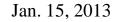
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Regional Overview: 2012 Ends with Echoes of the Past by Ralph A. Cossa and Brad Glosserman

It was deja vu all over again on the Korean Peninsula as the absence of bad news ended when Pyongyang again defied the international community by conducting another missile launch. ASEAN leaders at the round of summits in Phnom Penh managed to demonstrate greater unity than during their July ministerial, but there were no signs the territorial disputes in the South China Sea were closer to resolution. Hopes for genuine reform in Burma (Myanmar) soared as President Obama paid a visit while in the region for the East Asia Summit. Meanwhile, leadership changes were the order of the day in the North Pacific. The Liberal Democratic Party's return to power in Japan amidst a nationalistic campaign promised to strain relations with the new leadership in South Korea and China, and perhaps with the new leadership team in Washington as well. The year closed with a flurry of trade meetings and initiatives designed to capture the energy of the world's most dynamic economies.

US-Japan Relations: Meet the New Boss/Same as the Old Boss? by Michael J. Green and Nicholas Szechenyi

The Liberal Democratic Party won a Lower House election in a landslide and Abe Shinzo became prime minister for the second time amid public frustration with poor governance and anemic economic growth. The United States and Japan continued a pattern of regular consultations across a range of bilateral and regional issues with tensions between Japan and China over the Senkaku Islands and another North Korean missile launch topping the diplomatic agenda. The US military presence on Okinawa also featured with the deployment of the *V-22 Osprey* aircraft to Okinawa and the arrest of two US servicemen in the alleged rape of a Japanese woman. The year came to a close with Prime Minister Abe hoping for a visit to Washington early in 2013 to establish a rapport with President Obama and follow through on his election pledge to revitalize the US-Japan alliance.

US-China Relations: Strains Increase amid Leadership Transitions by Bonnie Glaser and Brittany Billingsley

The rare convergence of a US presidential election cycle and China's once-in-a-decade leadership transition caused both countries to focus their energies and attention domestically in the last four months of 2012. The reelection of President Obama was a relief for Beijing. Although China has plenty of complaints about his policies, it preferred to deal with him for another four-year term, both because of the uncertainty that the election of Mitt Romney would have brought to US foreign policy and because the Chinese generally favor the status quo when it comes to US leadership.

Washington was simply glad to get the Chinese leadership transition underway since it appeared that Chinese leaders and the bureaucracy were distracted and many decisions had been on hold pending announcement of the new leadership lineup.

US-Korea Relations: Political Change and a Rocket Launch by Victor Cha and Ellen Kim

There were several significant events in US-ROK relations as 2012 ended. President Obama won his reelection against Republican contender Mitt Romney and South Korea had a historic election, with Park Geun-hye of the Saenuri Party being elected as the first female president in the country's (and indeed East Asia's) history. Sandwiched between these elections, North Korea conducted a successful rocket launch, putting an object into orbit for the first time and marking a major milestone in its decades-long effort to develop an intercontinental ballistic missile capability. Meanwhile, the US and ROK successfully concluded an agreement extending South Korean missile ranges, but remained deadlocked on the revision of a bilateral agreement on civilian nuclear energy.

US-Southeast Asia Relations: High-Level Attention by Sheldon Simon

The importance of Southeast Asia in the US "rebalance" to Asia was underscored by President Obama's visit to Thailand, Burma (Myanmar), and Cambodia, covering both bilateral relations and the region's centrality in Asian multilateralism. Secretaries Clinton and Panetta also spent time in the region. At the East Asia Summit, the majority of ASEAN states, Japan, and the US insisted that the territorial disputes in the South China Sea appear on the agenda despite objections from Cambodia and China. Obama's visit to Myanmar included declaration of a "US-Burma partnership," though the visit was marred by violence against the Rohingya. Washington is enhancing military ties with the Philippines, Thailand, and Indonesia as part of the "rebalance."

<u>China-Southeast Asia Relations: China Gains and</u> <u>Advances in the South China Sea</u> by Robert Sutter and Chin-Hao Huang

China's efforts to maintain recent gains and further strengthen its South China Sea territorial claims dominated relations during the final months of 2012. Aggressive patrols by Maritime Safety Administration and fishing fleets along with diplomatic initiatives and administrative measures were supported by commentary that emphasized patriotism and the validity of China's sovereignty claims. Several high-level exchanges emphasized the promise of increased beneficial relations for those who support or acquiesce to Chinese territorial claims. ASEAN remained in disarray and the prospect for moving forward on a binding code of conduct in the South China Sea seemed unlikely.



<u>China-Taiwan Relations: New Faces, Familiar Policies</u> by David G. Brown and Kevin Scott

Leadership changes occurred on both sides of the strait. As predicted, the 18th Party Congress saw Xi Jinping appointed as general secretary in Beijing. In Taipei, President Ma announced in September a complete reshuffle of his crossstrait and foreign policy team. In both cases, the personnel changes do not foreshadow any immediate policy changes. While Ma remains unwilling to address political issues in direct negotiations, some interesting Track-2 dialogues occurred. In October, Beijing gave visiting DPP politician Hsieh Chang-ting unusual high-level attention, and following his return Hsieh has tried, thus far unsuccessfully, to promote change in DPP policy. Amidst increasing tensions over the Diaoyu Islands, Ma is focused on asserting Taiwan's interests primarily through his East China Sea Peace Initiative.

North Korea-South Korea Relations: Will "Trustpolitik" Bring a Thaw? by Aidan Foster-Carter

If the past four months saw little movement on inter-Korean relations, it is hardly surprising. South Korea's current president (since 2008), Lee Myung-bak, is detested by the North – but the way the electoral cycle works in Seoul has rendered him a lame duck for the past year, as attention shifted to the hard-fought race to succeed him. In that contest, despite deep overall ideological rivalries, the one certainty was that Seoul's policy toward Pyongyang will change. Both major candidates, as well as the independent progressive Ahn Cheolsoo, who made much of the running before eventually withdrawing, had promised to end Lee's hard line and to try to mend fences with the North. With her victory, the task of defining that changed policy falls to Park Geun-hye.

<u>China-Korea Relations: Under New Leaderships</u> by Scott Snyder and See-won Byun

The appointment of Xi Jinping as general secretary of the Chinese Communist Party and the election of Park Geun-hye as president of South Korea raised hopes for improvement in China-South Korea relations. Pyongyang's rocket launch provides an early challenge at the UN Security Council, where South Korea begins a two-year term alongside permanent members. Xi and Park will face a full agenda that includes management of growing economic ties, policy toward North Korea, and a complex regional environment beset by territorial and historical disputes. Another factor complicating the regional picture is that both leaders face territorial disputes with Japan under returning Liberal Democratic Party Prime Minister Abe Shinzo.

Japan-China Relations: 40th Anniversary: Fuggetaboutit! by James J. Przystup

The Japanese government's purchase of three of the Senkaku Islands from their private owner and the sovereignty dispute over the maritime space around them dominated relations. In short order after the purchase, anti-Japanese riots broke out across China, events scheduled to mark the 40th anniversary of normalization of relations were canceled, trade and investment plummeted, and political leaders engaged in public disputations. To underscore Beijing's claims, Chinese government ships regularized incursions into Japan's

contiguous zone and territorial waters near the islands. As both governments held fast to their respective positions, prospects for resolution appeared dim. Prime Ministerdesignate Abe Shinzo said in mid-December there was "no room for negotiations" on the Senkakus.

Japan-Korea Relations: Leadership Changes and National Trajectories by David Kang and Jiun Bang

Elections dominated the news in both Korea and Japan. South Koreans elected Pak Geun-hye the first female head of state in modern Northeast Asian history and Japanese voters overwhelmingly returned the Liberal Democratic Party to power, giving Abe Shinzo a second run at prime minister. Unsurprisingly, both elections focused on domestic issues, Korea-Japan relations were downplayed during the campaigns. This did not stop observers from speculating about how both would rule and how relations might evolve because 2012 marks a considerable cooling in relations between the ROK and Japan. Surprisingly, North Korea was not a major factor in either case. The DPRK's December satellite launch failed to disrupt or significantly change the dynamics of either election and was met with a predictable but muted sense of outrage from the US and the countries in the region.

<u>China-Russia Relations: Tales of Different "Pivots"</u> by Yu Bin

"Russia can pivot to the Pacific, too," declared Dmitri Trenin, director of the Carnegie Moscow Center, the day the 24th APEC Leader's Meeting opened in Vladivostok. To be sure, Putin's "pivot" to the Asia-Pacific was part of Russia's grand strategy with both economic and strategic components to make Russia a truly Eurasian power. A less noticeable "pivot" was by China. Russia was where both President Hu Jintao and Premier Wen Jiabao made the last of their 2012 foreign visits – Hu joined the APEC meeting in Vladivostok and Wen went to Moscow for the bilateral prime ministerial meeting. Wen's subsequent "long talk" with President Putin in Sochi highlighted the important and sensitive relationship. Meanwhile, Russian-Chinese military cooperation gained traction in the closing months of 2012.

India-East Asia/US Relations: A Year of Notable Visits and Anniversaries by Satu Limaye

India's relations with the US and East Asia revolved around notable visits and anniversaries rather than any major policy developments in 2012. These visits and anniversaries should not be dismissed as symbolism without substance. India has achieved a modicum of satisfaction in its relations with the US and East Asia – encompassing greater diplomatic interchange, steadily rising though far from optimum economic ties, a role in security and military considerations, and inclusion in some if not all key regional multilateral efforts. But measured against just two decades ago when India was seen as a potential security threat, economically irrelevant, diplomatically isolated, and reeling from internal crises, India's current engagement should be viewed as an upward if unfulfilled progression. Indeed, many in the Asia-Pacific region are frustrated because they want more, not less, Indian engagement.