

CARI CAPTURES

SENATE SOLIDARITY FOLLOWING
PRESIDENTIAL POLLING

INDONESIA, VIETNAM TO DOUBLE
TRADE VALUE IN 2018

MASSIVE NUMBERS OF OIL TANKERS
SIT IDLE OFF SINGAPORE

01 ASEAN

SUMMIT SIGNIFICANT, ASEAN SERIOUSLY LOOKING AT FTA WITH EAEU

AN ASEAN-EAEU FTA WOULD INVOLVE:



ASEAN AND EAEU HAVE A:



combined GDP of
US\$3.5
trillion



combined
population of over
700
million

source: inquirer.net

Southeast Asia nations reached a consensus in Sochi to seriously look into establishing a free trade deal with the Eurasian Economic Union (EAEU), of which Russia is a party to.

- ▶ Apart from Russia, the EAEU trade bloc unites Armenia, Belarus, Kazakhstan and Kyrgyzstan; whilst ASEAN member states have agreed that an FTA with these nations would be beneficial, it has yet to be decided whether a multilateral or bilateral approach will be taken to liberalise trade and investment
- ▶ The FTA would entail tariff reductions, ensuring the free movement of goods and services, whilst

lessening any political and sovereign interference in trade and investment; furthermore, ASEAN states have emphasized a need to work on areas of security, politics, and culture with the EAEU

- ▶ The consensus was reached during the 2016 Russia ASEAN Sochi summit, where a multitude of agenda items were discussed; in particular, a focus on infrastructure and energy partnerships were pushed forward as priority items

www.rt.com (21 May 2016)

SENATE SOLIDARITY FOLLOWING PRESIDENTIAL POLLING

Shortly after polling precincts closed for the 2016 elections and unofficial tallies showed an apparent clear presidential winner, three political parties signed a coalition agreement with incoming president Rodrigo Duterte's Partido Demokratiko Pilipino-Lakas ng Bayan (PDP-Laban).

- ▶ These were the Nacionalista Party (NP), Lakas-Christian Muslim Democrats (Lakas-CMD) and the Nationalist People's Coalition (NPC); the shifting alliance reflects the power of a president elect to shuffle the make up of the Sente
- ▶ When the 17th Congress opens, the NP will have

three members in the Senate - Alan Peter Cayetano, Antonio Trillanes, and Cynthia Villar; the NPC, which supported the presidential bid of Sen. Grace Poe, also has three members in the upper chamber - Tito Sotto, Win Gatchalian, and Loren Legarda

- ▶ As for the next Senate president, at least two names are being floated; these are PDP-Laban President Koko Pimentel and reflected Senator Tito Sotto; whilst the Senate leadership race does bear some importance to legislative and national policy action, should President elect Duterte's constitutional reforms be successful, the Senate's powers would be neutered

cnnphilippines.com (21 May 2016)

INDONESIA, VIETNAM TO DOUBLE TRADE VALUE IN 2018

Indonesia and Vietnam have agreed to double bilateral trade to US\$10 billion in 2018.

- ▶ The agreement was made during a bilateral meeting with Vietnamese Prime Minister Nguyen Xuan Phuc on the sidelines of the ASEAN-Russia Summit; in 2015 alone, bilateral trade between trade value amounted to US\$5.59 billion, representing a 6.57% growth rate in trade on a yearly average over the last three years
- ▶ President Jokowi highlighted Vietnam's important

position as the country's trade partner in the Southeast Asia region, especially for rice as the main staple food in Indonesia

- ▶ The leaders also welcomed the result of the eighth technical meeting on the exclusive economic zone; the result, which comes after discussion on 22-24 March, will be followed up by continued negotiations over maritime boundaries between Indonesia and Vietnam

thejakartapost.com (20 May 2016)

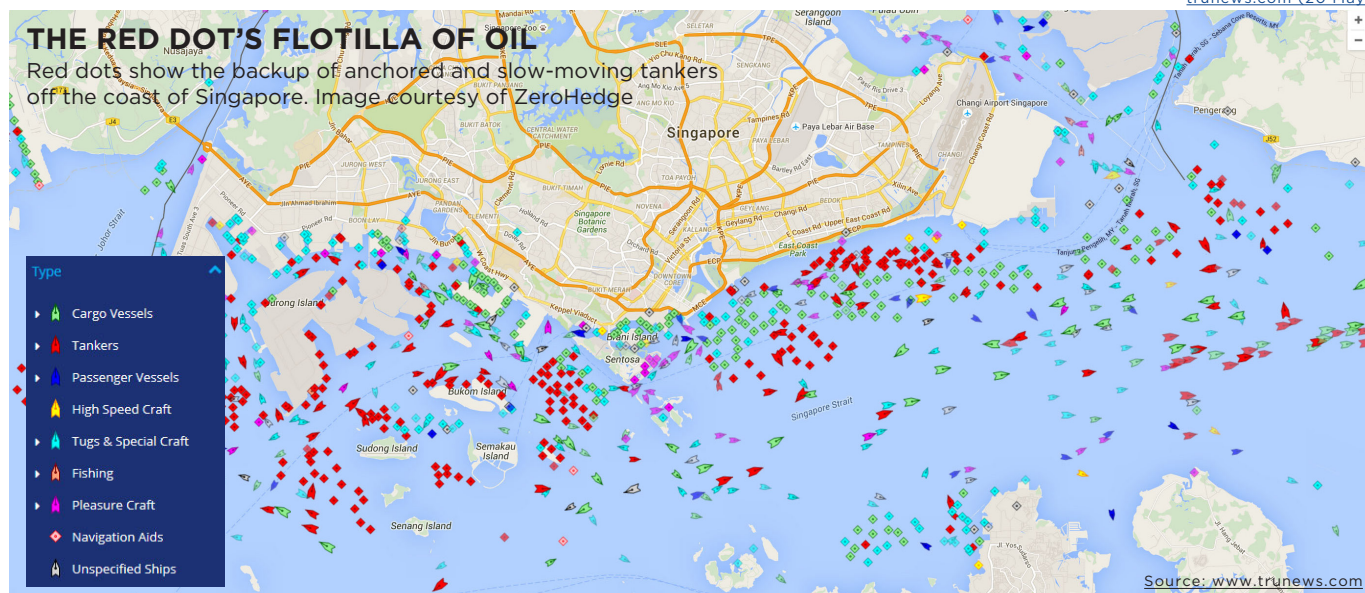
MASSIVE NUMBERS OF OIL TANKERS SIT IDLE OFF SINGAPORE

Singapore's parked tankers reflect a global glut in oil that pulled down prices by over 70% between 2014 and early 2016, a trend that is likely nowhere near over.

- ▶ Prices for oil futures have jumped by almost a quarter since April, lifted by severe supply disruptions caused by triggers such as Canadian wildfires, acts of sabotage in Nigeria, and civil war in Libya; whilst this temporary blip in oil prices is a positive for the energy industry, some 47.7 million barrels of oil are currently being stored in a fleet of 40 supertankers off the coast of Singapore in the hopes realise higher gains than currently possible

- ▶ Currently, the need to store oil is so strong that traders are calling up banks to finance storage charters despite there being no profit in keeping fuel in tankers at current rates; storing oil on ships can be profitable when prices for future delivery of crude are higher than in spot market, a term structure known as contango, as long as future prices are high enough to offset tanker charter costs
- ▶ Despite this, BMI said that the volume of crude in floating storage has risen sharply in recent months, adding that the phenomenon was global, with floating storage up 19.5% between the first quarters of 2015 and 2016

trunews.com (20 May 2016)



THAILAND SUSPENDS UBER AND GRAB MOTORCYCLE TAXI SERVICE

Thailand has suspended motorcycle taxi-hailing services run by Uber and its regional rival Grab on claims they broke local rules and are clashing with registered transport companies.

- ▶ Thai authorities have also arrested 66 drivers working for both companies; offenders face fines of up to US\$112 and potentially having their licences suspended
- ▶ The crackdown comes just three months after Uber

launched its two-wheeler service in the Thai capital Bangkok; motorcycle taxis are popular in Bangkok because they can weave through the city's notorious traffic jams to cut travel times

- ▶ There are more than 186,000 registered motorcycle taxis in Thailand, with almost half found in the capital; the service is also popular in other major Asian cities, such as Jakarta and Manila

bbc.com (19 May 2016)

ASEAN-INDIA FTA HURTS BALANCE OF TRADE IN RUBBER

According to a study by the Rubber Research Institute of India (RRII), ASEAN-India Free Trade Agreement (AIFTA) has negatively affected India's balance of trade in rubber and rubber products, impacting the strategic commercial importance of the inter-linkages among the constituent segments of the domestic rubber sector.

- ▶ The surge in raw materials imports, especially natural rubber, has nullified the country's historically inherited advantages in the external trade in finished rubber products, leading to a negative balance of trade to

the tune of US\$866.9 million in the post-AIFTA phase

- ▶ The trade deficit in rubber and rubber products with ASEAN has registered a jump from US \$98.8 million for the four year period between 2005 and 2009, to US\$611.6 million between 2010 and 2014
- ▶ Joby Joseph and K Tharian Goerge, who carried out the study, said the import intensity of raw materials in the external trade with ASEAN has been the major contributory factor for the deteriorating balance of trade

thehindubusinessline.com (16 May 2016)

INDIA'S BALANCE OF TRADE WITH ASEAN (US\$ MILLION)

Year	Technically Specified Natural Rubber TSNR	Thread of Radial tyres	Vulcanised used on rubber, not motor cars covered elsewhere
2004-05	-8.9	-1.5	-1.0
2005-06	-7.4	-1.1	0.1
2006-07	-40.1	-1.6	-1.4
2007-08	-88.3	-2.4	-0.5
2008-09	-113.6	-3.6	-6.1
Average	-51.7	-2.0	-1.8
2009-10	-132.0	-3.8	-6.3
2010-11	-264.5	-4.4	-13.6
2011-12	-364.1	-3.5	-27.2
2012-13	-413.4	-5.4	-38.0
2013-14	-508.8	-5.1	-22.4
Average	-336.6	-4.5	-21.5

Source: Export import data bank, Department of Commerce, Government of India

WORLD BANK LIFTS FREEZE ON CAMBODIA LOANS AMID PROTESTS

The Bank says the move will help alleviate poverty in the Southeast Asian country, but land rights activists expressed disappointment over the decision.

- ▶ The World Bank has approved US\$130 million of new loans to Cambodia almost five years after it placed a moratorium on lending to the country over the forced evictions of thousands of impoverished Phnom Penh residents

- ▶ About \$25 million will go towards funding a land redistribution scheme, known as LASED II, which has come under fire from human rights campaigners and could see people evicted from their homes to make way for the project
- ▶ Other funds will be allocated to improve the country's healthcare and transport systems and to improve fisheries management

abcnews.go.com (20 May 2016)

NATIONAL

▶ At least 12 people died and 11 others were injured on 24 May in Myanmar's Hpakant Township when mountainous slag heaps collapsed on them due to heavy rain, according to local residents. The incident is the latest in a string of deadly mining-waste landslides that have occurred during the past year in the center of the country's highly lucrative jade-mining business, in Myanmar's Kachin state.

[Radio Free Asia \(24 May 2016\)](#)

ECONOMY

▶ Myanmar's new government should take a "by design" approach to developing the country's massive potential hydropower resources, scholars and leading environmental organizations suggests in a new report funded by the United Kingdom's aid agency. The report looks at how countries like Myanmar can deliver the broadest range of benefits to their people while tapping their water resources for energy. It comes as the newly minted National League for Democracy (NLD) has yet to signal what its approach to hydropower will be.

[The Irrawaddy \(21 May 2016\)](#)

▶ Work on the Yangon-Mandalay railway, led by the Japan International Cooperation Agency (JICA), is scheduled to start next year and should be complete by 2025, said Ba Myint, general manager of Myanma Railways, under the Ministry of Transport and Communications. "Bids for purchasing items for the railway upgrade project, which will be implemented in phases, will be called at the end of the year," he said.

[Myanmar Times \(24 May 2016\)](#)

▶ As political risk lessens, the type of investment in Myanmar is also changing. The initial flood of FDI into lower-risk areas such as consumer goods and automobile importing is leading to interest in higher-risk areas such as mining, property development and construction. But political change can also bring uncertainty as powerful figures associated with the past come under added scrutiny, meaning that tycoons and their associated companies that flourished under the previous government could come under the microscope and government contracts, land deals and tax arrangements re-examined.

[Bangkok Post \(24 May 2016\)](#)

ECONOMY

▶ Just weeks after parliament approved closer Myanmar-Russia military relations, President Htin Kyaw shook hands with Russia's President Vladimir Putin at the Russia-ASEAN summit in Sochi. Russia seems set on improving its relations with ASEAN, warming to the region after Western nations imposed sanctions for its role in the Ukraine conflict. Coinciding with the president's preparations for the meeting, the Admiral Vinogradov of the Russian Pacific Fleet docked near Yangon to "enhance long-standing friendship" between the two counties.

[Myanmar Times \(24 May 2016\)](#)

CIMB CHAIRMAN NAZIR RAZAK TO RESUME DUTIES AFTER REVIEW INTO MONEY TRANSFERS

Nazir Razak, the brother of Malaysian Prime Minister Najib Razak, will resume his duties as the chairman of CIMB Group Holdings Bhd after an independent review found that he had not misused his position at the bank in transferring political funds from his personal account.

- ▶ Chairman Razak announced that he was taking a voluntary leave of absence and that a review would be conducted into reports that he had helped disburse US\$7 million in funds to ruling party politicians on the instructions of his elder brother Najib before the 2013 elections
- ▶ CIMB, Malaysia's second-biggest lender by assets, said in a statement on the findings of the review concluded that Nazir "did not misuse his position" and there was no inappropriate use of the bank's resources
- ▶ The former CEO, a leading Malaysian corporate figure, had said earlier that he believed the money came from legitimate fund-raising, and that nothing he did was illegal or compromised his position at CIMB

[ibtimes.co.uk \(20 May 2016\)](#)

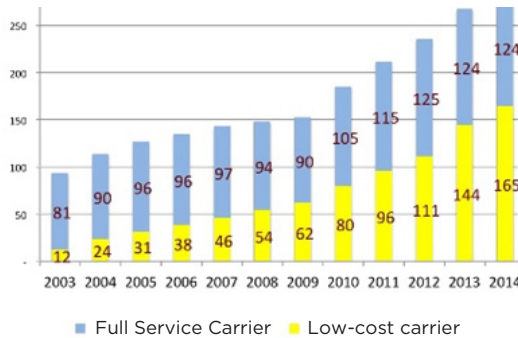
BUDGET AIRLINES SET TO SOAR IN SOUTHEAST ASIA'S OPEN SKIES

Low-cost airline groups and manufacturers of smaller passenger aircraft will be among the main winners after Southeast Asia's open skies agreement finally in the month of April, although airport capacity constraints could limit the benefits.

- ▶ Ratification of ASEAN open skies agreements by Indonesia and Laos in April lifts restrictions on capacity and competition, allowing airlines to launch unlimited flights from their home to any point in the region subject to airport slot availability
- ▶ Hubs like Singapore, which have a clear expansion plan, could gain from an increase in air services, as will budget carriers which are ideal for a region where no two points are more than a few hours apart, say analysts
- ▶ Dominant low-cost airlines like Malaysia's AirAsia, Indonesia's Lion Air, and Philippine carrier Cebu Pacific plan to capitalise on the agreement by offering international flight services originating from multiple ASEAN member states; AirAsia, for example, wants more international flights from the Philippines and Indonesia, which in turn will help its affiliates, which have found it tough to break into the domestic market in those countries.

[straitstimes.com \(18 May 2016\)](#)

GROWTH IN INTRA-ASEAN INTERNATIONAL SEATS OFFERED BY ASEAN CARRIERS (2003-2014)



Source: - Centre for Aviation with data provided by OAG

Rank	Group	Weekly Seat Capacity (Rounded to the nearest thousand)	Capacity Share (% of total LCC seats)
1	AirAsia*	1,181,000	34
2	Lion	1,110,000	32
3	Cebu Pacific	350,000	10
4	Tigerair	207,000	6
5	Jetstar	169,000	5
6	Garuda (Citilink)	144,000	4
7	Thai (Nok)	136,000	4
8	VietJet	68,000	2
9	SIA (Scoot)	30,000	1
10	Golden Myanmar	8,000	<1
11	Orient Thai	7,000	<1
	Others*	46,000	1

Source: [centreforaviation.com](#)

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