**U.S. Imperialism in Southeast Asia and ASEAN**
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The East Asian region's population (2.5 billion) accounts for a third of the world's population and its economies (with some US$16 trillion in combined gross domestic product or GDP) for over a quarter of the world economy. It is also home to three of the world's six largest military powers: China, North Korea and South Korea (with Russia nearby). Two of these – China and North Korea – are also among the world's nine confirmed nuclear powers and both are engaged in respective long-standing disputes over contested territories.[1] The United States (U.S.) is even portraying China as an emerging economic giant that could eventually challenge the region's largest economy, Japan. These are the main elements determining U.S. imperialism's geopolitical, military and economic interests and which impel what is already a more than century-long presence in East Asia. Their dynamics are also what ultimately define the U.S. posture in Southeast Asia.

Southeast Asia is a sub-region of mainly neocolonies with less impressive numbers: less than nine percent of the world's population and not even five percent of global GDP. However U.S. engagement here is extensive and vital in terms of preserving overall U.S. imperialist hegemony in East Asia and beyond. Indeed the now virtually all-inclusive region-wide formation, the Association of Southeast Asian Nations (ASEAN), was itself created by the U.S. as a Cold War line of defense against the expansion of Communism. In past decades the U.S.'s regional interventions stressed using bilateral channels even as it ensured that any more far-reaching regional frameworks developed either included it or, if they did not include it and were potentially inimical to its interests, stifled.

Yet while bilateral mechanisms remain expedient and effective in the post-Cold War and neoliberal "globalization" era, the U.S.'s redoubled efforts to consolidate and assert its hegemony are also seeing greater emphasis on creating, consolidating and expanding multilateral security and economic frameworks. The ASEAN is important and one such venue. The basic objectives however remain the same: a fortified U.S. regional military presence including support for its wars of aggression; and to deliver backward economies ever deeper into the exploitative clutches of monopoly capitalism.

# I. THE OVERALL EAST ASIAN CONTEXT

The main geopolitical and economic outcomes in East Asia have been a result of the post-World War Two dynamics between the struggle for Socialism and imperialism's efforts to combat this. On one hand, revolutionary movements successfully seized and held state power: North Korea (1948), China (1949), Vietnam (1954), Laos (1975) and Cambodia (1975). Other armed revolutionary as well as nationalist movements waged determined struggles in many other countries, each with their own successes. On the other hand, U.S. imperialism directly confronted these militarily, diplomatically and economically – resulting in over a half a century now of brazen U.S. influence, manipulation, intervention and aggression.

The "Cold War" defined the region's political and economic landscape from after the Second World War to the end of the 1980s. U.S. imperialism launched two wars of aggression in Korea (1950-53) and in Vietnam (1961-75) with one-fifth of all its wartime spending during the 20th century going to just these two. The results were a stalemate in Korea, which kept the country divided into North and South, and victory by the Vietnamese people over the U.S.; these were at the cost of millions in civilian lives as well

[1] These are the United States, Russia, France, United Kingdom, China, North Korea, India, Pakistan and Israel.

as disfigurement and trauma reaching into the next generations. At its peak the U.S. had some 350 bases spread across East Asia and the Pacific. Pro-U.S. military dictatorships were supported in the Philippines, Indonesia and Thailand to put down home-grown mass movements and armed struggles for national independence and liberation. Air strikes were launched against Laos and Cambodia.

The U.S. accommodated growth in Japan after defeating and occupying it in 1945 and developed it as the economic anchor of a regional capitalist order. It was also the U.S.'s primary Asian military base to contain the spread of Sino-Soviet influence. Japan has since become the world's second largest economy and Asia's biggest monopoly capitalist power. At the same time the U.S. has ensured that the Japanese military is restrained by and subordinated to U.S. imperialism – one of the most important ways for the U.S. to be able to perpetually thwart any Japanese ambitions for regional domination. The U.S. also has a more immediate interest: the U.S.-Japan alliance, the only military alliance for the Japanese, is the principal anchor of U.S. military and economic engagement in East Asia.

The U.S. was likewise accommodating to the so-called East Asian "Tigers" – South Korea, Taiwan, Hong Kong and Singapore – so that these could serve as economic and, in most cases, military outposts in regional frontlines against Communism in China and North Korea. Authoritarian regimes were provided windfalls in economic aid and investment and given preferential access to the U.S. market. These were aimed at cultivating allied regimes as well as creating myths of "free market" success to give ideological justification for region-wide trade and investment liberalization.

The end of the Cold War in the late 1980s did not see any essential changes in strategic hegemonic direction even as threats, focuses and thrusts may have been altered. Today the situations in the Taiwan Strait and Korean Peninsula remain volatile and U.S. military and diplomatic positions are as rigid as ever. China's continued rise supposedly challenges the U.S. as the dominant regional power but its military and economic strength still remains checked and manageable even as the U.S. aggressively maneuvers to strategically pre-empt it. The U.S. military and economic presence is still overbearing. This is maintained through a standing global network of bases – the U.S. has some 850 bases in 138 countries – and covert sites as well as through the rotating but sustained presence of U.S. forces under the guise of trainings or exercises. In 2005 there were 386,000 U.S. troops deployed in some 150 countries worldwide including over 70,000 just in East Asia and some 100,000 in the U.S. Pacific Command as a whole. The U.S.'s Cold War era mutual defense treaties also remain and five of its seven such pacts are with East Asian countries.[2]

The most striking post-Cold War change has been in the economic realm. Imperialism has been wracked by deepening economic crisis since the 1970s and it seized on the "collapse of Communism" to intensify its neoliberal "globalization" offensive in the late 1980s and 1990s. Neocolonial economic regimes were subjected to waves of trade and investment liberalization that opened them up to ever greater exploitation and plunder. This time around the symbols of "free market" hope were the Southeast Asian "Tiger Cubs": Malaysia, Indonesia and Thailand as well as, to a lesser degree, the Philippines. However these economies were more genuinely liberalized than the state-interventionist older Tigers and, moreover, were not allowed to penetrate the North American market. These precluded any real industrial deepening and thus their growth has been shallower and in large part is only sustained by continuous infusions of foreign debt and investment.

These weaknesses dramatically asserted themselves with the "Asian Financial Crisis" in 1997 which also highlighted the inevitability of crisis amidst global overproduction and the speculative excesses of financial liberalization. U.S. imperialism was quick to exploit the situation and heavy-handedly wielded

[2] U.S.-Republic of the Philippines (1952), Australia-New Zealand-U.S. (1952), U.S.-Republic of Korea (1954), Southeast Asia Collective Defense (U.S.-France-Australia-New Zealand-Thailand-Philippines, 1955) and U.S.-Japan (1960).

the International Monetary Fund (IMF) to impose harsh austerity measures and force greater financial sector liberalization on Thailand, Indonesia and South Korea. Japan also tried to use the crisis to advance its economic agenda in East Asia with its tentative attempt at an Asian Monetary Fund (AMF) but the proposal was quickly, and decisively, scuttled by the U.S. which was excluded from the idea.

This period also saw the "rise" of China. Following revisionist betrayals in the mid-1970s, the world's largest country turned towards integration into the world capitalist system on the basis of brutal foreign exploitation of its vast labor force. Its southern and coastal provinces in particular have been integrated into a region-wide neocolonial chain of industrial enclaves stretching from the Northeast Asian mainland to the archipelagoes of Southeast Asia and then on to the Indian subcontinent – an imperialist-dominated manufacturing base producing for faraway U.S. and European markets. China's military spending has certainly more than doubled in the last five years and its security and military relations with its neighbors in the region are also increasing. Yet its foreign investment abroad, a key indicator of economic might, remains small both in terms of world investment and relative to the size of its economy. Nonetheless, China's efforts to increase its influence over Asia are clear and it is trying to do this through formal trade and other agreements in bilateral and regional forums.

In contrast the U.S. far and away remains the world's largest economy as well as its pre-eminent military superpower, more so to the extent that having more technologically advanced weaponry matters. (See Table 1) It has clearly and repeatedly declared its intention of fully pursuing unchallenged perpetual supremacy. The U.S.'s 2002 National Security Strategy (NSS) for instance was unambiguous in fully articulating U.S. imperialism's doctrine of pre-eminence, pre-emption and unilateralism – which are moreover affirmed in the latest 2006 NSS. The 2002 NSS opened with the declaration: "The United States possesses unprecedented – and unequaled – strength and influence in the world." In later key sections it states:

- "It is time to reaffirm the essential role of American military strength. We must build and maintain our defenses beyond challenge."
- "[As] a matter of common sense and self-defense, America will act against such emerging threats before they are fully formed."
- "While the United States will constantly strive to enlist the support of the international community, we will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively."

A particularity of the global situation since the 1990s is the increasing attention to and variations in regional and sub-regional alliances. Two factors have driven these: the dissolving of political-ideological-economic lines of two superpower blocs in the post-Cold War era; and, related to this but with a dynamic of its own, the increasing importance of imperialist-dominated cross-border production and supply networks following neoliberal "globalization". These have resulted in new arenas and pressures for big power jockeying to secure respective spheres of influence as well as for nationalist assertions.

During the Cold War security and economic relationships were largely clearly defined: on one side was the Soviet-dominated bloc and on the other side was the U.S.-dominated bloc of imperialist powers and their neocolonies. Military, trade and investment links were more or less exclusive and restricted to one bloc or the other. Most countries outside of the big powers also defined their foreign policies and centered their diplomatic alliances around their superpower of choice with, in particular, close bilateral relations being the clearest sign of which bloc any individual country was aligned with.

However the end of the Cold War opened up the field and resulted in great deviations on these previously straightforward patterns as countries began to build security, trade and investment links with counterparts who were previously on the other side of the political-ideological-economic divide. Erstwhile adversaries came together in the same room, among others: the U.S. and Russia in the Asia-Pacific Economic Cooperation (APEC) forum (which also puts together China and Taiwan), Japan and China in the East Asian Summit (EAS)[3], the U.S. with Russia and China in the Six-Party Talks[4], the U.S. and North Korea in the ASEAN Regional Forum (ARF)[5], the five anti-Communist original ASEAN members and Vietnam in ASEAN, the five anti-Communist original ASEAN members and China in ASEAN+3, and many others. Monopoly capitalist and other businesses have set up where it is most profitable for them regardless of prior ideological alignments and many of these links have been formalized in formal trade arrangements. (See Annex 2 for a summary of the major regional groupings in Asia) Even the smaller countries have seen fit to build or otherwise enter into new relationships for political and economic advantage. These new regional groupings – some of whom are portrayed as rising Asian "regionalism" – are a key element of the East Asian context in the post-Cold War era.

Yet notwithstanding many contradictions and myriad nuances, the central fact of the overall East Asian context is that U.S. imperialism is the region's most powerful actor and the single biggest factor determining dynamics in East Asia. The implications of its military and political offensive (under the guise of the so-called global "war on terror") and of its economic offensive (now being hyped as an "East Asian Renaissance") are thus significant. These are fully reflected in its maneuverings in Southeast Asia.

**Table 1: Indicators of Military and Economic Strength of Selected East Asian Countries, 2005**

| | Gross domestic product (US$ M) | Total military spending (US$ B) | Active military forces ('000) | Nuclear weapons | Main battle tanks | Major combat aircraft | Major naval combat ships |
|---|---|---|---|---|---|---|---|
| United States | 12,455,068 | 518.1 | 1,474 | 33,500 | 7,620 | 2,604 | 198 |
| Japan | 4,505,912 | 44.7 | 240 | 0 | 980 | 1,082 | 72 |
| China | 2,228,862 | 80.0 | 2,255 | 500-1,300 | 7,580 | 3,079 | 131 |
| South Korea | 787,624 | 20.7 | 688 | 0 | 2,330 | 1,236 | 63 |
| Taiwan | 631,200 [a] | 8.3 | 290 | 0 | 926 | 1,060 | 35 |
| North Korea | 40,000 [b] | 6.0 | 1,106 | 550 | 3,500 | 1,828 | 97 |
| ***ASEAN*** | | | | | | | |
| Indonesia | 287,217 | 8.0 | 302 | 0 | 0 | 364 | 31 |
| Philippines | 98,306 | 0.844 | 106 | 0 | 0 | 144 | 1 |
| Vietnam | 52,408 | 3.5 | 484 | 0 | 1,315 | 558 | 0 |
| Thailand | 176,602 | 2.0 | 307 | 0 | 333 | 319 | 18 |
| Malaysia | 130,143 | 2.5 | 110 | 0 | 0 | 201 | 10 |
| Cambodia | 5,391 | 0.073 | 124 | 0 | 150 | 62 | 0 |
| Laos | 2,855 | 0.010 | 29 | 0 | 25 | 106 | 0 |
| Singapore | 116,764 | 5.6 | 73 | 0 | 100 | 344 | 9 |

*Sources: Center for Strategic and International Studies (CSIS) The Asian Conventional Military Balance in 2006, June 2006 and World Bank 2007 World Development Indicators, except [a] from CIA Word Factbook last updated: October 5, 2006 and [b] 2004 estimate from <http://geography.about.com/library/cia/blcnorthkorea.htm>*

3 The EAS's 16 members are the ten ASEAN nations, Japan, China, South Korea, Australia, New Zealand and India.

4 The six parties are the U.S., Japan, China, Russia, South Korea, and North Korea.

5 The ARF's 25 participants include the ten members of ASEAN, U.S., China, Japan, European Union, Russia, Australia, Canada, New Zealand, South Korea, North Korea, India, Pakistan, Mongolia, Papua New Guinea, and Timor-Leste.

# II. U.S. IMPERIALISM IN SOUTHEAST ASIA

Southeast Asia is essential to the U.S. for securing its geopolitical and economic interests not only in East Asia and the Pacific but beyond to South Asia, Central Asia and even West Asia (or the Middle East). A sustained military presence is indispensable; an economic presence is likewise vital, both for the regional alliances that they underpin and the superprofits that they directly generate.

The U.S.'s main strategic objectives in Southeast Asia are to:

- Ensure its dominance in the sub-region and use this for developing and maintaining its hegemony over the rest of Asia, including competing with other major East Asian powers especially Japan and emerging China.
- Preserve its free access to, if not outright control of, the major sea lanes from the Persian Gulf/Indian Ocean to the Pacific Ocean: the strategic Malacca, Sunda, Lombok, and Makassar Straits as well as the South China Sea. These sea routes transiting Southeast Asia are vital for global seaborne commerce – reportedly accounting for more than half of the world's annual merchant shipping traffic with trade and energy shipments worth some US$1.5 trillion – and for U.S. military "force projection" in the Indian Ocean to as far away as West Asia. The unique geophysical characteristics of Southeast Asia give it strategic geopolitical significance.
- Create, deepen and expand trade and investment opportunities. The U.S. here directly competes with Japan, Europe and to a much lesser degree China. Although manufacturing is a key area, the U.S.'s main thrust is currently in opening up neocolonial financial and service sectors.

These three objectives underpin all of U.S. imperialism's bilateral and regional level maneuvering in Southeast Asia. The U.S. has aggressively pursued these for decades outside and also through ASEAN. It has achieved its military objectives through its important control over individual countries such as the Philippines, Thailand, Singapore and others. It has attained its economic objectives through the IMF and World Bank (WB), through bilateral economic pressure and arrangements, and through the World Trade Organization (WTO). Yet with the onset of the "war on terror" and the increasing political and economic importance of the ASEAN to the whole of Asia and the Pacific, the U.S. appears to be out to increasingly use the organization as a region-wide mechanism for meeting its objectives in the sub-region and beyond. This may even be a factor in the notably increased impetus to ASEAN activities in the last five years.

**U.S. military aggression**

The U.S. had a relatively reduced military presence in Southeast Asia following the end of the Cold War and, in particular, the expulsion of its large air and naval bases in the Philippines after 1991. Throughout most of the 1990s, U.S. forces were concentrated mainly in Northeast Asia and focused on the Taiwan Strait and Korean Peninsula. Among others this was due to the disappearance of a clear superpower "villain" – a role that had been filled by the former Soviet Union – to justify a continued large scale U.S. military force in the region. Consecutive Quadrennial Defense Reviews (QDR 2001 and 2006) however articulated a shift in emphasis from Europe to Asia with corresponding demands for an increased U.S. military presence. At the same time it also stressed an increased focus on developing a global military force that relies not only on static fixed bases but also on mobile expeditionary and deployable forces.

The QDR 2001 declared that the U.S. overseas presence that had been concentrated in Western Europe and Northeast Asia, "[was] inadequate for the new strategic environment, in which U.S. [economic and security] interests are global and potential threats in other areas of the world are emerging." It called for an even more aggressive U.S. global security posture reoriented to:

a) "Develop a basing system that provides greater flexibility for U.S. forces in critical areas of the world, placing emphasis on additional bases and stations beyond Western Europe and Northeast Asia;
b) "Provide temporary access to facilities in foreign countries that enable U.S. forces to conduct training and exercises in the absence of permanent ranges and bases;
c) "Redistribute forces and equipment based on regional deterrence requirements; and
d) "Provide sufficient mobility, including airlift, sealift, pre-positioning, basing infrastructure, alternative points of debarkation, and new logistical concepts of operations, to conduct expeditionary operations in distant theaters against adversaries armed with weapons of mass destruction and other means to deny access to U.S. forces."

The QDR 2006 was even more specific and pointedly stated: "Of the major powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counterstrategies." It also spoke of "ending tyranny" in North Korea. Particularly relevant for Southeast Asia is how both QDRs defined the U.S. thrusts in its overseas military presence to include maintaining permanently stationed forces in fixed bases and also to give greater stress than before to rotating forces in "forward operating sites" (FOS) and "cooperative security locations" (CSL).

The sheer distance of East Asia from the U.S. mainland – and, indeed, the vastness of the Asian continent – establishes a need for locating a large minimum concentration of troops, equipment and materiel in the region in fixed bases. The idea however is for this presence to be augmented by the temporary stationing of U.S. forces under the guise of trainings, exercises and transit in the so-called FOS and CSL. This temporary stationing lasts anywhere from a few days to six months or more and includes rotational deployments of combat aircraft, naval surface combat ships and submarines.

The major sea lanes transiting Southeast Asia also explain the U.S. emphasis on "maritime security". East Asia – including the big economies in Northeast Asia – is still heavily reliant on oil coming from the Middle East and these largely go through the strategic straits of the sub-region. The geopolitical implications are substantial with, for instance, 70 percent of China's imported oil going through just the Malacca Straits. Disruptions in energy supplies will be detrimental for any nation's economy and, indeed, its war-fighting capacity.

The stress that U.S. imperialism gives to the region has been clearly stated: "Southeast Asia is the front line of the war on terror in [the U.S. Pacific Command]."[6] The vast U.S. Pacific Command, or PACOM, covers the entire hemisphere from the west coast of the U.S. to the east coast of Africa halfway around the world. PACOM's area of jurisdiction of nearly 272 million square kilometers spans over half of the planet's surface area and, with some 43 countries within it, nearly 60% of the world's population. The U.S. is using a variety of ways to meet its objective of maintaining strategic military domination. These include creating rationales, increasing direct military activities in countries, and ensuring that appropriate national and regional mechanisms are in place. Its closest allies for implementing these in Southeast Asia are the Philippines, Singapore and Thailand; further north are Japan and South Korea, while to the south are Australia and New Zealand.

[6] Adm. William J. Fallon, U.S. Navy Commander, U.S. Pacific Command (2006), "Statement Before the Senate Armed Services Committee on U.S. Pacific Command Posture", March 7, 2006.

### *Rationales*

To begin with, the U.S. is working hard to manufacture rationales with which to justify its increased military presence and to make this more acceptable to states and to affected populations. It continues to push the long-running theme that the U.S. military presence is indispensable for maintaining peace and security in Asia, which in turn are supposed to be vital for economic progress and development. Acceptance of this argument is particularly important to override "nationalist" stirrings in Asian countries against long-standing U.S. domination of the region. In the absence of a definite superpower "villain", however, it has also had to create new antagonists that must be perceived as comparably grave threats to peace and security.

China has been singled out and is regarded by U.S. imperialism as a potential, and not yet actual, "peer competitor". Yet while certainly having the world's biggest population, a large and expanding economy and a powerful and strengthening military, its image as a potential antagonist is limited by how it remains a basically poor country with no significant recent record of overseas aggression and expansionism. China also has extensive links with its widely scattered diaspora in the region. Hence the overall U.S. approach is still a mix of "engagement" and "containment".

Shadowy international "terrorist" networks on the other hand can be frontally engaged so these are played up as the primary threat. The events of 9/11 provided the opening for exaggerating a terrorist menace and for launching a global and all-encompassing "war on terror". Terrorists are inevitably portrayed as fanatical, devious and lethal with a wide and expanding global base of active and "sleeper" cells able to strike anywhere and at any time. They are also said to have or be in the process of acquiring "weapons of mass destruction". Consistent with the U.S. need for an increased worldwide military presence, the 2002 NSS casts the net far and wide: "The war against terrorists of global reach is a global enterprise of uncertain duration." As it is, the U.S. 2006 QDR ominously opened with the declaration: "The United States is a nation engaged in what will be a long war."

Other perceived threats to U.S. imperialism are also being made targets of attack by over-extending the terrorist angle. At the international level, "rogue nations" are supposedly responsible for supplying terrorists with weapons of mass destruction. Within countries on the other hand, legitimate revolutionary struggles, national liberation movements, insurgencies and even civilian unarmed militant groups are criminalized and demonized as "terrorists" through propaganda and legal offensives (while at the same time excluding deliberate reactionary state violence against its own citizens).

Southeast Asia in particular has been portrayed as a terrorist breeding ground with various internal vulnerabilities such as poverty, porous borders, weak law enforcement capabilities and large Islamic populations. The main terror threats being drummed up are the Jemaah Islamiah (JI) – linked to the major 2002 bombings in Bali, Indonesia and scattered smaller ones in the Philippines, among others – and an allegedly Al Qaeda-supported network. These groups are said to be operating in the Philippines, Indonesia, Malaysia, Thailand and Singapore with supposedly strong links to counterparts in Afghanistan, Pakistan and the Middle East.

There is finally a striking expansion of U.S. military mandates into "non-traditional security concerns". The U.S. is complementing the "terrorist", "rogue nation" and China threats with a broad range of so-called transnational crimes especially involving illegal drugs, piracy, smuggling and trafficking in persons. It is moreover even opportunistic about the Asian "Rim of Fire" and its being a natural disaster-prone area where it uses disaster relief operations as an excuse to engage national militaries.

### *Direct military activities*

All U.S. military activities in foreign territories are, without exception, conducted in the framework of "stability operations" that cover a wide range of activities: from humanitarian/civic actions to support for pro-U.S. insurgents to shows of force.[7] Outside of its presence in fixed bases, field military trainings and exercises are the U.S.'s most visible, frequent, large-scale and widespread direct military activities in the region. They are aimed at enabling a sustained U.S. presence, co-opting or otherwise consolidating surrogate militaries, as well as at improving interoperability (of procedures, equipment, communication, etc.) with national armed forces. They are critical for sustaining the U.S. military posture in different places across the region and, significantly, the corresponding training and exercise areas in each country constitute the sprawling and expanding U.S. web of FOS and CSL in the region.

The US PACOM conducts more than 1,500 exercises and other engagement activities with foreign militaries each year. In Southeast Asia the major exercises are the bilateral *Balikatan* with the Philippines and the multilateral *Cobra Gold* with Thailand. There are moreover hundreds of smaller scale exercises throughout the region. The Philippines and Thailand alone each average some 40 to 50 exercises every year. They are complemented outside Southeast Asia by the bilateral exercises *Keen Sword* with Japan, *Ulchi Focus Lens* with South Korea and *Talisman Saber* with Australia.

Many of the trainings, exercises and operations are accompanied by high-profile civic actions and engineering projects. These have the immediate aim of image-building and cultivating social acceptance among local populations. However the infrastructure works are particularly self-serving and geared towards ensuring that the FOS and CSL have the necessary roads, airport, seaport and storage infrastructure to be functioning launching points for future military operations. Whether euphemistically called "counter-terrorism training locations" (Philippines), "training bases" (Thailand) or "field operations centers", their underlying purpose is to provide base-like facilities as well as the groundwork for actual fixed bases in the future when these become necessary. In many cases these have already resulted in a U.S. presence in parts of countries far beyond and over much larger areas than had ever been reached by the fixed garrison bases of the Cold War era.

The U.S. is even opportunistic about the frequent natural disasters in Southeast Asia which are seen not only as public relations occasions but also openings for additional military-to-military coordination, especially inasmuch as most major disaster relief efforts involve local militaries. U.S. troops join relief operations to soften criticism or apprehensions about concentrated foreign military power and to make this more acceptable to policymakers and the general public. The U.S. PACOM for instance organized and led a 20-nation multinational military and civilian task force after the tsunami disaster in December 2004 that involved more than 15,000 U.S. troops and delivered some 25 million pounds of relief goods. However operations like these are also opportunities for the U.S. to work with other countries' armed forces – again, with the objective of familiarization and improving inter-operational capabilities to facilitate future joint and combined military actions.

### *National and regional mechanisms*

The increased U.S. military presence needs to be realized in and supported by concrete national and regional mechanisms. The main U.S. foundations for pursuing its security objectives in Southeast Asia are its bilateral links with its long-standing closest allies – the Philippines, Singapore and Thailand – and increasingly also with Malaysia and Indonesia. The U.S. has in addition started to give increased attention

[7] According to U.S. military doctrine the various types of stability operations are: humanitarian and civic actions, peace-keeping, peace-enforcement, foreign internal defense, security assistance, evacuation of non-combatants, support for insurgencies, support for counter-insurgencies, counter-terrorism, counter-narcotics, arms control and shows of force.

to working at the East Asian level through various initiatives including the APEC forum, and at the Southeast Asian level through the ASEAN.

The basic domestic agreements needed to implement the U.S.'s increased stress on a sustained overseas military presence and on creating FOS and CSL are those on the temporary presence of U.S. troops and equipment and those on access and war materiel pre-positioning. These domestic legal frameworks are generically known as Status of Forces Agreements (SOFA) and Access and Cross-Servicing Agreements (ACSA) which the U.S. has secured with the Philippines, Singapore, Thailand, Indonesia, Burma and Brunei. In the Philippines these have taken the form of the 1999 Visiting Forces Agreement (VFA) and the 2002 Mutual Logistics and Support Agreement (MLSA).

The U.S. was quick to capitalize on the "terrorist threat" after 9/11 and used the opportunity to push various schemes in Southeast Asia through its bilateral links. There have been basically three kinds of mechanisms at the national level: the passing of repressive legislation, the creation of domestic "counter-terror" bodies, and the creation of joint U.S.-local security mechanisms.

Only a few days after 9/11, Pres. Gloria Macapagal-Arroyo of the **Philippines** was quick to volunteer unconditional support for the U.S. in its "war on terror" including providing troops and the use of the country as a staging or transit area – the first state to do so in Southeast Asia and, possibly, worldwide. Even before the end of 2001 the government in quick succession formed an Inter-Agency Task Force Against International Terrorism, passed an Anti-Money Laundering Act (AMLA), announced a 14-point approach to combating terrorism, drew up a National Plan to Combat Terrorism and its Consequences under the National Internal Security Plan (NISP), and came out with various executive issuances against terrorism in the southern Philippine island of Mindanao. The U.S.-Republic of the Philippines (R.P.) Defense Policy Board (DPB) was even created as "a new bilateral defense consultative mechanism" in November 2001.[8]

Significantly, the U.S. PACOM launched *Operation Enduring Freedom-Philippines* or its "largest military operation against terrorism [outside of Afghanistan]" under the guise of the *Balikatan* 02-1 "joint military exercises"; this involved some 4,000 U.S. troops in six months of operations.[9] The most recent *Balikatan* 2006 exercises involved 5,500 U.S. troops and took place not just in Sulu (Mindanao) but also in Cebu (Visayas) and Luzon. In 2003 the Philippines was also declared a major non-NATO ally to facilitate increased U.S. military aid and the stockpiling of US war materiel in the country. A Joint Defense Assessment (JDA) of the Philippine armed forces was also concluded in the same year, drawn up by the U.S. PACOM and U.S. Defense Department, and whose recommendations are being actively implemented by the U.S. military under cover of modernization assistance through Philippine Defense Reform (PDR).[10] The far-reaching JDA studied and identified ten key areas of intervention including the critical security areas of planning, training, doctrines development and logistics procurement. Some indication of the substantial intervention of the U.S. in the Philippine armed forces is given by how, in 2004, the Philippines spent US$17.5 million for PDR implementation with the U.S. accounting for a further US$7.0 million or almost 30% of the total.[11] As it is, the Philippines is the largest recipient of U.S. military aid in Southeast Asia and has received some US$310 million since 2001.

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8 The White House (US) and the Office of the Press Secretary (Philippines), "Joint Statement Between the United States of America and the Republic of the Philippines," November 20, 2001.

9 Adm. Dennis C. Blair (2002), "The Campaign Against International Terrorism in the Asia-Pacific Region", Remarks to Asia Society Hong Kong Center, April 18, 2002.

10 Although a 2001 U.S.-RP Joint Defense Assessment Report was already used as a reference for the 2003 Armed Forces of the Philippines (AFP) Doctrines Development manual, or even before the formal finalization of the JDA in 2003.

11 U.S. Embassy in Manila (2004), "U.S. Defense Assistance to the Government of the Philippines" found at <http://usembassy.state.gov/manila/wwwhr397.html>.

The Philippines has also been used as an active U.S. proxy in the region. It called the 2002 International Conference on Anti-Terrorism and Tourism Recovery that was participated in by 18 countries including ASEAN, the U.S., Japan, China, South Korea, Australia and the United Kingdom (U.K.). It was also nominated by the U.S. to head APEC's Counterterrorism Task Force in November 2004. Most recently, the U.S. created a mechanism for far-reaching military intervention in the Philippines through the formation of the Security Engagement Board (SEB) in 2006. The SEB is a thoroughgoing military body with an explicit mandate over a wide range of "non-traditional security concerns" going far beyond the 1952 U.S.-RP Mutual Defense Treaty including: terrorism, transnational crimes, maritime security and safety, and natural and man-made disasters. Among the first new major military exercises planned under the SEB are the *Kapit-Bisig* counter-terrorism "war games" in insurgency areas of Mindanao from late 2006 to the first half of 2007.

**Thailand** in turn set up its Committee of Counter-International Terrorism (COCIT) and Counter International Terrorist Operations Center (CITOC) in the months after 9/11. In May 2002, the massive *Cobra Gold Exercise on Counter-Terrorism* was undertaken involving some 14,000 U.S. Army, Navy, Marine and Air Force personnel and 7,000 Thai troops, along with some dozens of observers from other ASEAN countries. Also in 2002, the U.S. organized the *Southeast Asia Cooperation Against Terrorism* (SEA-CAT) in Thailand – including the Philippines, Indonesia, Malaysia, Singapore – as a region-wide mechanism for coordinating intelligence work and security operations on terrorism and other transnational crimes. The U.S. and Thailand are also jointly establishing a national counter-terrorism field training facility for Thai military and police. **Singapore** also responded quickly post-9/11 and immediately volunteered the use of its airfields and port areas for U.S. military use. It passed its Anti-Terrorism Regulations Act in November 2001 and also formed a national security anti-terrorism Executive Group (EG). U.S.-Singapore coordination on specifically security issues deepened further with the signing of a Strategic Framework Agreement in 2005.

The U.S. ended a decade of relatively lukewarm security relations with **Indonesia** and increased coordination with it following 9/11 and the "war on terror". In December 2001 the U.S. resumed military assistance to and training of Indonesian troops for counter-terrorism and peacekeeping. Initial efforts were tempered so as not to antagonize the population of the world's largest Islamic country. The Bali bombings in 2002 conveniently provided impetus, however, and the Indonesian counter-terrorism campaign quickly gained momentum with the passage of anti-terror Regulations 1/2002 and 2/2002 and an Anti-Terrorism Law in 2003. U.S.-Indonesian military-to-military links of training, intelligence-sharing and coordination have also increased. U.S. military forces were visibly present in Indonesia during the post-tsunami relief operations and in the wake of the May 2006 earthquake disaster.

**Malaysia** has on occasion made high-profile criticisms of U.S. anti-terror foreign and security policy most notably beginning with the U.S. invasion of Afghanistan. However notwithstanding such vocal criticisms at the highest Malaysian political levels, U.S. security-related links have deepened including various agreements on "cooperation" in terms of law enforcement, intelligence-sharing, border controls and maritime patrols. Malaysia has in any case long been an important purchaser of U.S. defense systems and weaponry. The government sponsored an Islamic Conference on Terrorism in 2002. It also passed additional laws and instituted additional measures on top of its infamous Internal Security Act (ISA). The Southeast Asia Regional Center for Counter-terrorism (SEARCCT) was established in 2003 and receives U.S. funding.

Many of these bilateral efforts such as the conferences and military exercises have been broadened to the regional level by inviting other countries as participants. Aside from this the U.S. has also been increasingly active in wider **regional forums**. In recent years the U.S. has ensured its presence in regional security groupings or otherwise discouraged the emergence of those that exclude it. Particular stress has been given on pushing security issues onto the agenda of APEC, the region's widest-spanning and highest-level (albeit informal) forum. The U.S. pushed the APEC meetings in 2001 and 2003 to focus on the "war on terror" – despite it being conceived as mainly dealing with economic matters – and apart from this has lobbied hard to sustain APEC discussions on terrorism in its committees, working groups, senior officials meetings, and special task groups. At the Southeast Asian level the ASEAN in particular has become increasingly important (discussed in more detail below).

The overall U.S. approach is to elevate its bilateral military relations to a more assertive region-wide level as possible and as necessary. The foundations are first of all the individual military exercises such as *Balikatan* in the Philippines and Cobra Gold in Thailand. Then there are the coordinated sets of sequential bilateral exercises – the biggest of which so far is the *Cooperation Afloat Readiness and Training* (CARAT) exercise of the U.S. Pacific Fleet with the Philippines, Thailand, Singapore, Indonesia, Malaysia and Brunei. At the regional level PACOM has its umbrella security network *Exercise Team Challenge* (ETC) which is moreover used to coordinate with the militaries of Australia and New Zealand.

**U.S. economic aggression**

The neoliberal "globalization" offensive since the 1980s has made great strides in drawing neocolonies and their material and human resources ever deeper into the imperialist-dominated system of world capitalism. Southeast Asia has been a particular focus and its neocolonies have been among those at the center of the global "emerging market" hype. Since 1980, foreign direct investment (FDI) inflows into East Asia have more than quadrupled, reaching 31% of world FDI inflows in 2004.[12]

As might be expected the result has not been domestic development. The Southeast Asian "Tiger Cub" hype has rather been about imperialism carving out industrial enclaves linked in a region-wide production network and about designing countries' financial markets to recycle surplus finance capital. U.S. imperialism has played a leading role in this process especially since the late 1990s and, supplanting Japan for economic dominance in Southeast Asia, has been its prime beneficiary. China's economic influence has been increasing in recent years but it is still a largely minor player outside of its borders. The current "East Asian Renaissance" being played up by the WB-IMF merely aims to take the "globalization" process even further.

**Figure 1: Southeast Asian Countries**


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[12] Office of Regional Economic Integration, Asian Development Bank (2006), "Regional Cooperation and Integration in Asia", Prepared for the Asia 2015 Conference London, March 6-7, 2006.

There are eleven countries in Southeast Asia: Indonesia, Philippines, Malaysia, Singapore and Brunei are the "maritime" countries and Vietnam, Thailand, Myanmar, Cambodia and Laos are the "mainland" countries; there is also the very small newly-established country of Timor-Leste (formerly East Timor). (See Table 2) Most of these countries have histories of colonization which have resulted in elite political, economic and social structures tailor-made to facilitate imperialist rule.

**Table 2a: Basic data on Southeast Asian economies, 2005**

| | Area (km$^2$) | Population ('000) | GDP (US$ M) | GDP per capita (US$) | Unemplt rate (%) | Poverty rate* (%, national) | Poverty rate* (%, US$2/day) |
|---|---|---|---|---|---|---|---|
| Indonesia | 1,919,440 | 219,142 | 287,217 | 1,311 | 9.9 | 27.1 | 52.4 |
| Philippines | 298,171 | 84,241 | 98,306 | 1,167 | 10.9 | 36.8 | 47.5 |
| Vietnam | 331,114 | 83,156 | 52,408 | 630 | 5.6 | 28.9 | n.a. |
| Thailand | 513,115 | 64,994 | 176,602 | 2,717 | 1.5 | 13.1 | 25.1 |
| Myanmar | 678,500 | 56,003 | 7,464 | 133 | 4.0 | 25.0 | n.a. |
| Malaysia | 329,749 | 26,207 | 130,143 | 4,966 | 3.6 | 15.5 | 9.3 |
| Cambodia | 181,040 | 13,872 | 5,391 | 389 | 0.8 | 36.1 | 77.7 |
| Laos | 236,800 | 5,904 | 2,855 | 484 | 7.0 | 38.6 | 74.1 |
| Singapore | 685 | 4,296 | 116,764 | 27,180 | 5.3 | n.a. | n.a. |
| Brunei | 5,765 | 383 | 5,247 [a] | 14,056 [a] | 4.8 | n.a. | n.a. |
| **ASEAN** | **4,494,379** | **558,198** | **882,397** | **1,581** | **-** | **-** | **-** |
| *Memo items:* | | | | | | | |
| *U.S.* | 9,161,923 | 296,410 | 12,455,068 | 42,019.73 | 5.1 | 12.0 | n.a. |
| *Japan* | 374,744 | 127,760 | 4,505,912 | 35,268.57 | 4.4 | n.a. | n.a. |
| *E.U.-25* | 3,853,226 | 459,600 | 12,180,000 | 26,501.31 | 9.4 | n.a. | n.a. |
| *China* | 9,326,410 | 1,306,314 | 2,228,862 | 1,706.22 | 20.0 | 4.6 | 46.7 |

** Various years (latest data available)*
*[a]2004*
*Sources: World Bank 2007 World Development Report, ASEAN 2005 Statistical Yearbook, CIA World Factbook, U.S. State Department Bureau of East Asian and Pacific Affairs Background Notes*

**Table 2b: Basic data on Southeast Asian economies, 2005**

| | GDP (US$ M) | Value added as % of GDP | | | | | |
|---|---|---|---|---|---|---|---|
| | | Agriculture | | Industry | | Services | |
| | | In US$ M | % | In US$ M | % | In US$ M | % |
| Indonesia | 287,217 | 40,210 | 14 | 117,759 | 41 | 129,248 | 45 |
| Philippines | 98,306 | 13,763 | 14 | 32,441 | 33 | 52,102 | 53 |
| Vietnam | 52,408 | 11,530 | 22 | 20,963 | 40 | 19,915 | 38 |
| Thailand | 176,602 | 17,660 | 10 | 83,003 | 47 | 77,705 | 44 |
| Myanmar | 7,464 | 4,180 | 56 [a] | 597 | 8 [a] | 2,612 | 35 [a] |
| Malaysia | 130,143 | 11,713 | 9 | 65,072 | 50 | 52,057 | 40 |
| Cambodia | 5,391 | 1,769 | *33* | 1,555 | 29 | 2,037 | 38 |
| Laos | 2,855 | 1,313 | 46 | 799 | 28 | 742 | 26 |
| Singapore | 116,764 | 0 | 0 | 39,700 | 34 | 77,064 | 66 |
| Brunei | 5,247 | 210 | 4 [b] | 2,938 | 56 [b] | 2,099 | 40 [b] |
| **ASEAN** | **882,397** | **102,348** | **12** | **364,827** | **41** | **415,582** | **47** |

*Sources: World Bank 2007 World Development Indicators except [a] estimated based on 2005 sectoral percentages and [b] based on 2004 sectoral percentages from CIA World Factbook*

U.S. imperialism is the region's dominant economic power. In the last five to six years it has overtaken Japan as the region's biggest source of FDI. Total U.S. FDI in the region over the period 1995-2004 sums to US$42.3 billion, or 17.5% of total FDI in Southeast Asia, followed by Japan (US$32.1 billion or 13.3% of the total). (See Annex 3) U.S. investment is heavily concentrated in finance, services and manufacturing and goes mainly to its four closest allies in the region: Singapore, Malaysia, Thailand and the Philippines.[13] Total U.S. FDI in Southeast Asia even far exceeds the corresponding FDI in the region of all the ASEAN countries combined of US$30.3 billion.

Japanese FDI in Southeast Asia in turn is concentrated in manufacturing, finance and trade/commerce and likewise goes largely to Singapore, Malaysia, Thailand and the Philippines.[14] The next three countries with the largest investments in Southeast Asia are the U.K., Netherlands and Germany. These mainly go to manufacturing, finance and mining. The European Union-15 (E.U.-15) countries taken altogether have sizeable investments in the region: US$68.5 billion or 28.3% of total FDI in the region in the period 1995-2004.

China is generally perceived to be a growing regional power but notwithstanding some high-profile investments this is not yet reflected in its cumulative FDI presence in Southeast Asia. China including Hong Kong only had investments of US$8.3 billion which is just 3.4% of total FDI in the region. Taiwan and South Korea combined even invest in Southeast Asia at higher levels with a total of US$12.7 billion or 5.3% of the total. In the countries of Southeast Asia, China has the most investments in the Philippines (US$303.9 million over the 1995-2004 period), Singapore (US$224.4 million) and Vietnam (US$188.7 million) but these are far less than the equivalent amounts coming in from the U.S. and Japan.[15]

Taken as a whole the largest part of imperialist FDI in Southeast Asia goes to creating a region-wide production base for manufactured goods (33.9% in the period 1999-2004), to creating outlets for debt, speculation and the recycling of surplus finance capital (23.1%), and to the exploitation of natural resources (9.9%).[16] These have created profitable opportunities for and consolidated domestic comprador elites in many ASEAN countries.

The U.S. is also ASEAN's largest trading partner where, at US$1.2 trillion over the decade 1995-2004, it accounted for 14.7% of total ASEAN two-way trade (i.e. import and export) outside Southeast Asia. (See Annex 5) This was followed by Japan (14.2%), the E.U.-15 (12.5%) and China/Hong Kong (10.4%).

From the perspective of the U.S., trade with Southeast Asia is significant even if a distant fifth place after the E.U., North American Free Trade Area (NAFTA, including Canada and Mexico), China and Japan. (See Table 2) The ASEAN-5 is much more important in terms of investment however and comes in third as an investment site after the E.U. and NAFTA; U.S. investment in ASEAN even exceeds that in Japan, China and Hong Kong, respectively. (See Table 3)

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13 Total U.S. FDI of US$17.9 billion over the 1999-2004 period is distributed among major sectors as follows: financial intermediation and services (47.9%), services (9.2%), manufacturing (21.1%) and the balance in other sectors. ASEAN Statistical Yearbook 2005.

14 Total Japan FDI of US$9.9 billion over the 1999-2004 period is distributed among major sectors as follows: manufacturing (46.2%), financial intermediation and services (29.9%), trade/commerce (29.1%), and the balance in other sectors. Ibid.

15 These are: from the U.S. (Philippines, US$2,967.6 million; Singapore, US$25,739.9; and Vietnam, US$612.8 million) and from Japan (Philippines, US$3,099.3; Singapore, US$11,309.2; and Vietnam, US$2,474.0). ASEAN Statistical Yearbook 2005.

16 Data from ASEAN Statistical Yearbook 2005.

**Table 2: U.S. Two-way Trade (imports-exports), Selected countries (2004)**

| | Total trade | *Of which (selected):* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | E.U. | | Japan | | China | | Canada and Mexico | | ASEAN-5* | |
| | US$ M | US$ M | % of total | US$ | % of total | US$ M | % of total | US$ M | % of total | US$ M | % of total |
| Imports | 1,470,547 | 279,759.2 | 19.0 | 129,595 | 8.8 | 196,699 | 13.4 | 411,771 | 28.0 | 81,023 | 5.5 |
| Exports | 819,026 | 155,689.6 | 19.0 | 54,400 | 6.6 | 34,721 | 4.2 | 300,938 | 36.74 | 46,602 | 5.7 |
| **TOTAL** | **2,289,573** | **435,448.8** | **19.0** | **183,995** | **8.04** | **231,420** | **10.1** | **712,709** | **31.13** | **127,625** | **5.6** |

* ASEAN-5: Indonesia, Malaysia, Philippines, Singapore, Thailand
*Source: US Congressional Research Service Issue Brief for Congress, US International Trade: Data and Forecasts, November 26, 2005*

**Table 3: U.S. Direct Investment Position Abroad (USDIPA), Selected countries (2005)**

| | Total USDIPA | *Of which (selected):* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | E.U. | | Japan | | China | | Canada and Mexico | | ASEAN-5* | |
| | US$ M | US$ M | % of total | US$ M | % of total | US$ M | % of total | US$ M | % of total | US$ M | % of total |
| **USDIPA** | **2,069,983** | **948,978** | **45.8** | **75,491** | **3.7** | **16,877** | **0.8** | **306,254** | **14.8** | **83,197** | **4.0** |

* ASEAN-5: Indonesia, Malaysia, Philippines, Singapore, Thailand
*Source: Jennifer L Koncz and Daniel Yorgason, "Direct Investment Positions for 2005", United States Bureau of Economic Analysis (U.S. BEA), July 2006*

### *Neoliberal "globalization" of Southeast Asia*

IMF stabilization programs and WB structural adjustment programs (SAPs) were the main vehicles for neoliberalism from the 1980s, especially following the Third World debt crisis, until the 1990s. The creation of the WTO in 1995 sustained the momentum of regional trade and investment liberalization until its increasing difficulties from around 2001. Around this time the U.S. (along with many other countries including Japan) began to focus on forging economic deals that were bilateral and regional as opposed to the global WTO-type. Nevertheless the U.S. still used the IMF in 1997 to force policies of fiscal restraint, high interest rates, devaluation, and financial sector concentration and liberalization on Indonesia and Thailand, among others.

The U.S. has also used the informal APEC to push for free and open trade and investment in the Asia-Pacific region. Among the APEC's targets, according to the "Bogor Goals" of 1994, are for substantial liberalization by 2010 for industrialized countries and by 2020 for underdeveloped countries.

In 2002 the U.S. launched its Enterprise for ASEAN Initiative (EAI) and used the occasion to declare that it was seeking free trade agreements (FTAs) with the countries of Southeast Asia. A bilateral FTA was quickly concluded with Singapore in 2003 while negotiations are on-going with Thailand and Malaysia and there are exploratory studies with the Philippines. In addition there are Trade and Investment Framework Agreements (TIFAs) with Indonesia, Brunei and Cambodia. TIFAs are mechanisms for deeper negotiations on bilateral economic issues – involving high-level discussions on trade and investment matters – and are precursors to full-blown FTAs.

These initial bilateral FTAs serve two objectives. First, being sealed with the closest U.S. allies, they establish a high minimum standard of liberalization far beyond even those in the WTO that subsequent agreements are pressured to follow. The U.S. is particularly after onerous provisions on services and investment liberalization. Second, they generate momentum for other bilateral FTAs towards forming a network of U.S.-centered FTAs and, subsequently, for a region-wide U.S.-ASEAN agreement – which if ever would be the first such agreement for the U.S. outside of its NAFTA and Central American Free

Trade Agreement (CAFTA) in the Americas. A U.S.-ASEAN TIFA has already been signed in September 2006 towards this end.

Japan in turn has completed FTAs – which it subsumes under broader Economic Partnership Agreements (EPAs) – with Singapore (2002), Malaysia (2005) and the Philippines (2006). It is also negotiating EPAs with Thailand and Indonesia as well as with ASEAN as a whole.

***Fragmenting production for greatest exploitation***

The creation of an imperialist-dominated region-wide production base through dispersed industrial enclaves has been the main economic dynamic of past decades, since the 1970s, and is a hallmark of "globalization". American, Japanese and European transnational corporations (TNCs) have taken advantage of liberalization to fragment their production processes across Southeast Asia and set up firms and domestic comprador enterprises in the form of subsidiaries, affiliates and subcontractors. Trade liberalization has made it easier and cheaper to move raw materials, inputs, and semi-processed and finished goods across barriers as needed; investment liberalization has allowed it to set up various scattered domestic operations. These interlinked region-wide production networks have also been facilitated by modernization and developments in transportation, information and communications technologies. Overall, monopoly capital has been better placed not only to corner the region's most profitable markets but also to exploit its labor and resources.

The first wave involved establishing factories and production networks in mainly the most advanced ASEAN-5 countries: in Singapore, one of the elder "Tigers", plus the four "Tiger Cubs". This pattern changed somewhat with the opening up of China in the 1990s and the relocation of production segments there to take advantage of cheap Chinese labor and to access the Chinese middle- and upper-class markets. This has had the effect of increasing pressure on Southeast Asian neocolonies to provide ever more liberal investment regimes and exploitative conditions for FDI to attract FDI back to them.

These trends are reflected in regional FDI patterns. The neocolonial Southeast Asian "emerging markets" became a favored destination for imperialist investment for their labor and natural resources and the ASEAN-10 almost doubled their share of global FDI from 3.9% in 1984-1989 (with an annual average of US$4.4 billion) to 7.6% in 1996 (US$29.4 billion). This particularly involved Japanese FDI since the mid-1980s. However after 1997, annual FDI inflows in the ASEAN-5 countries fell steeply from around US$19 billion in 1997 to less than US$6 billion in 2002 – while FDI in China continued to grow from around US$42 billion in 1997 to about US$53 billion in 2002.[17]

The trends are particularly marked in manufacturing trade patterns. Two-way trade figures are to a considerable degree accounted for by intra-TNC network transfers and intra-ASEAN manufacturing trade in intermediate parts and components picked up greatly in the 1980s-1990s. In the 1990s, intra-regional trade in intermediate goods – or parts and components crisscrossing the region to undergo numerous processing and assembly tasks – grew faster than that of finished goods. In 2000, anywhere from some 20% (Indonesia) to around 80% (Philippines) of the Southeast Asian countries' exports were in intermediate goods.[18]

The increasing use of China and specifically its southern coastal provinces as a favored site of final assembly is also evident. Since the 1990s, Southeast Asian exports to the U.S. and Europe have fallen as a

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[17] Organization for Economic Cooperation and Development (2004), "Investment Incentives and FDI in Selected ASEAN Countries", International Investment Perspectives, 2004 Edition.
[18] Mitsuyo Ando (2005), "Fragmentation and Vertical Intra-industry Trade in East Asia", Paper presented at Claremont Regional Integration Workshop with Particular Reference to Asia, Claremont McKenna College, U.S.A., February 25, 2005.

share of its total exports – at the same time as their exports (of Southeast Asia) to China are increasing and as China's exports to the U.S. and Europe are increasing. Yet while China's trade in high-technology goods has been increasing rapidly, 80% of this is actually accounted for by foreign firms and their affiliates.[19]

# III. NEOCOLONIALISM AND ASEAN "REGIONALISM"

The U.S. formed ASEAN in the late 1960s as a bulwark against the expansion of Communism from China, North Korea and Indochina. The immediate threat that needed to be hemmed in at the time was seen as coming from Vietnam even as there were other countries with revolutionary movements at varying stages of development. ASEAN founding documents were nominally about economic concerns but its practice was mainly in geopolitical and diplomatic matters. Over the decades its range of concerns formally broadened to also include economic issues and now, in the post-9/11 era, to overtly security matters.

The ASEAN has at times been hyped as heralding a supposed "Pan-Asianism" or "regionalism" among its largely neocolonial membership. This is especially following some post-Cold War downscaling of the U.S. presence in Southeast Asia which gave room for sporadic "nationalist" posturing and seemingly "regionalist" political stirrings. While some of these are indications of how imperialist domination of ASEAN is not absolute and to some degree contested, the hype should not distract from how the member countries have all basically followed big power designs for the region and have not gone in directions contrary to these. Except for a few possible exceptions ASEAN is basically a grouping of neocolonial client states or of governments who represent their respective countries' political and economic elites and not their peoples. Genuine people-oriented regionalism that advances people's interests for development – which would necessarily involve, among others, the formation of a united anti-imperialist front – remains sorely wanting of a more solid region-wide basis especially in mass-oriented nationalisms.

The subjective forces for nationalist and even anti-imperialist assertions do however exist among many ASEAN member countries and these are largely what underpin the seeming "nationalisms" that occasionally manifest at the level of the state and official governments. There are the narrow stirrings of the domestic comprador big bourgeoisie against long-standing and oftentimes heavy-handed U.S. interventions in Asian affairs. There are also relatively strong people's movements emerging from conditions of political oppression and economic exploitation that take many forms and exert influence on governments in varying degrees in many ASEAN countries. However these movements have not influenced the elite controlled governments of the ASEAN to exercise clear trends of independence versus neocolonialism either at the national or regional level.

Even the Malaysian and Indonesian governments which have been vocal in public against the U.S. "war on terror" – responding to their respective large Muslim populations – have nonetheless remained compliant in practice. Moreover, this posturing is not necessarily anti-imperialist per se and Malaysia's "regionalist" proposals for instance, which have tended to balance of Japan against U.S. dominance, are to a large degree driven by Malaysian big bourgeois interests seeking a broader base of imperialist partners and investment opportunities. In any case, not only have these countries continued to embrace U.S. capital but they have been quietly forging deeper military-to-military links involving access, aid and trainings. Even Vietnam is beginning to relate more closely with the U.S. which is interested in facilities – including runways, deep-water ports and petroleum storage – strategically located near China's

[19] This also implies that "Chinese exports" of high-technology goods reflect its hosting of monopoly TNCs and its place in the regional division of labor more than an upgrading of domestic capacity. Guillaume Gaulier, Françoise Lemoine & Deniz Ünal-Kesenci (2006), "China's Emergence and the Reorganisation of Trade Flows in Asia", Centre d'Etudes Prospectives et d'Informations Internationales (*CEPII), Working Paper No 2006-05.*

southeastern coast. Last year, Vietnamese military officials already enrolled under the U.S.'s International Military Education and Training (IMET) program.

Coinciding with U.S. imperialism's renewed global political-military and economic offensive at the onset of the 21st century, there has been increased momentum in ASEAN and its place in the Southeast Asian component of the global U.S. offensive in East Asia is clear. Despite many organizational limitations and weaknesses since its inception it is nonetheless the most advanced and permanent region-wide formation in Southeast Asia which makes it important infrastructure for exerting influence at the region-wide level. Considering also the geopolitical and economic landscape in Northeast Asia, it becomes an important instrument for facilitating various arrangements to mediate competing interests both within the region and with those outside it. The U.S. has been notably increasing its involvement in ASEAN since the mid-1990s and especially since 2000 and is developing it further into a regional mechanism in support of U.S. militarism (under the guise of the "war on terror") as well as a regional body to push for greater imperialist "globalization".

**ASEAN as an organization**

The ASEAN had just five members when it was founded in 1967: Indonesia, Philippines, Thailand, Malaysia and Singapore. Its first Summit was not held until 1976 in Bali, Indonesia at which time its Secretariat was also set up to be permanently based in Jakarta. Brunei Darussalam was admitted in 1984, Vietnam in 1995, Laos and Myanmar in 1997, and then Cambodia in 1999 – completing virtually all the countries of Southeast Asia.[20] Its twelfth summit is in December 2006 and will be held in Cebu, Philippines. ASEAN Summits have been held annually only since 2001.[21]

The ASEAN website describes the organization thus (See also Annex 7):

> "The highest decision-making body in ASEAN is the annual meeting of the ASEAN Heads of State and Government. Whenever decided, the ASEAN Summit is preceded by a Joint Ministerial Meeting (JMM) composed of Foreign and Economic Ministers. The ASEAN Standing Committee, under the Chairmanship of the Foreign Minister of the country-in-chair, is mandated to coordinate the work of the Association in between the annual ASEAN Ministerial Meeting (AMM). The ASEAN Chair and Vice Chair are elected based on alphabetical rotation of all ASEAN Member Countries. The ASEAN Secretariat, headed by the Secretary-General of ASEAN, is mandated to "initiate, advise, coordinate, and implement ASEAN activities." The operational budget of the ASEAN Secretariat is prepared annually and funded through equal contribution of all ASEAN Member Countries.
> …
> "The Association is also supported by ASEAN Committees in Third Countries composed of Ambassadors of all ASEAN Member Countries based in the capitals of the ASEAN Dialogue Partners and other countries. ASEAN has 11 Dialogue Partners, namely Australia, Canada, China, European Union, India, Japan, New Zealand, Republic of Korea, the Russian Federation, the United States and the United Nations Development Programme. In general, ASEAN makes decisions based on consensus and consultations. Other innovative ways of carrying out decisions are also employed as and when necessary and agreed upon."

ASEAN's ten members vary widely in terms of economic development, political histories and systems, cultures and religions, and – perhaps most immediately significant – relations with the world's big

[20] Newly-independent Timor-Leste has observer status and is expected to become a full member by the end of 2006.

[21] There were only three summits in its first 24 years (1976, 1977 and 1987) three more in the 1990s (1992, 1995 and 1998) and then every year since 2001 (2001, 2002, 2003, 2004, 2005).

powers. At a glance it includes the world's largest Muslim nation, a Catholic elite democracy, Communist Party-led governments, a Buddhist monarchy, a military junta, a wealthy city-state and an Islamic monarchy. None of its members can be said to be a global economic power in its own right even as they may to varying degrees play important roles in monopoly capitalism's financial and production systems. There is also no single country or group of countries able to assert a generally acknowledged leadership. These factors combine to determine its character so far as a loose and non-binding organization whose members are able to preserve their individual prerogatives. As a result the organization is hard-pressed to decisively deal with sensitive and potentially divisive internal issues. It also does not have a record of taking unified positions in larger forums like the WTO, APEC or in the United Nations (U.N.). To date, the ASEAN does not yet even have observer status in the U.N. and indeed is the only regional grouping in the world still without such status.[22]

The ASEAN is often compared to the E.U. because of the diverse nature of its member states and the existence of core states – the five founding ASEAN members – which can supposedly provide the basis for an equilateral regional grouping. But the similarity ends there and the ASEAN is notably unlike the E.U. in a number of ways. Crucially, the ASEAN members do not have a basis of unity to the degree that the Western European countries which formed the core of the E.U.'s predecessor, the European Community (E.C.), had: the E.C.'s founding members decided to pool economic and political resources to better challenge the U.S. and Japan. In contrast, many Southeast Asian countries closely identify their individual security and economic interests with one (or more) of the external big powers rather than with each other. This is because none of the ASEAN countries are major military powers and because as neocolonies their most important economic partners, individually and collectively, are even external to the organization's members.

The five core members of the ASEAN are not able to form a sufficiently strong economic and military anchor of the organization. Consequently, ASEAN is unable to define a substantial "regional" agenda independent of external big power interests. Indeed, the major direction of ASEAN today – as embodied in the targeted ASEAN Community by 2020 – is conspicuously framed in terms of building closer security and economic links with non-ASEAN powers.

That European basis of unity founded on the common (and competing) post-war interests of monopoly capital gave birth to formal mechanisms and "supranational" institutions like the European Commission, European Parliament and European Courts. The ASEAN ruling classes do not share such common independent interests, but instead share (and compete along) the neocolonial interests of serving as a partner to monopoly capital both operating in the region and beyond according to the opportunities provided by "globalization".

Indeed, this character of ASEAN is deliberately packaged as an "Asian Way" of non-interference, volunteerism, consultation and consensus decision-making. The result is that notwithstanding much expansion in terms of the scope and range of regional interaction, ASEAN has so far functioned basically as a venue for diplomatic talks, dialogue, and ad hoc economic policy coordination. It is a weak regional institutional machinery that helps avoid divisive internal disputes though at the expense of limiting the scope for concrete sustained and coordinated action.

This is reflected in ASEAN's history of much inaction or pseudo-action as a region-wide organization on security and even economic matters. There are for example supposed landmark agreements that are cavalierly disregarded even by the members themselves. One of the ASEAN's fundamental documents is

[22] Some of the groupings with observer status in the UN are the African Union, Caribbean Community, European Community, League of Arab States and Organization of the Islamic Conference. A draft resolution giving ASEAN observer status was filed with the U.N. General Assembly on October 16, 2006.

the Treaty of Amity and Cooperation (TAC, 1976) that declares respect for sovereignty and territorial integrity, freedom from external interference, and renunciation of the threat or use of force. There are also declarations such as the Zone of Peace, Freedom, and Neutrality (ZOPFAN, 1984) and the Southeast Asian Nuclear Weapons Free Zone (SEANWFZ Treaty, 1995). Yet the overbearing U.S. presence that is actively facilitated by the cooperation of its closest client states – none of whom discuss their U.S.-related foreign policies within ASEAN mechanisms – conspicuously contradicts ASEAN language about regional "autonomy", "neutrality" and "non-interference". Such agreements are most brazenly violated whenever the U.S. is allowed to use the region as a staging area or transit point for its wars of aggression as in, most recently, Afghanistan and Iraq.

There have also been tepid ASEAN responses to major Southeast Asian issues such as the 1978 Vietnamese intervention in Cambodia, the East Timor crisis involving Indonesia, authoritarianism in Myanmar and the long-standing Spratly Islands dispute. The latter is a particularly delicate matter with seven countries (including five ASEAN countries) – China, Taiwan, Vietnam, Indonesia, Malaysia, Brunei and the Philippines – claiming either a portion or all of this speculatively oil-rich territory in the South China Sea.

ASEAN has yet to be given any real degree of influence or mandate, as a collective organization of Southeast Asian nations, to engage the countries involved in such volatile issues. Collective ASEAN positions on them also do not go very far beyond general terms and formulations, much less propose concrete actions to resolve them.

Efforts at regional economic coordination are likewise much-hyped. Early attempts included a preferential trading arrangement and industrial cooperation projects in the late 1970s and 1980s which never really materialized into anything concrete. The ASEAN Free Trade Area (AFTA) in 1992 was strictly speaking a milestone for ASEAN in being its first real region-wide economic integration effort as well as being Asia's first FTA. AFTA today is actually composed of three main agreements: the Common Effective Preferential Tariff (CEPT, 1992) Agreement, the ASEAN Framework Agreement on Services (AFAS, 1995) and the ASEAN Investment Area (AIA, 1998) Agreement.[23]

The AFTA's cornerstone CEPT scheme is the most advanced in terms of implementation and is impressive on paper: for the ASEAN-6, 98.5% of products have been covered of which 99.0% have tariffs between 0-5% for an average tariff rate of some 2.4%; for the remaining four CMLV members, 86.9% of products have been covered of which 81.4% have tariffs between 0-5% for an average tariff rate of some 6.1 percent.[24] But these percentages only refer to tariff lines (or the number of products) covered and not to actual trade volumes under the proposed tariffs.[25] In practice the CEPT has proven to be a very limited deal and only some 1% of total ASEAN trade, or less than 5% of intra-ASEAN trade, falls under

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[23] The original AFTA agreement was essentially just about the CEPT scheme and is thus a very "tempered" free trade deal by current standards. It only covered trade and, even then, only tariff and not non-tariff barriers. It was also designed to accommodate ASEAN's diverse economies and their respective sensitivities: allowing for a target tariff band of 0-5%, a phased approach with the ASEAN-6 (Singapore, Indonesia, Thailand, Philippines, Brunei, Malaysia) liberalizing "fully" in 2002 and the remaining CMLV countries in 2006 (Vietnam), 2008 (Myanmar and Laos) and 2010 (Cambodia), and providing for many exceptions as deemed appropriate by member countries (i.e. the "exclusion list").

[24] Please see previous footnote for the countries in the ASEAN-6 and CMLV groupings. Tariff data from: Sulaimah Mahmood (2003), "An Overview of the ASEAN Free Trade Area (AFTA)", Presentation by IE Singapore, 24 July 2003; and ASEAN Economic Cooperation, Ministry of International Trade and Industry-Malaysia (2005), "Presentation On ASEAN Free Trade Area (AFTA)", Pusat Kajian Antarabangsa, Universiti Sains Malaysia, October 10, 2005.

[25] There are some 45,000 tariff lines for the ASEAN-6 and 22,000 for CMLV but most of these products are in actuality either not traded or only in very negligible amounts.

it.[26] It has been effectively overtaken by aggressive unilateral trade liberalization by ASEAN member countries through reductions in most-favored-nation (MFN) tariff rates and through duty-free imports for locators in export-processing zones. Since ASEAN member countries also reduced MFN tariff rates to the same or nearly the same levels as AFTA-CEPT rates, it has not been worthwhile to go through the tedious and costly administrative effort of complying with rules of origin just to be able to trade at the "preferential" but actually only slightly lower AFTA-CEPT rates.[27] By 2001 the simple average tariff rates of ASEAN countries were mostly in the single-digit figures – for instance, 9.9% for Malaysia, 7.3% for Indonesia, 8.0% for the Philippines, and largely no import duties in Singapore; although Thailand still has a relatively high rate of 17.3 percent.[28] Also, apparently no more than 20% of all tariff items have MFN rates exceeding the equivalent CEPT rates.[29] Another likely factor inhibiting the AFTA-CEPT especially for manufactured goods is that neocolonial industrial sectors tend to be very heavily import-dependent, making it difficult to meet high AFTA-CEPT local content requirements.

The AIA was signed in 1998 and gives ASEAN investors national treatment on their investments in ASEAN countries: in the manufacturing sector beginning in 2003 for the ASEAN-6 and in 2010 for CMLV; and in all industries (i.e. agriculture, fisheries, forestry, mining and services incidental to these sectors) by 2010 for ASEAN-6 and 2015 for CMLV. The results have been essentially similar to the CEPT with discriminatory "regionalist" pro-ASEAN language undermined by neoliberal "globalization" practice: the core ASEAN-6 countries in particular have been greatly liberalizing their investment regimes for any and all investors anyway. Malaysia is notable in filing exemptions for its manufacturing sector but, still, these exceptions were applied to all countries whether ASEAN or non-ASEAN.

The AFAS was signed in 1995 and likewise ostensibly gives ASEAN service sector investors national treatment in ASEAN countries. There have been four packages of commitments reached in the course of three rounds of negotiations since 1996 with the fourth round of negotiations scheduled to be completed by the end of 2006. Touted as a "GATS-plus" approach – or with liberalization measures even more than provided for under the WTO's General Agreement on Trade in Services (GATS) – the AFAS has however bogged down with ASEAN members still not finalizing schedules according to their respective commitments.

In practice AFTA and its three core agreements have so far merely given the appearance of political cooperation on economic liberalization policy changes that were happening anyway. Also, because of the depth of unilateral liberalization in the ASEAN countries, there do not appear to have been any significant tariff or investor benefits for being an ASEAN member as opposed to a non-ASEAN member. Moreover, such intra-ASEAN agreements are even subverted by member country bilateral FTAs that involve sweeping and intensive liberalization vis-à-vis non-ASEAN countries; these FTAs have been with big economic powers as well as many other smaller economies. Certainly the extent to which the ASEAN countries are willing and able to achieve real economic integration such as reached by the E.U. and NAFTA is the most important factor in determining the extent to which ASEAN will have collective economic clout. But even this may not be all that significant inasmuch as ASEAN stands to be overshadowed by any single bilateral member country deals with such big economies as the U.S., Japan,

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[26] United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2004), "The Proposed ASEAN Economic Community'", Box II.4 in Chapter 9 of the Economic and Social Survey of Asia and the Pacific 2004, New York; Japan External Trade Organization (JETRO, 2003), "Prospects for Free Trade Agreements in East Asia", January 2003.

[27] For instance, AFTA-CEPT and MFN tariffs were the same (0-5%) for eight of the top ten Philippine agricultural exports to Indonesia and in the remaining two instances the difference was just 5%. Gloria O. Pasadilla (2006), "Preferential Trading Agreements and Agricultural Liberalization in East and Southeast Asia", Philippine Institute of Development Studies (PIDS) Discussion Paper Series No. 2006-02, January 2006.

[28] Japan External Trade Organization (JETRO, 2003), "Current Status of AFTA Corporate Responses", November 2003.

[29] Ibid.

the E.U. and China – each of whose economies are already far bigger than the ASEAN members combined.

ASEAN may be considered significant for being able to expand to virtually all the countries of Southeast Asia as well as for greatly increasing the scope of items formally on its agenda for intra-regional cooperation. But this is not an achievement drawn from ASEAN's performance or strength as a regional grouping. Its expansion was facilitated mainly by the collapse of the Soviet bloc which left its members in Southeast Asia to fend for themselves and who thereby sought support and cooperation through a regional association that could also facilitate its integration in the international arena. The same may be said for Burma whose internationally isolated military dictatorship sought legitimacy through whatever international arenas are available to it. At the same time, post-Cold War triumphalism by the "Free World" and the ASEAN's institutional "looseness" made the prospect of a genuinely Southeast Asian-wide ASEAN suddenly realizable for the older ASEAN-6 members. This brought with it the prospect of greater international prominence and influence as well as success in co-opting or "constructively engaging" its erstwhile ideological adversaries.

ASEAN's weaknesses in the past seem to suggest limits to Southeast Asian "regionalism" as well as of the extent to which it can be used to advance region-wide agendas. However global developments particularly since the 1990s have been forcing a change in the conditions underlying these which consequently increases the importance and significance of ASEAN: extensive Southeast Asian cross-border production networks and supply chains for energy and raw materials; the deepening crisis of overproduction which compels imperialism and its client states to further open up neocolonial markets; big Asian power efforts to increase their respective influence in the region, including Japan but especially emergent China; and the U.S. desire for a regional organization that can facilitate its militarist and exploitative agenda in Southeast Asia.

To some extent ASEAN collectively positions itself as somewhat neutral to the big power rivalries that are playing out in East and Southeast Asia. It can also play a central organizing role in various regional groupings because it is able to project itself as "neutral" and without strategic big power aspirations. The ASEAN appears to be engaging the U.S., Japan and emergent China equally in the security and economic realms with the ARF and various bilateral and ASEAN-wide free trade deals. To be sure, the ASEAN countries are in desperate need of continued infusions of foreign capital whether in the form of new lending or fresh investment and wherever these may come from. At the same time the partiality of individual members to specific external powers is also clear – such as the Philippines for the U.S., Malaysia for Japan, Myanmar for China, and so on. Yet in practice the sheer hegemony of the U.S. in the region means that it is still the single strongest influence on the direction of ASEAN – despite Chinese efforts to leverage its influence – which the U.S. is clearly exploiting for its own agendas.

ASEAN's directions are taking shape in the ASEAN Community targeted for 2020 which was agreed to in the Declaration of ASEAN Concord II (Or Bali Concord II) of 2003. This region-wide community is seen as composed of three pillars: ASEAN Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community. The security and economic communities are particularly relevant in the context of the U.S. imperialist agenda for Southeast Asia.

**The U.S. and ASEAN**

The increased U.S. efforts at the regional level are part of a systematic effort to pre-empt the rise of any potentially threatening East Asian or Southeast Asian powers with interests inimical to the U.S. The U.S. continues to pursue a system of bilateral economic pacts of ascending intensity – from low-level agreements that establish normal trading relations (ex. with Vietnam), to TIFAs (ex. with the Philippines) to FTAs (ex. with Singapore) – with FTAs as the ultimate goal. In themselves these help ensure that the

U.S. is not excluded from other Asia- or ASEAN-specific deals. But the U.S. is also actively working to be a part of any "regionalizing" process in the various security and economic arrangements that are developing and is increasingly aggressive in engaging ASEAN and other East Asian groupings. Overall, this continued and deepening engagement aims to forestall the rise of any Asian-centered leadership at the expense of the U.S.

Influence over ASEAN is important for the U.S.: ASEAN can provide additional leverage in the regional security and economic arrangements in which the U.S. already participates or even act as a possible surrogate in those arrangements where it is absent. Indeed this is the case for any other power with hegemonic ambitions in Asia, hence U.S. efforts to increase its influence in ASEAN especially relative to China and Japan.

The case of China is particularly relevant insofar as it is the U.S.'s closest military rival in Asia. Southeast Asia is important for China as the nearest adjacent region into which it can aggressively expand to further its economic interests for raw materials, markets and investments. Its efforts at building political and security links began when it became an ASEAN Dialogue Partner in 1996. These developed further with the ASEAN-China Joint Declaration on Strategic Partnership for Peace and Prosperity which was signed in 2003 and explicitly covers coordination of foreign and security policies. It signed up to the TAC in 2003 and is part of the EAS. At the moment China's current thrust in building relations with Southeast Asia is still mainly in the economic realm of trade, investment and some aid and it is building on this and cautiously expanding into the more sensitive political and security realm (such as recent military aid to the Philippines). It is also likely to encourage arrangements where it has the best chance of playing a central role – for instance the where the U.S. is absent (such as the EAS), or it is the dominant party (such as free trade deals with ASEAN).

Developments have been rapid. The U.S. has long dealt with ASEAN, the most regular mechanisms for which have been the 19 U.S.-ASEAN dialogues so far. Apart from these the ASEAN holds Post-Ministerial Conference Sessions with the U.S. and also schedules frequent ASEAN Economic Ministers-U.S. Trade Representative Consultations. The U.S. has since intensified its engagement in 2002 with the drawing up of the U.S.-ASEAN Cooperation Plan and the launching of the Enterprise for ASEAN Initiative.

This engagement intensified further with the far-reaching U.S.-ASEAN Enhanced Partnership signed in 2005 among whose main objectives are to increase political and security cooperation (i.e. "promote closer cooperation on combating transnational crimes, including inter alia, terrorism, proliferation of weapons of mass destruction, illicit drug trafficking, trafficking in persons, and enhancing maritime and border security") and increase economic cooperation ("enhance trade and investment flows between ASEAN and the United States… and undertake missions and measures to strengthen the investment climate in ASEAN thereby encouraging U.S. investment into the region").

The Enhanced Partnership's Five-Year Program of Action (POA) covering a wide range of security, economic and political issues was finalized in July 2006. This has four sections and 28 sub-sections, with each sub-section listing on average five to six (5-6) points of action. (See Annex 8) The longest sub-section is conspicuously that on "Traditional and Non-Traditional Security Issues" which lists 23 points of action especially on combating terrorism and transnational crimes. The POA is a comprehensive document that nonetheless identifies a clear set of activities and, as such, concretizes the higher level of U.S. engagement in ASEAN.

In early 2006, the U.S. also opened discussions on having a U.S.-ASEAN Summit as a regular high-level and formal process. The Treasury Department announced in August 2006 that it will create the special post of Financial Representative for Southeast Asia to enable more focused U.S. interventions when such as the Asian financial crisis in 1997 occurs again. There is also a proposal to create the position of U.S. Ambassador to ASEAN to strengthen diplomatic efforts.

**ASEAN and "regional security"**

External powers with interests in Southeast Asia are now generally obliged to give a measure of deference to ASEAN. In 2004, Japan, China and India – all of whom want FTAs with ASEAN – signed the TAC which symbolically means acceptance of ASEAN's basic principles. The U.S. has notably so far refused to sign the TAC though because the TAC's declared principles, on paper, run directly counter to U.S. doctrines of pre-emption, armed interventions and invasions.

In any case, Southeast Asia's regional security infrastructure has always been most strongly determined by the U.S. The first such entity was the now defunct Southeast Asian Treaty Organization (SEATO) created by the U.S. in 1954 as part of its Cold War strategy to contain the spread of Communism. Despite its name it was visibly a U.S.-dominated and externally-imposed organization. Indeed, of its eight member countries – Philippines, Thailand, Pakistan, Australia, New Zealand, France, United Kingdom and the U.S. – only two were from the sub-region; this was a glaring fact that easily stoked animosities. The SEATO was unable to reach any major unanimity on regional interventions and remained politically ineffectual until being formally dissolved in 1977.

This was followed by the formation of the all-Asian ASEAN in 1967 where the U.S., unlike in SEATO, opted for a more behind-the-scenes though no less decisive role. For decades the ASEAN was a largely political and security grouping in practice – even if it had an economic focus on paper – that in practice explicitly operated within the framework of U.S. military thrusts in the region. The early 1990s post-Cold War environment saw some Southeast Asian countries, particularly Malaysia and Indonesia, initially resisting overt and institutionalized ASEAN security cooperation with the U.S. This soon changed however, especially after 9/11.

Overall, the U.S. has been taking extensive and concrete steps since the 1990s to bring ASEAN further down the road as a platform for pursuing its military and security objectives in Southeast Asia. Working with Japan, the U.S. successfully maneuvered the creation of the ARF in 1994 as a region-wide forum to openly discuss Asia-Pacific security issues. It is the only such forum in the entire Asia-Pacific region and is significant for the U.S., which is a founding member. It is "aggressively supported" by the U.S. PACOM and U.S. State Department because it gives it an Asia-wide venue for intervening in the region.[30] It contributes to consolidating the U.S.'s close allies, to advancing relations with such sensitive countries as Indonesia and Malaysia, and to directly engaging North Korea and China. It can also be used to pre-empt or subvert the emergence of any other regional security infrastructure that might emerge that excludes the U.S. where the U.S., for instance, could divert any such effort towards the ARF. The ARF has already been important to the U.S. for producing tangible ASEAN-level efforts such as, among others, the U.S.-ASEAN Joint Declaration for Cooperation to Combat International Terrorism (2002) and the subsequent U.S.-ASEAN Counter-Terrorism Work Plan which is the U.S. blueprint for "anti-terrorism" involvement in ASEAN. Last year, the U.S. co-chaired, with the Philippines, the ARF's main working-level gathering, the Inter-sessional Support Group.

In 2000, the then U.S. PACOM Commander-in-Chief, Adm. Dennis Blair, declared that "current security arrangements are inadequate for handling the challenges of the 21st century" and explicitly proposed a regional "security community" for Asia; although at the same time he asserted that "U.S. bilateral treaties and security partnerships remain the framework for deterring aggression and promoting peaceful

[30] Adm. Thomas Fargo (2002), "U.S. Security Policy in Asia and the Pacific: The View from Pacific Command," Joint Hearing Before the Committee On International Relations of the House of Representatives, Serial No. 107–76, February 27, 2002.

development in the region."[31] ASEAN correspondingly began to expand its involvement on security issues and, at its seventh summit in November 2001, issued the ASEAN Declaration on Joint Action to Counter Terrorism which signified ASEAN's unequivocal alignment with the U.S.-led "war on terror".

The U.S.-ASEAN Joint Declaration for Cooperation to Combat International Terrorism signed in August 2002 is significant for formalizing U.S. intervention on a wide range of matters. These explicitly include liaison relationships, intelligence-sharing, anti-terror policies and laws, administrative and regulatory regimes, seminars and conferences, military assistance and training, and even joint operations. The U.S.-initiated ASEAN Cooperation Plan (ACP) in 2002 in turn expands the scope of intervention from terrorism to also include piracy, illegal drugs, disaster management, environment and HIV/AIDS. The U.S. is also given the opportunity to become involved in ASEAN integration initiatives and in the ASEAN Secretariat itself. By October 2003, the regional "security community" presaged by the U.S. PACOM chief in 2000 was formally proposed in Bali, Indonesia: the ASEAN Security Community (ASC).

The ASC is clearly defined according to U.S. security thrusts – specifically the increase in the U.S. military presence and the stress on counter-terrorism and maritime security as new areas of cooperation. The Bali Concord II affirms that the U.S.-dominated ARF is the cornerstone of the ASC. Reflecting U.S. objectives for higher levels and a wider scope of interventions, it also says that the ASC "is envisaged to bring ASEAN's political and security cooperation to a higher plane" and that it "shall contribute to further promoting peace and security in the wider Asia Pacific region". The ASC also conspicuously adopts the U.S. framework of priorities where it "shall fully utilize the existing institutions and mechanisms within ASEAN with a view to strengthening national and regional capacities to counter terrorism, drug trafficking, trafficking in persons and other transnational crimes; and shall work to ensure that the Southeast Asian Region remains free of all weapons of mass destruction."

Yet the U.S. "war on terror" has victimized not only millions of innocent civilians in the invaded countries of Afghanistan and Iraq but also in countries where the U.S. style of counter-terror is locally waged. There is drastically increased political repression and worsened anti-democratic tendencies in the countries of the region. Governments have liberally used the "terrorist threat" to crack down not only on suspected terrorists but on political opposition arbitrarily, or maliciously, labeled as terrorist. At the very least, legitimate dissenters have been publicly demonized to isolate them. Worse, harsh anti-terror legislation has been passed or draconian counter-terror programs implemented and then brazen abuses justified to the public with the argument that some "sacrifice" of human rights is necessary in dealing with terrorists. The situation is also reminiscent of the Cold War in how the U.S. and other foreign governments continue supporting abusive regimes – such as in the Philippines, Indonesia, Thailand and Malaysia – with military and economic aid.

Nevertheless there is still the possibility of regional groupings in Asia that do not formally include the U.S. such as the EAS created in December 2005. According to the Joint Statement establishing it, the EAS is "a forum for dialogue on broad strategic, political and economic issues of common interest and concern with the aim of promoting peace, stability and economic prosperity in East Asia." Its members include ASEAN, China, Japan, South Korea, Australia, New Zealand and India – i.e. notably excluding the U.S. while including its closest rivals in Asia. The U.S. however has reportedly started preparing the ground for joining the EAS in the first quarter of 2006 beginning with diplomatic consultations with the Philippines, Indonesia and Malaysia.

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[31] Adm. Dennis C. Blair, Commander-in-Chief, U.S. Pacific Command (2000), "Building Asia-Pacific Security Arrangements for the 21st Century", April 13, 2000.

**Imperialist economic domination**

The most coherent common ground of ASEAN as an organization before its "anti-terror" thrust has been in terms of how its members have largely been focused on implementing policies of neoliberal "globalization" (albeit on a largely individual and not a regional basis). Since the 1980s/1990s and the "Tiger Cub" hype, the overall economic policy direction of ASEAN has been towards trade and investment liberalization. This resulted in the marked increase in FDI and in increasingly FDI- and export-driven economic growth.

It is important to stress that ASEAN's members are mostly neocolonies that are largely export-oriented, import-dependent, and FDI-driven. Taking all its economies as a whole, ASEAN is overwhelmingly agrarian and pre-industrial and none of the backward national economies are geared towards achieving any meaningful degree of self-reliance and genuine industrialization. In practice this means that assuming the current political set-up of neocolonial client states and the current policies of the Mekong countries, ASEAN economies will always be oriented primarily towards meeting imperialist needs – all of whom are external to Southeast Asia and ASEAN – and not for domestic broad-based economic development which would run contrary to these needs. The hype about ASEAN "regional economic integration" needs to be seen in this context.

Any ASEAN "regional integration" thus cannot but ultimately involve both liberalization between ASEAN members simultaneously with liberalization between ASEAN and external imperialist powers – i.e. an "outward-oriented" liberalization as opposed to a "fortress-type" liberalization that combines internal opening-up with protection against external economies.[32] This is fully consistent with the imperialist desire to be able to enter the region as a whole freely and, once inside, to be able to choose how its commercial trading or production enterprises can be most efficiently located – i.e. dispersed or concentrated as most profitable.

Certainly AFTA has, for all practical purposes and despite "regionalist" language, not really preferred ASEAN capitalist elites and discriminated against the big external powers – as would be implied by an exclusive and inward-looking ASEAN trade bloc. Instead the AFTA has provided additional opportunities and attractions for Singapore and Thailand which have offered themselves as gateways for transnational investment into the region (and indeed have already concluded bilateral agreements with global powers as mechanisms for this entry). As a result, Malaysia has had to revise its policies which were slightly more prudent in favoring domestic capital and is now also aggressively seeking bilateral agreements with these same powers.

If the issue is understood this way it is clear that the ASEAN Economic Community (AEC) is completely about neoliberal "globalization" – specifically, integrating ASEAN as a single market and production base for monopoly capital – and against such vital policies as of agrarian reform and national industrialization. The Bali Concord II declaring the AEC calls it "the realisation of the end-goal of economic integration as outlined in the ASEAN Vision 2020, to create a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and a freer flow of capital". It is even candid about the essentially low aspirations for the region which is merely "making the ASEAN a more dynamic and stronger segment of the global supply chain". (See Annex 7) The end result will be a cluster of neocolonies conveniently integrated to allow TNCs the greatest freedom to locate their investments as most efficient and expedient for them in terms of cheap labor and natural resources, access to markets, and geography. It is not about building an economic bloc in any meaningful sense.

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[32] Such as with the E.U. which involved liberalization between E.U. members at the same time as protectionist measures were maintained for the E.U. as a whole vis-à-vis non-E.U. countries like the U.S. and Japan.

This is more or less the situation in economic deals between ASEAN countries as well as between ASEAN and neocolonies from other regions. From the point of view of the big powers, such deals are generally not directly threatening inasmuch as they have overwhelming supremacy across the range of economic sectors and the backward economies are not meaningful competitors. The big powers also know that neocolonial economies rely on steady infusions of foreign debt and investment. Indeed, the likes of U.S. monopoly capital even stand to directly benefit especially insofar as they already have pre-positioned investments in Southeast Asia that can take advantage of any opening up with other markets. The U.S. and other big economic powers are already further ensuring that their interests in Southeast Asia are protected and advanced by negotiating various levels of bilateral and regional economic deals (on top of the WTO negotiations which remain stalled).

A successful ASEAN-wide effort for deeper and linked implementation of "free market" policies will then just mean a more intense race to the bottom for the neocolonies where each client state will scramble to provide the most favorable conditions for imperialist superprofits from trade and investment – i.e. the most exploitative labor conditions, the greatest fiscal incentives, the most liberal investment regime, the least intrusive environmental policies, the most opened-up social sectors and public utilities, and so on. Intra-regional integration, in the first instance, and then overall ASEAN liberalization thus fully serve imperialist interests.

Developments in ASEAN-China linkages are in economic terms not immediately troublesome for imperialism given the still low Chinese capacity for overseas investments even in Southeast Asia which is already the region of opportunity closest to it. Indeed, China itself and especially its southern coastal provinces are deeply penetrated by foreign capital such that, for instance, two-thirds of the value of "Chinese" exports to the U.S. are actually accounted for not by Chinese private or state firms but by foreign enterprises.[33] Yet China is still seen by the U.S. as a strategic concern inasmuch as it is an emergent power that is not an ally as Japan and the E.U. are. So even if there may not necessarily be any immediate major economic losses for the U.S., the geopolitical and international implications in terms of increasing Chinese influence in Southeast Asia at the expense of the U.S. is a real issue that will necessitate countermeasures.

Nonetheless imperialism will have pressing concerns about China in specific areas. The most major concern is in competing for access to scarce energy and mineral resources especially given the sheer size and corresponding resource requirements of the Chinese economy (even granting that it remains generally poor). Related to this is how further developments in Chinese relations with the Mekong CMLV countries could possibly open up strategic opportunities for China such as, for instance, decreasing reliance on the straits of Southeast Asia for the transit of oil supplies from the Middle East. In terms of trade wars, China is at the moment most "competitive" in lower-end industrial and electronic products and it remains to be seen to what extent it is genuinely be able to achieve breakthroughs in the higher-technology segments of consumer and producer goods, equipment, machinery and vehicles. The threat in this regard is then greatest for the neocolonies who are competing with China in agricultural goods and for low-end products on the basis of cheapened and exploited local labor.

Chinese influence in Southeast Asia is strongest in the weaker economies: Myanmar, Laos and Cambodia. On top of these, China's economic engagement with ASEAN moved forward with the 2002 Framework Pact on China-ASEAN Comprehensive Economic Co-operation. This served as the framework for concluding the ASEAN-China FTA in 2004 that aims to gradually remove tariffs and –

[33] In 2004, 65.8% of total China's export value to the U.S. was accounted for by foreign-invested enterprises (FIE), compared to 45.2% in 1995. It may also be noted that only 4% of China's labor force was employed by FIEs in 2005. Alexander B. Hammer (2006), "The Dynamic Structure of U.S.-China Trade, 1995-2004", Office Of Economics Working Paper No. 2006-07-A, U.S. International Trade Commission, July 2006.

ostensibly – create the world's largest free trade area by 2010.[34] This agreement also includes a so-called "early harvest package" of more immediate liberalization on farm products trade and progressive liberalization of all goods and services. Among the U.S.'s main efforts to deal with China in ASEAN include the U.S.-ASEAN FTA being aimed for which would directly serve as a counterweight to the ASEAN-China FTA.

An ASEAN-India deal on the other hand is perhaps much less worrisome. India is one of the world's biggest countries but, even so, has weak trading links and a very marginal investment presence in Southeast Asia. ASEAN deals with China and India are basically non-threatening from an immediate economic point of view because of their backward economies. However the U.S. is still vigilant and guards against the possible political implications of deeper Chinese and Indian trading and investment links on its influence over the Southeast Asian neocolonies and on its corresponding foreign policy room to maneuver.

Economic deals between ASEAN and individual imperialist powers on the other hand involve a different level of dynamics entirely if they exclude one or more of the major economic powers.[35] This is because those excluded stand to become disadvantaged in their access to Southeast Asian labor, natural resources and investment outlets relative to the power or powers that are included. The most important and immediate dynamics are those between the U.S. and Japan. The potential challenge from Europe is perhaps not as great given its sheer distance from Asia and how its political influence in the region is limited by its not having any real military presence. In any case, ASEAN launched the Asia-Europe Meeting (ASEM) in 1996 as a breakthrough forum involving Europe.

There is an important particularity to the East Asian situation compared to the E.U. or NAFTA – presumably the regional blocs to which an Asian-only counterweight is wished for – that must be noted. Both the E.U. and NAFTA are overwhelmingly economically and militarily dominated by, respectively, the big European powers and the U.S. (i.e. by resident big powers). This is not the case with East Asia: Japan is the largest economy but it is militarily subordinate to an external power, the U.S.; the U.S. moreover has a huge and deeply ingrained economic presence in the region. This is significant because the U.S. then not only has the motive but also the means to defend its interests in Asia. Adding to the mix is that there is also an emerging third power, China, which is not aligned with either of the first two. The effect of this is that East Asia is "contested" to a degree that neither Europe nor North America was not when the E.U. and NAFTA were formed. Add to this equation the particular economic and political situation of the Korean peninsula and the emerging Asian interests of Russia which add to make Northeast Asia a particularly complicated "contested" sub-region by itself.

In the past the main region-wide imperialist-neocolonial arrangements that have been proposed have centered on Japan and not crossed the Pacific. These include the Malaysian proposal for an all-Asian East Asian Economic Grouping (EAEG) in the late 1980s composed of ASEAN, China, Japan and South Korea. The EAEG failed with the U.S. not only pressuring Japan to desist from actively pursuing it but also developing the more expansive 21-country grouping APEC as a direct countermeasure (into which the EAEG was diverted into becoming the loose consultative forum East Asian Economic Caucus). The APEC started as an Australian initiative that the U.S. easily maneuvered to dominate.

At the height of the "Asian Crisis" in 1997, Japan proposed creating an Asian Monetary Fund as a presumably all-Asian mechanism for preventing and managing future financial crises. This was strongly

[34] Given the current nature of ASEAN as a somewhat loose organization, the "ASEAN-China FTA" is actually not a single ASEAN agreement with China but rather 10 separate bilateral deals with each country having unique liberalization scope and schedules. The 2010 target date applies to the ASEAN-6 with 2015 being for the CMLV countries.

[35] The ASEAN as a whole is currently at different levels of negotiations on free trade or economic partnership agreements with the U.S., E.U. and Japan (as well as with Australia/New Zealand, Canada and the Republic of Korea).

opposed by the U.S. however who also pushed South Korea and the IMF to resist the idea. The still-born AMF was replaced by a much less ambitious regional currency swap scheme for mutual short-term liquidity support: the "Chiang Mai Initiative" of 2000 agreed on by the finance ministers of the original five ASEAN countries, Japan, China and South Korea. However 90% of the funds provided under this are linked to IMF programs in place (which are clearly under U.S. domination).

In 2003, the Japan-ASEAN Framework for Comprehensive Economic Partnership was signed and providing for a possible free trade area by 2013.[36] Japan is complementing this with a number of bilateral deals – with Singapore, Thailand, Malaysia and the Philippines. Recently the ASEAN Plus Three (ASEAN+3 or ASEAN plus Japan, China and South Korea), which had its first informal leaders meeting as early as 1997, has been getting increased attention since the Final Report of the East Asian Vision Group (EAVG) of 2001. Indeed the sheer number of bilateral and regional deals involving Southeast Asia might even be interpreted as the accumulating elements of a wider East Asia Free Trade Area which faces the contradiction between genuine interests from Japan, China and South Korea for a regional grouping with ASEAN and U.S. efforts to thwart any threats to its economic and security hegemony in the region. Japan has already floated, in early 2006, a proposal to begin negotiations on 16-nation free trade area spanning itself, the ten ASEAN countries, China, South Korea, India, Australia and New Zealand.[37]

However the current balance of regional economic and military power is such that none of these are likely to substantially progress as a genuine bloc if they take a direction that explicitly excludes and disadvantages the U.S. (which by necessity any genuinely Asian initiative will take). Even Japan is unlikely to insist on any measures that will antagonize the U.S. as long as its security is subsumed to the US and its military "self-defense forces" remain so stunted and self-limited. U.S. support or at least acquiescence to regional initiatives is a crucial factor. The tensions between the region's two largest economies, Japan and China, are also relevant and have already surfaced in discussions on ASEAN+3.[38] Likewise relevant are the extent to which individual Asian countries will support increasing Japanese or Chinese influence and domination in the region and to what extent individual countries will work together substantially in a region-wide institution.

To be sure, the lack of a dominant Asian power or power center and a regional consensus supporting that power works to the U.S.'s advantage. As it is the U.S. is a founding member of both APEC and ARF, is moving towards playing a role in the EAS, and is closely monitoring the ASEAN+3 and Japan's proposal for a 16-nation free trade area and whether or not these will adversely affect U.S. interests.

In step with its global economic aggression, U.S. economic aggression is rapidly advancing at the sub-regional Southeast Asia level – regarded as the westernmost part of the "American Lake" (i.e. the Pacific Ocean). One concrete result of the U.S.-ASEAN Enhanced Partnership in the economic realm is the U.S.-ASEAN TIFA signed in September 2006 that lays the groundwork for an eventual U.S.-ASEAN FTA. The U.S. is especially aggressive in seeking the opening-up of vital service and financial sectors with whose liberalization U.S. imperialist domination of neocolonial colonies will become ever more absolute and complete.

Apart from ASEAN-level deals, individual ASEAN countries have entered or are working on entering into trade and investment agreements (especially FTAs) with other countries. The Philippines, Indonesia,

[36] 2013 for ASEAN-6 and 2018 for CMLV countries.
[37] Unknown (2006), "Japan Aims to Launch East Asia FTA Talks in '08", Jiji Press English News Service, Tokyo, April 4, 2006.
[38] China seems to prefer the ASEAN+3 over the EAS in which there are more advanced economies and so it will not be able to assert as much.

Vietnam, Thailand, Malaysia, Cambodia, Laos and Singapore are altogether studying, negotiating or implementing 48 economic deals with other countries.[39]

**The Twelfth ASEAN Summit**

It is meaningful that the 12th ASEAN Summit is hosted and chaired by the Philippine government which has, under Pres. Gloria Macapagal-Arroyo, proven that it is U.S. imperialism's most loyal client state in the region. Since the chair largely decides on the agenda it can be expected that U.S. interests will be clearly reflected. The exact agenda of the 12th ASEAN Summit in December will become clearer as it approaches although there are already indications of what it will contain.[40]

Consistent with the U.S. "war on terror" theme, the Philippines is pushing to complete an ASEAN Convention on Counter-terrorism. It has also drafted a document that proposes ASEAN engagement with the Shanghai Cooperation Organization (SCO). The SCO is a six-country military alliance founded in 2001 that specifically excludes the U.S. and implicitly challenges its hegemony specifically in Central Asia. It includes Russia, China and the Central Asian Republics of the former Soviet Union (Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan) with Pakistan, India, Mongolia and Iran as observers. The proposed ASEAN "engagement" is then potentially a backdoor for the U.S. into the SCO through its proxies such as the Philippines.

Also on the agenda are the approval of a "blueprint" for the proposed ASEAN Charter and the creation of a drafting committee for this towards completion in time for the 13th ASEAN Summit in Singapore in December 2007. If the proposed ASEAN Charter goes beyond merely formalizing the current loose arrangements and tightens organizational systems towards more prescribed decision-making processes, this would greatly facilitate the implementation of region-wide interventions. The U.S. would then be able to maximize the influence that it has over key Southeast Asian countries (i.e. its long-standing neocolonies in the region) and override individual dissenting members.

The Philippines is also pushing to discuss energy security including opening up access to the region's oil and liquefied natural gas resources; Indonesia, Brunei, Malaysia, Vietnam and the Philippines are known to have rich oil and gas reserves. An increased military presence in the region's strategic straits, ostensibly against piracy, is also considered part of "energy security". Other items on the agenda for the 12th Summit within the framework of the ASEAN Socio-Cultural Community are an ASEAN Declaration on the Rights of Migrant Workers and an ASEAN Declaration on HIV/AIDS. It has also been reported that the Philippines will use the venue to push for a resumption of the stalled WTO talks – something which the U.S. is very eager to pursue.

The various "counter-terror" initiatives being pushed through the ASEAN Security Community and, beyond this, in the ASEAN Regional Forum are wholly about the U.S. militarist agenda. Similarly, the various "free market" measures through the ASEAN Economic Community all constitute economic aggression on the neocolonies – whether they are economic deals with imperialist powers (ex. U.S.-ASEAN FTA, ASEAN+3, EAS) or with other neocolonies (ex. in the name of "regional integration" or with others outside the region).

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[39] These are: the Philippines with Japan and the U.S.; Indonesia with the U.S., Japan, Australia and New Zealand; Vietnam with the U.S. and Japan; Thailand with the U.S., Japan, Australia, New Zealand, India, China, Chile, Peru and Morocco; Malaysia with the U.S., Japan, Australia, New Zealand, Pakistan, India, Korea and Chile; Cambodia with the U.S. and Japan; Laos with Japan; and Singapore with the U.S., Japan, Australia, New Zealand, Jordan, India, Korea, Panama, Qatar, EFTA, P4, Mexico, Canada, UAE, Bahrain, Egypt, Pakistan, Peru, Sri Lanka and Kuwait. Bilaterals.org (2004), "Overview of bilateral free trade and investment agreements", October 2006.

[40] The following is based on media reports as well as on various speeches and statements this year by Secretary Alberto Romulo and Assistant Secretary for ASEAN Affairs Luis Cruz, both of the Philippines' Department of Foreign Affairs (DFA).

The 12th ASEAN Summit is occurring after some five years of a greatly increasing U.S. engagement in Southeast Asia. Building on its solid and expanding bilateral relations the U.S. launched the EAI, agreed on the U.S.-ASEAN Enhanced Partnership and drew up its five-year program of action. "Anti-terrorism" cooperation, joint military exercises and other military operations have intensified. Various levels of trade deals have been concluded – including the U.S.-ASEAN TIFA – or are being negotiated as the groundwork for a U.S.-ASEAN FTA. New high-level positions for officials focusing on Southeast Asia are in the works. At the same time the ASEAN member countries have, individually and as a whole, generally proceeded in step with overall imperialist priorities for the region. All these define the essential agenda of the 12th Summit in which the general objectives of U.S. imperialism are unambiguous: to increase U.S. military aggression and to deepen neoliberal "globalization" in Southeast Asia. #

# ANNEXES

## Annex 1: List of Abbreviations

| | |
|---|---|
| ACP | ASEAN Cooperation Plan |
| ACSA | Access and Cross-Servicing Agreements |
| AEC | ASEAN Economic Community |
| AFAS | ASEAN Framework Agreement on Services |
| AFTA | ASEAN Free Trade Area |
| AIA | ASEAN Investment Area |
| AMF | Asian Monetary Fund |
| AMLA | Anti-Money Laundering Act |
| AMM | ASEAN Ministerial Meeting |
| APEC | Asia-Pacific Economic Cooperation |
| ARF | ASEAN Regional Forum |
| ASC | ASEAN Security Community |
| ASEAN | Association of Southeast Asian Nations |
| ASEAN+3 | ASEAN plus Japan, China and South Korea |
| ASEAN-5 | Indonesia, Philippines, Thailand, Malaysia, Singapore |
| ASEAN-6 | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei |
| ASEM | Asia-Europe Meeting |
| CAFTA | Central American Free Trade Agreement |
| CARAT | Cooperation Afloat Readiness and Training |
| CEPT | Common Effective Preferential Tariff |
| CITOC | Counter International Terrorist Operations Center |
| CMLV | Cambodia, Myanmar, Laos, Vietnam |
| COCIT | Committee of Counter-International Terrorism |
| CSL | Cooperative security locations |
| DIPA | Direct Investment Position Abroad |
| DPB | Defense Policy Board |
| E.C. | European Community |
| EAEG | East Asian Economic Grouping |
| EAI | Enterprise for ASEAN Initiative |
| EAS | East Asian Summit |
| EAVG | East Asian Vision Group |
| EG | Executive Group |
| EPA | Economic Partnership Agreements |
| ETC | Exercise Team Challenge |
| FDI | Foreign direct investment |
| FOS | Forward operating sites |
| FTA | Free trade agreement |
| GATS | General Agreement on Trade in Services |
| GDP | Gross domestic product |
| IMET | International Military Education and Training |
| IMF | International Monetary Fund |
| ISA | Internal Security Act |
| JDA | Joint Defense Assessment |
| JI | Jemaah Islamiah |
| JMM | Joint Ministerial Meeting |
| MFN | Most-favored-nation |
| MLSA | Mutual Logistics and Support Agreement |
| NAFTA | North American Free Trade Area |
| NATO | North Atlantic Treaty Organization |
| NISP | National Internal Security Plan |
| NSS | National Security Strategy |
| PACOM | Pacific Command |
| PDR | Philippine Defense Reform |
| POA | Program of Action |
| QDR | Quadrennial Defense Reviews |
| R.P. | Republic of the Philippines |
| SAP | Structural adjustment program |
| SCO | Shanghai Cooperation Organization |
| SEA-CAT | Southeast Asia Cooperation Against Terrorism |
| SEANWFZ | Southeast Asian Nuclear Weapons Free Zone |
| SEARCCT | Southeast Asia Regional Center for Counter-terrorism |
| SEATO | Southeast Asian Treaty Organization |
| SEB | Security Engagement Board |
| SOFA | Status of Forces Agreements |
| TAC | Treaty of Amity and Cooperation |
| TIFA | Trade and investment framework agreement |
| TNCs | Transnational corporations |
| U.K. | United Kingdom |
| U.N. | United Nations |
| U.S. | United States |
| VFA | Visiting Forces Agreement |
| WB | World Bank |
| WTO | World Trade Organization |
| ZOPFAN | Zone of Peace, Freedom, and Neutrality |

## Annex 2: Regional Political and Security Arrangements

| | | ASEAN countries | Other East Asian countries | Other Asian countries outside East Asia | Non-Asian countries |
|---|---|---|---|---|---|
| **ASEAN**, 1967 (10 members) | ASEAN-5 | Indonesia, Philippines, Thailand, Malaysia, Singapore | - | - | - |
| | ASEAN-6 | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei Darussalam | - | - | - |
| | CMLV | Vietnam, Laos, Myanmar, Cambodia | - | - | - |
| **ASEAN+3**, 1997 (13 members) | | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei Darussalam, Vietnam, Laos, Myanmar, Cambodia | China, Japan, South Korea | - | - |
| **ASEAN Regional Forum**, 1994 (ARF, 25 members) | | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei Darussalam, Vietnam, Laos, Myanmar, Cambodia | China, Japan, South Korea, North Korea, Timor-Leste | India, Pakistan, Mongolia | U.S., European Union, Russia, Australia, New Zealand, Canada, Papua New Guinea |
| **East Asia Summit**, 2005 (EAS, 16 members) | | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei Darussalam, Vietnam, Laos, Myanmar, Cambodia | China, Japan, South Korea | India | Australia, New Zealand |
| **Asia-Pacific Economic Cooperation**, 1989 (APEC, 21 members) | | Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei Darussalam, Vietnam | China, Japan, Hong Kong, South Korea, Chinese Taipei (Taiwan), | - | U.S., Russia, Canada, Mexico, Peru, Chile, Australia, New Zealand, Papua New Guinea |
| **Six-Party Talks**, 2003 (6 members) | | - | Japan, China, South Korea, North Korea | - | U.S., Russia |
| **Shanghai Cooperation Organization**, 2001 (SCO, 6 members and 4 observers) | | - | China | Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan (observers: India, Pakistan, Mongolia) | Russia (observer: Iran) |

**Annex 3a: FDI in ASEAN, by Source Country, US$ million (1995-2004)**

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 1995-2004 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASEAN[1/]** | **4,654.4** | **4,271.8** | **5,235.7** | **2,730.8** | **1,789.3** | **763.1** | **2,495.4** | **3,634.4** | **2,301.8** | **2,432.7** | **30,309.4** |
| **Rest of the World[1/]** | **23,425.4** | **25,643.1** | **28,694.7** | **19,432.6** | **25,461.2** | **21,909.1** | **16,088.7** | **10,070.3** | **16,145.2** | **19,371.1** | **206,241.5** |
| USA | 4,318.4 | 5,177.2 | 4,950.1 | 3,222.3 | 5,931.7 | 7,311.6 | 4,569.4 | 357.6 | 1,395.3 | 5,051.9 | 42,285.4 |
| Japan | 5,649.3 | 5,283.3 | 5,229.5 | 3,937.6 | 1,688.2 | 455.0 | 1,606.3 | 3,366.2 | 2,317.7 | 2,538.2 | 32,071.3 |
| European Union | 6,221.4 | 9,483.1 | 8,326.5 | 6,861.1 | 12,048.0 | 13,840.1 | 6,053.6 | 5,087.5 | 6,674.7 | 6,357.7 | 80,953.8 |
| *E.U. 15[2/]* | *5,049.6* | *7,362.0* | *6,333.6* | *5,553.3* | *9,806.0* | *13,479.6* | *6,006.5* | *4,235.9* | *5,230.4* | *5,420.5* | *68,477.5* |
| *Other E.U.[3/]* | *1,171.7* | *2,121.1* | *1,992.9* | *1,307.9* | *2,242.0* | *360.6* | *47.1* | *851.5* | *1,444.4* | *937.2* | *12,476.3* |
| China | 136.7 | 117.9 | 62.1 | 291.3 | 62.5 | (133.4) | 147.3 | (80.9) | 188.7 | 225.9 | 1,018.0 |
| Hong Kong | 1,271.1 | 927.5 | 1,884.8 | 1,162.2 | 697.6 | 1,128.9 | (431.9) | 204.5 | 100.1 | 344.9 | 7,289.6 |
| Taiwan (ROC) | 914.0 | 810.3 | 914.0 | 677.5 | 402.5 | 375.9 | 2,524.7 | 270.7 | 826.9 | 1,186.6 | 8,903.0 |
| South Korea | 660.2 | 504.2 | 721.8 | 90.8 | 528.9 | (45.0) | (264.8) | 92.4 | 632.0 | 896.5 | 3,816.9 |
| India | 108.1 | 68.8 | 90.2 | 92.6 | 41.7 | 79.5 | 32.3 | 96.0 | 81.2 | 46.3 | 736.8 |
| Canada | 609.2 | 204.7 | 1,110.9 | (207.0) | (14.2) | (397.6) | (555.4) | (191.7) | (10.7) | 92.1 | 640.4 |
| Australia | 534.9 | 325.1 | 245.6 | (302.2) | (935.0) | (302.8) | (95.1) | 202.6 | 181.1 | 392.5 | 246.8 |
| New Zealand | 35.4 | 31.2 | 29.1 | 25.3 | 80.2 | 43.1 | 14.7 | 53.7 | 88.5 | (1.9) | 399.4 |
| All other countries[4/] | 2,966.8 | 2,709.8 | 5,130.1 | 3,581.1 | 4,929.2 | (446.1) | 2,487.5 | 611.7 | 3,669.6 | 2,240.5 | 27,880.1 |
| **Subtotal1/** | **28,079.9** | **29,914.9** | **33,930.5** | **22,163.4** | **27,250.5** | **22,672.2** | **18,584.1** | **13,704.7** | **18,447.0** | **21,803.9** | **236,550.9** |
| Total FDI in Cambodia[5/] | 150.7 | 293.7 | 168.1 | 242.9 | 232.3 | 148.5 | - | - | - | - | 1,236.2 |
| Reinvested earnings in Philippines[6/] | - | - | - | - | 370.0 | (174.0) | (127.0) | 120.0 | - | 2.0 | 191.0 |
| Inter-company loans in Philippines[6/] | - | - | - | - | - | - | - | - | - | (278.0) | (278.0) |
| Reinvested earnings in Singapore[7/] | - | - | - | - | - | - | - | - | - | 3,833.8 | 3,833.8 |
| Inter-company loans in Singapore[7/] | - | - | - | - | - | - | - | - | - | 292.5 | 292.5 |
| **Total** | **28,230.6** | **30,208.6** | **34,098.6** | **22,406.3** | **27,852.8** | **22,646.7** | **18,457.1** | **13,824.7** | **18,447.0** | **25,654.2** | **241,826.4** |

Notes:

p/ preliminary
r/ revised
- not available as of publication time
x not available/not compiled
n.a. not applicable

Unless otherwise indicated, the figures include equity, reinvested earnings, and inter-company loans.

1/ Excludes: (a) total FDI in Cambodia (1995-2000); (b) reinvested earnings in Myanmar (1995-2002); (c) reinvested earnings (1995-2002 & 2004) and inter-company loans in the Philippines (2004); and (d) reinvested earnings (2004) and inter-company loans (1995-1996 & 2004) in Singapore ; figures for Myanmar cover the fiscal year ending in March of the following calendar year; and includes privatization and asset sales under the Indonesian Bank Restructuring Agency program for 2002.

2/ Includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom

3/ Refers to the rest of Europe

4/ Includes Pakistan and the rest of Asia; Central and South Americas; and Others, consisting of the rest of the world, unclassified source, joint countries, and international organisations.

5/ 1995-2000 figures are aggregates (breakdown by source country not available).

6/ 1999-2002 & 2004 data on reinvested earnings, and 2004 data on inter-company loans are aggregates (breakdown by source country not available).

7/ 2000-2003 data revised based on recent FDI survey and updates in administrative records; 2004 data on reinvested earnings and inter-company loans are aggregates (breakdown by source country not available)

*Source: ASEAN Secretariat, ASEAN FDI Database, 2005*

**Annex 3b: Cumulative Non-ASEAN FDI in ASEAN, Selected countries (1995-2003)**

| | Total FDI | *Of which (selected):* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | United States | | Japan | | European Union-15 | | *Of which (selected):* | | | | | |
| | | | | | | | | United Kingdom | | | | Netherlands | |
| | US$ M | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI |
| Indonesia | 3,837.5 | -1,773.8 | -46.2 | 288.1 | 7.5 | 2,577.1 | 67.2 | 897.8 | 23.4 | 1,180.8 | 30.8 | 196.0 | 5.1 |
| Philippines | 11,656.0 | 2,877.4 | 24.7 | 3,055.7 | 26.2 | 1,401.9 | 12.0 | 696.0 | 6.0 | 416.4 | 3.6 | -331.2 | -2.8 |
| Vietnam | 14,594.1 | 552.6 | 3.8 | 2,153.4 | 14.8 | 2,277.1 | 15.6 | 611.5 | 4.2 | 908.3 | 6.2 | 40.3 | 0.3 |
| Thailand | 31,923.6 | 3,654.4 | 11.5 | 8,096.0 | 25.4 | 3,261.3 | 10.2 | 1,420.5 | 4.5 | -26.8 | -0.1 | 758.0 | 2.4 |
| Myanmar | 3,484.4 | 486.6 | 14.0 | 116.1 | 3.3 | 1,670.6 | 48.0 | 1,093.8 | 31.4 | 8.1 | 0.2 | 8.7 | 0.3 |
| Malaysia | 36,062.2 | 10,201.4 | 28.3 | 4,761.1 | 13.2 | 8,232.6 | 22.8 | 2,990.1 | 8.3 | 327.1 | 0.9 | 3,666.4 | 10.2 |
| Cambodia | 1,617.6 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Laos | 502.4 | 4.3 | 0.9 | 18.0 | 3.6 | 21.7 | 4.3 | 4.0 | 0.8 | 0.1 | 0.0 | 0.5 | 0.1 |
| Singapore | 107,416.0 | 19,656.5 | 18.3 | 9,142.2 | 8.5 | 36,760.5 | 34.2 | 14,440.6 | 13.4 | 13,059.8 | 12.2 | 1,389.2 | 1.3 |
| Brunei | 8,492.9 | 58.0 | 0.7 | 342.4 | 4.0 | 6,341.8 | 74.7 | 3,618.5 | 42.6 | 2,636.5 | 31.0 | 19.9 | 0.2 |
| **ASEAN** | **219,586.7** | **35,717.3** | **16.3** | **27,972.9** | **12.7** | **62,544.6** | **28.5** | **25,772.9** | **11.7** | **18,510.4** | **8.4** | **5,747.8** | **2.6** |

*Source: ASEAN Secretariat, ASEAN FDI Database, 2004*

**Annex 3c: Cumulative Non-ASEAN FDI in ASEAN, Selected countries (1995-2003)**

| | Total FDI | *Of which (selected):* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China | | Hong Kong | | South Korea | | Taiwan | | India | | Australia | |
| | US$ M | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI |
| Indonesia | 3,837.5 | -36.8 | -1.0 | -53.1 | -1.4 | 331.9 | 8.7 | -26.6 | -0.7 | -2.6 | -0.07 | -256.1 | -6.67 |
| Philippines | 11,656.0 | 304.1 | 2.6 | 484.4 | 4.2 | 238.1 | 2.0 | 205.6 | 1.8 | 3.9 | 0.03 | 97.1 | 0.83 |
| Vietnam | 14,594.1 | 103.1 | 0.7 | 1,202.4 | 8.2 | 1,427.5 | 9.8 | 1,838.3 | 12.6 | 5.1 | 0.03 | 85.7 | 0.59 |
| Thailand | 31,923.6 | 50.2 | 0.2 | 2,437.5 | 7.6 | 235.6 | 0.7 | 1,029.2 | 3.2 | 6.3 | 0.02 | 257.8 | 0.81 |
| Myanmar | 3,484.4 | 14.0 | 0.4 | 68.7 | 2.0 | 52.8 | 1.5 | 0.0 | 0.0 | 0.0 | 0.00 | 6.6 | 0.19 |
| Malaysia | 36,062.2 | 120.7 | 0.3 | 1,263.4 | 3.5 | 98.5 | 0.3 | 610.7 | 1.7 | -9.9 | -0.03 | 367.1 | 1.02 |
| Cambodia | 1,617.6 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Laos | 502.4 | 32.6 | 6.5 | 1.8 | 0.4 | 108.1 | 21.5 | 8.2 | 1.6 | 0.7 | 0.14 | 40.0 | 7.96 |
| Singapore | 107,416.0 | 43.2 | 0.0 | 1,639.9 | 1.5 | 53.4 | 0.1 | 1,861.6 | 1.7 | 655.6 | 0.61 | -417.4 | -0.39 |
| Brunei | 8,492.9 | 0.4 | 0.0 | 29.9 | 0.4 | 10.2 | 0.1 | 4.8 | 0.1 | 8.3 | 0.10 | 46.2 | 0.54 |
| **ASEAN** | **219,586.7** | **631.4** | **0.3** | **7,074.9** | **3.2** | **2,556.1** | **1.2** | **5,531.6** | **2.5** | **667.3** | **0.30** | **227.0** | **0.10** |

*Source: ASEAN Secretariat, ASEAN FDI Database, 2004*

**Annex 4: Cumulative Intra-ASEAN FDI in ASEAN, Selected countries (1995-2003)**

| | Total FDI | *Of which:* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Singapore | | Malaysia | | Indonesia | | Thailand | | Philippines | | Other ASEAN | |
| | US$ M | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI | US$ M | % of total FDI |
| Indonesia | 3,837.5 | 1,400.9 | 36.5 | 327.7 | 8.5 | - | - | 140.4 | 3.7 | 13.3 | 0.35 | -26.8 | -0.70 |
| Philippines | 11,656.0 | 1,086.5 | 9.3 | 85.4 | 0.7 | 38.6 | 0.3 | 28.5 | 0.2 | - | - | 0.0 | 0.00 |
| Vietnam | 14,594.1 | 1,708.4 | 11.7 | 492.1 | 3.4 | 58.7 | 0.4 | 381.6 | 2.6 | 48.8 | 0.33 | 6.3 | 0.04 |
| Thailand | 31,923.6 | 5,616.3 | 17.6 | 134.0 | 0.4 | 43.0 | 0.1 | - | - | 28.7 | 0.09 | 17.9 | 0.06 |
| Myanmar | 3,484.4 | 746.2 | 21.4 | 65.2 | 1.9 | 29.6 | 0.9 | 193.9 | 5.6 | 3.8 | 0.11 | 0.0 | 0.00 |
| Malaysia | 36,062.2 | 6,082.0 | 16.9 | - | - | 308.6 | 0.9 | 186.3 | 0.5 | 92.3 | 0.26 | 339.8 | 0.94 |
| Cambodia | 1,617.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.0 | 0.00 |
| Laos | 502.4 | 10.1 | 2.0 | 94.9 | 18.9 | 0.0 | 0.0 | 151.5 | 30.2 | 0.0 | 0.00 | 4.4 | 0.87 |
| Singapore | 107,416.0 | - | - | 2,830.3 | 2.6 | 3,157.3 | 2.9 | 303.4 | 0.3 | 43.4 | 0.04 | 240.3 | 0.22 |
| Brunei | 8,492.9 | 1,109.4 | 13.1 | 204.7 | 2.4 | 54.7 | 0.6 | 7.5 | 0.1 | 3.5 | 0.04 | 0.2 | 0.00 |
| **ASEAN** | **219,586.7** | **17,759.7** | **8.1** | **4,234.4** | **1.9** | **3,691.4** | **1.7** | **1,393.2** | **0.6** | **233.8** | **0.11** | **582.0** | **0.27** |

*Source: ASEAN Secretariat, ASEAN FDI Database, 2004*

**Annex 5a: Cumulative Extra-ASEAN Two-way Trade (imports-exports) by ASEAN, Selected countries (1995-2004)**

| | Total ASEAN trade | *Of which (selected):* | | | | | | *Of which (selected):* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | United States | | Japan | | European Union-15 | | United Kingdom | | Netherlands | | Germany | |
| | US$ M | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade |
| **1995-1999** | | | | | | | | | | | | | |
| Cumulative | 3,187,126.4 | 577,315.3 | 18.1 | 521,512.7 | 16.4 | 485,192.4 | 15.2 | 98,112.9 | 3.1 | 57,021.5 | 1.8 | 109,953.5 | 3.5 |
| Annual average | 637,425.3 | 115,463.1 | 18.1 | 104,302.5 | 16.4 | 97,038.5 | 15.2 | 19,622.6 | 3.1 | 11,404.3 | 1.8 | 21,990.7 | 3.5 |
| **2000-2004** | | | | | | | | | | | | | |
| Cumulative | 3,931,952.1 | 576,656.0 | 14.7 | 559,968.5 | 14.2 | 490,564.4 | 12.5 | 74,458.3 | 1.9 | 71,994.2 | 1.8 | 101,232.5 | 2.6 |
| Annual average | 786,390.4 | 115,331.2 | 14.7 | 111,993.7 | 14.2 | 98,112.9 | 12.5 | 14,891.7 | 1.9 | 14,398.8 | 1.8 | 20,246.5 | 2.6 |

*Source: 2005 ASEAN Statistical Yearbook*

**Annex 5b: Cumulative Extra-ASEAN Two-way Trade (imports-exports) in ASEAN, Selected countries (1995-2004)**

| | Total ASEAN trade | *Of which (selected):* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | China | | Hong Kong | | South Korea | | Taiwan | | India | | Australia | |
| | US$ M | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade |
| **1995-2000** | | | | | | | | | | | | | |
| Cumulative | 3,187,126.4 | 95,009.7 | 3.0 | 91,185.0 | 2.9 | 108,435.4 | 3.4 | 100,562.8 | 3.2 | 35,017.4 | 1.1 | 68,309.2 | 2.1 |
| Annual average | 637,425.3 | 19,001.9 | 3.0 | 18,237.0 | 2.9 | 21,687.1 | 3.4 | 20,112.6 | 3.2 | 7,003.5 | 1.1 | 13,661.8 | 2.1 |
| **2001-2004** | | | | | | | | | | | | | |
| Cumulative | 3,931,952.1 | 244,164.7 | 6.2 | 164,955.4 | 4.2 | 161,047.8 | 4.1 | 132,735.6 | 3.4 | 61,438.7 | 1.6 | 96,869.1 | 2.5 |
| Annual average | 786,390.4 | 48,832.9 | 6.2 | 32,991.1 | 4.2 | 32,209.6 | 4.1 | 26,547.1 | 3.4 | 12,287.7 | 1.6 | 19,373.8 | 2.5 |

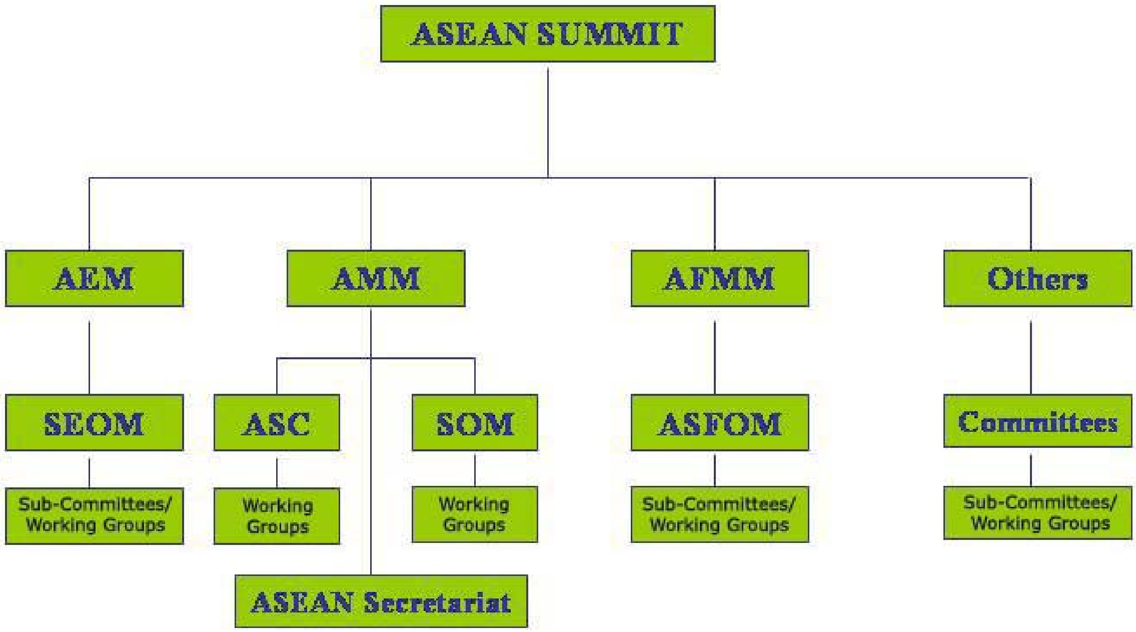
*Source: 2005 ASEAN Statistical Yearbook*

**Annex 6: Cumulative Intra-ASEAN Two-way Trade (imports-exports) in ASEAN, Selected countries (1995-2004)**

| | Total ASEAN trade | *Of which (selected):* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Singapore | | Malaysia | | Indonesia | | Thailand | | Philippines | | Other ASEAN | |
| | US$ M | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade | US$ M | % of total trade |
| **1995-1999** | | | | | | | | | | | | | |
| Cumulative | 3,187,126.4 | 403,351.7 | 12.7 | 249,666.2 | 7.8 | 128,048.6 | 4.0 | 163,747.8 | 5.1 | 84,750.7 | 2.7 | 7,566.3 | 0.2 |
| Annual average | 637,425.3 | 80,670.3 | 12.7 | 49,933.2 | 7.8 | 25,609.7 | 4.0 | 32,749.6 | 5.1 | 16,950.1 | 2.7 | 1,513.3 | 0.2 |
| **2000-2004** | | | | | | | | | | | | | |
| Cumulative | 3,931,952.1 | 685,573.9 | 17.4 | 468,397.0 | 11.9 | 293,419.1 | 7.5 | 360,241.1 | 9.2 | 181,346.7 | 4.6 | 40,871.7 | 1.0 |
| Annual average | 786,390.4 | 137,114.8 | 17.4 | 93,679.4 | 11.9 | 58,683.8 | 7.5 | 72,048.2 | 9.2 | 36,269.3 | 4.6 | 8,174.3 | 1.0 |

*Source: 2005 ASEAN Statistical Yearbook*

**Annex 7: ASEAN Organizational Chart**




***Legend:***

| | |
|---|---|
| **AEM** | **: ASEAN Economic Ministers** |
| **AMM** | **: ASEAN Ministerial Meeting** |
| **AFMM** | **: ASEAN Finance Ministers Meeting** |
| **SEOM** | **: Senior Economic Officials Meeting** |
| **ASC** | **: ASEAN Standing Committee** |
| **SOM** | **: Senior Officials Meeting** |
| **ASFOM** | **: ASEAN Senior Finance Officials Meeting** |

*Source: ASEAN website <www.aseansec.org>*

**Annex 8: Plan of Action to Implement the U.S.-ASEAN Enhanced Partnership**

**I. Political and Security**

1. Deepening Political Cooperation (7 points listed)
2. Deepening Security Cooperation (3 pts)
3. Enhancing Communications (3 pts)
4. Supporting a Peaceful and Stable Region (3 pts)
5. Traditional and Non-Traditional Security Issues (23 pts)

**II. Economic Cooperation**

1. Trade and Investment (11 pts)
2. Financial Cooperation (3 pts)
3. Industry (1 pt)
4. Standards and Conformance (5 pts)
5. Intellectual Property Rights (IPRs) (4 pts)
6. Transport (7 pts)
7. Energy (7 pts)
8. Agriculture (6 pts)
9. Tourism (5 pts)
10. Small and Medium Enterprises (SMEs) (7 pts)
11. Minerals (3 pts)
12. Information and Communication Technology (ICT) (5 pts)
13. Competition Law and Policy (2 pts)

**III. Social and Development Cooperation**

1. Disaster Management and Emergency Response (5 pts)
2. Reconstruction and Rehabilitation (1 pt)
3. Public Health (8 pts)
4. Science and Technology (3 pts)
5. Environment (7 pts)
6. Education and Human Resources Development (12 pts)
7. Culture and People-to-People Contact (12 pts)
8. Promoting Development of Vulnerable Groups (4 pts)
9. Training and Technical Assistance to the ASEAN Secretariat (1 pt)
10. U.S.-ASEAN Development Assistance (3 pts)

**IV. Follow-up Mechanism** (3 pts)

**Annex 9: The ASEAN Economic Community (AEC)**

**AEC Objectives:**

From the ASEAN Vision 2020 adopted at the 2nd Informal Summit of ASEAN Leaders, Kuala Lumpur, Malaysia, December 14-16, 1997:

> *"We will create a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities."*

From the Declaration of ASEAN Concord II (or Bali Concord II) at the 9th Summit of ASEAN Leaders, Bali, Indonesia, October 7, 2003:

> *"The ASEAN Economic Community is the realization of the end-goal of economic integration…..in which there is a free flow of goods, services, investment and a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities in year 2020."*
>
> *"The ASEAN Economic Community shall establish ASEAN as a single market and production base…..making ASEAN a more dynamic and stronger segment of the global supply chain…..As a first step toward the realization of the ASEAN Economic Community, ASEAN shall implement the recommendations of the High Level Task Force on ASEAN economic integration as annexed."*

**Progress in Integration and AEC Formation:**

- ASEAN Free Trade Area (AFTA) of 1992
- ASEAN Framework Agreement on Services (AFAS) of 1995
- ASEAN Agreement on Customs (AAC)/ASEAN Customs Vision 2020 of 1997
- ASEAN Framework Agreement on Mutual Recognition Agreements (MRAs) of 1998
- Framework Agreement on the ASEAN Investment Area (AIA) of 1998
- ASEAN Framework Agreement for the Integration of Priority Sectors (FAIPS) of 2004
- ASEAN Policy on Standards and Conformance of 2005

**Remaining Agenda in AEC Establishment:**

- Complementary integration in finance and capital (such as linked payments and settlement systems, harmonization of critical capital market standards and practices, and capital account liberalization in selected areas, etc.)
- Interlinked ASEAN Securities Market by 2010
- ASEAN framework agreements on the movements of business persons, experts, professionals, skilled labour and talents plus MRAs on major professional qualifications
- Harmonization and/or standardization of competition laws, anti-dumping measures, export incentives, and government procurement
- Harmonization and/or standardization of business laws and regulations
- Equalization of tax rates on (intra- and trans-regional) businesses and investments (e.g., double taxation issues and withholding tax rates to start with)
- New regional initiatives for intellectual property (IP) creativity

*Source: Thitapha Wattanapruttipaisan (2006), "A Brief on ASEAN Economic Integration", Studies Unit, Bureau for Economic Integration and Finance (BEIF), ASEAN Secretariat, Jakarta, Indonesia, June 2006.*