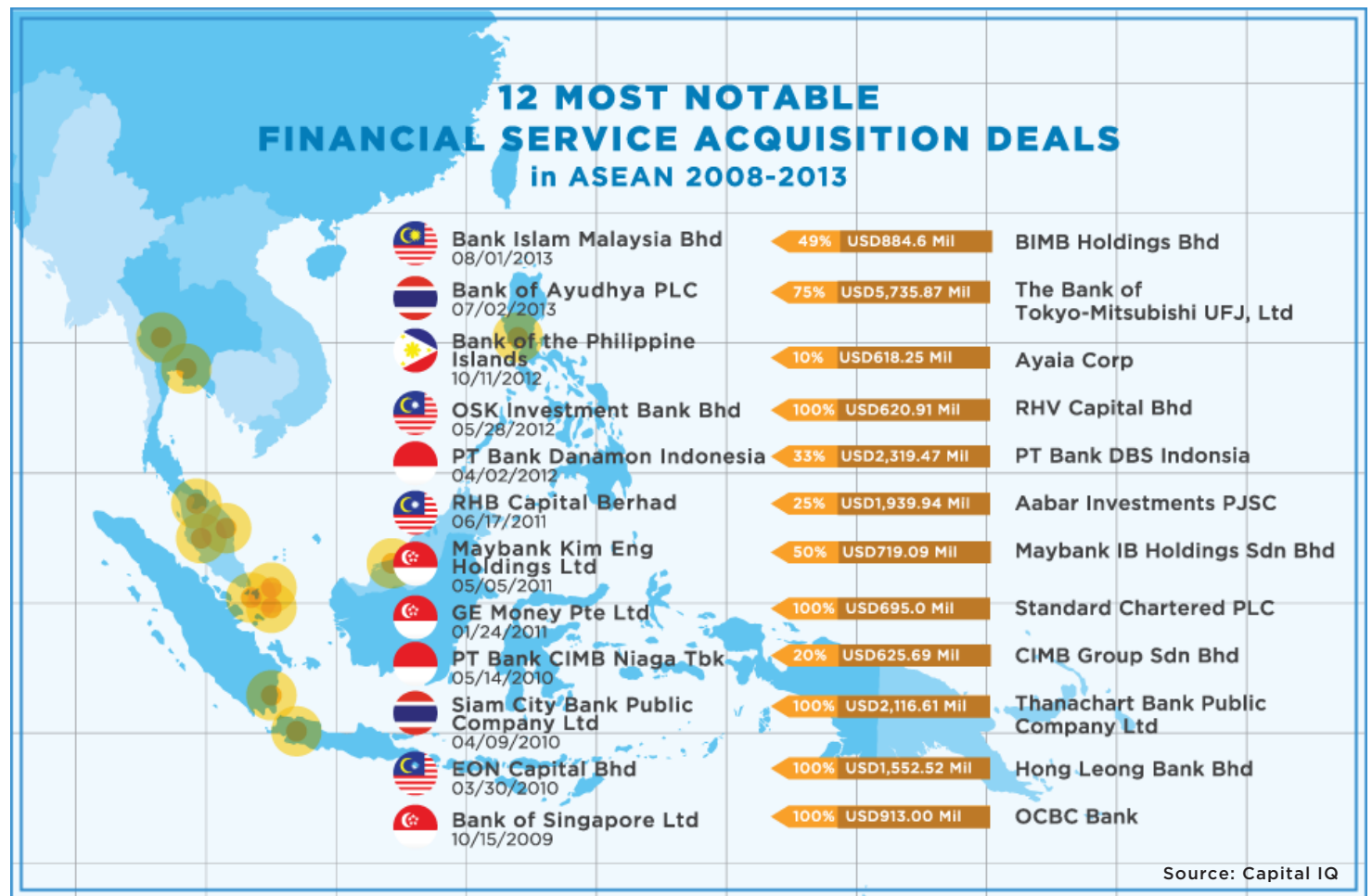


# CARI CAPTURES



## 01 SINGAPORE'S OCBC BANK PLANS TO ACQUIRE HONG KONG BANK FOR \$5 BILLION

 SINGAPORE



**Singapore's Oversea-Chinese Banking Corp (OCBC) set to make major inroads into Chinese market as the bank is in exclusive talks to acquire Hong Kong's Wing Hang Bank.**

- ▶ According to Dow Jones Newswires, a potential deal could value the Hong Kong lender, which has 75 branches across Hong Kong, mainland China and Macau, at more than US\$5.0 billion
- ▶ Wing Hang Bank's substantial shareholders agreed to hold exclusive talks with OCBC until the end of January to finalise terms "for a possible transaction" that would involve the Singapore bank making a general offer for all Wing Hang shares but there was no certainty

- ▶ a deal would materialize according to an OCBC spokesperson
- ▶ Grace Wu, a Hong Kong-based analyst in Daiwa Capital Market, noted that Hong Kong banks are attractive targets given their immediate access to China as most of them have locally incorporated subsidiaries in the mainland
- ▶ In the drive to expand beyond its city-state domestic market, in 2001 Singapore's biggest bank DBS bought Hong Kong's Dao Heng Bank for S\$10 billion (US\$7.89 billion)

## 02 US\$4 BILLION WORTH OF INDONESIAN BONDS TO ENTER INTERNATIONAL MARKETS

### INDONESIA

**Indonesia plans to sell US\$4 billion worth of bonds, which will be sold in equal denominations of 10-year and 30-year debentures at above market yield.**

- ▶ Both 10-year and 30-year notes are to be offered at a yield of 5.95 percent, whilst the yield of existing Indonesian 10-year bonds

have risen to a three year high in reaction to the announcement

- ▶ The Indonesian finance ministry hopes that the issuance of said bonds will address three key objectives: firstly, to help strengthen an Indonesian Rupiah which fell 21 percent last year without further depleting foreign reserves; secondly, to address the impending

maturity of \$2.3 billion dollar notes; and thirdly, to enrich the government spending budget development, quality, science-based policy-making, and strengthening the ASEAN Secretariat

[Bloomberg News \(08 Jan 2014\)](#)

## 03 THAI MILITARY ROLL OUT IN BANGKOK RAISES COUP FEAR

### THAILAND

**The Thai army is rolling out tanks and armoured vehicles on the streets of Bangkok, raising fears of a purported coup against interim PM Yingluck Shinawatra.**

- ▶ Military officials have denied any such move against the interim administration and insisted the tanks are for the upcoming military parade to celebrate Thai Armed Forces Day on 18 January, though this would be the first time military vehicles would be used for the occasion
- ▶ Thai Major General Wara Boonyasit refuted claims regarding a potential coup and stressed

that the inclusion of military vehicles in the parade was to showcase Thailand's modern military weapons and demonstrate the strength of its troops before the eyes of military attaches from various countries

- ▶ The Thai military has played a key role in the latest unrest in the country as military chief Prayuth Chan-Ocha might consider a coup to uproot the administration if the situation worsens before fresh elections in February 2014 following the dissolution of parliament by Prime Minister Yingluck Shinawatra
- ▶ The anti-government protests in Thailand were triggered by a controversial amnesty bill

which might have allowed Yingluck's brother and former leader Thaksin Shinawatra to return from his self-imposed exile following his overthrow in a military coup in 2006

- ▶ The powerful Thai military has staged 16 coups against the ruling administration in the past eight decades of democracy

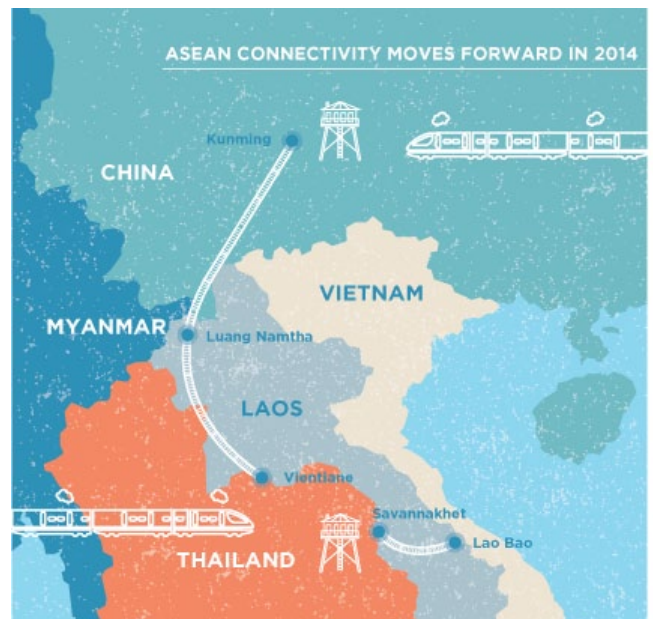
[International Business Times \(07 Jan 2014\)](#)

## 04 ASEAN CONNECTIVITY MOVES FORWARD IN 2014

### MALAYSIA THAILAND VIETNAM CAMBODIA LAOS

**ASEAN nations observe growth in infrastructure and investment as a railway project linking Thailand, Vietnam, and Laos commences; meanwhile, Chinese firms agree to invest US\$11 billion into infrastructural projects in Cambodia.**

- ▶ Giant-Consolidated, a Malaysian company, has begun construction on a 220 kilometre high-speed railway system which links western Laos to Vietnam and Thailand, opening landlocked Laos and providing new socio-economic opportunities in the region
- ▶ Whilst the aforementioned project is already reported to take four years and US\$5 billion to complete, the Government of Laos is also currently seeking to raise a further US\$7.2 billion to fund a second railway on its eastern border
- ▶ The Asian Development Bank has cautioned that Laos' infrastructural developments are too costly and will worsen its government deficit
- ▶ Cambodian Iron and Steel, a Chinese firm established in 2006, has agreed to invest US\$11 billion into the construction of railway systems, steel plants and port facilities in Cambodia over the course of the next four years
- ▶ Whilst the US\$11 billion investment is Cambodia's largest single investment, the venture is in line with China's recent trend of financing projects in the ASEAN region; merely three days prior to said announcement, two Chinese firms committed US\$2.3 billion to the building Cambodia's first oil refinery
- ▶ The Master Plan on ASEAN Connectivity is thus on its way to being achieved, with a higher level of interconnectivity fostered by mutual investment and improved infrastructure; however, doubt remains as to whether such goals can be achieved by the AEC's target date of 2015



[Radio Free Asia \(03 Jan 2014\)](#)  
[Business Recorder \(07 Jan 2014\)](#)

## 05 INVESTMENT IN RURAL AREAS REMAINS IN VIETNAM'S NATIONAL INTEREST



VIETNAM

**National Assembly Chairman Nguyen Sinh Hung, who also chairs the steering committee overseeing implementation of the Party Central Committee's Resolution 26 on agriculture and rural development, cited major improvements to the living conditions of farmers is key to ensuring rural development and national industrialisation.**

- ▶ A report on results obtained in implementing Resolution 26 prepared by the committee noted that GDP contribution of agriculture, forestry and aquaculture has averaged 2.9% per year during the 2009-2013 period while agriculture contributed an estimated US\$27.5 billion in export revenues to the economy in 2012
- ▶ The report however highlighted the sector's shortcomings that have to be addressed urgently, including declining pace of development, low competitiveness, low productivity, low value of some farm produce, and widening gap between the rural and urban areas
- ▶ Hung said that the development of agriculture and rural areas was a strategic task for nation-building in the coming years and stated that success would depend on putting the interests of the farmer at the heart of building new rural areas in the country
- ▶ Nguyen Quoc Cuong, President of the Viet Nam Farmers' Association, proposed that the agriculture growth rate be increased to between 3 and 3.5% and had called for specific policies for farmers that would improve their living conditions and prevent them from giving up rice cultivation

[Vietnam News \(07 Jan 2014\)](#)

## 07 MINING ACCOUNTABILITY BODY SET UP BY AQUINO ADMINISTRATION



PHILIPPINES

**The Department of Environment and Natural Resources (DENR) expressed optimism that the country's mining sector would become even more conscientious and transparent in its operations with the creation of an accountability mechanism for the industry.**

- ▶ Environment Secretary Ramon Paje hailed the newly created Philippine Extractive Industries Transparency Initiative (PH-EITI) a major milestone that has opened very wide avenues for the mining sector to prove that mining can promote genuine development of developing countries possessing mineral wealth like the Philippines
- ▶ The issuance of Executive Order 147, signed by President Benigno Aquino III, is one of the requirements to make the Philippines compliant in international undertaking to bring about transparency and accountability in the extractive industries and in government
- ▶ EITI is a global standard for transparency in the mining sector that involves the reconciliation of company payments with government receipts by an independent administrator and disclosure of that information to the public and the process is managed by the government with the active involvement of partners from industry and wider society
- ▶ Initiated in 2002 by then British Prime Minister Tony Blair at the World Summit on Sustainable Development in Johannesburg, South Africa, EITI is recognized as a useful tool for resource-rich countries like the Philippines to ensure that the extractive industries make positive contributions to the improvement of economies of host communities during the development process
- ▶ There are currently 25 EITI-compliant countries in the world and 16 EITI candidate countries, or those that are working to reach compliant status, including the Philippines

[Philippine Daily Inquirer \(07 Jan 2014\)](#)

## 06 MALAYSIA MULLS SMALLER INDEPENDENT POWER PRODUCERS TO ENSURE ENERGY SECURITY

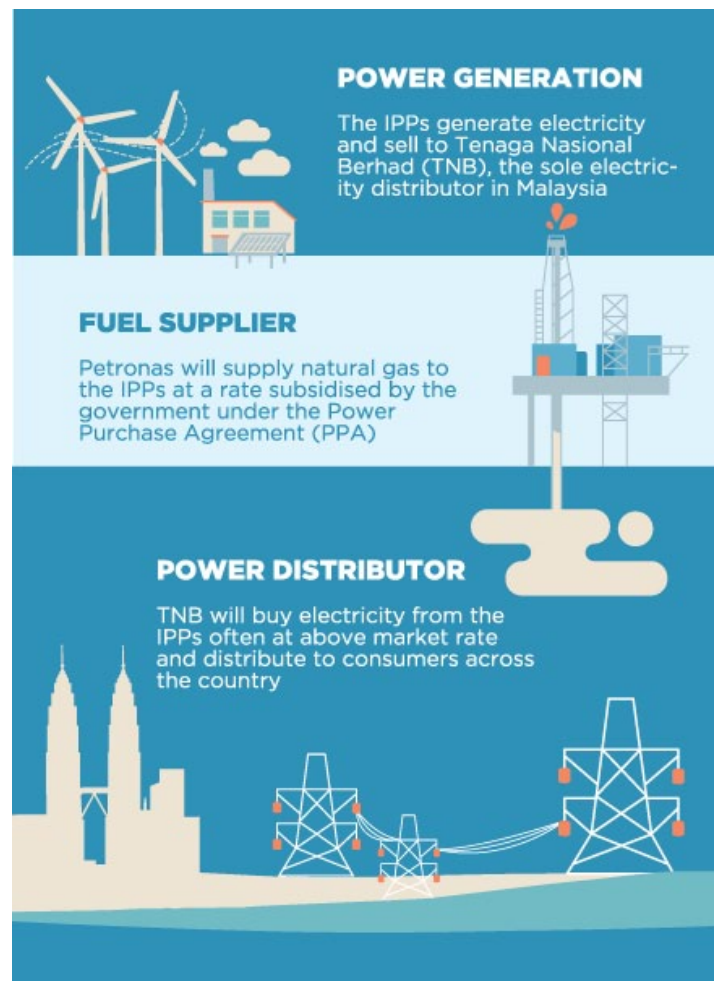


MALAYSIA

**The Malaysian Government will focus on a smaller-scaled independent power producer (IPP) strategy moving forward to ensure energy security for the country.**

- ▶ Datuk Seri Dr Maximus Ongkili, Malaysia's Green Technology and Water Minister, said that the government are looking at medium-sized to smaller renewable power plants to contribute to the need for increased power margins
- ▶ He stressed the importance of these IPPs in contributing to a higher margin of power (spare capacity generated) of 25-28%, which would help solve the negative capacity issue when one or two IPP generators go to sleep or are down for maintenance, specifically in Sabah which only had 5% margin
- ▶ Dr Ongkili noted that the big IPPs would be phased out after taking into consideration the energy security and stability of the electricity grid and be replaced by the new and more efficient power systems
- ▶ To ensure that cost considerations to both producers and consumers are justified, the ministry had taken effort in comparing the pricing per unit of energy with the rest of the world, including technology, management, and financial considerations
- ▶ The government recently announced a 15% hike in electricity tariff Peninsular Malaysia in order to tackle the budget deficit

[The Star Online \(08 Jan 2014\)](#)



## 08 MYANMAR MONITOR

### ECONOMY

▶ Myanmar was ranked the third worst country to do business and fifth globally in terms of business risk in a new report by UK-based global risk analytics firm Maplecroft. Myanmar made the greatest improvements to its business environment across a global spectrum. Maplecroft forecasts that if Myanmar sustains its current trajectory it may move out of the 'extreme risk' category in the next 1-3 years.

[Myanmar Times \(8 January 2014\)](#)

▶ The total number of granted licenses to set up business or form joint ventures with local firms was 118 during 2013, according to the Myanmar Investment Commission (MIC). Despite high-profile promises of investment and large loans from Japan, the three biggest foreign investors in 2013 were China, Thailand and Hong Kong, said MIC.

[The Irrawaddy \(4 January 2014\)](#)

▶ According to the government's budget proposal, Myanmar is aiming for an 8% GDP growth during the 2014-2015 fiscal year, with 3.9% growth targeted for the agricultural sector, 10.4% for industry, and 12.4% for the services sector. Regionally, the government aims for a 9.3% growth in the Yangon region, 12.4% in the Mandalay district, and 28.2% in Naypyidaw.

[The Irrawaddy \(11 January 2014\)](#)

### POLITICS

▶ President Thein Sein gave an amnesty to thousands of prisoners across the country on 3 January, to mark the country's 66th Independence Day. Inmates sentenced to death were commuted to life imprisonments, while those serving either life imprisonment or more than 40 years will now serve 40 years. Other sentence terms will be cut a quarter.

[Bernama \(3 January 2014\)](#)

▶ President Thein Sein has announced that he supports reforms of the country's constitution, indicating he would back amending provisions that would allow opposition leader Aung San Suu Kyi to become president. He said it would be "healthy to amend the Constitution from time to time to address the national, economic and social needs of our society."

[The New York Times \(2 January 2014\)](#)

### FOREIGN AFFAIRS

▶ Japan has pledged 10 billion yen (\$96 million) to develop infrastructure and lift standards of living in Myanmar's conflict-plagued ethnic areas with the aim of promoting peace.

[The Wall Street Journal \(7 January 2014\)](#)

▶ Denmark officially forgave US\$54 million of debt from Myanmar at a meeting on 9 January between Myanmar President Thein Sein, and Denmark's Development Minister Rasmus Helveg Petersen, as a sign of support of Myanmar's positive developments.

[The Copenhagen Post \(10 January 2014\)](#)

## 09 30,000 FLEE AS MOUNT SINABUNG ERUPTS IN INDONESIA

### INDONESIA

**People living around Mount Sinabung on Indonesia's western island of Sumatra are grappling with displacement and threats of ash, smoke and lava as the volcanic mountain continues to erupt.**

▶ The 400 year dormant volcano in Northern Sumatra erupted over a hundred times between January 4 and 5, displacing as many as 30,000 people, a number which is projected to grow as the seven kilometre "danger zone"

expands

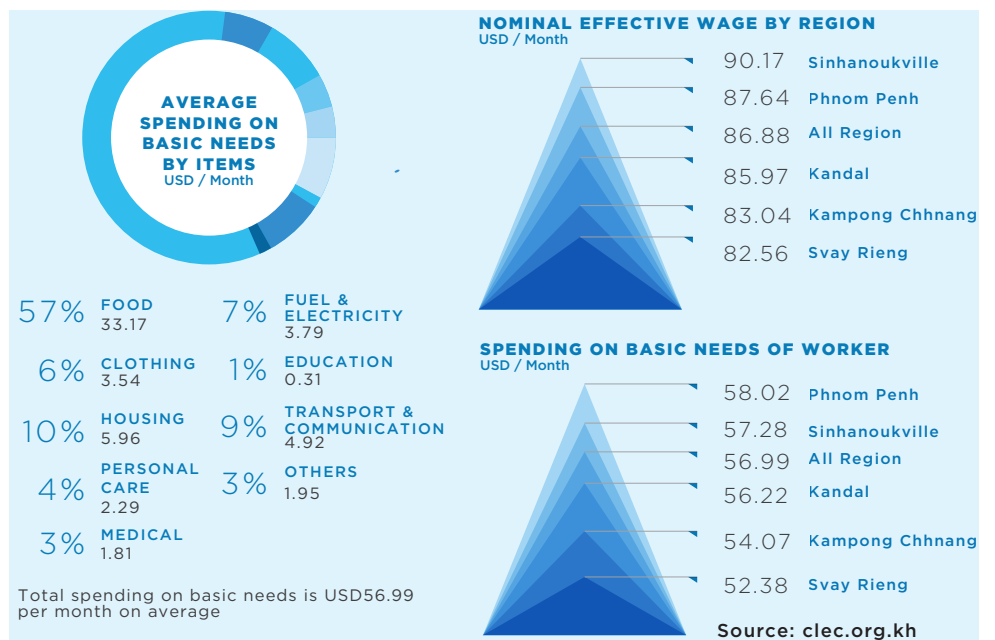
▶ The recent eruptions have killed 11, damaged various crops, killed livestock, and destroyed countless homes

▶ Authorities have managed to set up 32 disaster centers, providing much needed aid to the displaced individuals in the form of sustenance and shelter

[Bloomberg \(06 Jan 2014\)](#)

## 10 WORKERS STRIKE IN CAMBODIA ENDS AFTER DISSENT IS MET WITH FORCE

### CAMBODIA



**A National strike demanding higher wages has ended after a crackdown, costing the garment industry US\$200 million.**

▶ Following political protests numbering in the tens of thousands last month, economic discontent within the garment industry has led to labour strikes with workers demanding that the minimum wage be raised to \$160 from the existing US\$80 a month

▶ The garment industry, which accounts for 80% of Cambodia's exports, has suffered a US\$200 million loss due to recent strikes, whilst buyers threaten to take legal action and cancel existing contracts

▶ With union leaders continuing protests

despite the government's concession of a \$100 per month minimum wage, Cambodian authorities have resorted to banning public assemblies of more than 10 people, and has increased military presence which has resulted in controversial shootings

▶ As a result of recent violence, proponents of the strike have publicly declared an end to the protests: however, key figures within the garment unions fear a further escalation of hostilities as demonstrated by the 131 recorded strikes by the garment industry last year

[Bangkok Post \(07 Jan 2014\)](#)  
[ALJAZEERA \(08 Jan 2014\)](#)

