

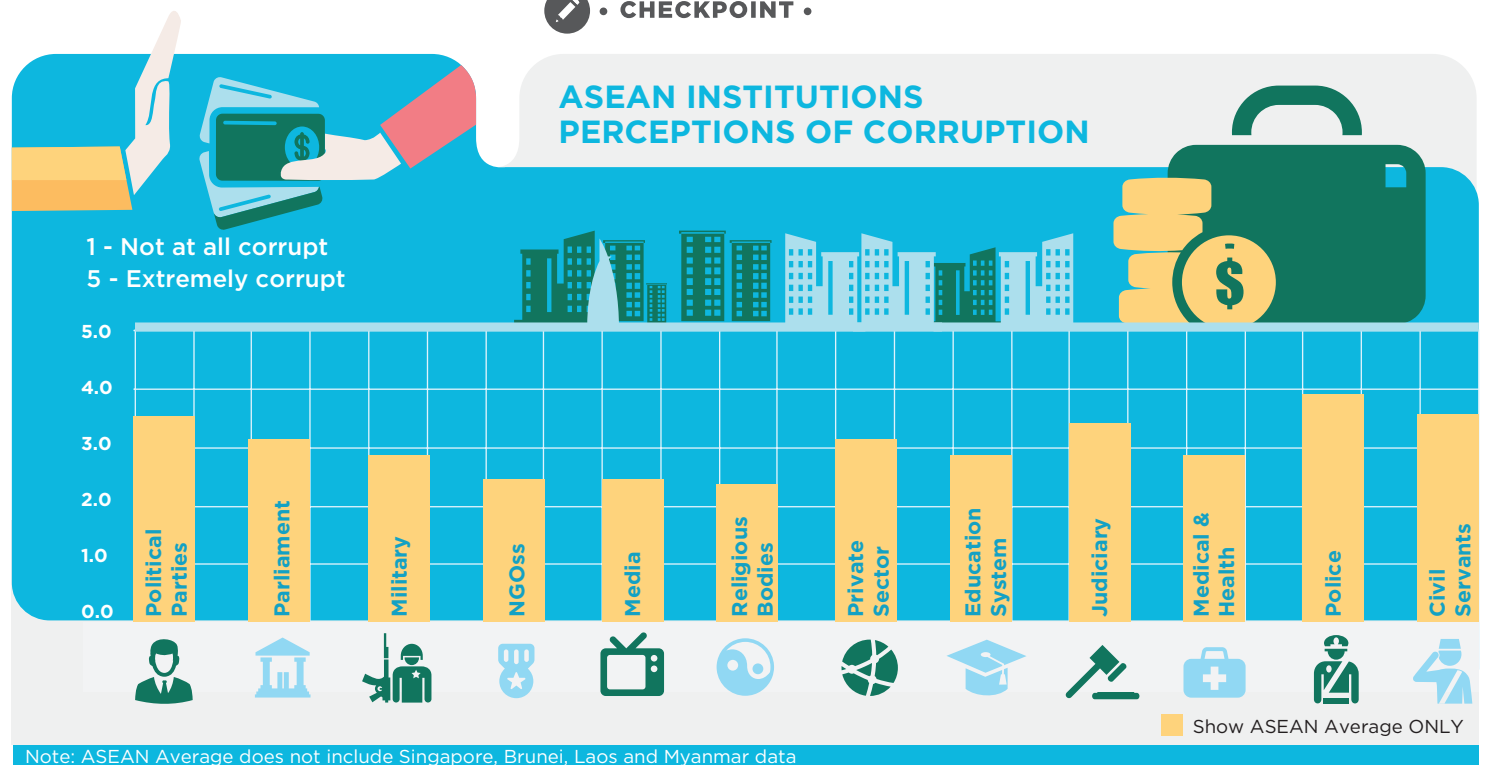
# CARI CAPTURES



## 01 CORRUPTION IS A WORRY FOR AEC



### • CHECKPOINT •



**While political stability is one of the major concerns, investors are also worried about corruption.**

- ▶ Joint Foreign Chambers of Commerce in Thailand (JFCCT) Chairman Stanley Kang has thrown his full support behind the anti-corruption movements of business led by the Anti-Corruption Organisation of Thailand, claiming that issues of corruption and Thailand’s competitiveness are bigger concerns for foreign investors than the current political system amidst protests over a soon-to-be raised Amnesty Bill
- ▶ Kang went on to elaborate that corruption increases the cost of doing business in the country; excess customs procedures, for example, hinder regional and international trade

- ▶ Whilst Thailand has been able to bounce back quickly because of sufficiently developed infrastructure, the JFCCT is still focused on battling against corruption
- ▶ Although a recent HSBC survey ranked Thailand as the best country for expatriate workers, the introduction of the AEC, which will introduce labour mobility as in the EU, means that Thailand will have to work hard to maintain its position as the preferred choice of destination for overseas employees
- ▶ With more than 20 years in Thailand, the JFCCT represents 28 foreign chambers; it plans to have 30-plus members early next year after applications for membership from organisations in Indonesia, Austria and Chile

[Bangkok Post \(6 November 2013\)](#)

## 02 THAI AMNESTY BILL CAUSING WAVES



THAILAND

**Protests and discontent continued throughout the week at the soon-to-be passed Amnesty Bill in Thailand; however not everyone is as steadfast in their positions as the private sector met to discuss a common position on the bill, but there was no consensus on whether to protest against the blanket amnesty bill.**

- ▶ Three private-sector organisations - the Thai

Chamber of Commerce (TCC), the Federation of Thai Industries (FTI) and the Thai Bankers' Association (TBA) - met but could not come to agreement on a common approach to the bill with the TCC declining to oppose the bill, instead urging the Senate to consider amending it and listen to public opinions to ease the conflicts between the government and the public; the other two organisations refused

to share their views, saying they had not discussed it with members yet

- ▶ This jittery sentiment transferred over to local stock markets with the Stock Exchange of Thailand trending downwards as foreign investors yanked THB776.75 million out of the market, followed by brokers and institutional investors who were net sellers of THB655.48 million and THB424.49 million

- ▶ If the bill is passed by the Senate and becomes law, it would pardon all crimes related to politics and some corruption cases committed between 2004 and 2013, likely leading to ousted prime minister Thaksin Shinawatra returning home as a free man

[Bangkok Post \(5 November 2013\)](#)  
[The Nation \(5-6 November 2013\)](#)

## 03 INDONESIA OPENS UP FIVE NEW SECTORS TO FOREIGN INVESTORS



INDONESIA



**Investment Coordinating Board (BKPM) chairman Mahendra Siregar has said a new regulation on the negative investment list (DNI), which is still being formulated by the government, will have five new sectors that will be open to foreign investors.**

- ▶ Speaking after attending a coordination meeting in Jakarta, Siregar said that the five sectors are related to airport and seaport transportation service and management; vehicle roadworthy testing services; and nature tourism management
- ▶ Increasing foreign roles in the management of airports and other public facilities was aimed at attracting private investors to participate in infrastructure projects that were included in the Public Private Partnership (PPP) scheme
- ▶ Siregar also made clear that regulations in some sectors would not be revised; they included the management of the horticulture sector, in which foreign ownership was limited to only 30%, and the alcoholic beverage sector, which remained closed to foreign investors
- ▶ The BKPM had revised next year's investment target to Rp 450 trillion (\$40.2 billion), down 12% from the initial target of Rp 506 trillion, due to the uncertainty of economic growth in emerging economies around the world

[Jakarta Post \(6 November 2013\)](#)  
[Jakarta Globe \(6 November 2013\)](#)

## 04 VIETNAMESE GOVERNMENT INTERVENES IN FREE MARKET OPERATION



VIETNAM

**The Ministry of Information and Communications (MIC) has asked telecoms companies to co-operate with businesses providing over-the-top (OTT) services to allow free phone calls and messages for users with the request enshrined in Instruction No. 75 on telecoms issued on October 30 and signed by Minister Nguyen Bac Son.**

- ▶ In order to reduce the negative impact on businesses the ministry also asked the Department of Telecommunications to investigate new services and technology developments, with local telecom companies being required to submit their internet fees for mobile phones and

OTT services for approval with the Department

- ▶ The instruction was released amid a rapid rise in the number of Vietnamese users subscribing to OTT services, including the US's Viber and Viet Nam's Zalo the surge is said to be the main cause of recent losses reported by telecom giants MobiFone, Viettel and VinaPhone
- ▶ In response, Department of Telecommunications Head Pham Hong Hai said the increase had a legitimate legal basis and did not violate pricing regulations or threaten fair competition in the market

[Business Times \(6 November 2013\)](#)

# 05 INDONESIAN CONSUMERS OPTIMISTIC DESPITE INFLATION

## INDONESIA

**Indonesian markets showed strong positive sentiment in the face of high inflation linked to the government increasing the price of subsidised fuel in June this year and Indonesia's growth slowing to its weakest since the 2009 global recession as a declining Rupiah restrained investment in Southeast Asia's largest economy.**

- ▶ Three separate surveys measuring consumer confidence, performed by the Indonesian central bank (Bank Indonesia), Danareksa Research Institute and Nielsen, all showed Indonesian consumers being generally optimistic about economic conditions with positive sentiment about their income, job availability and business activities
- ▶ This is despite the Indonesian economy growing only 5.62% in the third quarter of 2013 from the same period last year, being a slower pace than the previous quarter's 5.8% and the slowest pace in four years; annual inflation in October eased to 8.3% from 8.4% a month earlier after peaking

at 8.8% in August after the fuel subsidy was reduced

- ▶ Findings of the Bank Indonesia survey showed consumers believe inflationary pressures would ease over the next three months before ramping again in the run-up to the legislative elections in April 2014, whereas the Danareksa iteration showed that consumers appeared to have put the fuel price rise out of their minds; just 26.9% were still worried about its impact, down from 34.3% in September
- ▶ Global research company Nielsen showed Indonesian consumers remain the most optimistic in the world where despite a slight decline, Indonesia's score remained the highest, beating its closest competitors – the Philippines (118 points), Thailand (112 points) and Malaysia (101 points); Indonesia also beat the global average of 94 points

[Jakarta Globe \(4, 6-7 November 2013\)](#)

NIelsen SURVEY	Country	Consumer Confidence Rating	Ranking
	Indonesia	120	1
	Philippines	118	2
	Thailand	112	4
	Malaysia	101	10
	Singapore	98	11
	Vietnam	97	17
GLOBAL AVERAGE		94	N/A

Source: Nielsen, 2013 Consumer Confidence Series, 3rd Edition

**Indonesian Consumer Confidence**

<b>BI SURVEY</b>	107.1 Sep		108.6 Sep
	109.5 Oct		113.7 Oct
	<b>Consumer Confidence Index</b>		<b>Consumer Expectation Index</b>

Source: Bank Indonesia, Consumer Expectation Survey October 2013

# 06 ASEAN BUSINESSES NOT PREPARED FOR AEC JUST YET

## ASEAN THAILAND

**A recent ABAC Poll survey showed that a bare majority of small- and medium-enterprises (SMEs) believed they were ready for the debut of the Asean Economic Community at the end of 2015 based on the findings of interviews with 274 SMEs in October 2013.**

- ▶ ABAC Poll Research Centre Chief Puntaree Issarangkul Na Ayudhaya released the results which showed 53% of the respondents thought their businesses were strong enough for strong competition when the AEC is established, but 47% of them felt they were not ready
- ▶ The survey showed Myanmar is the most favoured investment destination in Asean, supported by 35.7% of the SMEs, followed by Laos (20.3%), Vietnam (15.4%), Singapore (7.7%), Thailand (5.3%), Cambodia (4.5%), Indonesia (3.7%), Malaysia (3.3%) and the Philippines (0.4%)

- ▶ Local Thai businesses are not optimistic about their current economic situation either, with 57.2% saying that Thailand's current economic situation compared to last October was worse, whilst 24.2% said the situation had remained the same and 18.6% thought it was better
- ▶ Looking forward on the economic outlook of Thailand though, 52.8% said it would be better, 28.1% believed it would be the same and 19.1% said it would be worse
- ▶ All this being said, the Board of Investment (BoI) is warning Thai businesses not to underestimate health and environmental rules in nearby countries as they grow stricter with new regulations on foreign direct investment to cause problems for Thai investors

[Bangkok Post \(5 November 2013\)](#)

# 07 SINGAPORE TO SET UP NANOMEDICINE RESEARCH INSTITUTE

## SINGAPORE

**One of Singapore's top education institutions, Nanyang Technological University, is setting up a S\$60 million research institute in nanomedicine, making it Southeast Asia's first such facility to focus on developing new solutions and improving existing methods of drug delivery to tackle diseases.**

- ▶ The institute is expected to work on 10-12 projects with its initial tranche of funding; the focus will be on four main areas - diabetes, cardiovascular, ophthalmology and skin therapeutics

- ▶ While the institute is expected to help create innovative solutions to meet the needs of the global medical community, it will also focus on improving the delivery of existing drugs for greater efficiency
- ▶ The Institute will be led by Subbu Venkatraman, chair of NTU's School of Materials Science and Engineering, with the Advisory Committee chaired by Chad Mirkin, who also serves as US President Barack Obama's scientific advisor

[Business Times \(6 November 2013\)](#)



## 08 MYANMAR MONITOR

### ECONOMY

▶ The World Bank has warned that the authorities should keep a close eye on consumer prices after Myanmar's year-on-year inflation reached 7.33% in August due to high food, gas and electricity prices. Inflation rates averaged at about only 2.8% in 2012-13. "Rising inflation is always a cause for concern since it hurts the poor disproportionately, but economies do sometimes experience rising inflation, especially when in transition as is the case in Myanmar," said Daw May The Zin, the World Bank's country economist for Myanmar.

[Myanmar Times \(10 November 2013\)](#)

▶ Experts believe foreign investors to be staying away from Myanmar's fisheries industry due to a lack of infrastructure and the prospect of prolonged returns. The fisheries and livestock sector has attracted just US\$347.474 million from 26 companies, representing 0.79% of the total US\$1.8 billion foreign investment inflow as of the end of this year's third quarter.

[Myanmar Times \(10 November 2013\)](#)

▶ The Minister for Electric Power Khin Maung Soe said on 9 November that the government will follow Parliament's request on reviewing a sudden electricity price increase. The Ministry of Electricity increased electricity rates on 1 November, leading to a 40% increase in electricity bills for most households.

[Eleven Myanmar \(10 November 2013\)](#)

### FOREIGN AFFAIRS

▶ Commander-in-Chief of Myanmar's Defence Services Senior-General Min Aung Hlaing has called for unity among armies of ASEAN. "Enhancing the unity between ASEAN armies could help further cement amity between the ASEAN countries, contribute towards the emergence of the 2015 ASEAN Community," Min Aung Hlaing told the 14th ASEAN Chiefs of Army Multilateral Meeting (ACAMM) held in Mandalay on 8 November.

[Mizzima \(9 November 2013\)](#)

### POLITICS

▶ Representatives of government ministries appeared before Parliament in Naypyidaw on 7-8 November to explain hundreds of millions of dollars in debt racked up by budget overspending. The Office of the Auditor General on 5 November released findings on the government's accounts for the first six months of the 2012 to 2013 fiscal year. It found that the government had run a deficit of 2.5 trillion kyat (US\$2.57 billion) during the period, or almost 5% of the country's annual GDP.

[The Irrawaddy \(8 November 2013\)](#)

## 09 MALAYSIAN BUSINESSES ENLARGE ASEAN FOOTPRINT



**Malaysian companies continue to show exciting growth potential across ASEAN with Sime Darby Berhad, Muhibbah Engineering Berhad and Karex Berhad making headlines recently for their regional growth prospects.**

- ▶ Sime Darby Berhad acquired a stake in Europe Automobiles Corp Holdings (EACH) and Europe Automobiles Corp (EAC) for about RM114 million, which will allow the company to expand its automotive distribution business into Vietnam with Sime Darby to hold an effective interest of 90% in EAC, which has the sole distribution rights for BMW and Mini vehicles in Vietnam; EAC is also the authorised service facilitator for Rolls Royce cars in Ho Chi Minh City
- ▶ Meanwhile, Muhibbah Engineering secured

two contracts worth RM276 million (US\$87 million) via a Joint Venture, in which they have 30% interest, to construct and expand the terminal building and the refurbishment of the Phnom Penh and Siem Reap Airports in Cambodia; both projects are expected to be completed by the end of 2015

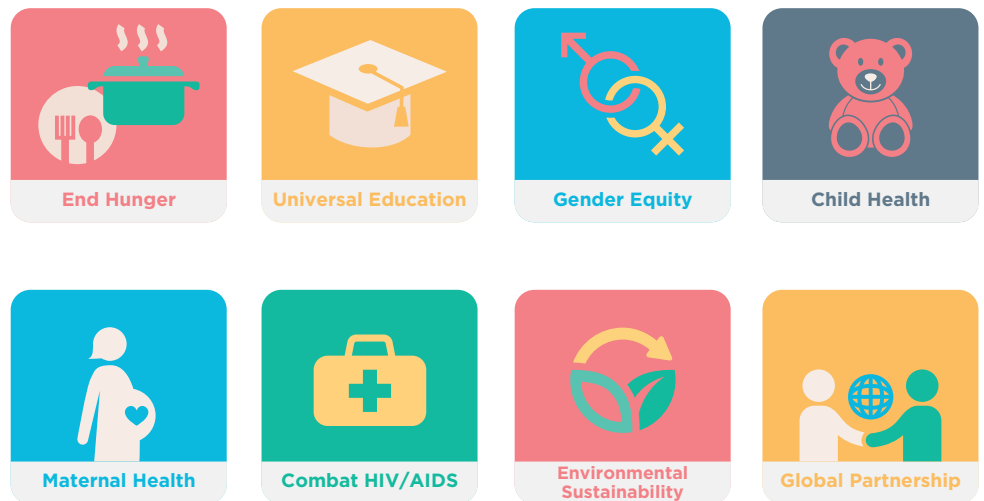
- ▶ Malaysian condom company Karex Berhad, which is also the world's top condom producer, having manufacturing plants in the Southeast Asian region, saw a 30% surge in its share price on its trading debut last week following its RM125 million initial public offering to double its current production capacity to 6 billion pieces a year by end-2015 and to grow its global market share from 10% to 20% by 2016

[The Edge Malaysia \(6 November 2013\)](#)  
[Bangkok Post \(6 November 2013\)](#)

## 10 PM SAYS MALAYSIA MEETS MILLENNIUM DEVELOPMENT GOALS TARGETS



### Millennium Development Goals in Malaysia



**Malaysian Prime Minister Datuk Seri Najib Tun Razak has declared that Malaysia has met all the eight targets in the Millennium Development Goals (MDGs) set 13 years ago during the new millennia, being one of the most successful countries in the 189-member United Nations to do so.**

- ▶ The MDG consists of eight set of global development goals to put an end towards extreme poverty, hunger, disease and to achieve universal primary education, to promote gender equality, reduce child mortality rates, to ensure environmental sustainability and to develop a global partnership for development

- ▶ Datuk Seri Najib pointed to economic measures such as Gross Domestic Product averaging nearly 7% growth per year lifting the Malaysian economy more than a hundred fold over the past three decades, whilst poverty rates have fallen from 49% to less than 4%, and per capita GDP has also risen from US\$370 to more than US\$9,000 today
- ▶ Datuk Seri Najib also said Malaysia would continue refining the MDGs and that the country was ready to achieve new goals for the post-2015 period that was set by the United Nations in 2012 in the form of the Sustainable Development Goals (SDG)

[The Edge Malaysia \(4 November 2013\)](#)

