CARI CAPTURES

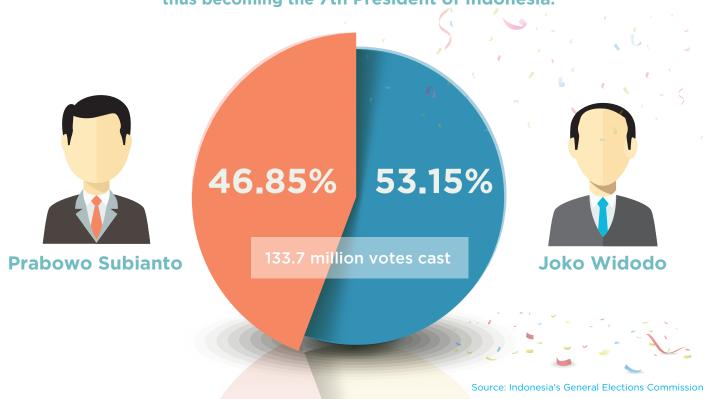


PRESIDENT ELECT JOKO WIDODO FACES CHALLENGED ELECTORAL RESULTS

INDONESIA

Final Tally of 2014 Indonesia Election

Joko Widodo beat Prabowo Subianto by 8.4 million votes, thus becoming the 7th President of Indonesia.



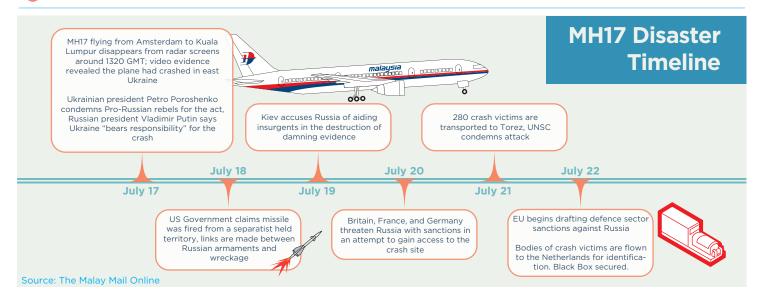
Whilst Indonesia's electoral commission declared Joko Widodo the winner of Indonesia's most recent elections, alleged voter fraud has been cited by presidential contender Prabowo Subianto, who filed a legal challenge against said result.

- ▶ After two weeks, and over 133 million ballots, the national elections commission declared Mr Widodo as the winner of Indonesia's presidential elections; winning by a margin of about 8.4 million votes which totalled 53.15% of the vote
- With voter turnout at almost 70% of Indonesia's population, various political observers and international agencies have declared the election the most sophisticated and contentious in Indonesian history;
- featuring smear campaigns, hundreds of thousands of volunteers, intensive media coverage and, for the first time, regular debates that drew huge viewership in the main islands of Sumatra, Java, Borneo, Sulawesi and beyond
- Whilst candidate Subianto has filed legal challenges against the election results, members of the Golkar which had formerly backed Subianto have switched sides, shifting the political landscape and solidifying president elect Widodo's support within the government; the charges are expected to be settled in August, with little or no controversy to the elected government

Wall Street Journal Online (22 July 2014)

MH17: MALAYSIAN GOVERNMENT STRIKES DEAL WITH UKRAINIAN SEPARATISTS





Following four days of negotiations with Ukrainian separatists, Prime Minister Najib Razak was able to secure the human remains and data recorders related to the recently downed MH17 flight.

- ▶ In a schedule press release, Prime Minister Razak affirmed the Malaysian government's commitment towards bringing closure to the families affected by the incident, whilst avoiding any and all political entanglements until this had been accomplished
- The Dutch Disaster Victim Identification (DVI) team has begun the screening and tagging of bodies of those killed in the Malaysia Airlines
- MH17 crash together with the Special Malaysian Disaster Assistance and Rescue Team (SMART)
- ▶ Meanwhile, the EU has continued to press for wider economic sanctions agains Russia, freezing the assets and visa rights of 18 Ukrainian separatist groups and Crimean based state run firms; in the near future, Russia can continue to expect tighter sanctions in the trade of military sensitive goods, energy sector technology and restricted access to capital markets

The Star Online (23 July 2014)
The Wall Street Journal Online (22 July 2014)

THAILAND'S JUNTA ADOPTS INTERIM CONSTITUTION



Thailand adopted a temporary constitution on Tuesday, taking its first step toward the slow return of electoral democracy after two months of military rule.

- ▶ The 48-article charter was announced on television after being endorsed by the king and posted on the website of the Royal Gazette, where new laws must be published
- Its enactment is mostly a formality to carry out previously announced plans for drafting a new permanent constitution and forming a temporary legislature for parliamentary duties. The temporary constitution will allow an interim legislature and Cabinet to begin governing the country in September
- ▶ The army overthrew an elected government in a coup on 22 May, citing the need to end months of political conflict. It has said it hopes to have a new election by October 2015
- Although the interim charter is supposed to pave the way for civilian rule, it gives the ruling junta what amounts to supreme power over political developments.
- ▶ Some of the charter's clauses allow the ruling junta to continue to hold substantial power even after an interim Cabinet and legislature take office. It also legalises all actions it has taken since the coup, as well as the takeover itself

CLOSE TO 150 MILLION USD LOST TO CORRUPTION IN LAOS



LAOS

More than 1.2 trillion LAK (149.40 million USD) has been misappropriated from 2012 to the present day through corruption.

- According to Head of the Government Inspection Authority Bounthong Chitmany during his report to the National Assembly (NA), the authority has inspected more than 300 targets since 2012. The main forms of corrupt activity were personal abuse of power for personal benefit, bribery, forgery of documents, illegally modifying technical standards and designs, and delaying document approval for personal gain
- State assets were being lost due to incomprehensive project management of developments including incomplete design works. Officials were also guilty of overloading the price of projects and forging documents suggesting that projects were complete in order to receive payment
- ▶ The majority of state assets lost were due to deliberate conspiracies between groups of officials who created plans to embezzle money from the state budget. Other groups of officials conspired to sell state-owned land for unrealistically low prices for personal benefit
- Approximately 41.6% of the funds and assets gained by corrupt means have been recovered and restored to the National Treasury, amounting to some 505 billion LAK (62.87 million USD)

ShanghailyDaily (22 July 2014)

Fox News (22 July 2014)

CAMBODIAN POLITICIANS REACH DEAL TO END DEADLOCK



CAMBODIA

compromise to share power in a deal that will end nearly a year of a deadlock in the national legislature.

- Prime Minister Hun Sen and Sam Rainsy, leader of the opposition Cambodia National Rescue Party, agreed on the composition of the main panel that will oversee legislative work at the National Assembly. They also agreed on the timing of the next elections
- ▶ The two sides also agreed to overhaul the nation's main institutions after a five-hour meeting between the two men
- ▶ The meeting was "a success. [We can] hold hands to work," Mr. Hun Sen said after his meeting with Mr. Rainsy. "The best choice is to end political deadlock and to end tensions," Mr. Rainsy said after the meeting
- Cambodia's ruling and opposition party leaders have agreed on a > Under terms of the agreement, the main Permanent Committee of the National Assembly will have seven members from the ruling party and six from the opposition. The president and one deputy president of the National Assembly will be from the ruling party, while the opposition will name the first deputy president.
 - Mr. Hun Sen has been in power in Cambodia for nearly three decades. A closely fought election which was marred by allegations of vote-rigging and intimidation in July 2013 saw the ruling party narrowly defeat the opposition. This prompted widespread protests among opposition supporters and opposition members to boycott the National Assembly, beginning the political deadlock

Wall Street Journal (22 July 2014)

SINGAPORE'S INFLATION EASES IN JUNE



SINGAPORE

Inflation in Singapore retreated in June as car prices rose at a slower pace, the Department of Statistics said on 23 July.

- ▶ The consumer price index rose 1.8% in June from a year ago, slowing from May's 2.7% which was a 14-month high.
- ▶ Private road transport cost edged up by 2.8% in June, a smaller ▶ rise compared to the 8.1% surge a month earlier, largely due to the sharp correction in Certificate of Entitlement (COE) premiums in May. Analysts say expectations of more COE quotas for the rest of year would continue to dampen car prices and put downward

pressure on headline inflation.

- On the other side, the main part which is sort of going up, but not by much, is the food prices. Food prices seem to have gone up, maybe because of the tight labour market and due to pass-through costs. Food prices rose by 3.2% in June, compared to 3% in May
- Looking ahead, the Monetary Authority of Singapore (MAS) and Ministry of Trade and Industry (MTI) said car prices are now projected to exert a slight drag on overall inflation, given the larger-than-expected increase in car COE quotas

ChannelNewsAsia (23 July 2014)

SINO-VIETNAMESE TENSIONS **SLOW TOURISM**





VIETNAM

Following two riots and the deaths of four Chinese workers in response to a state owned Chinese company who parked an oil rig near Vietnam's central coast in the South China Sea. tourism from China has slowed to a trickle.

- Chinese tourists accounted for approximately a quarter of Vietnam's total foreign visitors in the first 6 months of 2014, with around a million tourists bringing revenue to Vietnam's tourism industry; in June however, arrivals from the Chinese mainland fell by 30%, whilst those from Hong Kong fell by 72%
- On average, hotel occupancy in Vietnam's prime tourist areas have fallen from around 90% from the previous year in June to around 70%, negatively impacting revenues; in totality, Chinese tourists spent \$102 billion on 83 million international trips, becoming the worlds top source of international tourism
- Despite the drop in Chinese arrivals, Vietnam still expects to welcome 8.2 million international tourists this year, Nguyen Manh Cuong, vice chairman of the national tourism agency, told reporters on 9 July, days before the Chinese oil rig left the disputed area of the South China Sea

International Visitors to Vietnam

| | Total Visits | Purpose of Visit | | | | Arrivals from |
|---|-----------------|--|-------|-----------------------|-------|------------------|
| | | Tourism | | Visiting Relatives | | * |
| Estimate June '14 (000) | 539.8 | 323.9 | 91.8 | 92.8 | 31.3 | 136.7 |
| Performance 6 Months '14 (000) | 4287.9 | 2588.2 | 720.9 | 739.5 | 239.2 | 1134.9 |
| June '14 VS May '14 (%) | 80.1 | 78.8 | 81.7 | 82.5 | 81.5 | 70.5 |
| June '14 VS June '13 (%) | 95.1 | 93.0 | 99.7 | 97.0 | 99.7 | 105.5 |
| 6 Months '14 VS 6 Months '13 (%) | 121.1 | 119.3 | 121.7 | 125.4 | 126.9 | 137.5 |
| | | Source: Vietnamese General Statistics Office | | | | |

NY Times (21 June 2014)

○ 8 MYANMAR ⇔ MONITOR

POLITICS

Myanmar former Religious Affairs Minister Hsan Sint was charged in court on 22 July with undermining national security, as prosecutors withdrew the corruption charges on which he was detained in June. Hsan Sint was sacked from the cabinet and arrested after he reportedly objected to a controversial government raid on a monastery in Yangon that led to protests by monks.

Radio Free Asia (22 July 2014)

ECONOMY

▶ Four of the country's 20 private banks are said to be planning to set rates for savings deposits at 8.25% from 1 August, up from 8%, in the hope of attracting new savers. A recent UN-led survey of access to finance found that only 4% of people in Myanmar have a savings account at a bank.

The Irrawaddy (24 July 2014)

BUSINESS AND INVESTMENT

A report by the Myanmar Center for Responsible Business, released on 22 July showed most Myanmar companies provide little to no information on whether they have policies on responsible business practices. Almost half of the 60 companies surveyed did not even have a website with general information about their activities.

The Irrawaddy (24 July 2014)

Only two Western banks are listed among 25 foreign banks to have formally applied for licenses to open normal banking services in Myanmar while most bidders for licenses come from Japan, Thailand, Malaysia and Singapore. Between five and ten foreign banks will be awarded licenses from September, Central Bank Vice-Governor Set Aung was quoted saying in June.

The Irrawaddy (19 July 2014)

FOREIGN AFFAIRS

Myanmar's Ministry of Health invited on 24 July Doctors Without Borders (MSF) to resume work in Rakhine state nearly five months after the medical aid group was ejected from the region despite a severe health crisis. The Ministry said Myanmar would guarantee the safety of MSF's staff in Rakhine, where it faced protests against its activities from nationalist Buddhists

Bangkok Post (24 July 2014)

Construction of a railway connecting Kyaukpyu in Myanmar and Kunming in China was cancelled on 18 July due to public opposition, the Myanmar Ministry of Rail Transportation told media. The Ministry said China has not renewed the Kyaukpyu-Kunming railway project and let the memorandum of understanding on the project expire.

Want China Times (23 July 2014)

BRUNEI'S SHARIA LAW JEOPARDISES THE FUTURE OF ITS BUSINESS AND TRADE DEALS



Implementation of the new Sharia Law in Brunei spurs boycott from the international markets on Brunei-owned businesses and trade deals.

- ▶ The tiny petro-state of half a million people on the southeast Asian island of Borneo recently adopted harsh new Sharia laws, including the death penalty, by stoning, for adultery, gay sex and insulting the Koran
- ▶ This decision however does not bid well with the international market. The UN condemned the law as illegal under international law and Amnesty International said the Sharia Law would take the country "back to the dark ages"
- Australia, a member of the TPP, said it would question Brunei over the new laws, with the country's trade minister hinting it may not continue trade negotiations. In the US, 119 members of Congress signed a letter to State Secretary John Kerry urging the US to break off negotiations with Brunei "until Brunei revokes its inhumane criminal code"
- ▶ Even business leaders and Hollywood stars have gotten in on the controversy. Ellen DeGeneres and Jay Leno are among the leaders of a campaign to boycott properties owned by the government of Brunei, such as the Beverly Hills Hotel. Billionaire Richard Branson announced his companies will boycott all hotels owned by Brunei

The Huffington Post (10 July 2014)

SECOND STORMS FROM TYPHOON RAMMASUN RAVAGE VIETNAM, PHILIPPINES





Extreme weather caused by Typhoon Rammasun has killed 27 people in Vietnam and 54 in the Philippines, with the storm unleashing flash floods, landslides and lightning strikes.

- ▶ Rammasun pounded the largely agricultural provinces south of the Philippine capital of Manila, killing at least 54 people and injuring 100; the typhoon avoided a direct hit on Manila on its way out to the South China Sea
- Rammasun also rendered 19 roads and three bridges impassable in the Philippines, plunged more than 25 million people in darkness, damaged more than 26,000 homes and destroyed US\$103 million of farm products as well as US\$21 million in infrastructure; millions in the country are still without electricity, leaving them without air conditioning or refrigeration.
- ▶ Heavy rain flooded 7,200 houses and 4,200 hectares (10,300 acres) of cropland in Vietnam, with the north of the country worst hit, the national flood and storm control committee said; the cost of the damage was estimated at around US\$6 million

Australia News Network (23 July 2014) Channel News Asia (21 July 2014)



Source: Joint Typhoon Warning Centre

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