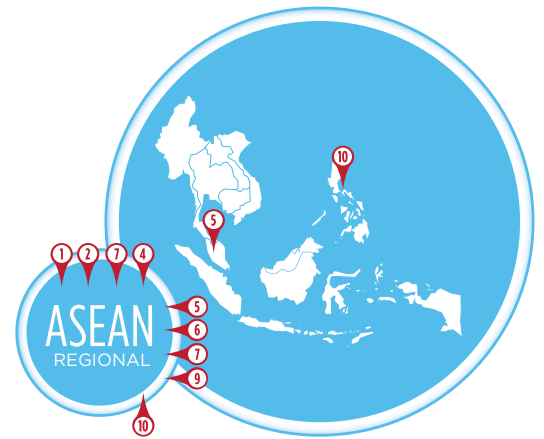
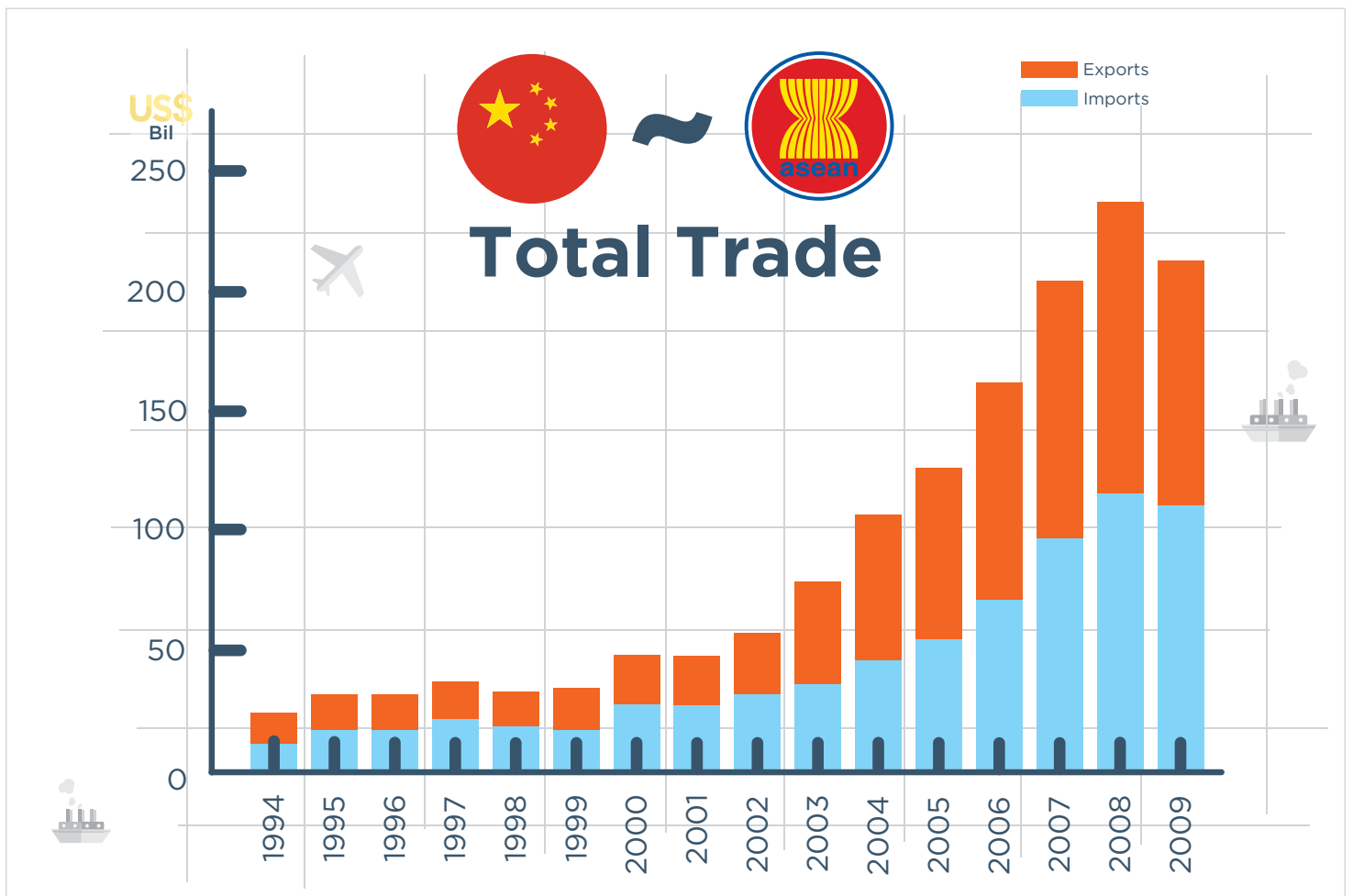


CARI CAPTURES



01 BOOSTING CHINA-ASEAN TIES



Source: European Commission

China's President Xi Jinping made his maiden visit to Malaysia this week as part of his tour of the region. President Xi, fresh from a stop in neighbouring Indonesia, stressed the need to strengthen ties between China and the ASEAN nations.

▶ China President Xi Jinping's

visit to Malaysia had trade ties high on the agenda and the delegation was set to unveil a new five year economic plan between the two countries to steer trade and economic ties to greater heights

▶ Bilateral trade volumes have reached historical highs of over US\$94 billion last year,

culminating in China overtaking the US as Malaysia's largest trading partner

▶ Malaysia has also been China's largest trade partner among ASEAN nations in the last five years

▶ The three day visit focused on enhancing the current China-ASEAN Free Trade Areas as

well as giving a greater role to the China-ASEAN Maritime Cooperation Fund

[Channel News Asia \(2 October 2013\)](#)
[News Straits Times \(2 October 2013\)](#)

02 US PRESIDENT OBAMA CANCELS PART OF ASIA PACIFIC VISIT WHILE XI BEGINS FIRST TRIP AS PRESIDENT



The ongoing US government shutdown has led to President Obama's decision to cancel part of his visit to the Asia Pacific region.

▶ In light of the US federal government shutdown, President Obama scrapped his scheduled visits to both Malaysia and the

Philippines
 ▶ Obama was due to deliver an address in Kuala Lumpur and Manila but these stops were removed from his schedule
 ▶ In his stead, US Secretary of State John Kerry led the US delegation to Asia and represented Washington at the Asia Pacific

Economic Cooperation (APEC) Summit in Bali
 ▶ The trip coincided with China President Xi Jinping's visit to ASEAN, widely seen as Beijing's move to showcase its strategic attention to the region

[South China Morning Post \(3 October 2013\)](#)

03 SOUTH CHINA SEA DISPUTE NO CLOSER TO RESOLUTION



Calls of quick resolution of ongoing South China Sea territorial dispute go unanswered.

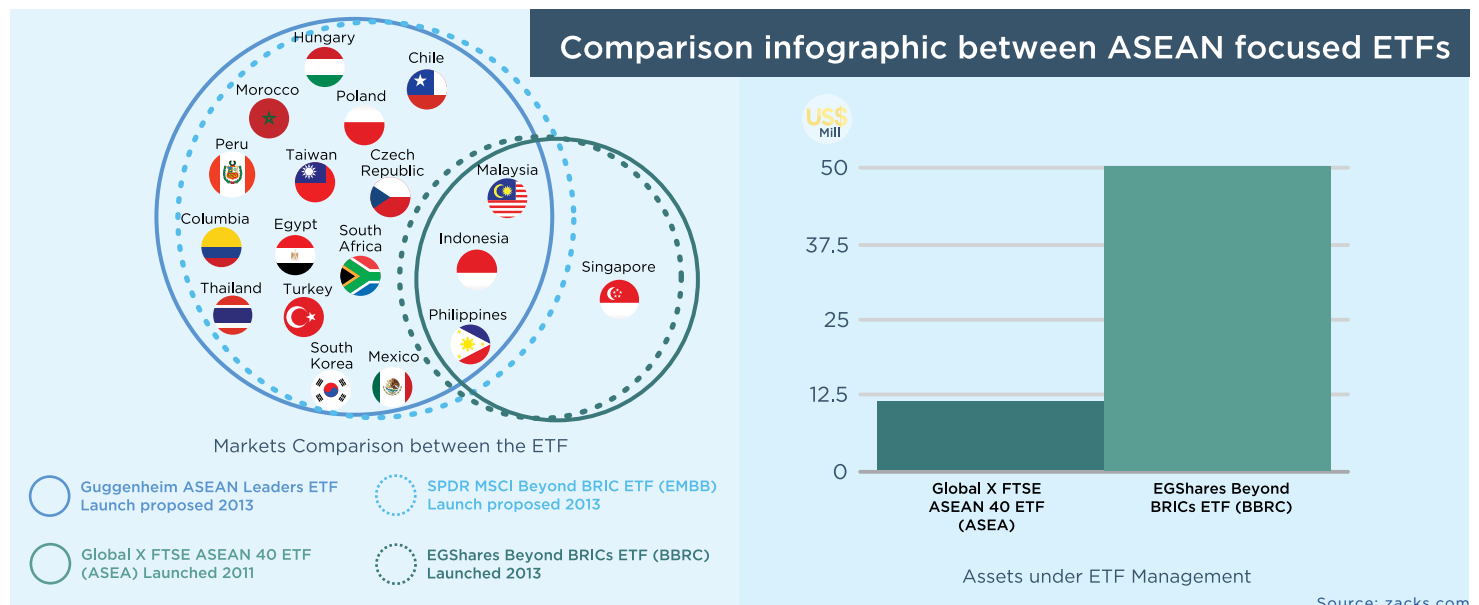
▶ Territorial tensions which begun in April 2012 over the Scarborough Shoals remain unresolved in the latest series of diplomatic salvos between China and Philippines

▶ Beijing has continued its "wedge politics" attempting to isolate Manila from the rest of ASEAN
 ▶ The upcoming ASEAN-China Summit this month will serve as a platform for latest rounds of talks among ASEAN states and China on this issue
 ▶ US Secretary of State, John Kerry, has urged China and its

Asian neighbours to resolve their territorial disputes as swiftly as possible
 ▶ Malaysia's Deputy Foreign Minister has echoed this call for a solution and stressed ASEAN's dependence on maritime stability being critical to its economic prosperity

[The Diplomat \(1 October 2013\)](#)
[News Straits Times \(1 October 2013\)](#)
[Inquirer Global Nation \(29 September 2013\)](#)

04 INDONESIAN SOEs MAY HEDGE CONTRACTS IN FOREIGN CURRENCY



Guggenheim has filed for a new ASEAN focused Exchange Traded Fund (ETF) with the US Securities and Exchange Commission (SEC).

▶ In a move to meet the demand for emerging markets investment

opportunities, Guggenheim has filed for a passively managed ETF traded under the name Guggenheim ASEAN Leaders ETF
 ▶ The proposed fund will invest in the Philippine, Malaysian, Singaporean and Indonesian

markets
 ▶ If approved, this ASEAN focused fund will give investors an alternative emerging markets destination beyond the BRIC nations
 ▶ However, existing ASEAN

focused funds have not seen a huge level of interest, and have performed rather meekly compared to other bloc focused funds

[Nasdaq \(28 September 2013\)](#)



05 STRONG WESTPORTS PRICING REINSTATES ASEAN IPO LUSTRE



Westports Holding Bhd, operator of Malaysia's busiest port, has recently priced its proposed IPO at the top of the projected range of US\$680million.

- ▶ This strong showing signals a boost for ASEAN's capital markets in meeting the demand

for emerging market stocks

- ▶ Issuers in ASEAN are taking advantage of the US Federal Reserve's decision not to withdraw stimulus, further fuelling liquidity and risk appetite in the emerging markets
- ▶ This bodes well for another scheduled IPO by UMW Oil & Gas

Corp, priced at US\$730 million, and set to be Malaysia's biggest listing of the year

- ▶ IPOs are in a recovery after being hit by global financial uncertainty due to reported plans to unwind massive stimulus by the US Federal Reserve earlier in the year

- ▶ 2014 could be a repeat of 2013 where Malaysia was Asia's top destination for listings with planned IPOs up to US\$4 billion by 1Malaysia Development Bhd and Malakoff Corp.

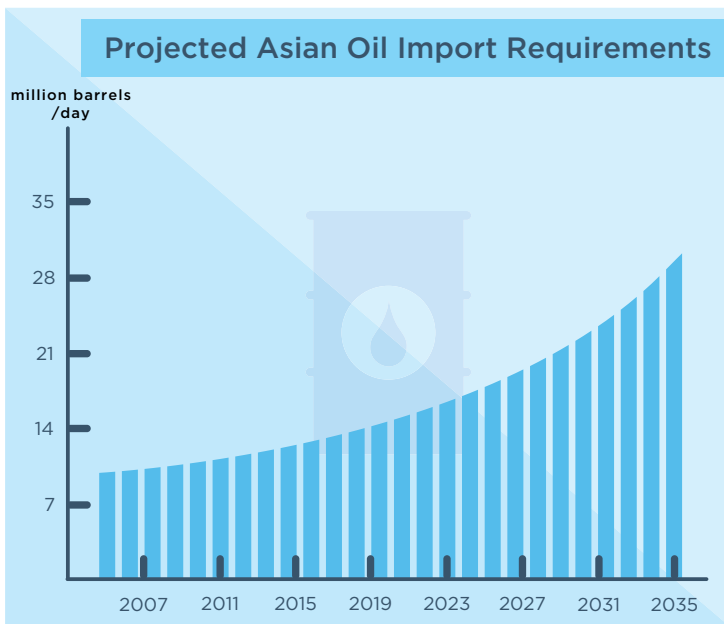
[The Star \(1 October 2013\)](#)

06 ASEAN NET OIL IMPORTS SET TO MORE THAN DOUBLE



ASEAN's net oil imports are projected to more than double by 2035 to meet the energy demand of the region's fast growing economies.

- ▶ The International Energy Agency (IEA) reported that its projections for oil consumption in ASEAN, based on today's prices, valued oil imports in 2035 to cost US\$240 billion
- ▶ The IEA, which coordinated energy policy for many developed economies, found that oil imports will rise to 5 million barrels per day (bpd) from its current 1.9 million bpd mark



- ▶ ASEAN's economic and population growth will cause a sharp increase in reliance on oil imports potentially causing vulnerability of these economies to global oil prices
- ▶ ASEAN will join China and India as the world's energy demand centres with Indonesia and Thailand leading the energy demand within the Association
- ▶ Fuel subsidies, which cost around US\$51 billion in 2012, will continue to play a key role in distorting energy markets

[Business Times \(2 October 2013\)](#)

07 ASEAN MEMBERS TO REPRESENT THE ASEAN REGION ON UN BODIES



ASEAN Foreign Ministers have agreed on endorsing potential representatives to the United Nations as ASEAN candidates, a principle that will be applied to all members seeking elected positions on UN bodies.

- ▶ Malaysia will be the first to bid as a representative of ASEAN, as it competes for a seat as a non-permanent member of the United Nations Security Council (UNSC) in 2015-2016

- ▶ The principle will also apply to Thailand's bid as an ASEAN representative to the UNSC in 2017-2018, and Thailand's and Vietnam's bid for a place on the UN Human Rights Council for different terms
- ▶ ASEAN members will help each other campaign for a role in UN bodies, said Thailand's Foreign Minister Surapong Tohwichakchaikul, adding that it was not ASEAN tradition to compete with each other

- ▶ ASEAN ministers also met with UN Secretary-General Ban Ki-moon on the sidelines of the UN General Assembly in September, and discussed human rights issues, healthcare and climate change released in 2012



[The Nation \(28 September 2013\)](#)



08 MYANMAR MONITOR

POLITICS

▶ At least five people were killed and dozens of houses set on fire when hundreds of Buddhists rioted in western Myanmar on 1 October. The riots happened on the same day that Thein Sein travelled to Rakhine state for the first time since sectarian violence broke out more than a year ago.

[Aljazeera \(1 October 2013\)](#)

▶ The National League for Democracy, said it has failed to reach a consensus with ethnic political parties over whether to amend the Constitution or rewrite the entire charter, and they will seek public opinion on the matter.

[Global Post \(28 September 2013\)](#)

ECONOMY

▶ Myanmar has agreed to secure loans from the Asian Development Bank (ADB) to invest in significant infrastructure development for the stagnant Dawei project. The decision came after Myanmar was encouraged to show its commitment to the Dawei project during a tripartite meeting with Thailand, and Japan. Japan still claims it needs more studies on the megaproject before committing to take part.

[Mizzima \(2 October 2013\)](#)

▶ Singapore-listed Yoma Strategic has signed a memorandum of understanding with Japan's Mitsubishi Corporation and Mitsubishi Estate to invest in its Landmark property development in Myanmar. The project involves building two million square feet of mixed-use residential, commercial, retail and hospitality developments built on a 10-acre property in downtown Yangon.

[Myanmar Times \(2 October 2013\)](#)

09 INCREASE IN NUMBER OF STUDENTS IN ASEAN CALLS FOR MORE JAPANESE TEACHERS



The Japanese government is considering boosting Japanese-language education in ASEAN following a rise in the number of people in ASEAN studying Japanese.

- ▶ An expert panel, headed by University of Tokyo professor emeritus Masayuki Yamauch, has advised Japan's Prime Minister Shinzo Abe to increase support for Japanese-language education in ASEAN by sending more teachers to the ASEAN region
- ▶ Preliminary figures from the Japan Foundation show that the number of people learning Japanese in ASEAN has increased considerably over the past three years
- ▶ In 2012, Indonesia had 872,000 students of Japanese, up by 21.8% from 2009; Thailand

had 129,000 students, up by 64.5%; and Malaysia had 33,000 students, up by 44.7%

- ▶ The proposal, submitted to Abe on 30 September, suggest sending university and graduate students, as well as seniors, to work for up to one year in ASEAN
- ▶ The panel urged the Japanese government to work with domestic firms to create job opportunities for those who studied the Japanese language, as well as to increase the country's cultural ties with the ASEAN region

[The Japan Times \(1 October 2013\)](#)

10 THE PHILIPPINES LAGS IN HUMAN CAPITAL BUT STRONG IN ECONOMIC GROWTH



The Philippines lags behind its ASEAN peers in the WEF's recently released Human Capital Index, ranking at 66th place worldwide. The country is however economically strong, as affirmed by S&P's third hike this year in growth projection for the Philippines to 7.1%, while it lowers its projection for the region.

- ▶ The recently released Human Capital Index by Davos-based World Economic Forum (WEF) showed the Philippines lagging behind its ASEAN peers, as the country ranked in 66th place out of the 122 countries surveyed
- ▶ The Philippines ranked higher than the less developed Vietnam, Laos, and Cambodia, but trailed behind Singapore - which was the highest of ASEAN countries in third place overall, Malaysia, Thailand, and Indonesia
- ▶ In terms of workforce and employment, the Philippines scored well, but its rank was pulled down by its score in health and wellness, enabling environment, and education
- ▶ WEF founder Klaus Schwab stressed the importance of human capital for growth, prosperity and progress, adding that in the future, human capital will be the most

important kind of capital

- ▶ Despite the non-efficient use of human capital, the Philippines is expected to enjoy higher economic growth than its ASEAN peers this year
- ▶ Standard & Poor's raised its 2013 economic forecast for the Philippines for the third time this year from 6.9% to 7.1%, while it downgraded its expectations for the ASEAN region
- ▶ The projection is even slightly higher than the Philippine government's projection of 6-7%, but S&P expects the country to see lower growth of 6.0% next year
- ▶ ASEAN as a whole is now projected to grow by 5.2% this year, down from its previous forecast of 5.5%
- ▶ According to the S&P report, the other ASEAN countries have been harder hit by the volatility caused by the US Federal Reserve withdrawal of its bond purchasing stimulus, as they have weaker fiscal and external accounts strong societies

[InterAksyon \(2 October 2013\)](#)
[GMA News \(2 October 2013\)](#)

Ranking of ASEAN Countries in WEF Human Capital Report 2013

Overall

#3		Singapore
#22		Malaysia
#44		Thailand
#53		Indonesia
#66		Philippines
#70		Vietnam
#80		Laos
#96		Cambodia

Education

3.	Singapore
34.	Malaysia
79.	Thailand
61.	Indonesia
65.	Philippines
73.	Vietnam
83.	Laos
99.	Cambodia

Health & Wellness

13.	Singapore
39.	Malaysia
40.	Thailand
84.	Indonesia
96.	Philippines
88.	Vietnam
91.	Laos
102.	Cambodia

Environment

5.	Singapore
22.	Malaysia
48.	Thailand
58.	Indonesia
78.	Philippines
73.	Vietnam
80.	Laos
93.	Cambodia

Workforce & Employment

2.	Singapore
18.	Malaysia
27.	Thailand
32.	Indonesia
38.	Philippines
57.	Vietnam
59.	Laos
42.	Cambodia