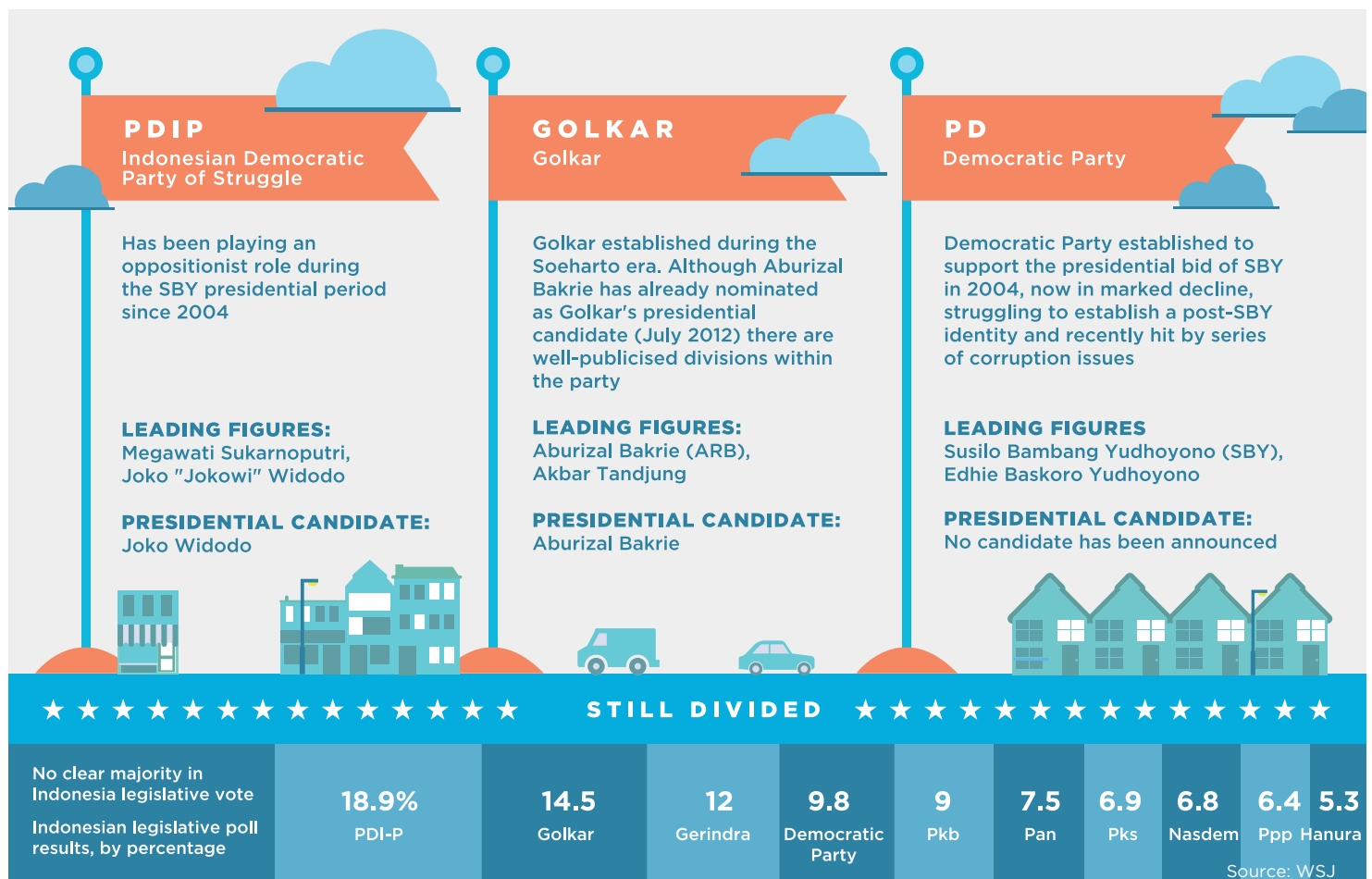


CARI CAPTURES



01 DIVIDED PARLIAMENT HAMPERS ECONOMIC REFORM

INDONESIA



Hopes that Indonesia's most recent parliamentary elections would heal a divided legislature were not realised as partisan strife continues to plague the Indonesian government.

- ▶ Market reactions following said elections reflected a lack of confidence in Indonesia's incumbent legislature, with Jakarta stocks falling more than 3% and the rupiah deteriorating against most major currencies; whilst the PDI-P won its first election in since 1999, the votes were split amongst 10 of Indonesia's parties
- ▶ The fractious legislature therefore continues in its current rent landscape which prevents a single party majority from implementing effective economic reform; furthermore, with electoral regulations

requiring that presidential candidates hold at least 20% of seats in parliament, or 25% of the national vote, the path to Indonesia's presidency remains unclear and undecided without clear coalitions

▶ Meanwhile, former President Megawati Sukarnoputri, chairwoman of the opposition Democratic Party of Struggle, which won the most votes in the 9 April legislative elections, late last week rejected a meeting with a team sent by President Susilo Bambang Yudhoyono representing his ruling Democratic Party, sources with direct knowledge of the visit said. Ms. Sukarnoputri "was not willing to accept" Mr. Yudhoyono's envoy

02 MALAYSIA'S NATIONAL BANK SIGNALS CONTAINED INFLATION



MALAYSIA

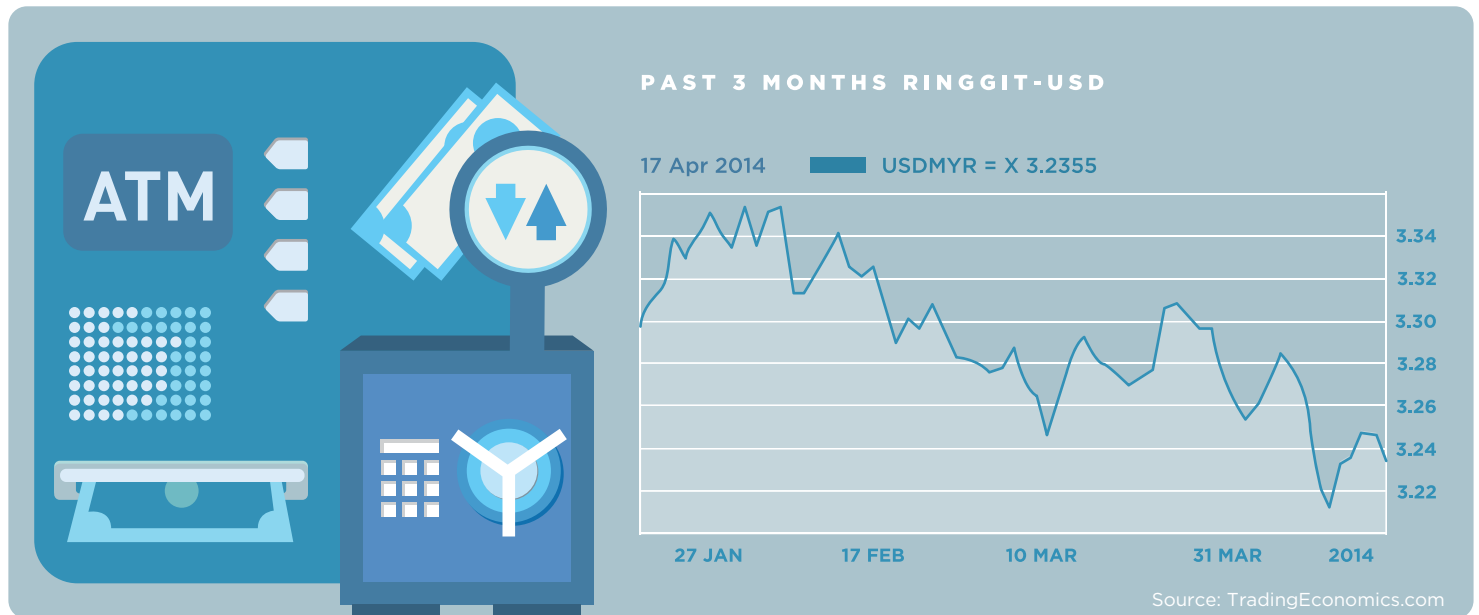
Bank Negara Malaysia (BNM) governor Tan Sri Dr Zeti Akhtar Aziz said the country's accelerating inflation does not make her nervous and signalled confidence in containing price increases that she said will moderate in 2016.

- ▶ Since May 2011, Malaysia's national bank has kept its benchmark interest rate at 3%, a figure which rose recently to 3.5% in February following subsidy cuts and tax hikes to reign in Malaysia's fiscal deficit
- ▶ Meanwhile, in response to US Federal Reserve tapering which have sparked capital outflows across emerging market economies, have not left Malaysia unscathed; the ringgit's decline by 6.3% year on year, as

a consequence of said outflows have also contributed to the list of problems Bank Negara will have to deal with in 2014

- ▶ Short-term interbank rates are expected to remain stable as BNM intervention to absorb excess liquidity from the financial system remains on course; BNM will call for RM5 billion range maturity auction tender for four- to 61-day and two RM100 million repo tenders for 31- and 91-day, respectively

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



03 BSP LIKELY TO MAINTAIN POLICY TIGHTENING IN MAY



PHILIPPINES

DBS Bank, a Singapore based bank said the Bangko Sentral ng Pilipinas is likely to continue tightening policy as early as May based on the recent veer of positive figures.

- ▶ The Monetary Authorities have kept key policy rates steady. However, to reduce the high liquidity growth, the authority have increased banks' reserve requirement ratio by a percentage point. Analysts envisaged this action as the start of a monetary tightening cycle
- ▶ The Philippine economy will remain robust by looking at the sustainable gross domestic product (GDP) growth, therefore providing additional reasons for the central bank to increase interest rates. This is on top of their high Net foreign direct investments (FDI) inflow of \$1.027 billion in January, its highest in two years as well as February exports growth at 24.4% year-on-year, fastest since December 2010
- ▶ Following the tapering by the US Federal Reserve which ended 19 March, "early measured adjustments" in the monetary policy is "ideal" because steady movements in the monetary policy would be less disruptive in the economy said BSP Governor Amando M. Tetangco, Jr.
- ▶ The attention will now divert to the next policy meeting which is scheduled to take place on 8 May

[Philippine Star \(16 April 2014\)](#)

04 UDD CANCELS RALLY AS COURT MULLS DELAY



THAILAND

The pro-government United Front for Democracy against Dictatorship (UDD) or commonly called Red Shirts called the mass rally off whereby it was initially planned to hold a day before the Constitutional Court's ruling on the status of caretaker Prime Minister Yingluck Shinawatra.

- ▶ The case follows the Supreme Administrative Court's judgement last month on her transfer order for Thawil Pliensri, Secretary-General of the National Security Council three years ago was classed unlawful
- ▶ Chaovana Trimas, the court secretariat confirmed that Ms Yingluck's lawyer has submitted the request for the court to extend the day of her defence by 15 days with the reason to allow more time for Ms Yingluck to prepare for her defence
- ▶ The court will only make a decision on the caretaker's extension matter next Wednesday, 23 April
- ▶ UDD assured that the cancellation of the gathering does not mean activities are phased out but rather to focus only on major political development related events. The intended rally on Thursday was seen as a warm-up for the subsequent demonstration ahead of the Constitutional Court's ruling on the case. On the other hand the People's Democratic Reform Committee, in short PDRC informed its supporters to come out to streets on the judgment day

[The Bangkok Post \(18 April 2014\)](#)

05 SINGAPOREAN ECONOMIC GROWTH FUELLED BY MANUFACTURING

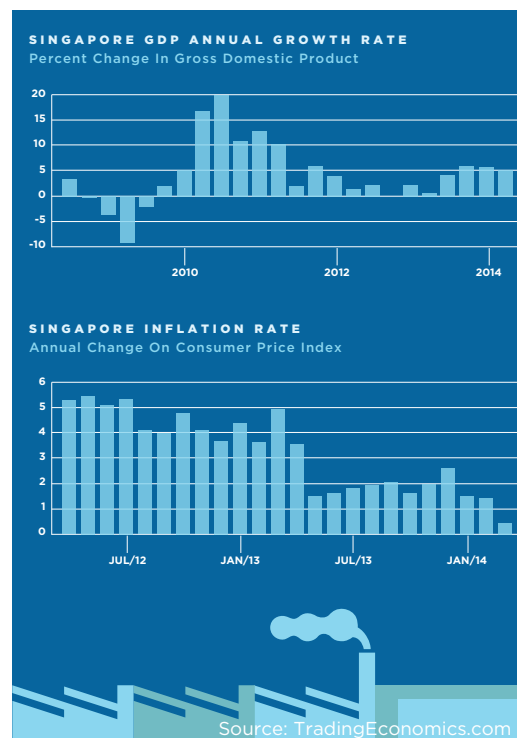


SINGAPORE

Singapore's economy grew by 5.1 per cent in the first quarter of 2014 from a year ago due to an improvement in manufacturing, with moderate economic growth expected with a projected expansion of 2-4 per cent in 2014.

- ▶ Meanwhile, the Monetary Authority of Singapore (MAS) has declared that inflation within the economy will continue to pick up as firms continue to pass on accumulated cost increases to consumer prices; this is expected to ease within the second half of 2014 as MAS continues to maintain its policy of gradual appreciation of the Sing policy band
- ▶ The 5.1 per cent growth rate was, however, lower than the median expansion of 5.4 per cent forecast by economists and below the 5.5 per cent growth achieved in the previous quarter; economists said the advance estimate of 5.1 per cent is a conservative one and likely to be revised upwards
- ▶ On a year-on-year basis, the manufacturing sector grew by 8.0 per cent, following the 7.0 per cent expansion in the previous quarter; the faster pace of expansion was largely due to a sharp rebound in biomedical manufacturing output and stronger growth in chemicals output
- ▶ Services grew by 4.7 per cent on a year-on-year basis in the first quarter, lower than the 5.9 per cent growth in the previous quarter; the moderation in growth was largely due to slower expansion in the wholesale & retail trade and finance & insurance sectors

[Chanel News Asia \(16 April 2014\)](#)



06 REGION IS TO BENEFIT FROM CHINA AND JAPAN'S INVESTORS



ASEAN

Templeton Emerging Markets Group executive chairman, Mark Mobius shared that South-East Asia (SEA) is going to enjoy investment from China and Japan's investors particularly in the manufacturing and consumer-related sectors.

- ▶ In the Franklin Templeton Investments Asia Investor Forum 2014, Mobius mentioned that SEA markets should be regarded as a unit instead of individual markets; SEA markets are expected to benefit from China as a key import and export partner as well as money flow from Japan due to Japanese government is expanding its money supply vigorously
- ▶ Both Chinese and Japanese investors are looking at opportunities available in manufacturing sector across the region where Chinese investors hope to minimize cost in manufacturing process while Japanese investors wish to expand their sales market and look for

retailing opportunities where specifically in Malaysia; besides, consumer-related businesses are relatively attractive to investors from China and Japan amid high purchasing power in the region

- ▶ Meanwhile, Mobius also expressed his confidence over Thailand, Indonesia, Malaysia, Vietnam and Singapore except the Philippines in the issue of liquidity; nevertheless, Malaysia is being warned to be cautious with consumer debt problem especially recently people are new to easy financing facilities like credit cards and loans
- ▶ The investment guru expects that SEA and other emerging markets are going to create a new era of consumer banking mainly backed by high per capita income and large population base in the markets

[The Star \(16 April 2014\)](#)

07 REGIONAL COOPERATION IS CRITICAL TO ADDRESS SECURITY CHALLENGES IN ASEAN



ASEAN

Malaysia's Deputy Prime Minister Tan Sri Muhyiddin Yassin pointed that cooperation in Asean and the networks of global diplomatic relationships were collectively fundamental solutions toward emerging security challenges.

- ▶ Asean is being regarded as a platform for maintaining peace and stability among 10 member countries as well as a forum for engagements with regional countries namely China, India, Japan and South Korea
- ▶ There has been no any open conflict among member countries since formation in 1967 because Asean tackles problems and crises arise through mutual consensus and respect have successfully minimise any unnecessary conflicts and tension
- ▶ Tan Sri Muhyiddin Yassin believed that effective and close cooperation

would continue to enhance the ability to identify and address threats of any kind which might be detrimental to security and stability across Asean region

- ▶ Furthermore, Malaysia will chair Asean next year and along with they are also striving for a non-permanent seat in the UN Security Council next year with a hope to take into account the importance of diplomacy and moderation in all aspects of international relations
- ▶ This is being mentioned at Putrajaya Forum 2014 which held in conjunction with the four-day 14th Defence Services Asia (DSA) Exhibition and Conference with a theme of 'Strengthening Security and Regional Stability'

[New Straits Times \(15 April 2014\)](#)

08 MYANMAR MONITOR

POLITICS

▶ Aung San Suu Kyi criticised President Thein Sein's administration for not pushing for constitutional reform ahead of the 2015 elections, during a speech in Paris on 15 April. She questioned whether Thein Sein is genuine about democratic reform since he hasn't supported amendments to the constitution which institutes partially military rule.

[Radio Free Asia \(16 April 2014\)](#)

ECONOMY

▶ The United States will open its first commercial service office in Myanmar to help US companies invest in the country. The move comes ahead of US President Barack Obama's trip to Asia next week.

[Financial Times \(17 April 2014\)](#)

▶ China's investment in Myanmar plummeted in 2013 to only US\$20 million or only 5% of the value invested in 2012. China's plummeting investment coincides with the announcement of the 2012 foreign investment law, according to China Radio International. "The sharp contrast of China's dropping investment and the rising total volume of FDI is due to the failure of the Chinese companies to change their own game and catch up with developments [in Myanmar]," the radio station said in its report.

[The Irrawaddy \(12 April 2014\)](#)

▶ The planned opening of a credit bureau, which would allow lenders to check the backgrounds of prospective borrower, has been delayed. The Central Bank of Myanmar (CBM) and bankers have been trying to form a Myanmar credit bureau with assistance from the Credit Bureau Singapore since 2012 but has now been delayed by organisers because the CBM is having second thoughts on allowing foreign contribution.

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

FOREIGN AFFAIRS

▶ US ambassador to the United Nations Samantha Power on 17 April urged the Myanmar government to intervene in Rakhine State to stop violence between ethnic Rakhine Buddhists and Rohingya Muslims and ensure the delivery of humanitarian aid. Power's remarks came after UN special adviser on Myanmar Vijay Nambiar briefed the 15-member UN Security Council.

[Reuters \(17 April 2014\)](#)

09 MH370: MINI-SUB ON SECOND MISSION SEARCHED FOR BLACK BOX

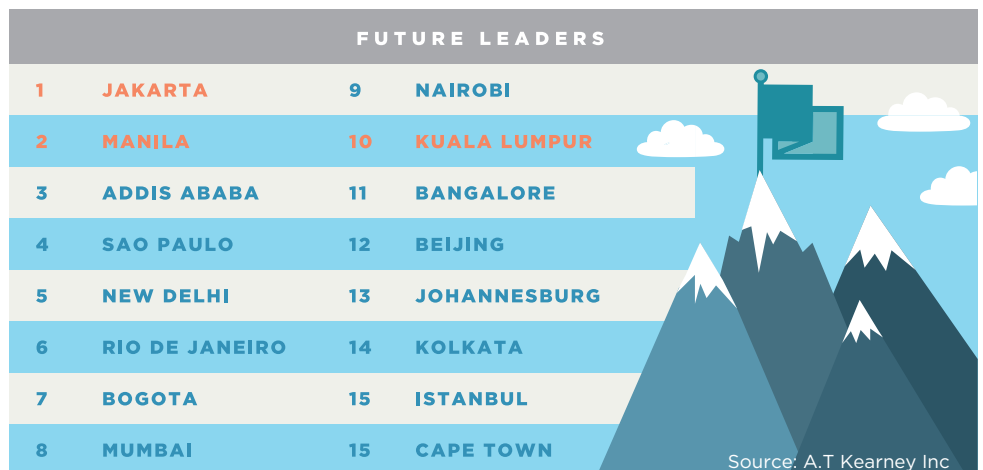


On 16 April 2014, a mini-sub searched for missing Flight MH370 was again sweeping the Indian Ocean seabed after aborting its first mission with a hope to disclose any black box data found.

- ▶ After more than 21 days of hunting for black box signals, the autonomous sub (Bluefin-21) had been deployed for the first time on 14 April 2014 from Australian Defence Vessel (ADV) Ocean Shield and this unmanned submarine equipped with sonar gear was deployed again on 16 April 2014
- ▶ There were no objects of interests found from the data extracted during Bluefin-21's first mission and United States (US) Navy explained that the Bluefin-21 had automatically aborted its first mission after six hours upon breaching its maximum operating depth of 4,500 metres (15,000 feet)
- ▶ Nevertheless, the aforementioned sub was undamaged and only had to be reprogrammed by taking into account for inconsistencies with the sea floor as well as adjusted the search profile to extend sonar search for as long as possible
- ▶ Meanwhile, the US Navy predicted that the mission of the mini-sub to conduct sonar survey of the ocean floor would take about six to eight weeks to scan the search zone, which has been assumed by using satellite data and the detection of electronic pulses linked to black box recorders heard before
- ▶ The chief of the Australia's Joint Agency Coordination Centre (JACC), Angus Houston has emphasised on the difficulties that faced by the team during the hunting process for MH370's black box and the needs to work at great depth in such a remote location

[Channel News Asia \(16 April 2014\)](#)

10 JAKARTA TO ATTRACT FOREIGN FIRMS



Jakarta is the likeliest emerging city to gain a global role as a young workforce attracts foreign companies, according to a ranking by A. T. Kearney Inc.

- ▶ The Chicago based consulting firm recently measured the likelihood in improved global standing of cities over the next decade or two according to business activities, human capital, and innovation; the survey ranked Jakarta to be the most likely city to succeed in the future, with Manila and Addis Ababa close behind
- ▶ Most of the cities on said list come from Asia, a region which the Asian Development Bank predicts will grow by 6.2% this year alone; meanwhile, the middle-aged, middle-class rise of most Asian nations in the region give rise to a growing consumer market which has managed to attract foreign firms
- ▶ Indonesia ranked 114 out of 177 countries in Transparency International's corruption perceptions index last year, compared to 118 in 2012; Jakarta Governor Joko Widodo, frontrunner to become the nation's next president, has addressed traffic and flooding while making infrastructure development and streamlined tax collection centrepieces of his governance

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

