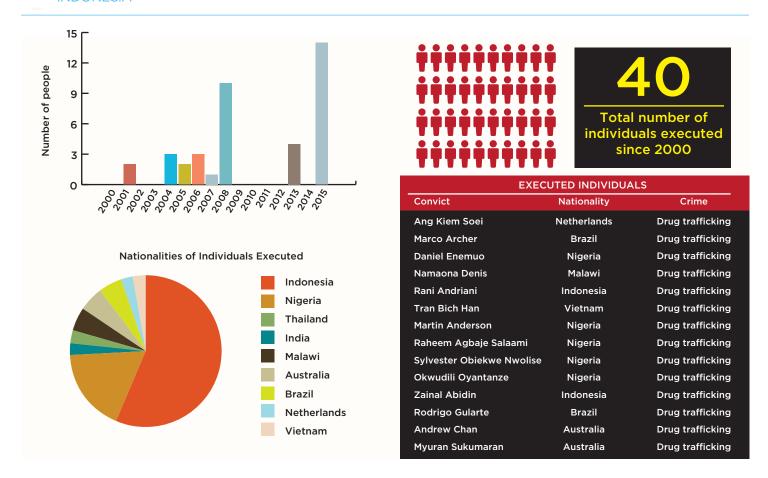
CARI CAPTURES ASEAN REGIONAL REGIONAL

EXECUTIONS SPARK FOREIGN RELATIONS FALLOUT

INDONESIA



OECD, Southeast Asia Investment Policy Perspectives December 2014

Following the execution of seven foreign individuals convicted of drug smuggling related crimes, Indonesia faced backlash on the international stage, with many nations condemning its actions.

- Out of the seven executed, two were Australian, with one Brazilian, and four Nigerian; whilst Brazil and Nigeria decried the "cruel and unnecessary" executions, the move by Widodo's administration incited Australia to pull its ambassadors from the nation, severing foreign relations
- ▶ In response to the welter of foreign relations backlash, Indonesian Attorney General Muhammad Prasetyo stressed Indonesia's hardline
- stance against its war on drugs, affirming that the executions were not motivated by foreign policy, but rather driven by the survival of Indonesia as a country
- ▶ In light of President Widodo's recent political problems relating to corruption and nepotism, critics have continued to accuse the president of pursuing populist policies in order to repair his reputation even in the face of human cost; however, it should be noted that according to Indonesia's anti-narcotics agency, 30 Indonesians die each day due to drug related causes



SINGAPORE WAGE GROWTH SLOWS

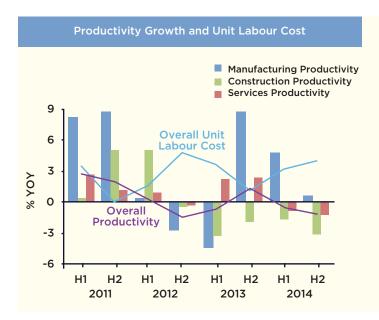


SINGAPORE

In its most recent bi-annual macroeconomic review, the Monetary Authority of Singapore (MAS) highlighted slowing growth rates in the salaries of Singaporeans despite a tight labour market.

- ▶ The review highlighted several key indicators painting Singapore's labour market in a moderately positive light; whilst vacancy rates remained elevated over the 10-year historical average, demand related pressures failed to drive salary growth within the nation, which rose by 1.6% over the second half of 2014, 2.1% less than the 10 year historical average
- On balance, the Singapore labour market is continuing to improve despite a lack of wage growth, with unemployment rates falling from 2% in the first three quarters of 2014 to 1.9%
- ▶ The slowdown in wage growth has been attributed to four potential factors according to MAS: firstly, increases in part time employment has lowered the salary average in the nation, secondly, job growth has occurred in domestic oriented sectors whose pay increases are lower than average, thirdly, sluggish economic conditions have hampered growth, and lastly, labour productivity can be said to have finally hit a point of diminishing returns, thus dampening wage growth

Straits Times (28 April 2015)





EPG, MAS Estimates

CHINA, TAIWAN INVESTORS EYE LABOUR-INTENSIVE INDUSTRIES IN CENTRAL JAVA



CHINA



TAIWAN



INDONESIA

The availability of land, skilled human resources and competitive salaries have become attractive factors in Central Java at the present and these conditions are suitable for the development of labor intensive industries. Thus, attracting a number of foreign investors from China and Taiwan.

- The Investment Coordinating Board (BKPM) will facilitate promotion, the issuance of investment permits and the granting of incentives to prospective investors
- According to BKPM data, foreign investment in Central Java in 2014 achieved 80.5 percent of the Rp 18.6 trillion target and this year the province is aiming to attract Rp 27.7 trillion in foreign investment in the banking and mining sectors

☐ LAOS, CAMBODIA COOPERATE ON DRUG CONTROL



LAOS



CAMBODIA

Officials from Laos and Cambodia met in Vientiane to discuss cooperation towards the control, prevention and suppression of the movement and sale of illegal drugs. The government is strongly committed to fighting drugs and crime as well as addressing the long-term harmful impact of drugs on society, national security, stability and socio-economic development.

- Authorities help addicts to detoxify and provide them with choices so they can give up poppy farming, but cannot access all areas of the country
- Issued by the UN Office on Drugs and Crime earlier this year, the Southeast Asia Opium Survey 2014 focuses on the production of opium in Laos and Myanmar, but excludes Thailand because data for this year was not yet available. Besides that, opium is not the only problem in Laos; amphetamine use is also prevalent in more urbanised areas, especially amongst the youth
- The trade ministry has justified the ban on sales at small retailers on health and moral grounds, as concerns grow that underage drinking is being fuelled by wide availability in local neighbourhoods
- Drug abuse among young people persists in towns and rural areas because so many of them have no job or occupation and they have no incentive to give up the habit

Jakarta Post (28 April 2015)

Vientiane Times (28 April 2015)

THAILAND TO REGULATE **FISHING PRACTICES**



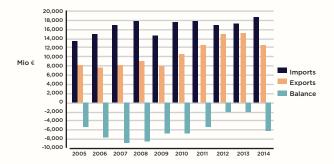
THAILAND

In response to export related regulatory demands set by the European Union, Thailand has agreed to enstate stringent regulations concerning fishery operations within a six month time frame.

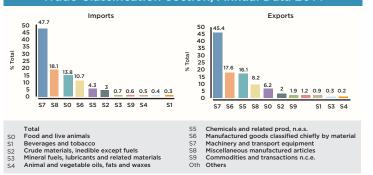
- ▶ The regulatory demands imposed by the EU include a variety of licensing and operational requirements spanning from the mandatory installation of Global Positioning Systems (GPS) and Vessel Monitoring Systems (VMS) to licensing and jurisdiction related laws
- ▶ The fishery reforms will be instigated by Thailand's executive government, using the powers vested within General Prayuth by Section 44 of Thailand's interim constitution: the section essentially affirms the lawful right of leadership to install reforms in the best interests of the nation
- Additionally, a coastal fishery control centre will be set up in order to better oversee the various reforms being undertaken by Thailand's government: should the nation not adhere by the EU's demands within the allotted time frame, all Thai fish related exports will be banned, making it a top priority of Thailand's current administration

The Nation Multimedia (25 April 2015)

Total goods: EU Trade Flows and Balance, Annual Data (2005 - 2014)



EU Trade flows by Standard International Trade Classification Section, Annual Data 2014



European Union, Trade in goods with Thailand

SOUTH CHINA SEA CODE TO **BE PUSHED & PHILIPPINES CALLS ON ASEAN TO URGE** CHINA TO HALT LAND RECLAMATION



CHINA



ASEAN

China, Taiwan and ASEAN members Malaysia, the Philippines, Vietnam and Brunei have overlapping claims in the South China Sea. China has been pouring sand on reefs in the area to create new islands, sparking fear they could be used for Chinese air force and naval facilities. The territorial dispute is seen as one of Asia's hot spots, posing risks that it could result in conflict as countries aggressively stake their claims.

- Southeast Beijing has defended the reclamation of 90 percent of the South China Sea, which is believed to be rich in oil and gas, saying it is Chinese territory and the structures are for public service use and to support Chinese fishermen
- Southeast Asian leaders are seeking to speed up plans for a binding code of conduct with China governing behaviour in the disputed South China
- ▶ But, ASEAN ia also maintaing a cautious stance in the dispute to avoid angering China, which is a key trading partner
- Nevertheless, the Philippines called on its Southeast Asian neighbors to unite in urging China to halt reclamation of land in the South China Sea. but the call failed to raise widespread support ahead of a regional summit
- Philippine Foreign Minister Albert Del Rosario said the reclamation would probably be finished before China agrees to a legally binding code of conduct over the South China Sea, China and ASEAN agreed on an informal code of conduct in 2002. Furthermore, ASEAN Secretary General Le Luong Minh told Reuters in an interview that it has become urgent for ASEAN and China to conclude the code early

VIETNAM PUSHES NUCLEAR WEAPONS-FREE ZONES



VIETNAM

In theory, the establishment of these Southeast Asia nuclear weaponsfree zones (SEANWFZ) shows the aspiration of member states for better international and regional security, avoidance of power politics and the promotion of peaceful environment for development and prosperity, including nuclear disarmament and non-proliferation. Viet

- ▶ The third Conference of States, Parties and Signatories of Treaties that Establish Nuclear-Weapons-Free Zones at UN headquarters brought together representatives from over 100 member countries of nuclearweapons-free zones, and observer organisations
- ▶ At the conference, Ambassador Nguyen Phuong Nga considers the signing by nuclear-weapons states of the Protocol to the Treaty on Nuclear Weapons Free Zone in Central Asia is an important step forward. She further states that ASEAN states treated regional stability and security with great importance, and Viet Nam encourages recent progress in the work in the implementation of the treaties that establish these zones
- Nga cited the establishment and consolidation of these weapon-free zones in Africa. Central Asia. South-east Asia. Latin America and the Caribbean and South Pacific. She said that over the years, ASEAN had made great efforts to extend the framework established by the Treaty
- For example, Under the Plan of Action for 2013-2017, ASEAN states had also strengthened their adherence to relevant international instruments, including the Comprehensive Test Ban Treaty
- "We have been actively engaged in international efforts in this area. including by fulfilling the responsibilities as chair of the board of governors of the International Atomic Energy Association during the past two years," the Vietnamese representative said

Brunei Times (25 April 2015) Yahoo News (26 April 2015)

Vietnam News (27 April 2015)



POLITICIS

Myanmar's parliament has extended martial law for three months in Kokang region in Shan state as clashes between government troops and a rebel group continue. Cross-border fire during the fighting has strained ties between Myanmar and China. The UN has estimated 60,000 people had crossed the border into China due to the clashes, though some started returning last month.

Reuters (15 May 2015)

Rohingya boatpeople fleeing dire conditions in Myanmar are entitled to human rights, said a spokesman for Aung San Suu Kyi's opposition National League for Democracy (NLD). Suu Kyi has faced criticism for not speaking strongly on the issue but her party spokesman took the highly unusual step on 18 May of urging Myanmar to give stateless Muslims in the country a chance to get citizenship.

Channel NewsAsia (18 May 2015)

► The United States says legislation on population control approved by Myanmar's Parliament is dangerous and could undermine the democratic hopes of minority groups. US State Department spokesman Jeff Rathke said on 19 May, that the bill could provide a legal basis for discrimination through coercive and uneven application of birth control policies. The bill is the first of four government-backed bills to "protect race and religion."

The Irrawaddy (20 May 2015)

ECONOMY

The wait for a new law to regulate Myanmar's mining sector may extend beyond elections this year, according to a report from the Wall Street Journal, amid concerns that the slow pace of legislative change is holding back potential investors in the extractive industry. The new law has been in the works since 2012, but amid ongoing conflict in the country's ethnic states, the issue of resource sharing is highly controversial.

The Irrawaddy (16 May 2015)

FOREIGN AFFAIRS

A presidential spokesperson warned that Myanmar could decide to boycott a regional summit to address human trafficking if it references the Rohingya minority group. Thailand invited representatives of Myanmar, Malaysia and Indonesia to the May 29 summit to discuss resolving an ongoing migrant and refugee crisis in the Andaman Sea and the Malacca Strait, where thousands of people from Myanmar and Bangladesh are believed to be stranded on rickety boats.

The Irrawaddy (20 May 2015)

GO ASEAN TO BRING TRAVEL DESTINATIONS TO TV SCREENS



The world will now be able to see Asean and its many attractions through a brighter lens when the first-ever Asean-focused travel channel begins this year. Called "Go Asean", the 24-hour channel will broadcast content exclusive to Asean, including promoting the region as a travel destination and a key economic drive.

- ▶ The channel, which will go live on Astro (Channel 737) in June, will source and broadcast content from all 10 Asean member nations, promoting the uniqueness that each has to offer to a worldwide audience as a globally competitive destination of leisure and commerce, supported by world-class infrastructure
- The Malaysian-led initiative was launched by Prime Minister Datuk Seri Najib Tun Razak at the official opening of the 26th Asean Summit here yesterday. "Closer to home, Go Asean will also lead to a greater connected Asean, one that benefits and brings together our people as one, forging a people-centric Asean that is not only united, but one that also thrives," said Najib
- "Providing multiple platforms to showcase the region's strength and diversity, as well as our social, economic and infrastructural advances, Go Asean will be the blueprint for adventurous souls and business-driven to put Asean on the top of their list," said Tourism and Culture Minister Datuk Seri Nazri Aziz in a statement

The Star (28 April 2015)

MALAYSIA AWARDED FOR OCEAN CONVERSATION EFFORTS



Malaysia was recently awarded by the World Wildlife Fund, a conversation organisation, for its efforts related to the conversation of one million hectares of ocean off the coast of Sabah.

- ▶ The award, which was officially presented to Sabah's Chief Minister, Datuk Seri Musa Haji Aman in recognition of the creation of the largest marine park in Malaysia, is part of the WWF's initiative to emphasize the value of coastal marine resources to hundreds of millions of people around the world and to strengthen marine conservation
- ▶ The proposed Tun Mustapha Park (TMP) represents almost one million hectares of marine protected area off the north coast of Sabah, Malaysia; the park will encompass 50 islands and will protect one of the world's most biodiverse marine ecosystems
- Whilst fishing remains a key economic driver off the northern coast of Sabah, with almost US\$200,000 worth in fish caught each day, the monetary considerations relating to the tourism industry of Sabah's islands remain more profitable to the nation in the long term

Panda.org (29 April 2015)



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