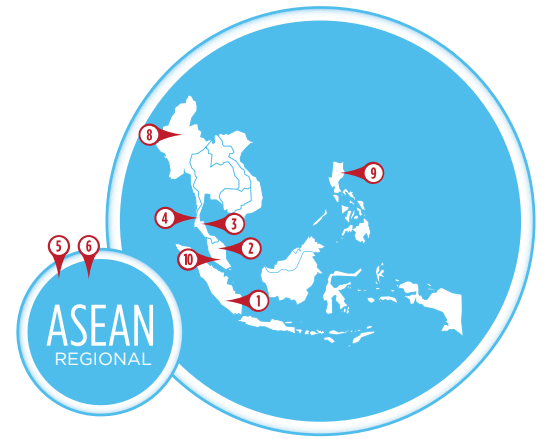


CARI CAPTURES



01 LEGISLATIVE ELECTIONS PLACE WIDODO CLOSER TO PRESIDENCY

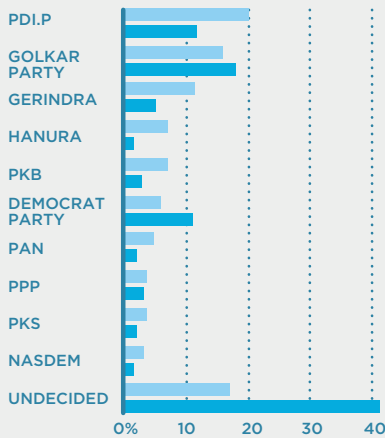
INDONESIA

THE LINEUP

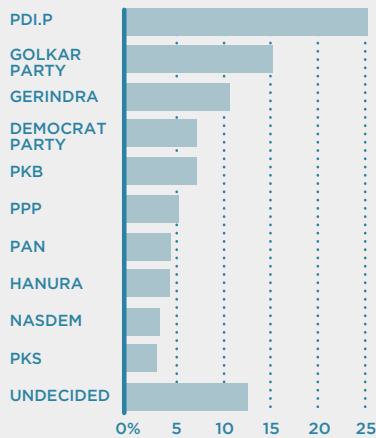
Only three parties are expected to get enough votes to be able to back presidential contenders. Poll results:

SURVEY BY CSIS

■ March 2014 ■ July 2014

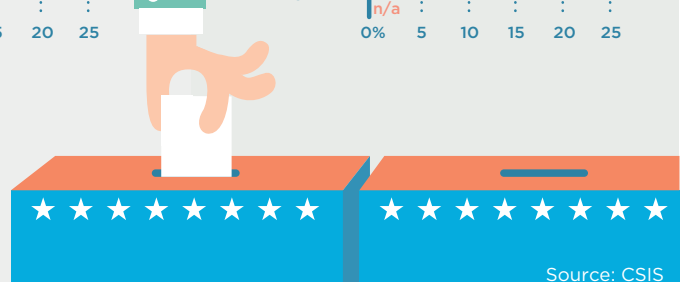
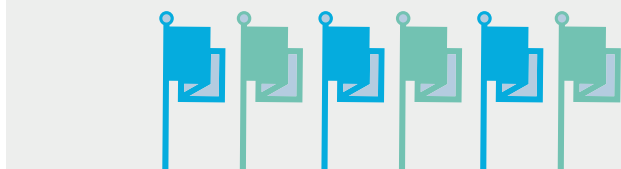
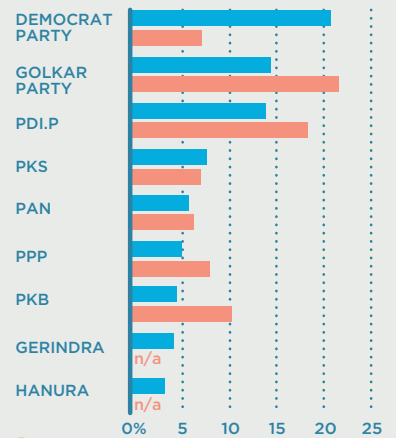


SURVEY BY INDIKATOR



Results of prior legislative elections

■ 2009 ■ 2004



Source: CSIS

The Indonesian Democratic Part of Struggle (PDI-P) recently clinched 19% of the overall votes in Indonesia's most recent parliamentary elections according to preliminary reports; whilst Governor Joko Widodo lacks the required votes to run for presidency on a single party platform, it places him at the forefront of the road to the presidency.

▶ Whilst the PDI-P leads the polls as the majority leader in the legislative elections, a higher percentage of this years vote have been divided amongst the country's five Islamic parties, which reflect a reversal of recent trends in the last decade showing declining support for said Islamic parties

▶ This, however, also means that no party will have enough of the vote to support a presidential candidate; this is because, the legislative stipulations for a presidential candidate require that a party carry at least 25% of the overall vote or 20% of the House of Representatives

▶ The vote reflects a changing landscape for Indonesian politics, where the ruling Democratic party led by President Susilo Bambang Yudhoyono came in fourth in the polls after a slew of corruption scandals; meanwhile, Governor Joko Widodo is currently riding on a platform of populism which places him at the forefront of candidates for the incumbent presidency

02 ASEAN BANKS RESILIENT TO US TAPERING, HIGHER INTEREST RATES



Moody's made a statement stating that the banking systems in ASEAN are resilient to the financial impacts of the reduction of monetary stimulus by the US Federal Reserve.

- ▶ ASEAN banking systems are well positioned to cope with the impacts of tapering by the US Federal Reserve and higher interest rates
- ▶ Eugene Tarzimanov, Moody's vice-president and senior credit officer said the strengths of the region's banking systems lie in their relatively strong capital buffers, modest level of problem loans, high recurrent profitability and low reliance on foreign funding
- ▶ Furthermore, increment in trade activities between Asia and the west poses a strong economic environment in the region and banks continue to gain from this. However, there is also a possibility of credit risk due to long period of slow economic and credit growth as well as higher cost of funds.
- ▶ The higher credit costs can be alleviated by the net interest margin earned from expected higher interest rates. Moreover, funding will not be a major risk for ASEAN banks because foreign currency borrowings accounting for less than 2% of liabilities

[The Edge Malaysia \(9 April 2014\)](#)

03 SEVERE DROUGHT TO HARM THAILAND'S AGRICULTURAL EARNINGS



Severe drought in Thailand is expected to negatively impact production of commodities mainly rice and rubber amid political unrest in the country.

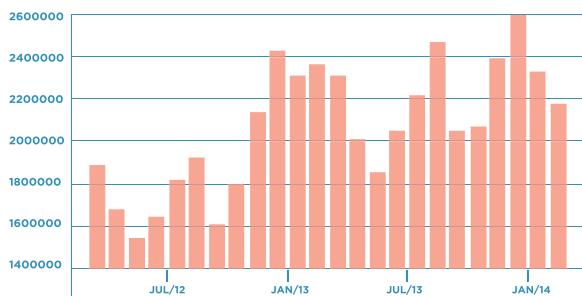
- ▶ Drought conditions are forecasted to cut Thailand's export earnings at a time when economic growth is under pressure. This follows the ongoing political crisis that has damaged consumer confidence and tourism
- ▶ Commodities like rice, rubber and sugar are of high importance to the Thai economy as they generate lucrative revenue amounting to US\$11.5 billion (THB 370 billion) for the government; meanwhile, Thailand is also the world's largest rubber exporter, the second largest sugar exporter as well as the third largest rice exporter in the world
- ▶ In the first quarter of 2014, the agriculture sector grew by only 0.5 percent as compared to 2.3 percent during the same period last year and the percentage of agriculture to Thailand's GDP is also expected to plunge further in the following quarter due to severe drought
- ▶ In addition to that, rubber production is expected to fall significantly during April and May 2014 as the dry season reduced rubber latex production and will force farmers to stop tapping; although this might not affect annual rubber supply, it will largely affect export earnings for the second quarter and agriculture's contribution to GDP

[The Edge \(9 April 2014\)](#)

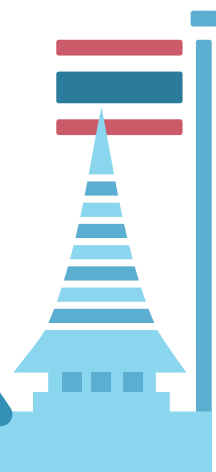
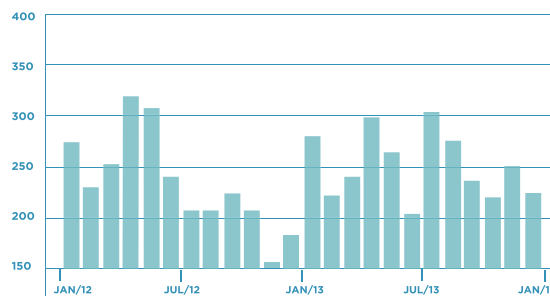
04 THAI UNREST RETARDS TOURISM REVENUES



THAILAND TOURIST ARRIVALS



THAILAND UNEMPLOYED PERSONS



Source: Tradingeconomics.com

Whilst the The Tourism Authority of Thailand projects foreign tourists to contribute US\$62 billion in 2014, recent statistics released by the Thai Government indicate a 9.6% fall in tourism since 2013 due to recent unrest.

- ▶ Whilst the 9.6% drop in tourism represents a US\$822 million fall in revenues, hotel occupancy rates have also suffered as a result of the recent protests; Centara Grand and Bangkok Convention Centre in Bangkok reported a 43% occupancy rate in Q1, down from 82% in Q1 of 2008

- ▶ Meanwhile, the Tourism Authority of Thailand has targeted alternative means of generating revenue; a projected return of US\$62 million from foreign films being shot in Thailand this year is being heavily encouraged as the Authority holds its second "Thailand International Film Destination Festival", taking place between April 20-29
- ▶ Last year's event enabled the Kingdom to generate 22 per cent more income from the local shooting of foreign movies than in the previous year, showcasing Thailand's readiness for location, personnel and state of the art film equipment through the film festival

[The Edge \(9 April 2014\)](#)



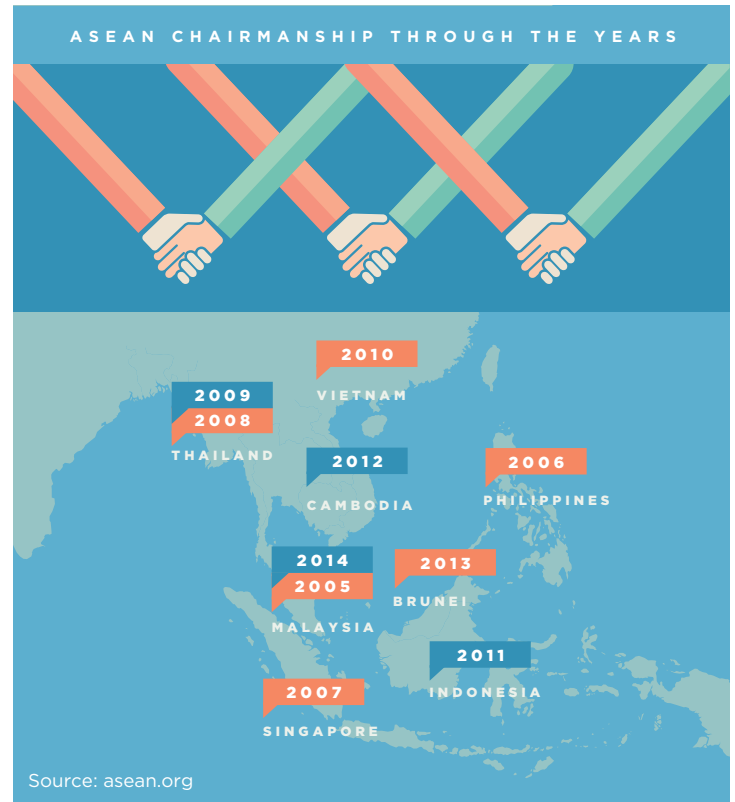
05 PEOPLE TO BE CENTRAL FOCUS OF ASEAN



The creation of a 'People-Centred Asean' will be the central element and overarching theme of Malaysia's chairmanship of Asean next year, according to Prime Minister Datuk Seri Najib Razak.

- ▶ Prime Minister Najib Razak said the theme would be an instrument for realising the Asean dream of promoting more effective and responsive government, better standards of living and environmental protection, further empowerment for women and opportunity for all; according to Razak, "No longer will Asean be the domain of the elites and specialists alone. An Asean community which is people-centred will truly be 'One Asean for All'"
- ▶ In order for Asean to contribute positively to global affairs, Najib said its institutions, including the Asean Secretariat, must be properly funded and resourced; member states have currently contributed a yearly fee of US\$1.7 million in the running of the secretariat, which was deemed to be insufficient for the broad mandate of ASEAN
- ▶ Four main challenges in a post-2015 ASEAN were outlined by Najib; firstly, personal relations and rules pertaining to investors and member states need to be reaffirmed; secondly, ASEAN's goals need to be more concrete in terms of content and timing; thirdly, ASEAN's achievements and significance must be affirmed; and lastly, Najib called for greater unity amongst the ASEAN region

[NST \(9 April 2014\)](#)



06 US\$80 MILLION IP SCHEME IS AVAILABLE IN SINGAPORE



On 8 April marked the Intellectual Property (IP) Office launched an IP Scheme worth about US\$ 80 million (SG\$ 100 million) which is an initiative to enhance IP framework in Singapore.

- ▶ The recent IP Scheme is targeted to allow local firms to use granted patents as collateral for bank loans and in turn, be able to grow and expand their business locally and abroad
- ▶ Based on a study done by asset valuation consultancy, Brand Finance, intangible assets accounted for 42 percent of enterprise value in Singapore in 2012 with a 35 percent improvement as compared to year 2011; meanwhile, values of intangible assets, namely rights, relationships and intellectual property also reported growth among Singapore businesses
- ▶ Under this scheme, US\$ 80 million of funds will be made available

for debt financing in the next few years along with patents used as collateral; besides, risk would be shared between the participating financial institutions and the government

- ▶ Three banks have agreed to accept IP as collateral for loans which comprised of DBS, OCBC and UOB whereas valuation agencies who approved to value IP are American Appraisal, Censor Intellectual Asset Management as well as Deloitte
- ▶ Furthermore, a new IP service centre- IP 101 which provide services to firms such as traditional IP filing and registration service as well as consulting and legal services in term of portfolio management would also be set up

[Channel News Asia \(8 April 2014\)](#)

07 2014 CHINA-ASEAN CULTURAL EXCHANGE YEAR OPENS



7 April marked the opening ceremony of the 2014 China- ASEAN cultural exchange year in Beijing, China. The year-long event is a form of tribute to the ever-growing ties between China and ASEAN

- ▶ Liu Yandong, Chinese Vice Premier and Nyan Tun, Myanmar's Vice President together with other officials from China and ASEAN countries were present at the opening ceremony of the 2014 China-ASEAN Cultural Exchange Year. 2014 is the start of the second decade since the forging of strategic partnership between China and ASEAN
- ▶ Myanmar has already played its role by showing appreciation to China for hosting the event as Myanmar takes on the ASEAN presidency

seat this year. Also, Vice President Nyan Tun has also expressed he is pleased with the friendly dialogue relations and that the partnership is based on mutual trust

- ▶ "Our Culture, Our Future" is the theme for the year-long exchange. At the opening ceremony, the audience was entertained by singers from Singapore, Laos, Vietnam, Brunei and the Philippines where they sang hit wonders of the late Chinese singer Teresa Teng

[CCTV English \(8 April 2014\)](#)

08 MYANMAR MONITOR

POLITICS

▶ Myanmar's first census in three decades, which was scheduled to end on 10 April, has been extended to at least the end of the month. The census had covered about 10 million of the estimated 11 million households. Complete data derived from the exercise will be announced in March or April of 2015.

[Radio Free Asia \(10 April 2014\)](#)

▶ Myanmar pledged on 9 April to protect international aid groups targeted by Buddhist mobs during rioting last month in the Rakhine State. The international community had voiced concerns over the situation, including a direct phone call from UN Secretary General Ban Ki-moon to Myanmar's President Thein Sein.

[Mizzima \(9 April 2014\)](#)

▶ In protest to the recent arrests and sentencing of journalists in Myanmar, several private newspapers in Myanmar printed black front pages on 11 April. A video journalist for Democratic Voice of Burma was sentenced on 7 April to one year imprisonment for trespassing and obstructing a civil servant while doing a story on education.

[Inquirer \(11 April 2014\)](#)

ECONOMY

▶ A public opinion survey by the International Republican Institute found that nearly 88% of those questioned believe Myanmar is heading in the right direction. The reasons given for the optimism were building of roads and bridges (35%), improvements of economic conditions (27%) and improvement of the rule of law (10%). When asked about the three biggest problems facing the country, most people mentioned unemployment, sectarian violence, high prices, and poverty.

[Mizzima \(9 April 2014\)](#)

▶ Experts have voiced concern about the effectiveness on Myanmar's export ban which came into effect on 1 April. They believe the ban will have limited impact because of a lack of clarity on its function in practice. The definition of what falls under illegal logging needs clarification according to Kevin Woods, a researcher with the NGO Forest Trends.

[Myanmar Times \(10 April 2014\)](#)

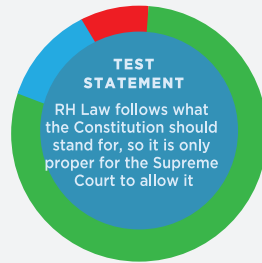
FOREIGN AFFAIRS

▶ China and Myanmar agreed on 10 April to facilitate closer parliamentary exchanges and share governance experience. China's top legislator Zhang Dejiang and Thura U Shwe Mann, speaker of Myanmar's Union Parliament and the House of Representatives signed a memorandum of understanding (MOU) on boosting closer cooperation.

[Ecnis \(11 April 2014\)](#)

09 PHILIPPINES LEGISLATURE BACKS BIRTH CONTROL LAW

PHILIPPINES



77% AGREE
14% UNDECIDED
9% DISAGREE

MARCH 2014 SWS SURVEY RESULTS ON PUBLIC SUPPORT OF THE REPRODUCTIVE HEALTH BILL/REPRODUCTIVE HEALTH LAW

84%

AGREE THAT "THE GOVERNMENT SHOULD PROVIDE FREE SUPPLY OR SERVICE TO THE POOR WHO WISH TO USE ANY FAMILY PLANNING METHOD"

68%

ARE AWARE OF THE RH LAW

72%

ARE IN FAVOR OF THE RH LAW

84%

AGREE THAT "THE RH LAW FOLLOWS WHAT THE CONSTITUTION SHOULD STAND FOR, SO IT IS ONLY PROPER FOR THE SUPREME COURT TO ALLOW IT"

Source: Social Weather Stations

The Philippine Supreme Court recently struck down a legal challenge to a controversial birth control law that supporters say could transform the lives of millions of poor Filipinos, despite bitter opposition from the country's powerful Roman Catholic Church.

- ▶ The law in question endeavours to provide both the tools and techniques to foster better levels of family planning in Asia's highest growing population; with a population of over 100 million people in one of southeast Asia's most populous countries, the mandate that government run centres to stock and distribute free condoms, along with awareness campaigns and sex education in schools will go a long way in solving the Philippine's population problems
- ▶ Whilst the Filipino Supreme Court declared the overall bill to be constitutional, at least eight provisions of the same law were considered to be unconstitutional, including one which intended to punish reproductive health providers who failed, or refused, to spread information about the law's services and programmes
- ▶ The Church had effectively blocked the passage of the law for 13 years, for fear it would lead to a spike in abortions; "The Church must continue to uphold the sacredness of human life, to teach always the dignity of the human person and to safeguard the life of every human person from conception to natural death," Bishop Socrates Villegas, head of the Catholic Bishops' Conference of the Philippines, said in a statement

[Aljazeera \(8 Apr 2014\)](#)

10 FLIGHT MH370 STILL ON THE LOOKOUT

MALAYSIA

MH370 search in 'crucial stage' and the search area have been reduced after Australian ship heard two more pings that is consistent with those of a black box from a plane detected earlier.

- ▶ Australian defence vessel Ocean Shield continues the search for the missing flight MH370 but now at a reduced scale of search area after two more pings was heard that is consistent with those of a black box from a plane late on Tuesday. Finding the black box which contains cockpit voice recorders and flight data soon is vital because the locator signal have a battery life of about a month. Tuesday the 8th of April marked one month since flight MH370 vanished
- ▶ The Ocean Shield is searching in a more manageable search area on the ocean floor. Moreover, a high possibility that the search team will send a robotic search vehicle to the seabed of the deep Indian Ocean to look for wreckage the missing plane
- ▶ Head of Australia's Joint Agency Co-ordination Centre, Angus Houston is optimistic the plane would be found soon but definitely a challenging one as they are proceeding to an uncharted territory at depths of 4,500 metres. 11 military aircraft, four civilian aircraft and 14 ships taking part in the search on Wednesday the 9th of April
- ▶ Malaysia Airline System Bhd chief executive officer (CEO), Ahmad Jauhari Yahya mentioned there is a lot of work to be done on fixing company's image to gain customers confidence. In an interview with the Wall Street Journal, he stated that ticket sales had suffered after the MH370 incident

[The Guardian \(9 April 2014\)](#)

[The New Straits Times \(8 April 2014\)](#)

[The Edge Malaysia \(8 April 2014\)](#)

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