

East Asia Overview

The capture by Thai authorities in August of top Jemaah Islamiya (JI) leader and al-Qaida's representative in Southeast Asia, Nurjaman Riduan bin Isomuddin (a.k.a. Hambali) was a significant victory in the global war on terrorism. Hambali, an Indonesian, was captured at an apartment complex in Ayutthaya, Thailand, and is suspected of masterminding numerous terrorist attacks in Southeast Asia, including the Christmas Eve church bombings in 2000 in Indonesia (19 dead, 47 wounded); the bombings on 30 December 2000 in metro Manila, Philippines (22 dead); the Bali attacks on 12 October 2002 (202 dead, more than 330 wounded); and possibly the J.W. Marriott Hotel bombing on 5 August 2003 in Jakarta (12 dead, over 150 wounded). Furthermore, Hambali was key in planning terrorist attacks with multiple targets in Singapore, disrupted in December 2001, and in planning Thailand attacks that were disrupted in May 2003. Hambali's capture and detention serves as a major blow to both JI and al-Qaida.

In 2003, as Hambali's capture illustrates, it became clearer that the Asia-Pacific region, primarily Southeast Asia, is an attractive theater of support and logistics for al-Qaida and a theater of operations for the regional terrorist group Jemaah Islamiya, acting alone or in collaboration with indigenous extremist groups. Hambali's case—an Indonesian national perpetrating attacks in Indonesia and the Philippines and planning attacks in Singapore and Thailand—serves as a case in point and accurately reflects the transnational nature of the terrorist threat in Southeast Asia.

Overall, counterterrorism cooperation with Asian governments was good in 2003, and solid progress was made to close seams between jurisdictions and share information on terrorist groups and their activities. As governments in the region continued their efforts to arrest and interdict terrorists by building and improving their counterterrorism capabilities, JI and other terrorists adapted by focusing on softer Western targets in Southeast Asia. The bombing on 5 August 2003 of the J.W. Marriott Hotel in Jakarta that killed 12 marks a continuation of this trend. This attack galvanized the Indonesian Government's will to take action.



US Coordinator for Counterterrorism Cofer Black speaks with reporters in Hanoi. Ambassador Black was in Hanoi to participate in an ASEAN meeting on counterterrorism measures, 13 June 2003.

Although most indigenous terrorist and Muslim separatist groups in Indonesia, Malaysia, the southern Philippines, and Thailand share an ideology and general rejection of Western influence held by international Islamic terrorists, they are focused primarily on effecting change within their home countries. Many leaders of Southeast Asian groups fought or claim to have fought in Afghanistan in the "Jihad" and brought back critical skills and contacts—along with burnished extremist credentials. The relationships formed in Afghanistan developed into a widening network in which local extremists were able to tap into international terrorist networks for operational support, training and/or funds, and vice versa. The net effect of the influence of such groups is to decrease the likelihood of peaceful and long-term solutions to separatist movements/ethnic conflicts, to exacerbate current regional terrorism, and to foster an environment conducive to terrorism's continued growth.

Extremists have been able to win supporters by financially supporting schools and mosques that espouse their brand of Islam and exploiting religious sympathies or discontent among Muslim populations. Muslim populations in the Philippines, Indonesia, Malaysia, Thailand, Singapore, and Cambodia are vulnerable to such radical influences.

Partners such as Australia, Japan, the United Kingdom, Canada, New Zealand, and others are working with the United States to assist governments in the region to overcome these challenges by providing training and assistance. The primary tools to build such capacity remain bilateral engagement programs, but much progress was made in working multilaterally to promote regional and transnational approaches to the challenges of counterterrorism. Building upon the Association of Southeast Asian Nations Regional Forum (ARF) for Counterterrorism Workplan, the Asia-Pacific Economic Cooperation (APEC) Counterterrorism Task Force, and other mechanisms, the region as a whole made advances in areas such as law enforcement, border control, transportation security, information sharing, antiterrorist financing, and the development of legal regimes.

Australia and Japan maintained their strong counterterrorism stance in 2003, both domestically and abroad. Senior officials from both countries publicly declared their firm commitment to work with the United States to combat terrorism over the long term in a meeting of the three counterterrorism ambassadors in November in Canberra. Australia and Japan continue to contribute to the war on terrorism in Afghanistan. Australia made strong contributions to the US-led Coalition in Iraq, while Japan's October passage of the Iraq Reconstruction Assistance Law, which includes provision for dispatching the Japan Self-Defense Forces to Iraq, reflects its strong commitment to assist in reconstruction and humanitarian efforts (deployment, in fact, took place in early 2004).

Australia and Japan are active in helping Asia-Pacific countries build their capacity in various international and regional forums to combat terrorism. Australia, for example, has broadened its network of bilateral counterterrorism arrangements in Southeast Asia to eight nations. The APEC Leaders' Summit in 2003 endorsed two Australian counterterrorism-related initiatives: advancement of passenger information systems and development of a regional movement-alert system. Japanese officials led seminars on immigration control, aviation security, customs cooperation, export control, law enforcement, and terrorist financing.

In May, Cambodian authorities arrested one Egyptian, two Thais, and one Cambodian suspected

of being members of JI. The cell was plotting to conduct terrorist attacks in Cambodia and had been operating out of an Islamic school on the outskirts of Phnom Penh run by the Saudi Arabia-based nongovernmental organization, Umm al-Qura.

China continues to take a clear stand against international terrorism and is broadly supportive of the global war on terror. China actively participated in the Shanghai Cooperation Organization (SCO) and engaged in SCO joint counterterrorism exercises in Kazakhstan and Xinjiang Province in August. The People's Bank of China is in the process of establishing an Anti-Money Laundering Bureau, which will include a Terrorist Finance Investigative Department. Beijing displays a general willingness to cooperate with international terrorism investigations and continues to assert that terrorists—primarily based in Xinjiang Province—operate on Chinese territory.

Indonesia continued its firm public stance against terrorism in 2003. The government, led by the Indonesian National Police, has taken effective steps to counter the threat posed by JI, arresting 109 suspected JI members—most in 2003—including suspects in the Bali attacks, the Marriott attack, and other criminal acts linked to terrorism. Indonesia has adopted a comprehensive terrorism law defining various acts of terror and providing police and prosecutors with broader powers to combat terrorism—such as extended pretrial detention periods and the use of electronic evidence in court.

Nevertheless, persistent Indonesian domestic sensitivities, political pressures, and institutional weaknesses limit the Government's effectiveness. The Government, for example, made little effort to investigate the activities and affiliations of six students suspected of terrorist involvement who were deported from Pakistan in early December 2003; two were released within days of their repatriation to Indonesia.

On 1 July, Malaysia established a Southeast Asia Regional Center for Counterterrorism (SEARCCT). SEARCCT is expected to focus on regional training, information sharing, and public awareness campaigns. In August, SEARCCT hosted a training program sponsored by the US Treasury's financial intelligence unit and Malaysia's Central Bank

on combating terrorist financing. Other nations, including the United Kingdom, Germany, and Australia, are also expected to provide trainers and training materials to the center.

Malaysia has detained more than 100 suspected terrorists under the Internal Security Act (ISA) since May 2001 and assisted Indonesian efforts to prosecute terrorist suspects by making video testimony from suspects in Malaysian custody available to Indonesian prosecutors. Malaysia has responded quickly to UN Security Council requirements to prohibit terrorist financing and freeze the assets of named entities. In September, Malaysia deposited the instruments of ratification for two international antiterrorism conventions: the International Convention for the Suppression of Terrorist Bombings and the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons. It has not yet become a party, however, to the critical International Convention for the Suppression of the Financing of Terrorism.

New Zealand appointed its first Ambassador for Counterterrorism in September to build upon the measures taken since the attacks of September 11 in the United States and to ensure that New Zealand has a stronger capacity to develop and implement policies on global terrorism and related security issues. New Zealand continues to support Operation Enduring Freedom. It deployed troops to Iraq and Afghanistan to participate in the reconstruction efforts and pledged to provide humanitarian aid, as well as keeping its previous commitment of sending military forces to the region.

The Philippines was the victim of a number of terrorist attacks in 2003, including the car-bomb attack adjacent to a military airfield in Cotabato, on the southern island of Mindanao on 21 February; the bombing on 4 March at the International Airport in Davao, Mindanao that killed 17 (including one US citizen); the Sasa Wharf bombing on 2 April also in Davao that killed 15; a series of bombings in Koronadal City, Mindanao, that took more than 15 civilian lives; as well as a number of kidnappings-for-ransom operations.

President Gloria Macapagal-Arroyo and other Philippine officials continue to be outspoken supporters of the global Coalition against terrorism

and have been swift and direct in condemnation of terrorist acts, both domestic and international. The Government of the Philippines created a multiagency counterterrorism task force chaired by the National Security Advisor and consisting of officials from 34 Philippine Government agencies representing the security, economic, and social components essential for an effective counterterrorism strategy. In October, the Philippine Government ratified the remaining six of the 12 United Nations counterterrorism conventions.

Philippine authorities made several significant arrests of suspected terrorists in 2003. In May, security forces arrested a sub-commander of the separatist Moro Islamic Liberation Front (MILF) involved in the explosion of 30 December on a Manila commuter train that killed 22 people. In October, a JI operative was arrested at a JI safehouse in Cotabato City, on the southern island of Mindanao. In December, Philippine Armed Forces captured Abu Sayyaf Group (ASG) leader "Commander Robot," a leader of one of the main ASG factions responsible for numerous kidnappings and bombings during the last decade, including the kidnapping in April 2000 of Western tourists from the Malaysian resort of Sipadan.

Despite its overall positive record, Manila continues to face setbacks and challenges on the counterterrorism front. In July, a senior Indonesian JI operative escaped from Philippine National Police headquarters in Manila along with two suspected ASG members. All three were eventually killed or recaptured.

Singapore continued its strong public and private opposition to terrorism and maintained vigorous counterterrorism action in bilateral and multilateral contexts. There were no acts of international or domestic terrorism in Singapore in 2003, although authorities continued investigation and detentions of members of JI, which plotted to carry out attacks in Singapore in the past.

During 2003, Singapore continued its cooperation with a variety of governments, including the United States, to investigate terrorist groups, especially JI, through both intelligence and law-enforcement channels. Singapore provided Thailand information that ultimately led to the arrest in May of a Singaporean JI member in Thailand. As a result

of that investigation, Thai authorities also arrested several Thai citizens believed to be members of a JI cell plotting to blow up five embassies in Bangkok, including the US Embassy. Singapore provided key information that helped Thailand track down and arrest top JI leader Hambali in August and also facilitated video testimony of three of its ISA detainees in the Indonesian trial of JI spiritual leader Abu Bakar Bashir in August.

Thailand's domestic and international counterterrorism efforts, which were bolstered in the wake of the deadly bombing in Bali, Indonesia, in October 2002, intensified during 2003. Prime Minister Thaksin Shinawatra publicly expressed the will of the Royal Thai Government to cooperate closely with the United States and other nations in fighting the global war on terror. In August, Thai authorities captured top JI leader with close ties to al-Qaida, Nurjaman Riduan bin Isomuddin (a.k.a. Hambali) in Ayutthaya, Thailand. In June and July, Thai authorities in southern Thailand arrested four men suspected of being either JI supporters or operatives. The four are implicated in a conspiracy to bomb a number of high-profile targets and tourist venues in Thailand including the embassies of the United States, United Kingdom, Israel, Singapore, and Australia.

In August, the King signed an emergency antiterrorist decree, giving the government powerful new legal tools to fight terrorism. There were no significant acts of terrorism in Thailand during 2003. The Thai Government's effectiveness in precluding a terrorist incident during the APEC Summit in October was considered a major success both domestically and internationally.

Australia

Australia continued its strong counterterrorism stance in 2003, both domestically and abroad. Australia continues to contribute to the global war on terror in Afghanistan. Between September 2001 and June 2004, Australia expects to have contributed more than US \$46 million in humanitarian and reconstruction assistance to Afghanistan. Australia has also made strong contributions to the US-led Coalition in Iraq, with more than 800 Australian Defence Force personnel in Iraq. Its commitment to Iraq's stabilization and

development continues across humanitarian, agricultural, and other economic sectors.

Canberra further improved its domestic counterterrorism arrangements and consultative mechanisms in 2003. The National Counterterrorism Committee completed a National Counterterrorism Plan in June. The Government also created a National Security Hotline, conducted a public campaign to ensure that Australians remain alert to the possible threat of terrorism, and formed the Business-Government Task Force on Critical Infrastructure. A National Security Division was established in the Department of Prime Minister and Cabinet to ensure a continued high level of coordination and reinforce a government-wide approach to terrorism and national security issues. Canberra also established the National Threat Assessment Centre to provide integrated assessment capability across the government.

In March, the Government created a position of Ambassador for Counterterrorism. Similar to the Coordinator for Counterterrorism in the United States, the Ambassador provides a focal point for coordinating, promoting, and intensifying Australia's international counterterrorism efforts.

Underpinning Australia's commitment to fighting terrorism is a detailed legislative response. In 2002, the Commonwealth Parliament created specific offenses for involvement in terrorist activities and terrorist organizations and designated 16 such terrorist groups as of December 2003. Parliament also provided additional powers to the Australian Security Intelligence Organisation in 2003.

The Parliament passed new measures in 2002 to deny terrorists the funds on which they rely, and during 2002 and 2003 specifically listed more than 400 terrorist-related individuals, entities, and organizations, including HAMAS and Hizballah. Australia has taken action to block transactions, accounts, and assets relating to persons or organizations identified as terrorists or the sponsors of terrorism, including those listed under US Executive Order 13224. Australia has a highly developed legal regime in place to combat terrorist financing. The Australian financial intelligence unit AUSTRAC has strengthened its network by signing a further ten Memoranda of Understanding

(MOU) with other Financial Intelligence Units throughout the world in 2003, bringing the total to 24. AUSTRAC is also cooperating with the US counterpart, FinCEN, on financial intelligence.

Australia is helping countries in the Asia-Pacific region build their capacity to combat terrorism in areas such as law enforcement, border management, transportation security, intelligence, antiterrorist financing, and the development of legal regimes. In July, Prime Minister Howard announced a three-year \$3.6 million package with the Philippines to support the building of counterterrorism capacity. Australia's \$7.2 million counterterrorism package to Indonesia is in the second of its four years. Australia spent \$5.38 million specifically on building counterterrorism capacity throughout the entire Asia-Pacific region and expects to spend an additional \$6.12 million this year.

Australia has broadened its network of bilateral counterterrorism arrangements in Southeast Asia, signing MOUs on cooperation to combat international terrorism with the Philippines, Fiji, Cambodia, East Timor, and India during 2003, bringing Australia's network of MOUs to eight. These MOUs are umbrella arrangements that set out a framework for bilateral cooperation in law enforcement, defense, intelligence, customs, and immigration.

The MOU with the Philippines facilitated cooperation between the Australian Federal Police and the Philippine National Police, including in the investigation of the bombing in Davao City in the southern Philippines in March 2003, in which 17 were killed, including one US citizen. In Indonesia, the joint Australian and Indonesian police investigation into the Bali bombings in October 2002 that killed 202, including 88 Australians, is testimony to the successful combination of Australian and Indonesian investigative and forensic techniques—and a model for successful international cooperation to bring perpetrators of terrorism to justice. By November 2003, 36 suspects were in Indonesian custody. Among these, 29 had been convicted and an additional four were before the courts.

In the Pacific Islands, Australia has continued working with the region's key political body—the

Pacific Islands Forum—and with other regional entities such as the South Pacific Chiefs of Police Conference, the Oceania Customs Organization, and the Pacific Immigration Directors Conference, to reduce the possibility of countries in the region being exploited by terrorists and to combat organized crime.

The APEC Leaders' Summit in 2003 endorsed two Australian counterterrorism-related initiatives: advance passenger information systems and development of a regional alert system. Australia is working hard in the Association of Southeast Asian Nations (ASEAN) Regional Forum to focus on the very real danger of terrorism and ways to counter it. In June 2003, Australia and Singapore co-hosted a seminar on managing the consequences of a major terrorist attack, which focused on practical measures that governments can take to recover from such an incident.

Australia is a party to 11 of the 12 international conventions and protocols relating to terrorism.

Burma

Burma maintained its solid position against international terrorism in 2003. The regime previously enacted, but has not yet implemented, an anti-money laundering law that could help block terrorist assets. The military government is fighting several low-intensity conflicts against ethnic insurgents. At least one of these groups is alleged to have ties to South Asian terrorist networks.

The junta has occasionally sought to portray insurgent attacks against infrastructure such as bridges and pipelines as terrorism, but there were no known acts of international terrorism during 2003. Dozens of improvised explosive devices exploded or were discovered in various locations throughout Burma in 2003. With the exception of two bombings of an oil pipeline claimed by the insurgent Karen National Union, there were no claims of responsibility for these acts. In March, two improvised explosive devices were found in Rangoon, one of which exploded and killed two municipal workers. The perpetrators' identities and motives are unclear, but the junta arrested a number of anti-regime activists.

Burma is a party to seven of the 12 international conventions and protocols relating to terrorism and is a signatory to the International Convention for the Suppression of the Financing of Terrorism.

Cambodia

In May, Cambodian authorities arrested one Egyptian, two Thais, and one Cambodian suspected of being members of JI. The Government stated publicly that the group was plotting to conduct terrorist attacks in Cambodia. The group had been operating out of an Islamic school run by the Saudi Arabia-based NGO, Umm al-Qura, on the outskirts of Phnom Penh. The school was allegedly being used as a front for channeling al-Qaida money into Cambodia from Saudi Arabia. In addition to the arrests of the four, who remain in custody awaiting trial, the Cambodian Government shut down two branches of the Umm al-Qura Islamic School and deported 28 foreign teachers and their dependents.

In November, Cambodian authorities arrested seven members of the Cambodian Freedom Fighters, an antigovernment group, that was reportedly planning a terrorist attack in the southwestern town of Koh Kong. The suspects remain in custody while the government completes its investigation.

Although there were no acts of international terrorism on Cambodian soil in 2003, Cambodia recognizes that it is not immune from the problem of international terrorism and understands that it needs to work actively to counter the threat. The information leading to the arrest of the suspected JI members in the Umm al-Qura Islamic School and subsequent knowledge that Indonesian JI terrorist leader Hambali resided temporarily in Cambodia have hardened Cambodia's attitude.

Cambodia's ability to independently investigate potential terrorist activities is limited by a lack of training and resources. In addition, Cambodia's lack of comprehensive and effective domestic legislation to combat terrorism is a serious constraint on the Government's ability to arrest and prosecute terrorists. To address these deficiencies, the Cambodian Government has requested international assistance to upgrade its counterterrorism capabilities. Beginning in 2003, the government made significant headway in instituting computerized

border control systems at Phnom Penh's international airport. The Cambodian Government has also cooperated fully with US requests to monitor terrorists and terrorists entities listed as supporters of terrorist financing.

Phnom Penh has been vocal in condemning terrorist acts. Foreign Minister Hor Namhong, for example, issued a strongly worded statement condemning the bombing attack in October 2002 in Bali, Indonesia. Cambodia has actively participated in international counterterrorism forums. As ASEAN Chair from July 2002 to June 2003, Cambodia took the lead in coordinating ASEAN statements on terrorism, such as the Joint ASEAN-EU Declaration on Cooperation to Combat Terrorism and the relevant text in the Chairman's Statement of the Tenth ASEAN Regional Forum released in June.

Cambodia is a party to four of the 12 international conventions and protocols relating to terrorism and is a signatory to the International Convention for the Suppression of the Financing of Terrorism.

China

China continues to take a clear stand against international terrorism and is broadly supportive of the global war on terror. Chinese officials at all levels regularly denounce terrorism, and China regularly participates in discussions of counterterrorism in both international and regional forums. For example, China actively participated in the SCO, assisting in the establishment of an SCO Counterterrorism Center in Tashkent, Uzbekistan, scheduled to begin operation in 2004, and engaging in SCO joint counterterrorism exercises in Kazakhstan and Xinjiang Province in August 2003.

China is supportive of diplomatic actions and efforts to block and freeze terrorist assets. China treats designations of terrorists under US Executive Order 13224 on an equal basis with those designated by the United Nations UNSCR 1267 Sanctions Committee. The United States and China hold regular counterterrorism consultations and expert-level consultations on curbing terrorist financing. The People's Bank of China is in the process of establishing an Anti-Money Laundering Bureau, which will include a Terrorist Finance Investigative Department.

China displays a general willingness to cooperate with international terrorism investigations. Chinese authorities actively participated in the investigation of the case of the “Portland Six”—a group in Portland, Oregon, indicted on terrorism charges in October 2002—providing hotel records and other information that proved instrumental in obtaining guilty pleas from the defendants.

There were no acts of international terrorism committed in China in 2003. There were several reports, however, of bombings and bomb threats in various parts of China, although it is unclear whether these were politically motivated acts of terrorism or criminal attacks. Chinese authorities assert that terrorists, primarily based in Xinjiang Province, continue to operate on Chinese territory. On 15 December, for example, China’s Ministry of Public Security (MPS) issued a list of “East Turkestan” groups and individuals that the Chinese Government considers to be terrorist entities. The list includes four groups: the East Turkestan Islamic Movement (ETIM), the East Turkestan Liberation Organization (better known as SHAT), the World Uighur Youth Congress, and the East Turkestan Information Center.

The list also specifically names 11 individuals as terrorists, including the leaders of each of the above groups. The MPS stated that it has incontrovertible evidence that each listed group has organized and executed specific terrorist acts in Xinjiang and that these groups are all linked to each other and the al-Qaida network. Following the release of the list, the Chinese Government called for international assistance in China’s fight against these organizations and individuals, requesting that the assets of the groups be frozen, that the organizations be outlawed, and that countries stop supporting and financing them. Beijing also asked the international community to assist in the investigation, apprehension, and repatriation of the designated individuals. The US Department of State has designated the ETIM as part of the Department of State’s Terrorist Exclusion List and under Executive Order 13224 but has not designated the other three groups under US law.

China is a party to 11 of the 12 international conventions and protocols relating to terrorism and is a signatory to the International Convention for the Suppression of the Financing of Terrorism.

Indonesia

Indonesia continued its firm public stance against terrorism in 2003. The terrorist bombings in Bali on 12 October 2002 that killed 202—mostly foreign tourists—and the bombing of the J.W. Marriott Hotel in Jakarta on 5 August 2003 that killed 12 forced the Indonesian Government into action. The Government, led by the Indonesian National Police, has taken effective steps to counter the threat posed by the regional terrorist organization Jemaah Islamiya (JI), which has ties to al-Qaida. Indonesian police have arrested 109 suspected JI members—most in 2003—including suspects in the Bali attacks, the Marriott attack, and other criminal acts linked to terrorism. Those arrested included numerous senior JI leaders, a number of regional and subregional commanders, most of the masterminds of the Bali attack, several key planners of the Marriott bombing, former instructors at JI training camps, and financiers of terrorist attacks.

In a case symptomatic of persistent Indonesian domestic sensitivities, political pressures, and institutional weaknesses, however, the Government made little effort to investigate the activities and affiliations of six students suspected of terrorist involvement, who were deported from Pakistan in early December 2003 and released two within days of their repatriation.

Indonesia, hampered by weak rule of law, a poorly regulated financial system, and serious internal coordination problems, has not yet frozen any terrorist assets. The Government, however, did enhance its legal framework in September by passing amendments to its anti-money laundering law, which strengthened the government’s legal authority to combat terrorist finance. Indonesia has also created a financial intelligence unit with US assistance.

In March, Indonesia adopted a comprehensive antiterrorism law, defining various acts of terror and providing police and prosecutors with broader powers to combat terrorism such as extended pretrial detention periods and the use of electronic evidence in court. The Government, however, has been unwilling to ban JI, saying the organization never formally applied for recognition and thus cannot be prohibited. The absence of such a prohibition has impeded police and prosecutors in



An Indonesian Muslim woman grieves at a family gathering for victims of the J.W. Marriott Hotel bombing while holding her nephew, whose father was killed in the attack on 5 August 2003.



Indonesian Muslims pray at the Istiqlal mosque in Jakarta for the J.W. Marriott Hotel bombing victims.

arresting and trying suspected terrorists and will most likely further hamper prosecutors' efforts to put JI leaders behind bars.

On 2 September, the Central Jakarta District Court convicted the spiritual leader of JI, Abu Bakar Bashir, on treason and immigration charges. The panel of judges stated in its decision that the prosecutors had presented sufficient evidence to convince them of JI's existence, its goal of overthrowing the Government of Indonesia, and Bashir's involvement with the group. However, despite video-conference testimony from Bali bombers naming Bashir as the head of JI, judges were not convinced of his leadership role and sentenced him to only four years in prison. Both Bashir and the prosecution appealed the decision. In November, the court reduced Bashir's sentence to three years, reversing the treason charge but upholding his conviction for document fraud and immigration violations.

The Indonesian judicial system undertook the trials of approximately 63 terror suspects in 2003, including 17 for involvement in the bombing of a McDonald's restaurant and a car showroom in Makassar, South Sulawesi, in December 2002; as well as 46 members of JI for involvement in the church bombings on Christmas Eve 2000, the bombing of the Philippine Ambassador's residence in Jakarta in August 2000, and the Bali and Marriott Hotel bombings. As of 1 December 2003, Indonesian courts had convicted a total of 50 terror suspects and acquitted two. Thirty-nine of these convictions were of suspects involved in the Bali bombings on 12 October 2002. Three key planners—Amrozi bin Nurhasyim, Abdul Ghoni (a.k.a. Mukhlas), and Abdul Aziz (a.k.a. Imam Samudra)—were all sentenced to death. Many others were given life in prison.

The numerous convictions and tough sentences handed down by the courts are a reflection of the Government's seriousness in combating terrorism and its commitment to bring to justice those implicated in terrorist attacks in Indonesia. Fifteen terrorist trials remain under way, and many suspects await trial. At year's end, Indonesian



Jakarta Police Chief Makbul Padmanegara talks to journalists in Jakarta at the site of the J.W. Marriott Hotel bombing.

Police continued steadily to arrest suspected JI members and were devoting considerable resources to hunting JI bombmakers Azahari Hussein and Noordin Mat Top, as well as several other known fugitives.

Indonesia is a party to four of the 12 international conventions and protocols relating to terrorism and is a signatory to two additional conventions, including the International Convention for the Suppression of the Financing of Terrorism.

Japan

Japan continued its strong counterterrorism stance in 2003. Prime Minister Koizumi and numerous other senior officials have publicly declared their firm commitment to stand by the United States

to combat terrorism over the long term. Japan's significant rear-area support to Operation Enduring Freedom (OEF) in Afghanistan and strong statement of support for US-led military action in Iraq bear out this commitment. In July 2003, the Japanese Diet passed the Iraq Reconstruction Assistance Law, which includes provision for dispatching the Japan Self-Defense Forces to Iraq to assist in reconstruction and humanitarian efforts. In October 2003, the Japanese Diet approved a two-year extension of the Anti-Terrorism Special Measures Law and another six-month basic plan, which stipulate the activities that the Japan Self-Defense Forces may perform in support of OEF. Japan provides approximately 40 percent of the fuel used by US naval forces engaged in OEF. Japan Air Self-Defense Force planes continued to provide transportation for US forces.

Japan actively participates in strengthening counterterrorism measures in various international and regional forums. In August 2003, Japan signed a mutual legal assistance treaty with the United States and plans to submit the treaty to the Diet for ratification in 2004. Once ratified, it will make cooperation in investigations and prosecution of terrorists easier. To help stem the flow of terrorist financing to al-Qaida and the Taliban, Japan designated under its asset-freezing program all entities and individuals included on the UN 1267 Sanctions Committee's consolidated list. Tokyo announced in October 2003 that Japan will join the Advanced Passenger Information System, obliging Japanese officials to share information about departing international passengers with other participating countries, including the United States, Canada, Australia, and New Zealand.

Japan continues to make valuable contributions to building counterterrorism capacity among Asian countries. Japanese officials have led seminars on immigration control, aviation security, customs cooperation, export control, law enforcement, and terrorist financing. Japanese National Police Agency officials were dispatched to assist the Indonesian Police investigation following the Marriott Hotel bombing in Jakarta in August 2003. Japan had also dispatched criminal investigators to Indonesia in the wake of the terrorist attacks

in Bali in October 2002. In addition, Japan is providing technical assistance to Southeast Asian countries working to create a system for monitoring terrorist financing. For example, Japan sponsored a seminar on establishing financial intelligence units for Southeast Asian countries in October 2003.

There were no incidents of international terrorism in Japan during 2003. Trials continue of members of the Aum Shinrikyo Group, a US-designated foreign terrorist organization, accused of perpetrating the sarin gas attack on the Tokyo subway system in 1995. The prosecution has requested the death penalty for Aum Shinrikyo leader Matsumoto, and a ruling is expected in early 2004. Three suspects in the incident in 1995 remain at large. The Public Security Intelligence Agency is continuing its surveillance of the group through 2005, as authorized by the Public Security Commission in December 2002.

Japan is a party to all 12 international terrorism conventions and protocols relating to terrorism.

Laos

The Government of Laos has continued to support the global war on terrorism. Although the Government's intentions regarding counterterrorism are positive, implementation of multilateral agreements is hampered by weak enforcement procedures and lack of control of areas outside the capital. The Government cooperated bilaterally on counterterrorism issues with the United States and other nations and multilaterally with the United Nations and the Association of Southeast Asian Nations.

Since Laos lacks distinct counterterrorism laws, the Office of the Prosecutor General plans to introduce amendments to existing criminal law, under which acts of terrorism fall, to make more explicit the descriptions of and punishments for terrorism-related crimes. In September, Lao courts sentenced two active-duty soldiers to life imprisonment for orchestrating a series of bombings in Vientiane in 2000 and 2002. Laos has continued to seek the extradition of 17 Lao citizens from Thailand suspected of involvement in an armed attack against a Lao customs checkpoint in the southern part of the country in July 2000.

Laos suffered many incidents of domestic terrorism in 2003, carried out by groups of unknown identity opposed to the Lao Government. Some of these terrorist incidents were ambush-style attacks against buses and private vehicles, resulting in the deaths of 34 civilians, and others targeted government officials, killing three Lao officials. A group calling itself the Free Democratic People's Government of Laos claimed credit for at least one in a series of bombings in the latter half of the year that killed one person and injured several more.

The Bank of Laos continued to search government and commercial bank holdings for possible terrorist assets, as identified by US-provided lists of terrorist organizations and individuals, and has issued freeze orders for assets of organizations and individuals named on these lists. The Bank, however, had yet to take steps to report on Government compliance with UNSCR 1373 or to require the freezing of the assets of individuals and entities associated with Usama Bin Ladin, members of al-Qaida, and members of the Taliban as included on the UNSCR 1267 Sanctions Committee's consolidated list, as required by mandatory provisions of UN Security Council resolutions.

Laos is a party to seven of the 12 international conventions and protocols relating to terrorism but has not yet become a party to the International Convention for the Suppression of the Financing of Terrorism.

Malaysia

On 1 July, Malaysia established a Southeast Asia Regional Center for Counterterrorism (SEARCCT). SEARCCT is expected to focus on regional training, information sharing, and public awareness campaigns. In August, SEARCCT hosted a training program sponsored by the US Treasury's financial intelligence unit, FinCEN, and Malaysia's Central Bank (Bank Negara) on combating terrorist financing. Other nations, including the United Kingdom, Germany, and Australia, are also expected to provide trainers and training materials to the center. Malaysia assisted Indonesian efforts to prosecute terrorist suspects by making video testimony from suspects in Malaysian custody available to Indonesian prosecutors.

Malaysia has detained more than 100 suspected terrorists under the Internal Security Act (ISA) since May 2001. Malaysia issued 10 and renewed 11 two-year detention orders for terrorist suspects in 2003. On 10 November, 13 Malaysian terrorist suspects were held under 60-day detention orders upon their return from Pakistani custody. Eight of these suspects have been released. In August, the Malaysian Government chose not to renew a detention order for Muhammad Iqbal (a.k.a. Abu Jibril) an Indonesian national and terrorist suspect, seeking instead to deport him to Indonesia. At years' end, Iqbal remained in Malaysian custody.

Malaysia has responded quickly to UN Security Council requirements to prohibit terrorist financing and freeze the accounts of named entities. In November, Malaysia's Parliament amended its anti-money laundering legislation of 2001 to include terrorist activity as a predicate offense. Parliament also amended the penal and criminal procedure codes to increase penalties for terrorist acts, allow for the prosecution of individuals who provide material support for terrorists, expand the use of wiretaps and other surveillance of terrorist suspects, and permit video testimony in terrorist cases.

On 24 September, Malaysia deposited the instruments of ratification for two international antiterrorism conventions: the International Convention for the Suppression of Terrorist Bombings and the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons. Malaysia is a party to three additional international conventions and protocols relating to terrorism and is a signatory to the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation. It has not yet become a party to the International Convention for the Suppression of the Financing of Terrorism.

In March, Malaysian police announced the discovery of four tons of explosive ammonium nitrate fertilizer often used in truck bombs. According to press reports, the ammonium nitrate had been purchased in September 2000 by ex-Army captain and scientist, Yazid Sufaat, who is currently under ISA detention for allegedly being involved in JI activities. The chemicals were to have been used by JI in Singapore to make truck bombs to attack foreign embassies and other Western targets.

New Zealand

New Zealand appointed its first Ambassador for Counterterrorism in September to consolidate and build upon the measures taken since the attacks of September 11 and to ensure New Zealand has a stronger capacity to develop and implement policies on global terrorism and related security issues. In October, the New Zealand Parliament passed new antiterrorism laws that will allow the Government to investigate, detect, and prosecute terrorist activities more effectively. The laws create new offenses to address terrorist threats, empower the New Zealand Police and Customs Officials to investigate and prosecute those offenses, and bring New Zealand into full compliance with its UN obligations.

New Zealand continues to support Operation Enduring Freedom. It deployed troops to Iraq and Afghanistan to participate in the reconstruction efforts and pledged to provide humanitarian aid, as well as keeping its previous commitment of sending a frigate and a P-3 Orion to the region.

New Zealand is a party to 11 of the 12 international conventions and protocols relating to terrorism and is a signatory to the Convention on the Physical Protection of Nuclear Materials.

Philippines

The Philippines continues to be an outspoken supporter of the global Coalition against terrorism and has been swift and direct in condemnation of terrorist acts, both domestic and international.

The Philippines was the victim of a number of terrorist attacks in 2003, including the car-bomb attack on 21 February adjacent to a military airfield in Cotobato, on the southern island of Mindanao; the bombing on 4 March at the International Airport in Davao, Mindanao, that killed 17 (including one US citizen); the Sasa Wharf bombing on 2 April also in Davao that killed 15; a series of bombings in Koronadal City, Mindanao, which took more than 15 civilian lives; as well as a number of kidnappings-for-ransom operations.



Philippine President Gloria Macapagal-Arroyo visits a patient at Davao Medical Center on 5 March 2003, the day after he was injured in a bomb blast at the local airport.

The Philippines faces threats from internal terrorism on several fronts. The United States, for example, has listed four indigenous groups as Foreign Terrorist Organizations—the Abu Sayyaf Group (ASG), the Communist Party of the Philippines/New People’s Army, Alex Boncayo Brigade, and the Pentagon Gang.

In her speech to the UN General Assembly in September, Philippine President Gloria Macapagal-Arroyo noted that growing international coordination and cooperation is countering the global threat of terrorism. She further emphasized that the Philippines is working with other heads of state to ensure continued cooperation in the battle to rid Southeast Asia of the terrorist threat. During the ASEAN post-ministerial conference held in Phnom Penh, Cambodia, in June, Philippine Foreign Secretary Ople expressed the desire of ASEAN to reinforce collaboration with its dialogue partners, highlighting the area’s capacity building and training in law enforcement.

The Government of the Philippines created a multiagency counterterrorism task force chaired by the National Security Advisor and consisting of officials from 34 Philippine Government agencies representing the security, economic, and social components essential for an effective counterterrorism strategy. In October, President Arroyo appointed former Defense Secretary Angelo Reyes to a newly created cabinet-level position,

Ambassador-at-Large for Counterterrorism. The Philippines also established a task force on protection of critical infrastructure chaired by the Undersecretary of the Presidential Office of Special Concerns.

Philippine authorities made several significant arrests of suspected terrorists in 2003. In May, security forces arrested Saifullah Yunos (a.k.a. Muklis Yunos), a subcommander of the separatist MILF. During his arraignment in July, Yunos entered a guilty plea for his involvement in the explosion on a Manila commuter train on 30 December 2000 that killed 22 people. In October, JI operative Taufek Refke was arrested at a JI safehouse in Cotabato City, on the southern island of Mindanao. Police reportedly recovered manuals on bombmaking and chemical-biological warfare. In December, Philippine Armed Forces captured ASG commander Ghalib Andang (a.k.a. “Commander Robot”) on the southern island of Jolo. Andang was the leader of one of the main ASG factions and is responsible for numerous kidnappings and bombings during the last decade, including the kidnapping in April 2000 of Western tourists from the Malaysian resort of Sipadan.

In February, the Philippine Armed Forces overran a base area of the separatist MILF near the town of Pikit on the southern island of Mindanao. Manila claimed that criminals, including the notorious Pentagon Gang, found refuge and protection in the area. Thousands of civilians were displaced as a result of the ensuing days of fighting.

In August, the Philippines sent 96 members of the Philippine Humanitarian Contingent to Iraq to assist in Coalition reconstruction efforts. Philippine officials remained steadfast in word and deed to contribute troops—even in the wake of the terrorist bombing of the UN compound in Baghdad that same week that killed two of their countrymen. If additional funding is available, Manila plans to send 79 additional members and extend the contingent’s stay longer than the planned six months.

Despite its overall positive record, the Philippines continues to face setbacks and challenges on the counterterrorism front. In July, senior Indonesian JI operative Fathur Rahman al-Ghozi escaped

from Philippine National Police headquarters in Manila along with two suspected ASG members, Omar Opik Lasal and Abdulmukim “Mukim” Idris. Originally detained in the Philippines in January 2002, al-Ghozi was serving a 17-year prison sentence. Al-Ghozi was eventually killed in a shootout with Philippine security forces in North Cotabato Province on Mindanao on 12 October. Philippine Armed Forces shot and killed Idris on 7 August in Lanao del Norte Province on Mindanao and captured Lasal on 7 October in North Cotabato Province in Mindanao.

For the second straight year, the Philippines failed to enact new antiterrorism legislation in 2003. Major evidentiary and procedural obstacles in the Philippines hinder the building of effective terrorism cases, such as the absence of a law defining and codifying terrorist acts and restrictions on gathering of evidence. Generic problems in the law enforcement and criminal justice systems also hamper bringing terrorists to justice in the Philippines. Among them: low morale, inadequate salaries, recruitment and retention difficulties, and lack of cooperation between police and prosecutors.

Tracking terrorist financing continues to pose a problem to prosecuting cases. Poor communication between Philippine law enforcement agencies and the Anti-Money Laundering Council (AMLC) remains an impediment to effective implementation of the Anti-Money Laundering Act amended in March 2003. The amendments to the Act granted Central Bank personnel unfettered access to deposit accounts. However, the Central Bank and the AMLC face logistic challenges due to the lack of information technology platforms to collect and process covered transaction reports. Although the amendments addressed international Financial Action Task Force (FATF) concerns about the Philippines legal and regulatory framework, the Philippines remains on the FATF’s list of noncooperating countries and territories (NCCT). Removal from the NCCT list awaits the adoption of an anti-money laundering implementation plan and corresponding actions.

In October, the Philippine Government ratified the remaining six of the 12 international conventions and protocols relating to terrorism.

Singapore

Singapore continued its strong public and private opposition to terrorism and maintained vigorous counterterrorism action in bilateral and multilateral contexts. There were no acts of international or domestic terrorism in Singapore in 2003, although authorities continued their investigation and detentions of members of the JI Southeast Asian regional terrorist network, which had plotted to carry out attacks in Singapore in the past.

Singapore did not announce any new domestic terrorist arrests in 2003, although four of its citizens who are terrorist suspects—believed to be members of JI—were repatriated. All four men are being held under the Internal Security Act, bringing the total number of JI-related detainees to 35. Singapore officials stated publicly that while JI continues to pose a threat in the rest of the region, in Singapore, the JI threat has been significantly minimized since Singapore is believed to have been successful in identifying and breaking up the JI operational cells that had been active in the city-state.

During 2003, Singapore continued its cooperation with a variety of governments, including the United States, to investigate terrorist groups, especially JI, through both intelligence and law enforcement channels. Singapore provided Thailand information that ultimately led to the arrest in May of a Singaporean JI member in Thailand, Arifin bin Ali. As a result of that investigation, Thai authorities also arrested several Thai citizens believed to be members of JI. Singapore authorities later stated that they had conveyed to Thailand information from Arifin that the JI group intended to blow up five embassies in Bangkok, including the US Embassy.

Singapore also provided key information that helped Thailand track down and arrest top JI leader Hambali in August. In February, a tipoff from Singapore led to the arrest of Singapore citizen and alleged leader of JI in Singapore, Mas Selamat Kastari, on the Indonesian island of Batam, near Singapore. Kastari is alleged to have planned to hijack a plane and crash it into Singapore’s Changi Airport. Singapore also facilitated video testimony of three of its ISA detainees in the Indonesian trial

of JI spiritual leader Abu Bakar Bashir in August. Singapore designated both the United States and the United Kingdom in May as “prescribed” countries under the terrorist financing law of 2002. This step allows Singapore to respond to requests for information on terrorist financing.

Singapore’s new export-control law, which went into effect on 1 January, represents a major step forward. Though largely aimed at preventing proliferation of weapons-of-mass-destruction (WMD) goods to governments, the new framework may also assist in preventing such materials from falling into the hands of terrorists. In March, Singapore became the first port in Asia to begin operations under the US Container Security Initiative. Singapore officials have expressed strong concern about maritime security in nearby waters, especially the Strait of Malacca. These concerns include terrorist threats as well as pirate and other criminal attacks. Singapore has stepped up security within its own waters and also its efforts to work with other countries.

Singapore actively participated in counterterrorism efforts through various international forums, including the ASEAN Regional Forum in June, the APEC Leaders Summit in October, and the Commonwealth Heads of Government Meeting in December. In addition, Singapore hosted and co-sponsored with the United States a January workshop on measures to cut off terrorist financing. Attendees at the workshop included representatives of ASEAN states and Pacific Island Forum members, the UN Counterterrorism Committee, the FATF, and the Asia-Pacific Group on Money Laundering. During 2003, Singapore ratified the International Convention for the Suppression of the Financing of Terrorism and the Convention on the Marking of Plastic Explosives for the Purpose of Detection. In November, Singapore passed legislation to enable it to implement the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation; at year’s end, it had not signed the convention.

Singapore’s port and air bases continued to be available to transiting military forces engaged in the global war on terrorism, including those of the United States. In November, a Singapore Landing Ship Tank began a deployment to assist Coalition

efforts in Iraq; Singapore has also pledged a C-130. During President Bush’s October visit, Singapore and the United States announced plans to conclude a “Strategic Framework Agreement” on defense and security. In addition to military-to-military cooperation, the statement noted that the agreement was expected to increase cooperation against terrorism and proliferation.

Singapore is a party to six of the 12 international conventions and protocols relating to terrorism.

Taiwan

Taiwan has supported the global war on terrorism and continues to take steps to improve its counterterrorism laws and regulations, port and container security, and terrorist finance legislation. At a ministerial meeting in June 2003 of the Asia-Pacific Economic Cooperation Forum, Taiwan’s Economic Minister voiced Taiwan’s strong support for counterterrorism efforts in the Asia-Pacific region, which focused on plans to enhance security measures in airplanes, airports, ships, and harbors.

In October, the Cabinet approved a draft law that would mandate the formation of a task force to coordinate terrorism prevention measures and provide an integrated legal framework for counterterrorism efforts. The proposed legislation also would grant special powers for telecommunication surveillance, provide measures to check the identity of terrorists, inspect transportation equipment, and confiscate the property or assets of suspected terrorists.

The United States and Taiwan continued negotiations on the Department of Homeland Security’s Container Security Initiative, which aims to protect containerized shipping from exploitation by terrorists. Taiwan operates one of the busiest container ports in the world and has been identified by Homeland Security as one of the top 20 foreign ports for implementation of the initiative.

Taiwan also has been working to identify financial assets controlled or utilized by international terrorists, but to date, no terrorist assets have been located in Taiwan.

Thailand

Thailand's domestic and international counterterrorism efforts, which were bolstered in the wake of the deadly bombing in Bali, Indonesia, in October 2002, intensified during 2003. Prime Minister Thaksin Shinawatra publicly expressed the will of the Royal Thai Government to cooperate closely with the United States and other nations in fighting the global war on terror. In August, Thai authorities captured top JI leader with close ties to al-Qaida, Nurjaman Riduan bin Isomuddin (a.k.a. Hambali) in Ayutthaya, Thailand. Hambali's capture serves as a major blow to both JI and al-Qaida and represents a significant victory in the war on global terror.

In June and July, Thai authorities in southern Thailand arrested four men suspected of being either JI supporters or operatives. The four are implicated in a conspiracy to bomb a number of high-profile targets and tourist venues in Thailand, including the Embassies of Australia, Israel, Singapore, the United Kingdom, and the United States. Court hearings for the four began in November, although a decision is not expected until 2004.

In August, the King signed an emergency antiterrorist decree, giving the Government powerful new legal tools to fight terrorism. These measures establish the criminal offense of terrorism in the penal code and make that offense a predicate under the Anti-Money Laundering Act. The executive decree was approved after nearly two years of parliamentary consideration. Although existing legislation does not cover terrorist financing, Thailand is planning to expand its Anti-Money Laundering Act to include terrorism. The Government and Thailand's central bank continued to cooperate closely with the United States on reviewing and disseminating lists of persons blocked under US Executive Order 13224. To date, Thailand has not identified any entities on the list, and no assets have been blocked or frozen.

As Thailand continues to expand its government-to-government cooperation with other ASEAN states, it is becoming more difficult for members of regional terrorist organizations to move from country to country while evading national law enforcement agencies. Thailand is a participant in the new Southeast Asia Center for Counterterrorism based in Malaysia. As host of the APEC Leader's Summit in October 2003, Thailand was instrumental in persuading APEC members to adopt the "Bangkok Goals," which place security concerns on an equal footing with the economic objectives that previously dominated this forum.

Throughout most of 2003, Thailand provided 130 military engineers and medical personnel to Bagram, Afghanistan, in support of Operation Enduring Freedom. Thailand has also dispatched engineers to Iraq to help with reconstruction tasks there.

Thailand is a major recipient of the US Anti-Terrorism Assistance program, with numerous Thai police and security officials participating in US-sponsored training courses since 1995. Thailand is also working closely with the United States to enhance the security of its borders by upgrading to more effective, state-of-the-art controls.

There were no significant acts of terrorism in Thailand during 2003. The Thai Government's effectiveness in precluding a terrorist incident during the APEC Summit in October was considered a major success both domestically and internationally.

Thailand is a party to four of the 12 international conventions and protocols relating to terrorism and is a signatory to the Convention for the Suppression of the Financing of Terrorism.