

CARI CAPTURES



01 ASEAN BUSINESS CLUB LAUNCHES WHITE PAPER, THE LTB REPORT

INDONESIA  ASEAN



CARI and the ASEAN Business Club (ABC) launched the LTB Report in Jakarta, Indonesia to support the development of the ASEAN Economic Community (AEC) on tackling barriers to regional integration.

- ▶ The paper covers six pinpoint sectors, namely aviation, connectivity, infrastructure, power and utilities, capital markets, financial services and healthcare which outlines the possible solutions to critical bottlenecks and barriers hindering free trade in the region, such as economic nationalism, labour constraints, regulatory congestion and underdeveloped infrastructure
- ▶ ASEAN Business Club (ABC), a fully private sector driven initiative, is the first regional business club with the aim of supporting regional integration
- ▶ Rising economic nationalism, human resources constraints, regulatory congestions and underdeveloped infrastructure are the biggest

- challenges to the full and timely implementation of the AEC
- ▶ Progress made in eliminating most tariff lines at roughly 99.65%, but non-tariff barriers between ASEAN countries remain high
- ▶ CIMB Group Chief Executive and ABC Advisory Council Member Dato' Sri Nazir Razak stressed the need for robust private-public engagement to see through the goal of creating a viable economic bloc



Download the LTB reports now

[Bernama \(29 Nov 2013\)](#)
[The Jakarta Post \(30 Nov 2013\)](#)
[Business Times \(02 Dec 2013\)](#)

02 THAI BAHT SINKS TO 12-WEEK LOW AS POLITICAL UNREST ESCALATES TO A NEW A HIGH



Thailand's baht has fallen to a 12-week low as anti-government protesters led by Suthep Thaugsuban vowed for more unrest to oust Prime Minister Yingluck Shinawatra.

- ▶ The baht reached its weakest level since September when it breached the 32.285 per US dollar mark and fund managers estimated that it may break through a three-year low of 32.48 per US dollar if the protests continue
- ▶ Global funds pulled a net US\$2.8 billion from Thai bonds and equities in November as investors feared the political upheaval might adversely affect the country's economy
- ▶ Suthep Thaugsuban, head of protesters and a former deputy prime minister with the main

opposition Democrat Party, had called for Thailand's democratic system to be replaced by a representative assembly consisting of people from a cross-section of society

- ▶ Parties linked to Prime Minister Yingluck's brother Thaksin Shinawatra, who was ousted in a 2006 coup, have won the past five elections while the Democrats who led the protests in Bangkok have not won a national poll in more than 20 years
- ▶ The opposition protest has resulted in four protesters being killed while more than 100 people injured in Bangkok as of 2 December 2013

[Bloomberg \(02 Dec 2013\)](#)
[Bangkok Post \(02 Dec 2013\)](#)

03 PHILIPPINES DEMANDS LEVEL PLAYING FIELD FOR BANKING INDUSTRY IN INTEGRATED ASEAN



The Bangko Sentral ng Pilipinas (BSP) has vowed to protect the local banking industry by ensuring a level playing field once the country decides to integrate its financial system with that of its Southeast Asian neighbours.

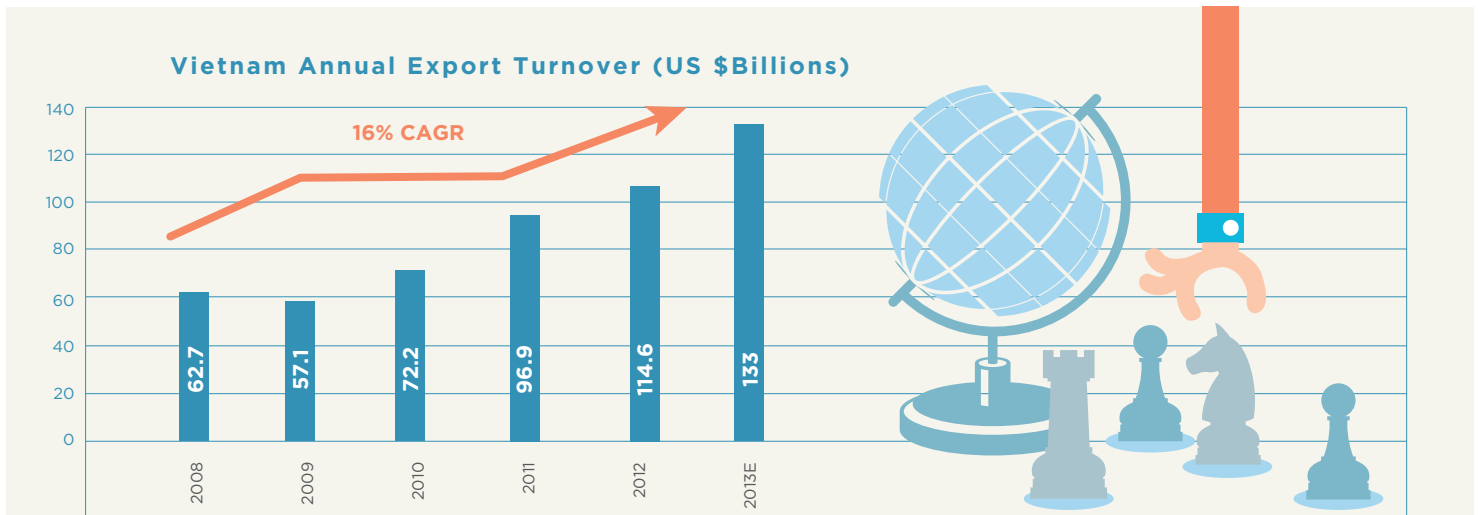
- ▶ BSP Governor Amando M. Tetangco Jr. said the region's policymakers had agreed that reciprocity would be the main tenet of the ASEAN Integrated Banking Framework (Abif), which is scheduled for 2020
- ▶ Governor Tetangco stressed that the Philippines will only open up its market to counterparts that open up to them and will not rush integrating its local financial system into the more competitive ASEAN community until the local banks are ready
- ▶ The Abif is part of ASEAN's

aspiration of creating a unified economic community in the region, similar to the European Union, whereby member countries in ASEAN will allow tariff-free trade of goods with other members by 2015

- ▶ Nestor Tan, president of Philippines' largest bank BDO Unibank Inc., has been one of the most vocal critics of the BSP's willingness to open up the country's banking system, opining that the integration was more of a threat than an opportunity for local banks, even the largest ones, as they would find it difficult competing against other larger banks based in countries like Singapore and Malaysia that have greater financial heft

[Business Inquirer \(01 Dec 2013\)](#)

04 VIETNAM'S EXPORT ENGINE CONTINUES HUMMING



Source: General Statistics Office of Vietnam

Vietnam could earn US\$133.5 billion from exports this year, posting a 16.6 per cent rise year-on-year as it met 96 per cent of the 2013 target in the first 11 months.

- ▶ Nguyen Tien Vy, head of the Ministry of Industry and Trade's Planning Department said the country's exports in the period

reached \$121 billion, increasing 16.2 per cent year-on-year as domestic enterprises have promoted production to fulfil the year's target

- ▶ The minister attributed the strong growth to effectiveness of the Government's policies as well as favourable downward trend on the interest rates
- ▶ The processing sector saw

the highest contribution - \$85.5 billion - to export turnover while mobile phone and spare parts - export staples in two consecutive years - brought in \$20.2 billion in the period, surging 78.4 per cent compared to the same period last year

- ▶ The country has enjoyed increasing value in exports to most of foreign countries as

exports within Asia, to Europe, America, and Africa rose 12.9%, 21.6%, 28.2 % and 12.9% respectively

[Viet Nam News \(03 Dec 2013\)](#)

05 PHILIPPINE'S ECONOMY GROWTH STALLS AMID RECOVERY FROM SUPERTYPHOON



PHILIPPINES

Economist have estimated that after five straight quarters of growing by more than 7%, the Philippine domestic economy is likely to slow down in the next few quarters through 2014 in the aftermath of Supertyphoon Yolanda.

- ▶ Bank of the Philippine Islands economist Jun Neri estimated that the country's GDP growth might ease to 5.5% by factoring the effects of the typhoon, which would still translate to nearly 7% growth in full-year 2013
- ▶ Neri expected the slowdown to be sustained through the first quarter 2014, before regaining momentum again by the second quarter 2014 as bulk of the reconstruction efforts start to kick in by then, translating into full-year 2014 growth of between 6.1% and 6.3%
- ▶ Despite being the country most devastated by natural disasters year after year, optimism was still high about the Philippines' future, said HSBC economist Trinh Nguyen, who also estimated that the country's GDP would likely slow to 5.1 percent this fourth quarter and to 5.8 percent for 2014
- ▶ Nguyen noted that only P29.9 billion (US\$682 million) was available for the entire fiscal year of 2013 for flood control, calamity, quick response and emergency housing, saying "The government estimates that the direct damage amounts to P24.5 billion (US\$559 million), mostly agriculture losses, but about three million people are likely to have lost their jobs, so the indirect economic losses, if unaddressed, are likely to be more severe."

[Business Inquirer \(01 Dec 2013\)](#)

06 ENERGY SUBSIDIES CUT IS MALAYSIAN GOVERNMENT'S LATEST MOVE IN ADDRESSING ITS FISCAL DEFICIT WOES



MALAYSIA

The Malaysian government will save about RM4bil in subsidies for the energy sector next year following the electricity subsidy review.

- ▶ The new electricity rate taking effect on 1 January 2014 will see the average electricity tariff in Peninsular Malaysia increase by 14.89% while Sabah and Labuan will experience a 16.9% hike
- ▶ The electricity tariff hike was seen as the latest move by the government to tackle its burgeoning national debt following the cuts in sugar and oil subsidies as well as the introduction of 6% Good and Consumer Tax (GST) that will start on 1 April 2015
- ▶ As there will be no tariff increase imposed on the consumers who use electricity at a rate of, or lower than, 300kWh a month, Malaysia Energy, Green Technology and Water Minister Dr Ongkili noted that 70.67% of consumers in Peninsular Malaysia and 62% of consumers in Sabah and Labuan will not be affected
- ▶ Gas now accounts for about 50% of the fuel used for electricity generation in Peninsular Malaysia, coal 40%, hydropower about 8% and renewable sources about 2%

[The Star \(02 Dec 2013\)](#)

07 BOOSTER FOR INDONESIAN PHARMACEUTICAL COMPANIES

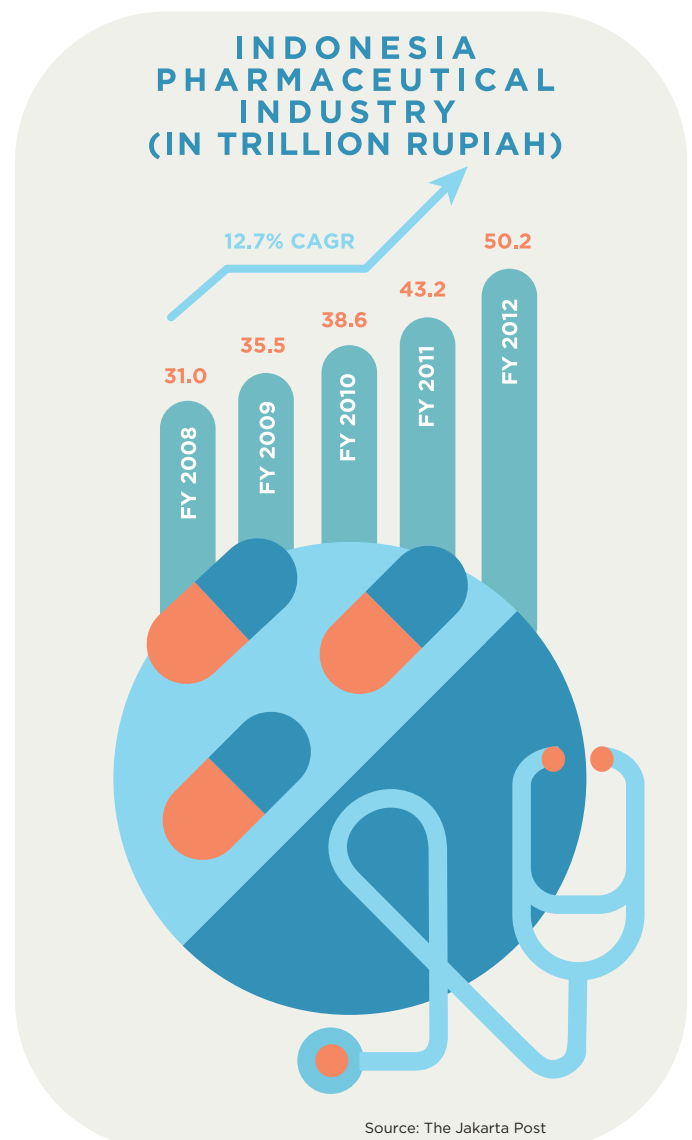


INDONESIA

Indonesia universal healthcare programme boosts drugmakers' sales despite tiny margin.

- ▶ The universal healthcare programme will give the people wider coverage to health care which eventually allow drugmakers' to make more gain next year
- ▶ State-owned pharmaceutical company PT Kimia Farma (KAFF) is building a factory worth Rp 700 billion, an additional 100 health clinics and 60 drugstores across the country, which expected to boost the company's production and revenue
- ▶ The programme will cover 120 million people and is expected to cover the whole country by 2019
- ▶ Dorodjatun Sanusi, executive director of the Indonesian Pharmaceutical Association (GPFI) estimated that the pharmaceutical industry would achieve up to 20% strong growth in sales annually due to the expanding, increasingly ageing and affluent population, which will boost volume demand for pharmaceuticals as well as medical services across the board

[The Jakarta Post \(26 Nov 2013\)](#)
[Universal Health Coverage Forward \(29 Nov 2013\)](#)



08 MYANMAR MONITOR

ECONOMY

▶ The Foreign Investment Department is considering combining the foreign and Myanmar citizens' investment laws in line with international standards, with the aim of attracting foreign investment, according to its Director in Chief Aung Naing Oo. No changes will be made to the content of the foreign investment law.

[Mizzima \(5 December 2013\)](#)

▶ Myanmar will this month collect detailed data on the activities of private sector companies for the first time, in order to give a more reliable GDP figure for the country's economy, officials said. The country's GDP has been measured with the same method since 1968, and is considered to be inaccurate. The IMF estimates that Myanmar's GDP was US\$55.3 billion for the 2012-2013 fiscal year.

[The Irrawaddy \(5 December 2013\)](#)

▶ SMEs in Myanmar are wary of the impending implementation of the ASEAN Economic Community in 2015, as they fear they are not competitive to foreign entrants. The government and private sector have collaborated on a recently released draft law that would stipulate what constitutes SMEs, a part of hurried efforts to ready the country for the ASEAN chairmanship next year.

[The Irrawaddy \(3 December 2013\)](#)

CULTURE

▶ The Southeast Asian Games started on 4 December, and was kicked off with a chinlone competition. Chinlone is a combination of sport and dance, a team sport with no opposing team. Another sport popular in Myanmar sepak takraw, will take place on the closing day of the SEA Games on 22 December.

[Eleven Myanmar \(4 December 2013\)](#)

FOREIGN AFFAIRS

▶ Myanmar and the Philippines signed several bilateral agreements, including a visa exemption agreement, during President Thein Sein's first visit to the Philippines on 5 December. The Philippines has offered to help Myanmar establish its human rights commission and training in areas like agriculture, entrepreneurship, fisheries, eco-tourism and gender issues.

[Channel News Asia \(5 December 2013\)](#)

▶ The US government faced strong bipartisan opposition on 4 December for seeking limited ties with the Myanmar military. Both Republicans and Democrats were concerned over the military's willingness to reform, Myanmar's human rights issues, and the country's lingering ties with North Korea.

[The Irrawaddy \(5 December 2013\)](#)

09 LAOS - CHINA COLLABORATION



Laos and China are in collaboration on the road connecting project which is expected to boost trade, investment and also to help socio-economic development.

- ▶ The 142km Road No. 1A will connect Phongsaly's Bounneua and Nhot-ou districts to the Lantoui international border checkpoint with China and onto Pu-er in Yunnan province and is expected to take 54 months to complete
- ▶ The road would be used for the transportation of goods between Laos and China to help increase trade and investment in the region, contribute to socio-economic development

and aid in the push for a peaceful nation

- ▶ The project is also expected to help raise living standards in Phongsaly province as Laos workers will be employed during the construction process to develop the local employees' skills and to ensure they can contribute to socio-economic development in the future
- ▶ The project will cost US\$91.5 million, 95% of which comes from a Chinese government loan and the remaining 5% will be paid from the Laos government's joint fund

[The Vientiane Times \(03 Dec 2013\)](#)

10 THE BUSINESS CHALLENGE IN CAMBODIA



Cambodia ranked 184th out of 189 countries for ease of starting a business by the World Bank.

- ▶ Projects and business that rely on technology are a particular challenge since less than 20% of Cambodian have internet access and less than 10% use social media. Young people accounted for an increase of 548% of internet users in Cambodia in 2012
- ▶ The main challenges of start-ups in Cambodia are lack of legal infrastructure and government

incentives

- ▶ Cambodia made starting a business more difficult by introducing a requirement for a company name check at the Department of Intellectual Property and by increasing the costs for both getting registration documents approved and stamped by the Phnom Penh Tax Department and completing incorporation with the commercial registrar

[Phnom Penh Post \(02 Dec 2013\)](#)

