Ministry launched an investigation in cooperation with other governmental agencies. The Ministry reiterated Malaysia's long-standing position that Sabah has always been and will remain an integral part of Malaysia. The government rejected any claims on Sabah, emphasizing its recognition by the United Nations and the international community since the formation of Malaysia in 1963. The Ministry also highlighted that the people of Sabah exercised their right to self-determination through the 1962 Cobbold Commission. Malaysia remains firm in defending its sovereignty and territorial integrity, vowing to protect the nation's interests, particularly in ensuring that Sabah's status remains undisputed.³¹

Regional stability was further emphasized during the official visit of New Zealand's Prime Minister Christopher Luxon from September 1 to 3, 2024. The visit reinforced the strategic partnership between Malaysia and New Zealand, with discussions covering trade, defense, and environmental cooperation. Both leaders reaffirmed their commitment to economic integration in the Asia-Pacific region, particularly through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP). The leaders also expressed concern over the situation in Gaza, the South China Sea, and Myanmar, underscoring Malaysia's broader role in regional stability.³²

Conclusion

This quarter was a pivotal period for Malaysia, marked by significant developments across politics, economics, and foreign relations. Domestically, legal trials and elections reshaped the

³⁰ Putrajaya. (2024, September 4). “[UPDATED] Wisma Putra probing leak of classified diplomatic note.” *News Straits Times*. Retrieved: <https://www.nst.com.my/news/nation/2024/09/1101297/updated-wisma-putra-probing-leak-classified-diplomatic-note>

³¹ Putrajaya. (2024, July 29). “STATEMENT ON SABAH SOVEREIGNTY.” *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/statement-on-sabah-sovereignty>

³² “JOINT STATEMENT FOR THE OFFICIAL VISIT OF NEW ZEALAND PRIME MINISTER CHRISTOPHER LUXON 2 SEPTEMBER 2024.” *Ministry of Foreign Affairs Malaysia*. Retrieved: <https://www.kln.gov.my/web/guest/-/joint-statement-for-the-official-visit-of-new-zealand-prime-minister-christopher-luxon-2-september-2024>

political environment, while economic growth exceeded expectations, driven by government reforms and international trade. In foreign affairs, Malaysia strengthened its bilateral ties and regional influence, preparing for greater leadership in ASEAN. The nation also remained committed to advocating for Palestine and maintaining peace in the South China Sea. Malaysia's progress this quarter underscores its resilience and adaptability in navigating complex domestic and international challenges.

Myanmar

Keo Sokkosol and Khim Tepsopheaktra

Introduction

This third quarterly report on Myanmar covers domestic politics, economics, and foreign affairs. In the domestic politics aspect, the fighting between the Tatmadaw and the Three Brotherhood Alliance is still ongoing and escalating, resulting in the breaking of the ceasefire in the northern Shan State, which is mediated by China. Economically, Kyat devaluation is increasing, and the Central Bank of Myanmar has called all major banks to a meeting to discuss the issue. As for foreign affairs, the State Administration Council attended the 19th Asia Cooperation Dialogue (ACD) and met with Cambodia and China individually, encouraging and supporting Myanmar in holding an election as soon as possible.

Domestic Politics

Following airstrikes on a TNLA base on June 9, 2024, the Ta'ang National Liberation Army (TNLA) accused the military regime of breaking the ceasefire in northern Shan State, mediated by China. In Momeik Township, between Pantin and Manpein villages, a TNLA base was hit by bombs dropped by a junta warplane, one of which was reportedly 500 pounds in weight. The TNLA said the regime shelled its positions at least 10 times between June 1 and 9. Lway Yay Oo of the TNLA said they have been monitoring their activities and recording their human rights violations and will respond.¹

On June 11, 2024, the Kachin Independence Army (KIA) seized the Sadung tactical command, which is one of 10 junta positions that the KIA has seized since launching its offensive along the road to the border trade town of Kanpiketi in Kachin State's Waingmaw Township. According to a KIA spokesman, "We took four locations, and the occupiers left the remaining ones. We are currently in charge of the Waingmaw to Laphai road. We have yet to seize the

¹ "TNLA: Myanmar Junta Breaking Ceasefire" *The Irrawaddy*, June 12, 2024, <https://www.irrawaddy.com/news/ethnic-issues/tnla-myanmar-junta-breaking-ceasefire.html>

area from Laphai to Kanpiketi, with fighting ongoing and the road still unsafe to travel. Transportation can resume when the fighting ceases. We will not disrupt the flow of goods”.²

According to the news released by the Irrawaddy on June 18, 2024, residents claim they have noticed that the junta is transferring military supplies and troops to Lashio, Kyaukme, and Mongmit townships and believe this is in preparation for a resumption of conflict with the Brotherhood Alliance. "The people are now very worried as the TNLA troops are being stationed closer to the town," a resident of Laishio continued. In addition, some people have already started gathering food and medication, while others are looking for a route out of town in an emergency. Furthermore, the junta is sending military supplies, including guns, ammunition, and drones, to bases in Kyaukme, Hsipaw, Mongmit, and Laishio in northern Shan, as well as to Mogoke Township in the Mandalay Region, according to Lway Yay Oo, a TNLA spokeswoman.³

According to the armed group, on June 18, there was a drone strike by the Myanmar junta on a Ta'ang National Liberation Army (TNLA) Hsum Hsai village camp in Nawnghkio Township. This was followed by three artillery rounds from a junta base in Ohnmatee. Following the ceasefire mediated by China in mid-January, TNLA spokeswoman Lway Yay Oo reported over 40 artillery strikes on TNLA territory in the northern Shan State townships of Mogoke, Mongmit, Kyaukme, and Maungkhio. "Junta troops are targeting TNLA troops and civilians in our territory," she said to the Irrawaddy, adding that this latest strike was an additional breach of China's truce.⁴

On June 19-20, 2024, the junta's peace negotiators met with representatives of four political parties that are still in the legal system this week in Naypyitaw to talk about holding a post-coup election following the news that Min Aung Hliang had vowed to do so the next year. The 2008 constitution, drafted by the military, was one of the hotly debated topics discussed at the summit. During the two days of the meeting, representatives of a working group of political

² “KIA Seize Myanmar Junta’s Last Remaining China Trade Route in Kachin State” *The Irrawaddy*, June 14, 2024, <https://www.irrawaddy.com/news/war-against-the-junta/kia-seizes-myanmar-juntas-last-remaining-china-trade-route-in-kachin-state.html>

³ Hein Htoo Zan, “Residents Fear Resumption of Fighting in Myanmar’s Northern Shan” *The Irrawaddy*, June 18, 2024, <https://www.irrawaddy.com/news/burma/residents-fear-resumption-of-fighting-in-myanmars-northern-shan.html>

⁴ Brian Wei, “TNLA: Myanmar Junta Drone Attack on base Kills One and Injures Four” *The Irrawaddy*, June 19, 2024, <https://www.irrawaddy.com/news/ethnic-issues/tnla-myanmar-junta-drone-attack-on-base-kills-one-and-injures-four.html>

parties—which does not include the most popular political party in the nation discussed issues such as the constitution with the National Solidarity and Peace Negotiation Committee.

During the first day of the meeting, agreements on peace and development, as well as suggested amendments to the 2008 constitution authored by the military, were presented by Lt-Gen Win Bo Shein, a member of the junta's peace committee. Meeting attendees focused on creating a union based on federalism and democracy on the conference's second day. According to U Ko Ko Gyi, political parties who intend to run in the election must talk with the junta about constitutional amendment proposals to come to agreements that will stop conflicts from escalating as they have in the past, even though it is unclear when the election will occur.⁵

According to a source close to the Arakan Army (AA), on June 22, 2024, the Arakan Army took control of Thandwe Airport, also called Ma Zin Airport, in the coastal tourist town of Ngapali in western Myanmar's Rakhine State. It's the first airport to be taken over by an armed ethnic group opposed to the regime since the start of the armed conflict against the regime in 2021 is Thandwe Airport, which serves as the international entry point to the well-known Ngapali Beach. On the other hand, claims that Thandwe had fallen were refuted by pro-junta telegram channels. According to them, the closest conflicts were 1,500 meters from the airport in the mountains.⁶

On June 25, 2024, Operation 1027 restarted in northern Shan State after Myanmar's junta was accused of repeatedly breaching a Chinese-brokered ceasefire. A member of TNLA said that it had attacked junta forces at Kyauk Kyan village in Nawnghkio Township. In addition, TNLA forces launched an attack at Nyein Chan Yay hill in Kyaukme Township, shelling Kyaukme town and resulting in the deaths of two and injuries of four people. Additionally, it launched an attack on a junta force in the northern Mandalay Region's Pann Sa Pay hamlet in Mogoke Township. According to Shan media accounts, the junta retaliated with airstrikes, landing four bombs, and a civilian was shot and killed in their car.⁷

⁵ "Election Talks in Myanmar Are Touching on Amending The Constitution, Junta Says" *The Irrawaddy*, June 21, 2024, <https://www.irrawaddy.com/news/politics/election-talks-in-myanmar-are-touching-on-amending-the-constitution-junta-says.html>

⁶ Roe Kyaw, "AA Seizes Thandwe Airport Near Rakhine's Ngapali Beach, Local Sources Say" *The Irrawaddy*, June 24, 2024, <https://www.irrawaddy.com/news/war-against-the-junta/aa-seizes-thandwe-airport-near-rakhines-ngapali-beach-local-sources-say.html>

⁷ "TNLA Restarts Operation 1027 Against Myanmar Junta" *The Irrawaddy*, June 25, 2024, <https://www.irrawaddy.com/news/war-against-the-junta/tnla-restarts-operation-1027-against-myanmar-junta.html>

According to the news released by the Irrawaddy on June 28, Central Young Lai Association (CYLA), an Indian civil society organization based in Mizoram, has blockaded the trade route used to import goods from India to war-wrecked Rakhine State through Chin State’s Paletwa Township to pressure the Arakan Army (AA) into leaving Chin State. It stated this week that it had halted all trade with Myanmar until further notice, saying cargo sent from Mizoram to Rakhine as aid for locals was being redirected to the AA, which is attacking Chin communities.⁸

On July 10, the TNLA and Mandalay PDF claimed to have taken complete control of Nawngkhio town after they managed to seize the headquarters of the junta’s Missile Battalion 606, the last stronghold outside the town. Over 80 Myanmar junta bases, including nearly ten military battalion headquarters, and a town have been captured by the Brotherhood Alliance and allied resistance groups in northern Shan State and northern Mandalay Region in just over two weeks since the resumption of Operation 1027. Meanwhile, the Myanmar National Democratic Alliance Army (MNDAA), has been engaging in fierce fighting with the regime since July 3, as it attempted to seize Lashio, the capital of northern Shan State, where the junta’s Northeastern Military command is located. Nearly two dozen civilians have been killed and many others injured by shelling in the town. Thus, the regime and the TNLA blame each other for the civilian casualties.⁹

On July 14, the Myanmar National Democratic Alliance Army (MNDAA) announced a four-day halt in its operations against the military regime in northern Shan State. A statement was released stating that “at the time of the Third Plenary Session of the Communist Party of China, all combat troops are required to stop active offensives between 24:00 July 14 and 24:00 July 18 to respond to China’s concerns positively.” Combat troops must remain where they are, but they also have the right to self-defense in the event of an attack, according to the MNDAA’s

⁸ “Indian Blockade Isolates Myanmar’s Rakhine, Pressure Arakan Army to Leave Chin State” *The Irrawaddy*, June 28, 2024, <https://www.irrawaddy.com/news/burma/indian-blockade-isolates-myanmars-rakhine-pressures-arakan-army-to-leave-chin-state.html>

⁹ Nayt Thit “Scores of Myanmar Junta Bases Fall to Ethnic Alliance in Two Weeks” *The Irrawaddy*, July 12, 2024, <https://www.irrawaddy.com/news/war-against-the-junta/scores-of-myanmar-junta-bases-fall-to-ethnic-alliance-in-two-weeks.html>

statement. Before the MNDAA’s ceasefire announcement, the regime launched an air raid at 2 a.m. on Sunday on Luakkai where the MNDAA is based.¹⁰

On July 31, junta leader Min Aung Hiang announced an additional six-month extension of the state of emergency, claiming more time is needed for him and his regime to establish stability and security in the nation. Additionally, he stated that a national census was required to guarantee accurate voter lists for the election, which may take place in 2025. Terror acts by the civilian National Unity Government, its armed wing, the People's Defense Forces (PDF), and ethnic armed groups necessitated the continuation of efforts to impose stability and security.¹¹

On August 12, 2024, Temasek-backed Sembcorp Industries temporarily suspended operations at its Myingyan Independent Power Plant in Mandalay, Myanmar. The decision came in response to escalating civil unrest in the region, including in the Myingyan township, where its 225-megawatt gas-fired power plant Sembcorp Myingyan is located. The Singapore-based company said in a statement, "Sembcorp will look to resume operations at the Plant as soon as reasonably practicable once conditions are safe".¹²

On August 27, the Junt-allied ethnic Pa-O armed group, the Pa-O National Organization (PNO), provided military training to 10,000 militia members in Pinlaung Township, one of the three townships that comprise the Pa-O Self-Administered Zone (SAZ) in southern Shan State. The PNO said the 10,000 fighters from Naungtaya town will undertake defense and security duties in Pinlaung Township under the supervision of its armed wing, the Pa-O National Army (PNA). Observers state that the militia fighters from the training will be used to defend Naypyitaw, which is 137 km southwest of Pilaung.¹³

¹⁰ “MNDAA Announces Four-Day Halt in Fighting in Myanmar’s N.Shan” *The Irrawaddy*, July 15, 2024, <https://www.irrawaddy.com/news/burma/mndaa-announces-four-day-halt-in-fighting-in-myanmars-n-shan.html>

¹¹ “Myanmar’s Dictator Extends Emergency Rule Again, Citing Election Preparations” *The Irrawaddy*, July 31, 2024, <https://www.irrawaddy.com/news/politics/myanmars-dictator-extends-emergency-rule-again-citing-election-preparations.html>

¹² Bangkok Post “Myanmar Power Plant Shut Down Amid Escalating Unrest” *The Irrawaddy*, August 13, 2024, <https://www.irrawaddy.com/business/myanmar-power-plant-shut-down-amid-escalating-unrest.html>

¹³ Saw Lwin “Myanmar Junta-Backed Pa-O Group Forcibly Recruits Fighters to Defend Naypyitaw” *The Irrawaddy*, August 23, 2024, <https://www.irrawaddy.com/news/burma/myanmar-junta-backed-pa-o-group-forcibly-recruits-fighters-to-defend-naypyitaw.html>

On the same day, on China's border with Myanmar, the People's Liberation Army (PLA) started conducting live-fire drills with ground and air force units. The military drill was initiated due to the escalation of fighting in border areas between ethnic armed groups and their resistance partners and Myanmar government troops. The drills, scheduled to go until Thursday, are intended to assess the PLA's Southern Theatre Command's capabilities in firepower, multi-dimensional control, early warning, and surveillance.¹⁴

Economic Affairs

On 29 June 2024, a statement released by the CBM published in a junta newspaper strongly objected to a report by the UN special rapporteur on human rights in Myanmar alleging that state-owned and private banks in the country, as well as international banks, are helping the junta commit human rights violations against Myanmar civilians. The statement said “The UN report severely harms the interests of Myanmar civilians and the relationship between Myanmar and other countries.” The CBM said local and international banks that engage in transactions with Myanmar have undergone comprehensive due diligence measures for all business relationships and transactions. It said that “the financial transactions are only for import of essential goods and necessities for Myanmar civilians, such as medicines and medical supplies, agricultural and livestock supplies, fertilizer, edible oil, and fuels”.¹⁵

According to a statement posted on the junta’s information ministry website on 30 June 2024, eleven business people involved in the sale of rice, including one Japanese national, face up to three years in prison for alleged price gouging. All 11 are charged with selling rice for between 31 and 70 percent more than the Myanmar Rice Federation's standard price. Since late June, junta officials have been attempting to reduce rice's retail costs. Businesspeople note that prices rise and the value of the local currency declines shortly after each crackdown, arguing that the junta's crackdowns on market activity cause prices to rise and volatility to increase.¹⁶

¹⁴ “China’s PLA Launches Live-Fire Drills as Fighting Rages in Myanmar Borderlands” *The Irrawaddy*, August 27, 2024, <https://www.irrawaddy.com/news/burma/myanmar-junta-backed-pa-o-group-forcibly-recruits-fighters-to-defend-naypyitaw.html>

¹⁵ “Myanmar Central Bank Rejects UN Claim Banks Abetting War Crimes” *The Irrawaddy*, July 1, 2024, <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmar-central-bank-rejects-un-claim-banks-abetting-war-crimes.html>

¹⁶ Hein Htoo Zan “Myanmar’s Rice Crackdown Escalates With Arrests of Traders, Retail Chain Directors” *The Irrawaddy*, July 1, 2024, <https://www.irrawaddy.com/news/burma/myanmars-rice-crackdown-escalates-with-arrests-of-traders-retail-chain-directors.html>

The junta called a confidential meeting at its nerve center, Naypyidaw, on July 10, 2024, to discuss banking-related matters. The head of all private banks in the nation attended the conference. During the conference, a high-ranking junta official denounced and claimed that Myanmar's leading bankers were driving the country's currency down and causing inflation as the nation's financial crisis moved into a new, possibly irreversible phase. The junta officials warned the country's top bankers that action would be taken against them if they violate regulations, damage Myanmar's financial stability, or lessen the value of the state's assets and resources.¹⁷

A bank executive reportedly told the Irrawaddy on July 11, 2024, "We have to impose limits for fear that reserves may not be sufficient to cover withdrawals, explaining that customers are withdrawing their money but none are making deposits." The executive claimed that the Central Bank of Myanmar, which is under junta control, had cut back on the amount of cash it provided to private banks and that these banks had capped the amount of money that customers could withdraw each day at 1,000,000 kyats or 2,000,000 kyats. Additionally, an exporter stated that "merchants and business owners are no longer depositing money in banks." Most people prefer to keep their money close to home.¹⁸

Following the July 10 summit, the value of the kyat fell by an additional 6%, reaching 4,800 versus the US dollar, which was trading at roughly 1,300 to the greenback before the coup. However, the cost of gold is increasing and now exceeds 5.8 million kyats per tical (16.33 grams). The issue has gotten worse as a result of private banks having to impose daily withdrawal limits to stop bank runs when a large number of customers rush to take their money out. Notably, due to the increase in gold prices and depreciation of the kyat, people who have taken withdrawals from bank accounts are now investing in gold.¹⁹ Gold prices in the domestic

¹⁷ Hein Htoo Zan, "Myanmar's Generals Berate And Scold Bankers as Financial Crisis Deepens" *The Irrawaddy*, July 12, 2024, <https://www.irrawaddy.com/business/myanmars-generals-berate-and-scold-bankers-as-financial-crisis-deepens.html>

¹⁸ "Myanmar Banks Restrict Cash Withdrawals as Financial Crisis Intensifies" *The Irrawaddy*, July 11, 2024, <https://www.irrawaddy.com/business/myanmar-banks-restrict-cash-withdrawals-as-financial-crisis-intensifies.html>

¹⁹ "Myanmar Currency Plunges, Gold Price Soars Amid Junta's Botched Interventions" *The Irrawaddy*, June 12, 2024, <https://www.irrawaddy.com/business/myanmar-currency-plunges-gold-price-soars-amid-juntas-botched-interventions.html>

market reached a record high on July 26, surpassing 6.8 million kyats per tical for 24-carat gold.²⁰

The Irrawaddy reported on August 2, 2024, that an executive at an import-export company said that the junta's commerce ministry had revoked the licenses of 107 exporting companies this week for allegedly failing to convert US dollar earnings into the local currency and that another 12 had been given the order to convert 17 million into kyat within two weeks. Exporters are required by the Central Bank of Myanmar, under the junta's control, to convert thirty-five percent of their foreign exchange earnings into kyat through authorized dealers at a rate of 2,100 kyats per dollar.²¹

The Central Bank of Myanmar (CBM) declared on August 14, 2024, that it will provide \$100 million to the struggling fuel importers to assist them in buying petrol and oil from overseas vendors. No more information regarding the cash release was included in the announcement. The CBM is selling US money to importers at a rate of about 3,400 kyats per USD, the price listed on the FX Market Online Trading platform, a gasoline importer told the Irrawaddy. According to the importer, the central bank cannot sell dollars at the 2,100 kyat reference exchange rate. It is, nevertheless, significantly less than the going rate, which is currently at about 7,000 kyats. He added that a \$100 million would secure about a month's worth of fuel, adding that they would be strapped for dollars again.²²

The civilian National Unity Government (NUG) and executives close to prominent bankers reportedly stated in an Irrawaddy article published on August 22, 2024, that the Central Bank of Myanmar printed an extra 3 trillion kyats in a single week last month as the junta desperately tried to contain a worsening liquidity crisis at commercial banks.

According to U Tin Tun Naing, Minister of Planning, Finance, and Investment for NUG, the banknotes were created by the Central Bank and sent to private banks during the third week of

²⁰ “Gold Price Hits Record High in Myanmar as Currency Crisis Devastate Economy” *The Irrawaddy*, July 31, 2024, <https://www.irrawaddy.com/business/gold-price-hits-record-high-in-myanmar-as-currency-crisis-devastates-economy.html>

²¹ “Myanmar’s Inflation Crisis: More Wholesalers Arrested in Junta’s Price Crackdown” *The Irrawaddy*, August 1, 2024, <https://www.irrawaddy.com/business/myanmars-inflation-crisis-more-wholesalers-arrested-in-juntas-price-crackdown.html>

²² Hein Htoo Zan, “Fuel Importers Say Junta’s Crisis Plan Will Only Ease Shortages for a Month” *The Irrawaddy*, August 16, 2024 <https://www.irrawaddy.com/news/burma/fuel-importers-say-juntas-crisis-plan-will-only-ease-shortages-for-a-month.html>

July. According to the central bank's official conversion rate of 2,100 kyats to the dollar, the amount is almost US\$1.4 billion; the market exchange rate is comparable to nearly \$490 million. He added that the junta had to do this to raise the cash it needed to fund its war and administration and that it would continue expanding the money supply to ensure its future.²³

Foreign Affairs

The junta's foreign minister, Than Swe, attended the 19th Asia Cooperation Dialogue (ACD) ministerial meeting on June 24, 2024, in Tehran, the capital of Iran. He also discussed advancing bilateral ties with his Iranian counterpart, Dr. Li Bagheri Kani. Than Swe explained the junta's initiatives to guarantee democracy, development, and peace in Myanmar during the conference. On the sidelines of the ministerial conference, the junta's foreign minister also met with his Thai counterpart to talk about strengthening bilateral relations and collaborating more closely inside the ACD and in the regional and global arena.²⁴

On 7 July 2024, the junta's second-in-command, Soe Win, discussed preparations for a general election with Chinese officials. The junta media reported discussing trade promotion, the proposed election, eradicating internet scam activities, border stability, and security for Chinese investors in Myanmar. In addition, China has volunteered to support the election process, which junta commander Min Aung Hliang has vowed will take place next year. Moreover, many speculate that Soe Win may have talked about the continuing battle in Shan State's north, which is expected to be a major topic of discussion at the National Defense and Security Council meeting later this month about extending the junta's emergency rule.²⁵

From 7-12 July 2024, junta industry minister Charlie Than visited Yekaterinburg to attend the 14th Industrial Expo. When he met with Anton Alikhanov, his counterpart from Russia, they talked about collaborating on the production of cooking oil, textiles, and cement, importing raw materials for the manufacturing of pharmaceuticals, and finishing the construction of No.

²³ Hein Htoo Zan, "Hyper-Aggressive Monetary Expansion Kicks Into Overdrive in Myanmar" *The Irrawaddy*, August 22, 2024, <https://www.irrawaddy.com/business/hyper-aggressive-monetary-expansion-kicks-into-overdrive-in-myanmar.html>

²⁴ "Tehran Meeting Stokes Fears Iran Arming Myanmar Junta" *The Irrawaddy*, June 26, 2024, <https://www.irrawaddy.com/news/myanmars-crisis-the-world/tehran-meeting-stokes-fears-iran-arming-myanmar-junta.html>

²⁵ Maung Kavi, "Myanmar Junta Deputy in China to Discuss Election and Border Security" *The Irrawaddy*, July 8, 2024, <https://www.irrawaddy.com/news/myanmar-china-watch/myanmar-junta-deputy-in-china-to-discuss-election-and-border-security.html>

2 Steel Mill (Pinpet). He also discussed support for pharmaceutical production in Myanmar and other matters with the deputy provincial governor of Savelyev State.²⁶

On July 26, 2024, Iskander Azziov, the Russian ambassador to Myanmar, met with Soe Win, the deputy leader of the junta, in Naypyidaw to discuss the development of power projects and special economic zones. The Russian envoy also met with Than Swe, the junta's foreign minister, to discuss ways to further cooperate in trade, commerce, investment, customs, science and technology, and culture.²⁷

On August 1, 2024, Ko Ko Hlaing, a minister at the junta's Cabinet Office, explained the regime's preparations for a poll next year when he met Cambodian Prime Minister Hun Manet in Phnom Penh. He also had separate discussions with Hun Sen, the current president of the Senate of Cambodia. Ko Hlaing reportedly discussed the ASEAN's Five Point Consensus on Myanmar, the promotion of "people-to-people connectivity" and cooperation areas of mutual interest, such as the tourism and cultural sectors, closer cooperation in the regional and international arenas, and preparations for the 70th anniversary of Myanmar and Cambodia's diplomatic ties being observed next year, according to junta media.²⁸

On August 14, 2024, Myanmar's Foreign Minister Than Shwe told Chinese Foreign Minister Wan Yi in Naypyitaw that he hoped China would continue to support Myanmar and maintain domestic stability. Wang responded that China "firmly opposes" foreign interference and infiltration in Myanmar. He pledged China's unwavering support for preserving Myanmar's territorial integrity, independence, and sovereignty. Additionally, he reiterated China's backing of the junta's efforts to convene a general and resume the democratic transition.²⁹

²⁶ "Myanmar Junta Minister Visits Russia For Helps to Complete Stalled Steel Plant Again" *The Irrawaddy*, July 15, 2024, <https://www.irrawaddy.com/news/burma/myanmar-junta-minister-visits-russia-for-help-to-complete-stalled-steel-plant-again.html>

²⁷ "Russia Ambassador Discusses Economic Ties with Myanmar Junta Deputy" *The Irrawaddy*, July 30, 2024, <https://www.irrawaddy.com/news/myanmars-crisis-the-world/russia-ambassador-discusses-economic-ties-with-myanmar-junta-deputy.html>

²⁸ "Myanmar Junta Envoy Holds Talk With Cambodia's Current, EX-PMs" *The Irrawaddy*, August 2, 2024, <https://www.irrawaddy.com/news/myanmars-crisis-the-world/myanmar-junta-envoy-holds-talks-with-cambodias-current-ex-pms.html>

²⁹ Maung Kavi, "Chinese Foreign Minister Delivers Thinly Veiled Rebuke to Myanmar Junta Boss" *The Irrawaddy*, August 15, 2024, <https://www.irrawaddy.com/news/myanmar-china-watch/chinese-foreign-minister-delivers-thinly-veiled-rebuke-to-myanmar-junta-boss.html>

On Friday, 16 August 2024, Two senior US officials met virtually with the Shado National Unity Government and key ethnic rebel groups, including the Karen National Union. According to the State Department, the US officials “commended the groups on their collaborative efforts to work on establishing a path toward an inclusive federal, democratic Burma”. They reaffirmed that the United States would persist in enhancing its direct backing and aid to pro-democracy entities," including the creation of "tangible measures toward a complete transformation to a civilian government that respects the needs of the Burmese people.³⁰

Conclusion

To sum up, the second quarterly update of Myanmar focuses on three main aspects: domestic politics, economic affairs, and foreign affairs. In domestic politics, fights between the military and anti-coup forces are escalating, leading to the breach of the ceasefire brokered by China. In terms of economics, Myanmar is facing a devaluation of Kyat, and the Central Bank has called all major banks to discuss the matter and seek a solution. As for foreign affairs, the government has engaged with external partners at a multilateral and bilateral level and received support to host the election from Cambodia and China.

³⁰ AFP, “US Renews Support for Myanmar Opposition as China Meets Junta” *The Irrawaddy*, , August 14, 2024, <https://www.irrawaddy.com/news/myanmars-crisis-the-world/us-renews-support-for-myanmar-opposition-as-china-meets-junta.html>

Singapore

Chhun Phalanady, Bou Nisa and Ngov Sodanet

Introduction

This Singapore's third quarterly report of 2024 summarizes significant developments in the country's domestic, socioeconomic, and foreign affairs. Minister for Transport Chee Hong Tat warned against the risks of individualism and short-termism. During his address at the Economic Society of Singapore, he advocated for balanced long-term economic planning. This comes amid legal controversies involving a former minister's corruption charges and concerns over Singaporeans misusing digital credentials, threatening public trust in its fintech systems.

Economically, Singapore's rise in global startup rankings reflects its innovation-driven policies despite challenges as the most expensive city in Southeast Asia. The ongoing debate over Allianz's bid for Income Insurance highlights the tension between social missions and profit motives.

On the international front, Singapore reaffirmed its diplomatic stance on recognizing a Palestinian state while strengthening ties with India and China. Recent developments include support for Bangladesh flood relief efforts, emphasizing Singapore's commitment to regional stability and humanitarian aid.

This paper will elaborate on these key developments in Singapore's domestic and foreign affairs during the third quarter of 2024, highlighting the implications of economic policies, legal controversies, and international relationships that shape the nation's current and future landscape.

Domestic Affairs

On August 28th, Singapore's Minister for Transport, Chee Hong Tat, cautioned against the rising influence of excessive individualism, populism, and short-termism, warning that such trends could undermine long-term economic planning and policy. Drawing comparisons to the challenges faced by major global economies, he expressed concern about their potential impact

on Singapore's political landscape. Speaking at the Economic Society of Singapore, Minister Chee underscored the country's pragmatic approach, which blends market solutions with strategic government interventions to ensure essential public services, such as transportation, remain efficient and reliable. He also highlighted the government's efforts to support citizens during the COVID-19 pandemic through upskilling initiatives and strategic investments, such as the Tuas Port expansion, contributing to the nation's growth during challenging times. Minister Chee further emphasized the need for political courage and skill in implementing sound economic policies that promote sustainable development and societal stability.¹

On Tuesday, September 24th, the former minister's trial was delayed again after he failed to provide witness statements from the prosecution to the court. His 35 charges, including corruption and receiving valuables from property tycoon Ong Beng Seng, remain unchanged. The trial, initially postponed due to a joint request from the prosecution and defense, was rescheduled for September 24th. However, during the hearing, the prosecution requested six to seven months of jail time for the former minister, while his defense team sought a lighter sentence of eight weeks. The debate centers around the legal interpretation of disclosure obligations, with the judge yet to decide. The next hearing has now been adjourned to October 3rd.²

Over 40 Singaporeans have been charged for selling their bank accounts or Singpass credentials to criminal syndicates involved in scam-related activities, allowing criminals to launder large sums of money. Among the accused are 33 men and seven women, who allegedly facilitated illegal transactions by unlawfully disclosing their Singpass details. This development raises concerns about Singaporeans' trust in the nation's digital infrastructure despite Singapore being a leader in fintech and cybersecurity in Southeast Asia. Singpass, a cornerstone of Singapore's digital identity system, provides access to a wide range of government services. Misusing its credentials could exacerbate scamming activities if not

¹ Tessa Oh, "Singapore Must Not Let Trend of 'Excessive' Individualism, Populism Affect Local Politics: Chee Hong Tat," *The Business Times*, August 28, 2024, <https://www.businesstimes.com.sg/singapore/singapore-must-not-let-trend-excessive-individualism-populism-affect-local-politics-chee-hong-tat>.

² Tessa Oh and Elysia Tan, "Iswaran's Hearing Adjourned to Oct 3 as Prosecution Asks for 6-7 Months Jail; His Lawyers Seek 8 Weeks," *The Business Times*, September 24, 2024, <https://www.businesstimes.com.sg/singapore/iswarans-hearing-adjourned-oct-3-prosecution-asks-6-7-months-jail-his-lawyers-seek-8-weeks>.

addressed promptly and effectively. The Singapore Police Force continues to warn against such offenses, which could result in fines, imprisonment, or both.³

Socioeconomic Affairs

Singapore Ranking 5th in Global Start-up Ranking

Singapore has risen to 5th place globally in startup ecosystem rankings, surpassing Sweden and becoming the fastest-growing startup ecosystem in the world over the past five years, having climbed 16 spots. The country now leads Asia in this domain, achieving double the score of China. According to StartupBlink, which compiled the rankings, Singapore serves as a "model for innovation," its financial stability, pro-business policies, and favorable tax regulations are key drivers of its success. Singapore's business environment ranks 3rd globally. In addition, Singapore City improved its position to 16th in the city rankings, overtaking Shenzhen and securing the 6th highest spot in the Asia-Pacific region. This progress highlights Singapore's growing significance in the global startup landscape and its ability to foster an environment conducive to entrepreneurial growth.⁴

Singapore is the Most Expensive City in Southeast Asia

In August 2024, ROSHI released its Cost of Living in Singapore and Southeast Asia Insights Report 2024f, identifying Singapore as the most expensive city in Southeast Asia with a cost of living index of 85.9, significantly higher than its regional neighbors. This steep cost is largely driven by rising property prices and rental costs, with the average HDB flat-priced at \$532,768 and private homes averaging \$2,080,533. Contributing factors include Singapore's limited land, advanced infrastructure, strong economy, and role as a global financial hub. Despite the high costs, Singapore maintains a high quality of life, supported by a 40% rise in annual incomes over the past decade. However, residents face growing financial pressures in several areas. Education costs have surged, with a four-year college program now averaging \$38,250, and healthcare costs are expected to rise further, with insurance premiums increasing

³ CAN, "Dozens to Face First Charges Under Anti-scam Laws Criminalising Sharing of Singpass, Bank Details," September 8, 2024, <https://www.channelnewsasia.com/singapore/40-people-charged-court-scam-related-money-mule-activities-sell-singpass-details-4594036#:~:text=The%2033%20men%20and%20seven%20women%20will%20be%20charged%20from,unlawfully%20disclosing%20their%20Singpass%20credentials>.

⁴ Jewel Stolarchuk, "Singapore Overtakes Sweden to Claim 5th Spot in Global Startup Rankings Singapore News - Singapore News," The Independent Singapore News, July 30, 2024, https://theindependent.sg/singapore-overtakes-sweden-to-claim-5th-spot-in-global-startup-rankings/#google_vignette.

by 35.4% since 2021. At the same time, these costs present challenges, higher incomes and government support measures help Singapore sustain its reputation for a high standard of living.⁵

Allianz's Bid for Income Insurance Sparks Controversy Over Social Mission and Profit Focus

The German insurance giant Allianz has sparked controversy with its bid to acquire a majority stake in Singapore's Income Insurance for S\$2.2 billion. Announced on July 17, 2024, Allianz offered S\$40.58 per share for a 51% stake in Income Insurance, representing a 37% premium over Income's net asset value per share of S\$29.55 as of the end of last year. While NTUC Enterprise, which oversees Income Insurance, claims the deal will enhance Income's ability to compete and maintain its social mission, critics argue that selling a social enterprise to a profit-driven foreign entity could undermine its commitment to providing affordable insurance for Singaporeans. Among the opponents is veteran diplomat Tommy Koh, who, along with others, fears the acquisition may shift the company's focus away from its social objectives. The deal has also raised concerns about potential conflicts of interest, prompting a parliamentary debate. Furthermore, some policyholders worry that under Allianz's ownership, Income may prioritize profits at the expense of keeping insurance accessible and affordable for Singapore's residents.⁶

Foreign Affairs

Singapore's Stance on Palestinian Statehood

On July 2nd, Minister for Foreign Affairs Vivian Balakrishnan stated in parliament that Singapore is prepared to recognize a Palestinian state as part of a two-state solution, provided it fosters peace and stability in the region. This follows Singapore's vote on May 10, 2024, in favor of a resolution supporting Palestine's membership in the UN General Assembly, which was made after "very careful consideration".⁷ The minister described this as groundwork for ending hostilities and achieving enduring peace.

⁵ Anna Maria Romero, "Singapore Is the Most Expensive Country in Southeast Asia—report Singapore News - Singapore News," The Independent Singapore News, August 10, 2024, <https://theindependent.sg/singapore-is-the-most-expensive-country-in-southeast-asia-report/>.

⁶ Jean Lau, "Singapore Income Insurance's deal with Allianz raises fears of profit over social mission," *South China Morning Post*, August 01, 2024, accessed September 6, 2024, <https://www.scmp.com/week-asia/economics/article/3272684/singapore-income-insurances-deal-allianz-raises-fears-profit-over-social-mission>

⁷ CAN, "Singapore Votes in Favour of UN Resolution Supporting Full Palestinian Membership," May 11, 2024, <https://www.channelnewsasia.com/world/israel-hamas-war-singapore-votes-favour-un-resolution-supporting-full-palestinian-membership-body-4327486>.

Balakrishnan emphasized that Singapore's recognition of Palestine is contingent upon the Palestinian Authority renouncing terrorism and adhering to international law. This stance reflects Singapore's long-standing commitment to a peaceful resolution of the Israeli-Palestinian conflict, showcasing its dedication to counter-terrorism efforts and regional stability.

He reiterated that Singapore is "prepared in principle" to recognize Palestine as a sovereign state if it establishes an effective government that rejects terrorism and acknowledges Israel's right to exist. While supporting a two-state solution, the minister noted that recognition will be considered at an appropriate time to promote peace. He also underscored the importance of legitimate Palestinian leadership capable of negotiating with Israel. He called on both sides to work towards lasting peace and alleviate the ongoing suffering in the region.⁸

Strengthening India-Singapore Relations

On September 8, 2023, an article highlighted Singapore's critical role as a bridge for India's engagement with Southeast Asia, particularly in trade, investment, and regional geopolitics. With the recent visit of India's Prime Minister Modi, India continues to deepen its strategic outreach in the region, with Singapore remaining a priority under India's Act East Policy. During the meetings between Modi and Singapore's leadership, both sides emphasized the growth of their partnership, focusing on the importance of their diplomatic ties in ensuring regional stability. The discussions also explored new avenues of cooperation in technology, skill development, and regional security.

India and Singapore's relationship, which dates back to India's formal establishment of diplomatic ties just days after Singapore's independence, has grown stronger due to their shared interest in the maritime complexities of the Indo-Pacific and Singapore's strategic location at the Malacca Strait chokepoint. Both countries continue to support joint military exercises, including the Singapore-India Maritime Bilateral Exercise (SIMBEX) and other multilateral initiatives in the Indian Ocean.

⁸ Abigail Ng, "Singapore Prepared to Recognise a Palestinian State With an Effective Govt That Accepts Israel's Right to Exist," *CNA*, July 2, 2024, <https://www.channelnewsasia.com/singapore/palestine-israel-singapore-prepared-principle-recognise-state-reject-terrorism-4450696>.

Their collaboration extends into the fintech sector, where both nations have made significant progress in linking their digital payment systems, resulting in lower-cost cross-border remittances. Additionally, they have expanded joint initiatives into other areas, such as blockchain, digital banking, and cybersecurity, reflecting the growing scope of their bilateral partnership.⁹

Singapore and China Strengthen Naval Ties Amid Rising Regional Tensions

In September 2024, the Republic of Singapore Navy (RSN) and the People’s Liberation Army Navy (PLAN) conducted their largest joint exercise to date, Exercise Maritime Cooperation. This exercise aims to enhance bilateral defense relations amid rising tensions in the South China Sea. It occurs against a backdrop of increasing public concern in Singapore regarding China's military assertiveness.

Singapore continues to engage in these exercises to signal neutrality in the Sino-U.S. rivalry, fostering trust with China while maintaining crucial maritime routes. Despite its strong ties with the US, including military cooperation, Singapore recognizes the importance of a stable relationship with China, especially regarding its economic and security interests.

The joint exercises focus primarily on nontraditional security threats, like piracy and disaster response. This reflects Singapore's need to balance its military engagements with the US and China while addressing its regional security concerns. For China, these exercises help ensure the security of vital sea lanes and promote a cooperative regional order.¹⁰

Singapore Supports Bangladesh Flood Relief Efforts

The Singapore government will contribute USD 100,000 (SGD 130,400) to support the Singapore Red Cross (SRC) fundraising efforts for relief following severe flooding in eastern Bangladesh. As stated by the Ministry of Foreign Affairs, this contribution aims to address the immediate humanitarian needs of affected communities. The SRC has already committed USD

⁹ Harsh V. Pant and Pratinashree Basu, “Singapore as India’s Bridge to Southeast Asia,” in *Observer Research Foundation*, September 3, 2024, <https://www.orfonline.org/research/singapore-as-india-s-bridge-to-southeast-asia>.

¹⁰ Ian Seow Cheng Wei, “Why Do Singapore and China Cooperate on Joint Maritime Exercises?,” *The Diplomat*, September 6, 2024, <https://thediplomat.com/2024/09/why-do-singapore-and-china-cooperate-on-joint-maritime-exercises/>.

50,000 for emergency operations and launched a fundraising appeal, which will continue until October 31.

Mr. Benjamin William, Secretary General of the SRC, expressed sorrow over the loss of lives and displacement caused by the floods, noting that the organization is collaborating with the Bangladesh Red Crescent Society and the International Federation of Red Cross and Red Crescent Societies to monitor the situation and assist as needed. The floods, resulting from heavy rainfall since late August, have impacted over 5.8 million people, displacing more than 502,000 individuals into evacuation centers. Authorities are now focused on preventing waterborne diseases and ensuring access to clean drinking water.¹¹

Singapore's PM Warns of Economic Risks Amid US-China Tensions

On September 24, 2023, Singapore's Prime Minister Lawrence Wong warned that escalating tensions between the US and China pose significant risks to Singapore's economy and the broader region. He identified the rivalry as the country's greatest geopolitical concern, noting that mutual suspicion will impact international trade and security. Singapore is particularly vulnerable with a trade-to-GDP ratio of 311% in 2023.

Wong emphasized that America's stance towards China is hardening, regardless of the upcoming presidential election, and highlighted changing global manufacturing dynamics as countries seek to reshape supply chains in their favor. Despite Singapore's stable trade role, evidenced by a 7.7% increase in container volumes in early 2023, the nation may face challenges from supply chain realignments.¹²

Conclusion

In summary, Singapore continues to navigate a complex landscape of domestic challenges, socioeconomic pressures, and evolving international relations for the third quarter of 2024. The government's proactive stance on economic stability and social responsibility is evident in its initiatives to enhance public services and support citizens amidst rising costs. The dynamic

¹¹ CAN, "Singapore Pledges US\$100,000 for Bangladesh Flood Victims," September 8, 2024, <https://www.channelnewsasia.com/singapore/bangladesh-floods-us100000-humanitarian-aid-red-cross-4594041>.

¹² Andrea Tan, "Singapore Prime Minister Warns of 'Dark Clouds' as US and China Compete," Bloomberg, September 24, 2024, <https://www.bloomberg.com/news/articles/2024-09-23/singapore-pm-wong-warns-of-dark-clouds-as-us-china-compete>.

startup ecosystem underscores Singapore's role as a leader in innovation despite the challenges posed by high living expenses. Furthermore, the strengthening of regional partnerships and commitment to addressing global challenges reflects Singapore's strategic positioning in Southeast Asia. As the nation moves forward, balancing economic growth with social equity will remain paramount in ensuring sustainable development and resilience in the face of ongoing change.

Thailand

Long Sovitou, Khim Sotheara, Hol Theaneth, and Chhem Sovannarith

Introduction

In the third quarter of 2024, Thailand's political landscape experienced significant shifts, including the removal of Prime Minister Srettha Thavisin by the Constitutional Court and the appointment of Paetongtarn Shinawatra as his successor. These changes highlight ongoing tensions between progressive and conservative forces, influencing key policies like the digital wallet scheme. In terms of Thailand's economy, improvements have been made at a steady pace; there are still notable challenges that need to be addressed swiftly. In foreign affairs, Thailand seeks an influential role in promoting economic and regional cooperation led by Foreign Minister Maris Sangiampongsa. As such, the country has been actively engaging with global and regional organizations such as BRICS, Bimstec, and the Lancang-Mekong Cooperation.

Domestic Politics

Thailand's newly formed 200-member senate, which has replaced the military-appointed upper house, adds another layer of complexity to the country's governance. Although the new senate lacks the power to vote for the prime minister, it retains authority in vetting laws and appointing key officials. Analysts suggest this could present obstacles to Pheu Thai's governance, as it bolsters the conservative-royalist establishment's influence over governance.¹

In August 2024, Thailand experienced a wave of political upheaval marked by two key decisions from the Constitutional Court. First, the court dissolved the Move Forward Party (MFP) and banned its leader, Pita Limjaroenrat, along with 11 other executives, from politics for ten years. This ruling responded to the MFP's campaign to amend the lese majeste law, or Article 112, which the court judged as hostile to the monarchy. The dissolution of MFP, one

¹ Wongcha-um, Panu, and Panarat Thepgumpanat. "Thailand Announces New Senate, Replacing Army-Appointed Lawmakers." Reuters, July 10, 2024. <https://www.reuters.com/world/asia-pacific/thailand-announces-new-senate-replacing-army-appointed-lawmakers-2024-07-10/>

of Thailand's most progressive political forces, further polarized the nation, intensifying the divide between the conservative establishment and reformist movements.²

Shortly after, the court dismissed Prime Minister Srettha Thavisin for appointing Pichit Chuenban as a cabinet minister, despite Pichit's prior conviction for bribery. This appointment breached constitutional standards requiring ministers to uphold ethical conduct. The ruling also led to the dissolution of the entire cabinet, creating a political vacuum. This removal exacerbated political tensions as Thailand grappled with the ideological divide between its progressive factions and the conservative elite.³ The subsequent election of Paetongtarn Shinawatra, daughter of former Prime Minister Thaksin Shinawatra, as Thailand's new prime minister reinforced the Shinawatra family's political legacy. While the family has garnered substantial support over the years, their political influence remains controversial in the country.⁴ Paetongtarn's rise to power comes from a challenging political environment. Figures like Thammanat Prompao were excluded from her Cabinet due to their criminal associations and the legal risks involved, reflecting the complex negotiations she faced within her administration.⁵

The restructuring of the political landscape continued as Pheu Thai reshaped its coalition. The party opted to drop the group from its coalition government in response to growing internal tensions, particularly within Palang Pracharath. However, Pheu Thai remained open to working with Thammanat Prompao, the leader of a rebel faction within Palang Pracharath.⁶ The party also invited the Democrat Party, marking a significant shift in political alliances. Historically rivals, the Democrat Party's participation in the coalition has drawn both support and opposition. Notably, Sirichok Sopha, a long-serving MP, resigned in protest over what he viewed as irreconcilable political differences between the two parties.⁷ However, the

² “Charter Court Dissolves Move Forward, Bans Execs for 10 Years.” *Nation Thailand*. August 7, 2024. <https://www.nationthailand.com/news/politics/40040378>

³ Phoonphongphiphat, Apornrath. “Thai Constitutional Court Removes PM Srettha Thavisin from Office.” *Nikkei Asia*, August 14, 2024. <https://asia.nikkei.com/Politics/Thai-Constitutional-Court-removes-PM-Srettha-Thavisin-from-office>

⁴ The Nation, “Paetongtarn Shinawatra Elected as 31st Prime Minister of Thailand.”, August 16, 2024. <https://www.nationthailand.com/news/politics/40040623>

⁵ Thai PBS World, “Controversial Politician Thammanat Dropped from Paetongtarn Cabinet.”, August 19, 2024. <https://world.thaipbs.or.th/detail/controversial-politician-thammanat-dropped-from-paetongtarn/54386>

⁶ Thai PBS World, “Pheu Thai Drops Palang Pracharath Party from Coalition.”, August 27, 2024. <https://world.thaipbs.or.th/detail/Pheu-Thai-drops-Palang-Pracharath-party-from-coalition/54506>

⁷ Bangkok Post, “Democrat Joins Pheu Thai-Led Government amid Rifts.”, August 29, 2024. <https://www.bangkokpost.com/thailand/politics/2856078/democrat-joins-pheu-thai-led-government-amid-rifts>

partnership between these former adversaries has also caused divisions within their voter bases. A Super Poll survey published on Sunday revealed that 60.1% of Democrat voters believed their party's popularity had plunged due to its decision to join the Pheu Thai-led coalition.⁸

As the new prime minister, Paetongtarn oversees a 36-member Cabinet, with Pheu Thai occupying 17 seats and Bhumjaithai and Ruam Thai Sang Chart holding key positions. The Cabinet includes 12 newcomers, signaling continuity and change from the previous administration. Among the major policies carried forward is the controversial digital wallet scheme, a flagship initiative initially championed by Srettha Thavisin.⁹ Despite facing significant scrutiny from economists and political analysts, the initiative remains central to the government's economic recovery strategy. Concerns about the scheme's fiscal sustainability, technological readiness, and potential legal challenges have led to further reviews. Nonetheless, the government appears committed to moving forward with the initiative, aiming to stimulate the economy and provide financial relief to the public.¹⁰

Despite political turmoil in Thailand, including the ousting of Prime Minister Srettha Thavisin, the digital wallet scheme remains a key initiative. Caretaker Deputy Finance Minister Julapun Amornvivat reassured the public that the scheme will proceed as planned. This program, a flagship policy of the Pheu Thai Party, will not be altered, and the disbursement of 10,000 baht to eligible Thais will continue as scheduled. Julapun urged citizens to retain the “Thang Rath” app used for the scheme.¹¹

The scheme has received a boost with an additional 122 billion baht allocated for the current fiscal year, approved by the Royal Gazette.¹² Former Prime Minister Thaksin Shinawatra emphasized the need for this handout to stimulate Thailand's sluggish economy and confirmed that his daughter, Prime Minister Paetongtarn Shinawatra, is expected to continue with the

⁸ The Nation, “Democrat Popularity Plunges after Move to Join Pheu Thai-Led Coalition.”, September 1, 2024. <https://www.nationthailand.com/news/politics/40041087>

⁹ The Nation, “12 New Inclusions in Paetongtarn's 36-Member Cabinet List.”, August 30, 2024. <https://www.nationthailand.com/news/politics/40041042>

¹⁰ The Nation, “New Cabinet to Continue Srettha's Projects, Pheu Thai Says.”, August 20, 2024. <https://www.nationthailand.com/news/politics/40040732>

¹¹ Thai PBS World, “Digital Wallet Scheme Remains Unchanged – Julapun.”, August 15, 2024. <https://world.thaipbs.or.th/detail/digital-wallet-scheme-remains-unchanged-%E2%80%93-julapun/54337>

¹² Bangkok Post, “Budget for First Step of Digital Wallet Scheme Approved.”, August 23, 2024. <https://www.bangkokpost.com/thailand/politics/2852453/budget-for-first-step-of-digital-wallet-scheme-approved>

policy. The plan involves distributing 10,000 baht to around 50 million people, with payments starting in September and extending into October. Recent changes include distributing part of the handout in cash to support vulnerable groups better.¹³

Economic Affairs

The Industry Ministry is working with the Federation of Thai Industries (FTI) to help increase the competitiveness of original industries affected by the shift in the global industrial trend towards high technology, sustainability, and green productivity. Industry Minister Pimphattra Wichaikul met with a panel led by federation chairman Kriengkrai Thiennukul, to discuss measures to help Thai industries succeed under the government's investment policy while responding to global demands.¹⁴

Meanwhile, the Bank of Thailand requested a reduction in the minimum credit card repayment amount, emphasizing debt related to housing and vehicles. Srettha Thavisin provided plans for addressing household debt and bolstering the economy. In addition to suggesting that the Bank of Thailand lower the minimum credit card repayment rate, he said that he would negotiate with financial institutions to prolong the terms of housing debt and find solutions for the problem of seized cars.¹⁵

Later, an economic recession causes small and medium-sized enterprises to close, sending business confidence to all-time lows. An increasing number of factory closures has been responsible for the drop in the Thai Industries Sentiment Index (TISI) to its lowest point in two years. Over 600 firms shuttered in the first five months of this year, with an average economic worth of 27 million baht per facility.¹⁶

At the beginning of August, the Bank of Thailand (BOT) introduced several initiatives to help households in debt, especially those having financial difficulties. It is anticipated that giving

¹³ Thepgrampanat, Panarat. "Thailand's \$13 Bln Digital Handout Scheme to Include Cash Payments, PM Says." *Reuters*, September 3, 2024. <https://www.reuters.com/markets/asia/thai-pm-says-part-13-bln-digital-wallet-stimulus-be-cash-2024-09-03/>

¹⁴ The Nation Thailand. 10 July 2024. "Four task forces to help original industries compete in current global markets" Available at: <https://www.nationthailand.com/business/economy/40039558>

¹⁵ The Nation Thailand. 16 July 2024. "PM issues new strategies to reduce debt" Available at: <https://www.nationthailand.com/blogs/business/economy/40039723>

¹⁶ The Nation Thailand. 18 July 2024. "Thai confidence index slumps as more factories shut down" Available at: <https://www.nationthailand.com/business/economy/40039794>

credit back to borrowers who make at least 8% of their minimum installment payments and who earn interest every three months will encourage them to settle their debt faster.¹⁷

On a later development, the Trade Policy and Strategy Office (TPSO), Commerce Ministry, reports that Thailand's inflation rate eased by 0.83% in July, continuing its decreasing trend for the fourth consecutive month. The information indicates that although there have been variations in different areas of spending, total household spending has stayed mostly consistent.¹⁸

In other news, the revenue gap is closing due to the improved economy. Higher-than-expected revenue from state companies, the Revenue Department, the Customs Department, and the Treasury Department were the main drivers of this increase. Despite this, net government income collection in the first ten months was 1.1% less than the budgeted amount at 25.259 billion baht.¹⁹

Foreign Affairs

In early June, Foreign Minister Maris Sangiampongse was invited to attend the meeting the BRICS Dialogue with Developing Countries in Russia. The meeting was discussed about sustainable development and global security issues under the theme of Russia's BRICS presidency “Promoting a Fair Multilateral System for Global Development and Security.” Thailand has been approved by the Thai Cabinet on its application for BRICS membership since May 28th. Thailand believe that it will benefit the country by expanding bilateral economic relations with BRICS, in term of trade, investment, finance, food security, and energy security. Moreover, it enhances Thailand’s role in various frameworks such as ASEAN, APEC, G77 group, etc.²⁰ On June 27th, Foreign Minister Maris visited Cambodia successfully to highlight the stability and trust between the two countries. Both countries have discussed

¹⁷ The Nation Thailand. 3 August 2024. “BOT announces relief measures for indebted households” Available at: <https://www.nationthailand.com/business/economy/40040261>

¹⁸ The Nation Thailand. 12 August 2024. “Inflation falls slightly for fourth consecutive month” Available at: <https://www.nationthailand.com/business/economy/40040506>

¹⁹ The Nation Thailand. 2 September 2024. “Govt revenue collection continues to improve, FPO says” Available at: <https://www.nationthailand.com/blogs/business/economy/40041127> -

²⁰ The Nation Thailand. 10 June 2024. “Foreign Minister Maris Sengiampongse to attend BRICS Dialogue in Russia” Available at: <https://www.nationthailand.com/news/policy/40038696>

promoting cooperation as a tighter strategic partnership, and it is expected that the new action plan and strategy will appear by September.²¹

On July 11th-12th, the meeting of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) was held to discuss food, energy, and human resources where the members met to exchange ideas on implementing guidelines for the sixth Bimstec Summit in Thailand in September. Thailand also proposed to host Bimstec Young Entrepreneur Forum during the summit for youth to share new business ideas.²² Besides, Thailand's Foreign Minister, Maris, also met South Korean Prime Minister Han Duck-soo in Seoul to discuss enhancing bilateral relations and cooperation. They focused on economic collaboration in clean energy and smart infrastructure. He reaffirmed the importance of Thailand-South Korea relations, emphasizing the role of people-to-people exchanges as a foundation for their partnership.²³

In terms of promoting tourism and economy, starting from July 15th, Thailand has expanded its visa exemption policy, allowing citizens from 93 countries to enter without a visa for 60 days, up from 57. The number of countries eligible for visas on arrival will increase from 19 to 31. A new "Destination Thailand Visa" will cater to digital nomads and freelancers, valid for five years and allowing stays of up to 180 days. Additionally, foreign students with master's degrees can extend their stay for one year post-graduation to seek employment or travel, aiming to boost tourism and the economy.²⁴

In another notable event, Chinese Foreign Minister Wang Yi visited Myanmar and Thailand from August 14 to 17 to co-chair the 9th Lancang-Mekong Cooperation (LMC) Foreign Ministers' Meeting. The visit aims to strengthen bilateral cooperation, particularly in economic and social development, and to support Myanmar's stability and growth. Wang emphasized China's non-interference policy while fostering a close partnership with Myanmar. During the LMC meeting, he reviewed the progress and outlined future steps for collaboration among

²¹ The Nation Thailand. 2 July 2024. "Foreign Minister reports on his successful visit to Cambodia" Available at: <https://www.nationthailand.com/news/policy/40039309>

²² The Nation Thailand. 14 July 2024. "Thailand calls for food, energy collaboration among Bimstec members" Available at: <https://www.nationthailand.com/news/general/40039664>

²³ The Nation Thailand. 1 August 2024. "Thailand's top diplomat meets South Korea PM in Seoul" Available at: <https://www.nationthailand.com/news/world/40040215>

²⁴ The Nation Thailand. 12 July 2024. "Thailand's new visa promotion scheme to start Monday" Available at: <https://www.bangkokpost.com/business/general/2828056/thailands-new-visa-promotion-scheme-to-start-monday>

China, Laos, Myanmar, Thailand, Cambodia, and Vietnam. Additionally, Wang had engaged in informal discussions on regional issues and cross-border crime.²⁵ Thailand's Foreign Minister Maris emphasized the new government's commitment to addressing cross-border issues, including drug trafficking, water management, call center scams, air pollution, and transnational crime. He called for collaboration with neighboring countries and China, highlighting the need for joint efforts to tackle these urgent challenges. Maris noted that these issues affect the well-being of Thai citizens and require a collective response. He also mentioned the initiative for a "Six Countries, One Destination" visa policy to facilitate cross-border tourism and improve regional connectivity. The government aims to build on previous diplomatic efforts while prioritizing proactive economic diplomacy.²⁶

Conclusion

Despite the political upheaval, Thailand's digital wallet scheme remains a cornerstone of the government's economic strategy. As leadership transitions, the focus will be on navigating political challenges while ensuring the effective implementation of this key financial initiative. Thailand has been making much effort to incorporate innovative concepts and regulations into its economy to benefit its citizens. It is too early to tell if it will be successful as they experienced problems such as recession. In international affairs, Thailand's recent diplomatic efforts under Foreign Minister Maris Sangiampongsa reflect a proactive approach to expanding international relations and addressing both economic and security challenges. Therefore, Thailand is positioning itself as a key player in promoting multilateral cooperation, economic diplomacy, and regional stability.

²⁵ The Nation Thailand. 13 August 2024. "Chinese FM to visit Myanmar, Thailand for 9th LMC and informal talks" Available at: <https://www.nationthailand.com/news/asean/40040553>

²⁶ The Nation Thailand. 19 September 2024. "Thai foreign minister calls for joint efforts to solve regional issues" Available at: <https://www.nationthailand.com/news/policy/40041630>

The Philippines

Cheng Ousa, Hok Srunheng, Thorng Pisethvisal

Introduction

The Philippines, a developing country with significant robust economic growth, experienced a series of significant events in the third quarter of 2024. These include the ongoing South China Sea conflict, economic challenges, and the resurgence of political dynasties. Despite these obstacles, the Philippines remains resilient. This comprehensive report on domestic and socioeconomic affairs and foreign relations in the Philippines will unveil new occurrences. It will illustrate the new initiatives and the concerns regarding the current Philippine updates from early July to September 2024. These various pieces of new information will underscore the Philippines' journey toward its vision regarding domestic politics, economics, and international relations, respectively.

Domestic Affairs

In early July, The Philippines continued to face the threat of China's aggressive and illegal use of forces due to the assertive stance of its government. China consistently imposes new regulations to build up its coast guard forces across the South China Sea.¹ The heat of China within the South China dispute remained extensively violated both the political and geographical aspects of the Philippines. In the last confrontation in the South China Sea, Chinese forces were boarding Philippine Navy personnel on a resupply mission, which ultimately nudged the Philippine government and exhibited fault lines in President Marcos Jr.'s once-unified administration.² The tension has significantly affected Philippine maritime security, especially considering the upcoming re-election campaign in 2025.³ On top of that, there has been speculation of splits between Defense Secretary Teodoro Jr. and National

¹ Yeung, Chloe, and Chloe Yeung. 2024. “China’s New Coast Guard Regulations up Ante in South China Sea.” Asia Pacific Foundation of Canada. Asia Pacific Foundation of Canada. July 4, 2024.

<https://www.asiapacific.ca/publication/chinas-new-coast-guard-regulations-in-south-china-seas>.

² Magramo, Nectar Gan, Kathleen. 2024. “‘Only Pirates Do This’: Philippines Accuses China of Using Bladed Weapons in Major South China Sea Escalation.” CNN. June 20, 2024.

<https://edition.cnn.com/2024/06/20/asia/philippines-footage-south-china-sea-clash-china-intl-hnk/index.html>.

³ Magramo, Nectar Gan, Kathleen. 2024. “‘Only Pirates Do This’: Philippines Accuses China of Using Bladed Weapons in Major South China Sea Escalation.” CNN. June 20, 2024.

<https://edition.cnn.com/2024/06/20/asia/philippines-footage-south-china-sea-clash-china-intl-hnk/index.html>.

Security Advisor Ano among the Philippine security equipment after the previous incident regarding the South China Sea.⁴

In the middle of July, the Supreme Court released a copy of the petition seeking an order to force Congress to pass a law that prohibited the political dynasties, and the clamor against the power of political clans was brought to life. Under the 1987 Constitution, political dynasties are forbidden, and each state has the responsibility to provide equal opportunities for public services; however, the law has failed to fulfill its commitment for over 37 years, as the actual evidence shows the House of Representatives and the senates are dominated by the political dynasties. A political science journal in 2012 showed that an average of 31.3 percent of congressmen and 23.1 percent of governors were mostly replaced by relatives between 1995 and 2007. This failure of the law to prevent political dynasties underscores the issue of political inequality in the Philippines. In addition to that, former Senator Leila de Lima had given the insight to point out the importance of modernization of politics, as she further continued that politics should be based on strong multi-party systems and genuine government platforms so the country can continue to grow rather than the prolonged cultural patronage of the past. Recent updates have shown that the dynasties of the Philippines' politics are a cause for the country's continued underdevelopment, the structure of today's Philippine politics, and the influence of the upcoming midterm election next year.⁵

On August 27th, 2024, before the House of Representatives Appropriations Committee, Vice President Sara Duterte declined to defend her office's proposed budget for 2025. Duterte pointed out that the decision should not be abandoned on the submitted budget, which is approximately around PHP 2.037 billion. She then continued to refuse to mention the confidential funds allocated to the OVP in previous years and address the issue that was relevant to the use of public funds. Furthermore, Duterte also ensured that her office does not determine the number of security personnel; with that, there were legal issuances made by the Department of Nations Defense (DND), Armed Forces of the Philippines (AFP), Philippines

⁴ Richard Javad Heydarian. 2024. "China Tensions Ripping Political Rifts in the Philippines." Asia Times. Asia Times. July 2, 2024. <https://asiatimes.com/2024/07/china-tensions-ripping-political-rifts-in-the-philippines/>.

⁵ Palatino, Mong. 2024. "A Proposed Law Seeks to Ban Political Dynasties in the Philippines." Thedi diplomat.com. The Diplomat. July 23, 2024. <https://thedi diplomat.com/2024/07/a-proposed-law-seeks-to-ban-political-dynasties-in-the-philippines> .

National Police (PNP), and National Commission (Napolcom) for the creation of the AFP-Vice Presidential Security and Protection Group and the PNP Vice Presidential Protection Division.⁶

On August 9th, 2024, the Philippines court blocked government efforts to shut down a prominent news outlet that the journalists were infuriated by the meltdown on illegal drugs and the alarming human rights record of the previous president. The Court of Appeals ordered the Securities and Exchange Commission to restore the certificates of incorporation of Rappler, an online news platform founded by 2021 Nobel Peace Prize co-winner Maria Ressa, in a decision issued July 23. Rappler said that the Duterte government used the SEC order to harass their company. Additionally, Rappler still faces two other legal cases related to a cyber-libel conviction and a case accusing him of violating the Anti-Dummy Law. The court ruled that the 2018 shutdown order and the issues Rappler and other media had faced under Duterte were made with grave abuse of discretion and clear intent of the constitution. In this regard, it shows that the Philippines has always been dangerous for journalists.⁷

On September 18, 2024, Tarlac mayor Alice Guo, an official of the Philippines Amusement and Gaming Corp. (Pagcor), told the Senate that a former Philippines National Police (PNP) chief was associated with the payroll of Dismissed Bamban. The report later investigated the illegal Philippines offshore gaming operators (POGOs), the speculation about high-ranking officials who helped Guo escape in July, and the entire conversation between Raul Villanueva, senior vice president of Pacor's security and monitoring cluster, and Sen. Risa Hontiveros, Chairman of the Senate Committee on Women, Children, Family Relations, and Gender Equality. In addition, Guo also admitted that she signed an agreement dated August 14 during the week before she fled the country, which is evidence of her plan to escape. On top of that, the report also dives into Goy's relationship with Sual and Pangasinan Mayor Liseldo Calugay, who allegedly accused him of being involved in the POGO-related issues.⁸

⁶ PNA. 2024. "VP Sara Declines Defense of 2025 Budget Proposal." SunStar Publishing Inc. SunStar Publishing Inc. August 28, 2024. <https://www.sunstar.com.ph/manila/vp-sara-declines-defense-of-2025-budget-proposal>.

⁷ The Associated Press. 2024. "Philippine Court Blocks Government's Effort to Close News Outlet That Criticized Former President." Winnipeg Free Press. Winnipeg Free Press. August 9, 2024. <https://www.winnipegfreepress.com/world/2024/08/09/philippine-appeals-court>.

⁸ Tamayo, B. E., & Javier Joe Ismael. (2024, September 17). "Ex-PNP chief was on Guo's payroll." The Manila Times; The Manila Times. <https://www.manilatimes.net/2024/09/18/news/ex-pnp-chief-was-on-guos-payroll/1972035>

Socio-economic affairs

In July, the Philippines government budget deficit fell as revenue collections rose by P457.4 billion while expenses were hit by P486.2 billion. The high cost of financing and the depreciation of the peso throughout the year caused a rise in revenue collection by about 11.1 percent, and the country's interest payments debt reached about P406.8 billion, a significant increase of about 2.7 percent compared to the previous year. The total expenditures from January to July amounted to P2.8 trillion; it ultimately surpassed the P2.5 trillion posted in the corresponding period a year ago. Because of that, the total interest payments at the end of July are up by 32 percent, accounting for P456.7 billion year-on-year. Furthermore, the report also simplified the increase of the primary surplus of P50.6 billion, which reduced the year-to-date primary deficit to P186.1 billion, 26.6 percent below last year's P253.5 billion. In the meantime, a gap stood at P642.8 billion of the year-to-date budget, up by 7.21 percent from the same period the previous year. In this regard, the Philippines is facing a budget shortfall with borrowing; however, the government claims that there is no cause for concern if the economy moves faster than the country has debt.⁹

In contrast to the previous year, the government-owned and controlled corporations (GOCCs) received 67.75% less budgetary support in July, according to the Bureau of the Treasury (BTr). The report details the budgetary support BTr provides to GOCCs every month to cover their daily operations when the revenues are insufficient. The GOCCs receive at least P100 million in subsidies; the subsidies applied or went to many fields such as insurance, healthcare, finance, authority, etc. However, in the seven months of the year, GOCC subsidies dropped 19.61% to P77.93 billion. The drop in subsidies supported decreased spending on infrastructure and the calamity response of the government, which led the government to spend more on interest payments of over P486.22 billion and increase the national tax allotment share of local government units.¹⁰

In August, despite the downtrend in food inflation, the National Economic and Development Authority (Neda) pointed out that the Philippine inflation rate slowed to 3.3 percent. The Neda noted that the decrease in food inflation went slower from 6.7 percent to 4.2 percent during the month prior. Food inflation is impacted by reduced import tariffs, which decreased from 20.9

⁹ “MSN.” 2024. Msn.com. 2024. <https://www.msn.com/en-ph/news/other/philippine-budget-deficit-falls-in-july-as-revenue-collections-rise/ar-AA1pyXda?ocid=BingNewsVerp>.

¹⁰ CEDTyClea. 2024. “GOCC Subsidies Fall in July - BusinessWorld Online.” BusinessWorld Online. September 8, 2024. <https://www.bworldonline.com/economy/2024/09/08/619638/gocc-subsidies-fall-in-july/>.

percent to 14.7 percent in the previous month. Within the inflation, low-income households will benefit from the decline in food inflation, in which food constitutes more than half (51.4 percent) of the consumption of the bottom 30 percent of the household. On the other hand, the moderation of inflation will encourage investments, and business expansion will improve due to consumers' increased spending. On top of that, the government had ensured to address the potential pressure that could appeal to maintain stable inflation by imposing improvements in the early warning system to combat efforts of the La Niña phenomenon, adding the potential accelerated speed of livestock diseases, using the warning about dam openings, promoting the involvement of local government units in information distribution, enhancing the production of any bones of a country's economy, and stabilizing the prices by delivering a good social sense.¹¹

On August 12, 2024, the report prescribed the new initiative's campaign that provided beneficial gains to Pampanga City with the project named the mass-rapid transit (MRT), which mainly focuses on improving the transportation, including four bus rapid transit lines and one light rail line, and lining the economic activity of the province. In addition, the project aims to reduce carbon dioxide (CO₂) emissions and exposure to air pollution. The MRT system proposed the sustainable asset valuation (SAVi) assessment to estimate multiple socio-economic and environmental benefits and raise awareness around the impact of sustainable infrastructure on parameters such as congestion, commuting times, CO₂ emissions, and employment creation while benefiting society in various acts such as avoiding traffic accidents, vehicle operating costs, and fuel use. More specifically, the MRT project is determined from 2023 to 2053, which amounts to about PHP 360 million, and the result shows a significant benefit-to-cost ratio of 1.72.¹²

Foreign Relations

The ASEAN Charter calls for ASEAN to cultivate friendly relations, so the Republic of The Philippines is similar to some Southeast Asian countries. There are many countries that the

¹¹ Third Anne Peralta-Malonzo. 2024. "PH Inflation Cools to 3.3% in August 2024." SunStar Publishing Inc. SunStar Publishing Inc. September 5, 2024. <https://www.sunstar.com.ph/manila/ph-inflation-cools-to-33-in-august-2024>.

¹² International Institute for Sustainable Development, "A Sustainable Asset Valuation of the Mass Rapid Transit System in Pampanga, Philippines.", 2024. <https://www.iisd.org/publications/report/savi-mass-rapid-transit-pampanga-philippines>.

Republic of the Philippines has been making, which are China, the United States of America, and the countries in Southeast Asia.

Here, in June, the Coast Guard of China, in a clash at the second Thomas Shoal in the Spratly Islands, when the Chinese forces brandished axes and bladed weapons against Philippine vessels.¹³ The Philippines has appointed a newly appointed Foreign Secretary, Enrique Manolo, who found that the claim of China is invalid. The award's sixth-anniversary statement stated that the award is final. President Rodrigo Duterte referred to talking bilaterally in the hope that he would get to access the infrastructure for the Belt and Road Initiative (BRI) project.¹⁴ As seen five years into his presidency, Duterte has made little progress regarding the context of dealing with China. In the context of BRI projects in the Philippines, it is hard to see since one is the bridges in Manila, and the second is the dam, which is reported to be harmful to nature.¹⁵ The campaign launched by the Marcos administration, which took office in 2022, exposed the aggressive Chinese actions by making public photographs and allowing the journalists to join the ships to see that Beijing's forces were dangerous when they figured out which tension was the worst confrontation in the disputed of the South China Sea which could injure to Filipino military boats in two and one navy personnel.¹⁶ Moreover, the Philippines Coast Guard spokesperson, Jay Terriela, reported that China deployed 40 vessels to obstruct supply deliveries to soldiers stationed at Sabina Shoals, which was the dispute claimed by both nations.¹⁷ China accused the Philippines of using humanitarianism as the pretext for "risk" that violated its sovereignty and the declaration on the conduct of the parties in the South China Sea; tensions persist over China's extensive claims in the region, including the area which the

¹³ "Why Tensions in the South China Sea Are Bolstering the U.S.-Philippines Alliance." 2024. Council on Foreign Relations. 2024. <https://www.cfr.org/expert-brief/why-tensions-south-china-sea-are-bolstering-us-philippines-alliance>.

¹⁴ Strangio, Sebastian. 2022. "Philippine Foreign Secretary Hails South China Sea Ruling on 6th Anniversary." TheDiplomat.com. The Diplomat. July 12, 2022. <https://thediplomat.com/2022/07/philippine-foreign-secretary-hails-south-china-sea-ruling-on-6th-anniversary>.

¹⁵ Chang, Felix. 2021. "Hot and Cold: The Philippines' Relations with China (and the United States) - Foreign Policy Research Institute." Www.fpri.org. July 7, 2021. <https://www.fpri.org/article/2021/07/hot-and-cold-the-philippines-relations-with-china-and-the-united-states/>.

¹⁶ "China and the Philippines hold crucial talks to ease tensions after intense clash in disputed waters". 2024. APNEWS. <https://apnews.com/article/south-china-sea-philippines-disputes-487b5a066b624f3505df4758f97edd01>

¹⁷ "MSN." 2024. Msn.com. 2024. <https://www.msn.com/en-us/news/other/china-is-escalating-tensions-in-the-south-china-sea-to-test-how-far-the-us-supports-one-of-its-allies-military-analyst-says/ar-AA1pzPwD?ocid=BingNewsVerp>.

Philippines call it as the West Philippine Sea.¹⁸ However, China has called out the Philippines to reconsider its future relationship.¹⁹

On the other hand, South Korea is aiming to sign a pact along the lines of the Visiting Forces Agreement (“VFA”) with the Philippines, as it is another type of treaty between nations that allows the presence of foreign forces in the host country when South Korea has shown positive behavior on this development together.²⁰ If we look at the relations with Thai, Filipino, and Thai artists celebrating the 17th Anniversary of Diplomatic Relations together, the topic of Arts is part of the “Street Arts through the Lens of Thai and ASEAN Artists” initiative initiated by the Department of Information, Ministry of Foreign Affairs, to raise public awareness of cooperation under the ASEAN framework.²¹

Moving the foreign relations between the Republic of the Philippines and the United States of America. The companies of the United States of America are the key investors and employers in the Philippines, contributing to millions of jobs, as shown in 2023. Moreover, in March 2024, Secretary of Commerce Gina Raimondo led a Presidential Trade and Investment Mission to the Philippines, securing \$1 billion in investment from 22 U.S. companies. Additionally, on July 15-16, the U.S. hosted the inaugural United States-Philippines Cyber-Digital Policy Dialogue in Washington. In July 2024, the Philippines' civil nuclear cooperation in the agreement 123 boosted the collaboration on clean energy and security. Moreover, according to the declaration of Secretary of State Anthony Blinken on the visit to the Philippines, the relationship is stronger between them than it has ever been. The visit is more concerned with the action of the People’s Republic of China on the South China Sea when they are working to allocate an additional 500 million USD in Foreign Military Financing to the Phillippine.²²

¹⁸ “MSN.” 2024. Msn.com. 2024. <https://www.msn.com/en-ph/news/national/china-ties-with-ph-at-crossroads-over-south-china-sea/ar-AAIqilr7?ocid=BingNewsSerp>

¹⁹ The Star, “China says ties with Philippines at a crossroads over South China Sea”, September 9 2024, <https://www.thestar.com.my/aseanplus/aseanplus-news/2024/09/09/china-says-ties-with-philippines-at-a-crossroads-over-south-china-sea>

²⁰ Tonelada, Rachele, and Rachele Tonelada. 2024. “South Korea Eyes VFA with the Philippines—Envoy - Manila Standard.” Manila Standard. September 20, 2024. <https://manilastandard.net/news/314499890/south-korea-eyes-vfa-with-the-philippines-envoy.html>.

²¹ Mail, Pattaya. 2024. “Thai and Filipino Artists Celebrate the 75th Anniversary of Diplomatic Relations - Pattaya Mail.” Pattaya Mail. September 11, 2024. <https://www.pattayamail.com/thailandnews/thai-and-filipino-artists-celebrate-the-75th-anniversary-of-diplomatic-relations-471883>.

²² VOA. 2024. “U.S.-Philippine Relationship More Important than Ever.” Voice of America. Editorials on Voice of America . August 2, 2024. <https://editorials.voa.gov/a/u-s--philippine-relationship-more-important-than-ever/7727477.html>.

On 17th of September, 2024, there was a celebration of the Philippines and the British Ambassador on the significant milestone in the UK-Philippines trade partnership, which resulted in the return of UK poultry imports to the Philippines after a three-year ban due to the highly pathogenic avian influenza (HPAI). The Ambassador of Great Britain, Laure Beaufilet, has shown reflection on her third anniversary in the Philippines, rewinding to the initial disappointment she felt when the probation was announced.²³

Moving to the countries in Europe with the relations with the Philippines. First, Poland and the Philippines have also been marked as important events to the Philippines. The Polish Foreign Minister's visit reaffirmed that they still have strong ties. The two officials also discussed regional and international topics of mutual relevance. Secretary Manalo briefed Minister Sikorski on developments in the West Philippine Sea, emphasizing that the Philippines' position has been consistent, clear, and firmly based on the 1982 United Nations Convention on the Law of the Sea and the final and binding 2016 Arbitral Award on the South China Sea.²⁴ Second, Germany on the visit to the Philippines, Annalena Baerbock, the Minister of German Foreign Minister in January, and the German Defense Minister, Boris Pistorius, in August, expressed a serious exploration of whether the Philippines is a vital partner in the Indo-Pacific.²⁵

Conclusion

In conclusion, the ongoing threat of China's aggressive and illegal use of force against the Philippines highlights the tension within the country's domestic affairs, as the Republic of the Philippines seeks to partner with states such as the United States. Regarding governance issues, it has become evident that high-ranking officials are attempting to evade accountability in the Philippines. The economy has been improving, as indicated by the inflation rate slowing to 3.3 percent and the strengthening of trade partnerships with the UK. Meanwhile, foreign relations illustrate that China remains a primary source of tension for the Philippines, which is actively seeking support against it, as evidenced by its relationships with the USA, Poland, and Germany.

²³ The UK Government, "UK Poultry Imports Return to the Philippines.", September 18, 2024.

<https://www.gov.uk/government/news/uk-poultry-imports-return-to-the-philippines>.

²⁴ "MSN." 2024. Msn.com. 2024. <https://www.msn.com/en-ph/news/other/polish-foreign-ministers-visit-reaffirms-strong-ties-with-ph/ar-AA1qCbQG?ocid=BingNewsVerp>.

²⁵ Amador, Julio. 2024. "Philippines-Germany Relations: Strengthening Ties amid Growing Indo-Pacific Tensions." Philstar.com. Philstar.com. September 15, 2024. <https://www.philstar.com/news-commentary/2024/09/15/2385437/philippines-germany-relations-strengthening-ties-amid-growing-indo-pacific-tensions>.

Vietnam

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Introduction

As Vietnam navigates through the third quarter of 2024, the nation grapples with a complex interplay of domestic challenges and vibrant socio-economic developments while actively pursuing its foreign policy objectives. The domestic political landscape has been marked by significant instability due to an intensified anti-corruption campaign, culminating in the resignation of several high-ranking officials and the notable passing of General Secretary Nguyen Phu Trong in July. His death has sparked concerns over potential infighting within the Communist Party of Vietnam (CPV) during a critical period of leadership transition.

Despite the challenges, the Vietnamese government has shown resilience. This is evident in the Cabinet's assessment of socio-economic performance and the strategic initiatives put in place to foster growth. These initiatives demonstrate the government's proactive approach to economic development. On the international front, Vietnam has reaffirmed its commitment to strengthening ties with key partners, leading to high-level discussions and agreements to enhance bilateral trade and cooperation.

This quarterly update will delve into the key political events, socio-economic milestones, and foreign diplomatic activities that have shaped Vietnam's trajectory in this pivotal quarter. It will reflect the nation's ongoing efforts to maintain stability and foster development amidst a rapidly changing global landscape.

Domestic Affairs

The third quarter of 2024 saw significant instability in Vietnam's domestic politics, largely due to the ongoing anti-corruption campaign that has been a defining feature of the political landscape since 2016. This intensified campaign, which led to the resignation of several high-ranking officials, including seven of the 18 members of the Politburo, has underscored the government's commitment to transparency and accountability. The passing of General Secretary Nguyen Phu Trong in July 2024 further heightened political tensions, raising concerns about potential infighting within the Communist Party of Vietnam (CPV).

The quarter began on July 6, when Prime Minister Pham Minh Chinh chaired a Cabinet meeting to assess Vietnam's socio-economic performance in the year's first half.¹ During this meeting, the Cabinet reviewed public investment disbursements and the implementation of three national target programs, outlining major tasks for the second half of the year. Chinh emphasized the need to identify achievements and shortcomings in socio-economic development.

On July 26-27, 2024, Vietnam held a state funeral for General Secretary Nguyen Phu Trong, honoring his contributions and sacrifices for the nation. More than 5,600 delegations, representing over 252,000 people, paid their respects at the National Funeral Hall in Hanoi, reflecting the profound impact of his leadership.²

In a significant political development on August 3, President To Lam was elected as the new CPV Central Committee General Secretary during the 13th CPVCC meeting. Lam pledged to work tirelessly with Party members to uphold the ideals of self-reliance and national pride while also continuing the legacy of previous Party Congresses.³

Further solidifying the government's direction, on August 8, Prime Minister Chinh signed a decision assigning specific tasks to Deputy Prime Ministers. Tran Hong Ha was designated to oversee the State Bank of Vietnam, while Tran Luu Quang was tasked with the planning and investment sector. Le Thanh Long was assigned to monitor various ministries, including Finance and the Government Inspectorate.⁴

The quarter concluded with a solemn tribute on August 30, when a delegation of Party leaders and former leaders paid homage to President Ho Chi Minh at his mausoleum in Hanoi. This event commemorated the 79th National Day of Vietnam, marking the anniversary of the

¹ Thuy Dung, "Government Convenes to Look Into First Half Socio-economic Situation," *En.Baochinhphu.Vn*, July 6, 2024, <https://en.baochinhphu.vn/cabinet-reviews-socio-economic-performance-in-first-half-of-2024-111240706094913697.htm>.

² Xinhua, "Vietnam to Hold National Mourning for Late Party Chief Nguyen Phu Trong," ed. Huaxia, XINHUANET, July 21, 2024, <https://english.news.cn/20240721/8f9468d7531d4bb0bba112b54cba9ac1/c.html>.

³ Bao Chinh Phu, "Inaugural Address of General Secretary of Communist Party of Viet Nam Central Committee," *Socialist Republic of Viet Nam Government News*, August 3, 2024, <https://en.baochinhphu.vn/inaugural-address-of-general-secretary-of-communist-party-of-viet-nam-central-committee-11124080315413583.htm>.

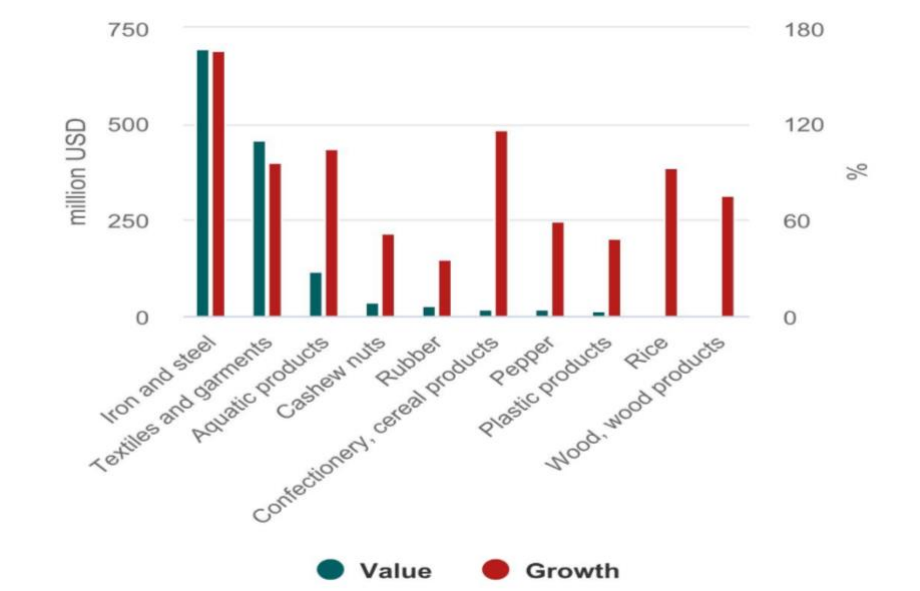
⁴ Nhan Dan Online [NDO], "Prime Minister Assigns Tasks to Deputy Prime Ministers," *Nhan Dan Online*, June 14, 2024, <https://en.nhandan.vn/prime-minister-assigns-tasks-to-deputy-prime-ministers-post136407.html>.

Declaration of Independence and the establishment of the Democratic Republic of Vietnam, now the Socialist Republic of Vietnam.⁵

Socio-Economic Affairs

In the first seven months of 2024, Vietnam's exports from Russia saw a remarkable increase of 46% year-on-year, totaling USD 1.36 billion, according to data from Vietnam Customs. This surge was largely driven by steel and iron exports, which reached USD 698 million, while seafood exports rose to USD 117 million. A key factor contributing to this growth was establishing a new shipping route between Vladivostok and Vietnam's Ho Chi Minh City and Hai Phong City.⁶

Illustration 1: Vietnam's Exports to Russia (Jan -Jul 2024)



This graph is sourced from <https://e.vnexpress.net/news/business/data-speaks/exports-to-russia-jump-46-4783875.html>.

Additionally, durian has emerged as a significant export fruit, with sales soaring to about US\$1.7 billion in the same period. The Ministry of Agriculture and Rural Development reported that Vietnamese durian gained popularity, mainly as Thai durian production declined due to adverse weather conditions. Farmers in the Mekong Delta have shifted their focus to

⁵ Kim Anh, “Leaders Pay Tribute to President Ho Chi Minh on National Day,” *En.Baochinhphu.Vn*, August 30, 2024, <https://en.baochinhphu.vn/leaders-pay-tribute-to-president-ho-chi-minh-on-79th-national-day-111240830103228857.htm>.

⁶ Dy Tung, “Exports to Russia Jump 46%,” *VnExpress International – Latest News, Business, Travel and Analysis From Vietnam*, August 23, 2024, <https://e.vnexpress.net/news/business/data-speaks/exports-to-russia-jump-46-4783875.html>.

off-season durian cultivation, resulting in impressive output levels.⁷ In July alone, durian exports brought in US\$280 million.⁸

On August 1, Vietnam's 2024 Land Law came into effect, facilitating the consolidation of agricultural land through various methods, including land conversion, leasing, and cooperative farming. According to Nguyen Thanh Phuoc, director of Phuoc Thanh IV Trading, this legislation aims to help farmers overcome growth challenges by fostering a more favorable environment for agricultural development and encouraging investment in high-tech agriculture.⁹

On August 13, the American multinational conglomerate 3M launched its Center for Science, Technology, and Engineering in Hanoi. The center features a laboratory to test technology products tailored to the Vietnamese market. This research and development initiative marks 3M's ongoing investment in Vietnam, complementing its existing Customer Technical Center in Ho Chi Minh City.¹⁰

Continuing its educational advancements, Ho Chi Minh City announced plans on August 16 to pilot English as the country's second language in selected public high schools. Nguyen Van Hieu, director of the Department of Education and Training, stated that this initiative, supported by experts in the field, aims to equip Vietnamese students with essential language skills to compete internationally and enhance the country's future human resource capacity.¹¹

⁷ VNA, "Durian Exports Hit \$1.7B in 7 Months," *VnExpress International – Latest News, Business, Travel and Analysis From Vietnam*, August 15, 2024, <https://e.vnexpress.net/news/business/economy/durian-exports-hit-1-7b-in-7-months-4781700.html>.

⁸ Thi Ha, "Durian Exports Rise to Record High," *VnExpress International – Latest News, Business, Travel and Analysis From Vietnam*, August 29, 2024, <https://e.vnexpress.net/news/business/economy/durian-exports-rise-to-record-high-4786679.html>.

⁹ "New Land Law: Opportunity to Promote Investment in Green Agriculture," *Viet Nam News*, September 5, 2024, <https://vietnamnews.vn/Economy/1662357/new-land-law-opportunity-to-promote-investment-in-green-agriculture.html>.

¹⁰ Khánh Vy, "US's 3M Corporation Opens Science, Technology, Engineering Center in Hanoi," *Vietnam Economic Times / VnEconomy*, August 14, 2024, <https://en.vneconomy.vn/uss-3m-corporation-opens-science-technology-engineering-center-in-hanoi.htm#:~:text=The%20US's%203M%20Corporation%2C%20the,and%20solutions%20in%20Southeast%20Asia>.

¹¹ Bao Anh, "Ho Chi Minh City to Make English a 2nd Language in Public High Schools," *Tuoi Tre News*, August 17, 2024, <https://tuoitrenews.vn/news/education/20240817/ho-chi-minh-city-to-make-english-a-2nd-language-in-public-high-schools/81505.html#:~:text=Tuoi%20Tre%20News-.Ho%20Chi%20Minh%20City%20to%20make%20English.language%20in%20public%20high%20schools&text=Ho%20Chi%20Minh%20City%20plans.significant%20breakthrough%20in%20local%20education>.

Finally, on September 5, the New York Times received official approval from the Ministry of Foreign Affairs to open an office in Vietnam. This new office is anticipated to promote Vietnam's market potential and innovations to the international community, strengthening bilateral relations between Vietnam and the United States through enhanced media collaboration.¹²

Foreign Affairs

In the third quarter of 2024, Vietnam's foreign policy emphasized cultivating strong international partnerships while advancing its economic and strategic interests. The nation has reinforced its commitment to maintaining multiple strategic alliances, particularly with key regional partners.

The quarter began on July 2, when Prime Minister Pham Minh Chinh and his South Korean counterpart, Han Duck-Soo, announced ambitious plans to increase bilateral trade to US\$100 billion by 2025 and US\$150 billion by 2030.¹³ Chinh urged Korean companies to enhance their investments in Vietnam across various sectors, including gas-fired power, computer chips, renewable energy, and artificial intelligence (AI). He also encouraged the establishment of more research and development centers in Vietnam to foster innovation and connectivity.

From July 11 to 13, President To Lam undertook his inaugural foreign visits to Laos and Cambodia, reinforcing Vietnam's foreign policy goals outlined at the 13th National Congress of the Communist Party of Vietnam. His trips emphasized the importance of nurturing good neighborly relations, fostering long-term sustainability, and promoting traditional solidarity with both nations. Foreign Minister Bui Thanh Son noted that these visits significantly enhanced cooperation among Vietnam, Laos, and Cambodia, focusing on political trust, economic ties, and cultural exchanges.¹⁴

¹² Viet Nam News, “The New York Times to Open Bureau in Việt Nam,” September 6, 2024, <https://vietnamnews.vn/politics-laws/1662469/the-new-york-times-to-open-bureau-in-viet-nam.html>.

¹³ Thuy Dung, “Viet Nam, South Korea Aim to Raise Trade Value to US\$100 Bln Next Year,” *En.Baochinhphu.Vn*, July 2, 2024, <https://en.baochinhphu.vn/viet-nam-south-korea-aim-to-raise-trade-value-to-us100-bln-next-year-111240702190231149.htm>.

¹⁴ Viet Nam News, “President’s State Visits Contribute to Strengthening Việt Nam-Laos-Cambodia Cooperation: FM,” July 13, 2024, <https://vietnamnews.vn/politics-laws/1659216/president-s-state-visits-contribute-to-strengthening-viet-nam-laos-cambodia-cooperation-fm.html>.

On July 20, Prime Minister Pham Minh Chinh hosted Qatari Minister of State for Foreign Affairs Soltan Bin Saad Al-Muraikhi. During the meeting, Chinh urged Qatari companies to increase investments in Vietnam’s vital sectors such as oil and gas, infrastructure, agriculture, and green technology. Both leaders emphasized the importance of peaceful dispute resolution in accordance with international law, while also focusing on mutual development and cooperation in emerging fields like electric vehicles and semiconductors, further strengthening the partnership between the two nations.¹⁵

Later, on July 25, Prime Minister Pham Minh Chinh met with Hun Sen, the President of the Cambodian People's Party and the Cambodian Senate, who was in Vietnam for the funeral of Party General Secretary Nguyen Phu Trong. Both leaders reaffirmed their commitment to enhancing political trust and coordination on joint statements and cooperation agreements. They also agreed to deepen collaboration between the two countries' ministries, agencies, and localities, and to continue high-level exchanges aimed at strengthening bilateral ties and ensuring regional stability and cooperation.¹⁶

As August unfolded, on the 1st, Prime Minister Chinh and Indian Prime Minister Narendra Modi held discussions in New Delhi, celebrating the progress of their bilateral comprehensive strategic partnership established in 2016. Several agreements were signed following their talks, including partnerships in energy, defense, and technology. Both leaders agreed to strengthen traditional cooperation and explore new areas under heightened political confidence and deeper defense-security collaboration. They also emphasized the need for continued cooperation to ensure peace and stability in the Indo-Pacific region.¹⁷

On August 14, Prime Minister Chinh welcomed New Zealand's newly accredited Ambassador Caroline Beresford to Hanoi. He emphasized the need for both nations to adopt breakthrough measures, including improving market access for each other’s products, to meet the ambitious goals of reaching US\$2 billion in bilateral trade by 2024 and US\$3 billion by 2026. Both

¹⁵ Thuy Dung, “Prime Minister Receives Qatari Minister of State for Foreign Affairs,” *En.Baochinhphu.Vn*, July 21, 2024, <https://en.baochinhphu.vn/prime-minister-receives-qatari-minister-of-state-for-foreign-affairs-111240720142233342.htm>.

¹⁶ Nhan Dan Online [NDA], “Prime Minister Chinh Meets President of Cambodian Senate Hun Sen,” *Nhan Dan Online*, July 25, 2024, <https://en.nhandan.vn/prime-minister-chinh-meets-president-of-cambodian-senate-hun-sen-post137673.html>.

¹⁷ The Government of India, “India & Vietnam Hold Bilateral Talks to Further Energise the Comprehensive Strategic Partnership,” August 1, 2024, <https://www.newsonoutair.gov.in/pm-modi-to-hold-talks-with-his-vietnamese-counterpart-today-two-countries-to-sign-several-agreements-following-the-talks/>.

leaders reiterated their commitment to strengthening high-level exchanges and fostering cooperation in areas such as agriculture, education, and labor.¹⁸

On August 19, President To Lam held talks with Chinese President Xi Jinping in Beijing, resulting in several signed cooperation agreements. They declared 2025 as the "Year for Vietnam-China Humanistic Exchange," aiming to enhance cultural ties and collaboration between the two nations. This engagement underscores the commitment to fostering deeper connections and mutual understanding in various sectors.¹⁹

On August 24, the Australian Senate President visited Vietnam, underscoring the fruitful outcomes of the Vietnam-Australia comprehensive strategic partnership and enhancing bilateral cooperation.

On September 4, General Secretary and President To Lam held online talks with Japanese Prime Minister Kishida Fumio, coinciding with the 50th anniversary of diplomatic relations between Vietnam and Japan. They discussed ways to enhance political trust and mutual understanding through ongoing high-level exchanges. The leaders also agreed to strengthen collaboration across various sectors to foster their comprehensive strategic partnership, highlighting the importance of shared goals and cooperation.²⁰

Conclusion

In the third quarter of 2024, Vietnam faced significant challenges and achieved notable progress. The country's anti-corruption campaign and leadership transition created a complex political environment. Despite this, Vietnam experienced impressive export growth, particularly in the agricultural sectors, showcasing its economic resilience. The nation's foreign policy initiatives reflect a strong desire to cultivate international partnerships. Vietnam will continue to harness its strengths, address internal challenges, and leverage international collaborations for sustainable development and global standing.

¹⁸ Kim Anh, "Viet Nam, NZ Target to Upgrade Ties," *En.Baochinhphu.Vn*, August 14, 2024, <https://en.baochinhphu.vn/viet-nam-new-zealand-target-to-upgrade-ties-111240814142214719.htm>.

¹⁹ Huong Giang, "To Lam, Xi Jinping Hold Summit Meeting in Beijing," *Socialist Republic of Viet Nam Government News*, August 19, 2024, <https://en.baochinhphu.vn/to-lam-xi-jinping-hold-summit-meeting-in-beijing-111240819193257357.htm>.

²⁰ Huong Giang, "To Lam Holds Online Talks With Japanese Prime Minister," *Socialist Republic of Viet Nam Government News*, September 5, 2024, <https://en.baochinhphu.vn/to-lam-holds-online-talks-with-japanese-prime-minister-111240904080211707.htm>.