

# CARI CAPTURES



## 01 VIETNAM TO CAPITALISE ON ASEAN INTEGRATION



**VIETNAM'S TOTAL IMPORTS AND EXPORTS FROM MAY 2012 - APRIL 2014**

Source: WSJ  
Source: Customs.gov.vn

**Whilst recent progress in the ASEAN Trade In Goods Agreement (ATIGA) has fostered a regional environment conducive towards free trade, local Vietnamese enterprises have yet to address the opportunities and challenges a post-2015 ASEAN will bring.**

- ▶ According to Tran Thanh Hai, deputy head of the Industry and Trade Ministry's Import-Export Department, 80% of Vietnamese businesses surveyed had little to no knowledge regarding the shifting ASEAN landscape and changing trade policies to be implemented in 2015
- ▶ Meanwhile, the trade ministry has continued to espouse the need for

domestic businesses to accelerate exports of key products in the short term, such as mobile and computer components, steel, and rice in order to take advantage of ATIGA's lowering of trade barriers

▶ In the long term, experts emphasised the need for domestic firms to develop business strategies to boost production scale to meet demand of larger orders in the near future, along with a government implementation of policies to aid local business adaptation to an integrated AEC

## 02 RISING PRICES AND FALLING DEMAND IN MALAYSIAN PROPERTY MARKET

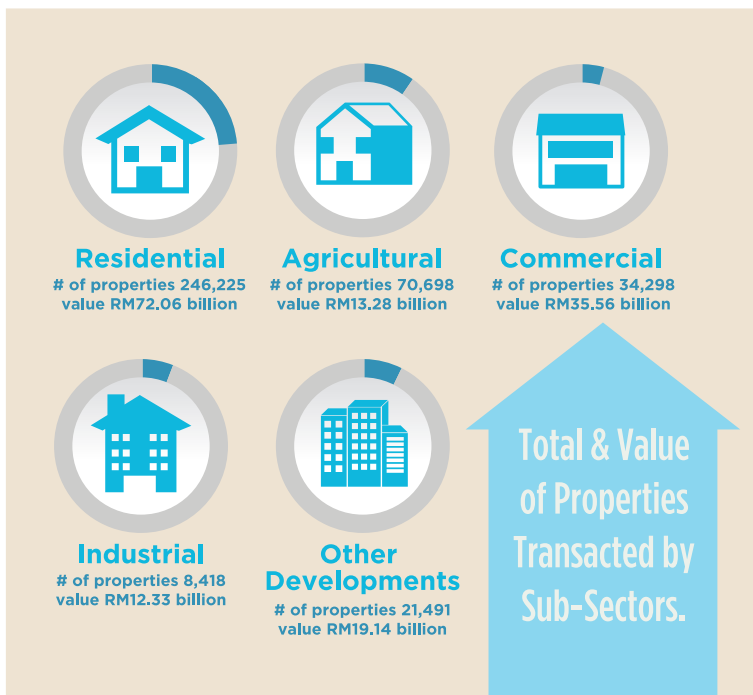


According to the Property Market Report 2013 released by the Valuation & Property Services Department, there were 381,130 transactions in the country in 2013 compared with 427, 520 the year before, although their value climbed to RM152 billion from RM142 billion.

- ▶ The average price of houses in Malaysia rose from RM241,591 in 2012 to RM255,304 in 2013, which can be largely attributed to a low interest rate environment conducive to residential property market growth; in 2013 alone, 246,225 residential property transactions occurred, equaling a total value of RM72.06 billion

- ▶ Whilst figures remained relatively strong, the volume of property transactions declined by 9.7% whilst its value rose by 6.3%, reflecting an almost paradoxical market phenomenon; transaction volumes in Putrajaya fell the most by 41.7%, and Kelantan 34.6%, a reversal of its 93.6% growth in 2012, which was followed by -34.4% in Kuala Lumpur, -33.9% in Labuan, -23.9% in Penang and -14.3% Selangor
- ▶ Meanwhile, new launches in the property market shrunk after three consecutive years of growth, with 48,617 units of new launches rolled out from 57,162 in 2012; Some 45.1%, or 21,904, of these units were sold

[Thestar.com.my](http://Thestar.com.my) (21 April 2014)



YEAR	INDEX Year 2012 = 100	ALL HOUSE PRICES (RM)
2000	100.0	138,712
2001	101.1	140,507
2002	103.6	144,830
2003	107.7	150,705
2004	112.9	156,549
2005	115.6	160,654
2006	117.8	165,111
2007	124.0	172,464
2008	129.8	179,359
2009	131.8	184,002
2010	140.7	196,720
2011	154.6	216,034
2012	172.8	241,591
2013	192.9	266,304

Source: Naptic.jp-ph.gov.my

## 03 THAI BLAMES HUGE LOSSES ON UNREST



The political crisis in Thailand has impacted negatively on the performance of Thai Airways International (THAI) mainly due to a drop in passenger load.

- ▶ Chokchai Panyayong, acting president of THAI said the board recognised the losses incurred by THAI in the first quarter of this year are due to a drop in number of passengers from China, Japan and South Korea at a fall of 25.5%, 8% and 17% respectively
- ▶ On top of that, the drop in passenger load could also be due to competition from new airlines. The loss is recorded at 30 million baht more than expected
- ▶ THAI would focus on the transit traveller market in the second half of the year due to the large passenger traffic transiting through Thailand
- ▶ THAI is also looking at reducing the number of employees, currently at 25,000 to gain better efficiency for the organisation. Additionally, to cut maintenance costs, THAI has plans to sell off some of its older planes towards the end of the year. The expected gain from this is between US\$2 million and US\$4 million each

[Bangkok Post](http://Bangkok Post) (22 April 2014)

## 04 SINGAPORE CFOS SEE CURRENCY VOLATILITY AS KEY RISK



Based on the CFO Outlook Asia 2014 survey done by Bank of America Merrill Lynch, currency volatility has come into view as the major concern among chief financial officers in Singapore.

- ▶ A total of more than 600 CFOs and other senior financial executives in the region participated in the survey conducted. Five percent of the total are Singapore CFOs and about two-thirds of those represent companies with annual income of US\$1 billion and above
- ▶ According to Bank of America, the wide fluctuations in the Singapore dollar in recent years explains why 55% of Singapore CFOs surveyed look at currency volatility as a key risk on top of other macroeconomic and regulatory risks
- ▶ By looking at the survey, companies encounter high labour and cost pressures. However, 68% of Singapore CFOs are expecting to see profits this year, 3% increment from previous year. Simultaneously, an expected revenue growth of only 61%, down from 71% in 2013
- ▶ Bank of America Merrill Lynch's head of corporate banking for Southeast Asia, Gregory Seow gathered three underlying reasons for the growth mentioned earlier namely Singapore as a key beneficiary of stronger US growth, advantage of its central bank's high credibility and experiences, and Singapore's huge current account surplus

[Channel News Asia](http://Channel News Asia) (22 April 2014)



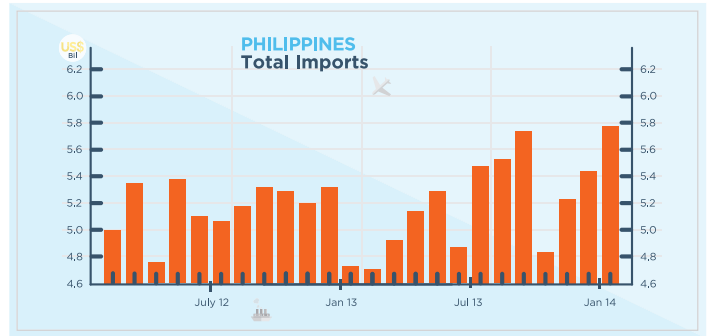
# 05 FILIPINO AGRICULTURE ON THE PATH TO SUSTAINABILITY



**The Filipino agriculture trade deficit narrowed by 52.6% in 2013 as agricultural exports grew and imports decreased according to the Bureau of Agricultural Statistics (BAS).**

- ▶ The Philippines' agricultural deficit fell to US\$1.48 billion in 2013 from US\$3.13 billion in 2012, which was propelled by a 25% year on year rise in export value in 2013 and a 4% fall in agricultural imports; the country's exchange of agricultural commodities with Japan registered a surplus of US\$794 million, whilst trade deficits with Australia, US and ASEAN narrowed 56%, 42.13% and 27.47% respectively
- ▶ Earnings from the country's top 10 agricultural exports grew 25% to US\$4.22 billion in 2013 from US\$3.36 billion in 2012, whilst coconut oil remained as the country's biggest export earner for the year; export earnings from shrimps and prawns rose 279% year-on-year in 2013 as the government implemented a crash programming for the shrimp industry last year to enable the industry to regain exportation prowess
- ▶ Total expenditure from the country's top 10 agricultural exports fell 7.29% to US\$3 billion in 2013 from US\$4 billion in 2012; these include wheat, soybean oil/ cake meal, milk and cream products, fertiliser manufactured, bovine meat, coffee, urea, rice, tobacco manufactured, and corn

[Philstar.com](http://Philstar.com) (22 April 2014)



# 06 ASEAN-CHINA COOPERATION MOVES FORWARD



**Asean and China have agreed to speed up the implementation of elements of the Declaration on the Conduct (DOC) of Parties in the South China Sea to build mutual trust and confidence.**

- ▶ The 7th Asean-China Senior Officials meeting on the DOC and the 20th Asean-China Senior Officials' Consultation (ACSOC) hosted by Thailand was held from 21 to 22 April 2014 in Pattaya, Chonburi Province
- ▶ The meeting was co-chaired by H.E Mr. Sihasak Phuangketkeow, Permanent Secretary for Foreign Affairs and Mr. Liu Zhenmin, Vice Foreign Minister of China that specifically discussed about positive momentum of the Asean-China Dialogue Relations as well as maintaining regional peace and ensuring stability for growth and prosperity

- ▶ Mr. Sihasak mentioned that both sides have agreed upon initiating joint exercises on search and rescue, disaster relief and setting up a communication hotline; the meeting also exchanged opinions on the objectives of the code of conduct (COC) in the South China Sea and assigned a 10th Joint Working Group on the DOC held in Singapore on 18 March 2014 to provide actions to achieve these objectives and expand their work to develop commonalities
- ▶ Both senior officials stressed in the meeting that Asean-China relations are vital as a regional pillar in order to achieve a better, closer and resilient Asean-China strategic partnership through building trust, confidence and mutual respect

[Bangkok Post](http://Bangkok Post) (24 April 2014)

# 07 BRUNEI DELAYS IN THE INTRODUCTION OF ISLAMIC LAW IN BRUNEI



**The proposition of Brunei to implement Islamic punishments was due to begin Tuesday, 22 April was postponed due to condemnation from the United Nations and sparked rare criticism at home.**

- ▶ Following the deferment of the law, there is no new date given for the start of the punishment that includes flogging, the severing of limbs and death by stoning. However, an official told the Brunei Times they would begin "in the very near future"
- ▶ Brunei's Sultan Hassanal was in Singapore as part of a three-day state visit and speaking on "The Future of ASEAN" where he expressed his concerns on the unpredictable ASEAN future. It is thought his government decided it could not proceed with the establishment of the new law without the Islamic monarch; the driving force behind

the move

- ▶ The UN's human rights office criticized the harsh new law, saying it was "deeply concerned" about the revised criminal regulations. Adding on, the non-Muslims in Brunei have expressed anxiety over unclear messages on whether the punishments would affect them
- ▶ Brunei is neighbored with Malaysia and Indonesia, Muslim-majority countries, but practices a more conservative form of Islam, banning the sale of alcohol and heavily restricting other religions

[The Edge Malaysia](http://The Edge Malaysia) (22 April 2014)  
[Channel News Asia](http://Channel News Asia) (22 April 2014)



# 08 MYANMAR MONITOR

## POLITICS

▶ Pro-democracy veteran and a founder of the National League for Democracy (NLD) Win Tin died at the age of 85 in Yangon on 21 April. He was a close aide to NLD's leader Aung San Suu Kyi, and he served 19 years in prison for his opposition to military rule in Myanmar. Tens of thousands paid tribute to Win Tin at his funeral on 23 April.

[BBC News \(23 April 2014\)](#)

▶ The United Nations Children's Fund (UNICEF) warned on 22 April that recent fighting between government forces and Kachin rebels has significantly increased the risks to young people, including possible recruitment, limited access to basic services and the threat of landmines. More than 75,000 people have been displaced since fighting began almost two years ago.

[UN News Centre \(22 April 2014\)](#)

▶ Thousands of ethnic Rohingya in Rakhine state accepted being labelled Bengalis in the national census, officials said 23 April. Most Rohingyas had initially refused to participate in the census as the government had removed Rohingya from the list of ethnicities following threats from local Buddhists. Classification as Bengali confers some rights, including voting in the 2015 general election, but not eligibility for citizenship.

[Bangkok Post \(23 April 2014\)](#)

▶ Following riots last month that led to the biggest disruption of aid in the area in years, UN agencies and international humanitarian groups in Myanmar's Rakhine state will be required to report on their activities in advance and receive approval for them from the government-led Emergency Coordination Center, a panel member said 23 April.

[Radio Free Asia \(23 April 2014\)](#)

## ECONOMY

▶ Kanbawza Bank Ltd, the largest private bank in Myanmar, has paid about US\$ 22 million in advance tax for the fiscal year 2014-15, according to its chairperson Aung Ko Win. The government started collecting advance tax in June 2013 because some companies have registered under the wrong addresses and some tend to dissolve themselves to avoid taxes, according to Min Htut, director general of the Internal Revenue Department.

[The Irrawaddy \(21 April 2014\)](#)


▶ Production sharing contracts for energy companies tasked with exploring Myanmar's onshore reserves should be signed in May, a planning official said 24 April. Last month, the government awarded some of the biggest energy companies in the world with exploration contracts for frontier territory off the Myanmar coast.

[UPI \(24 April 2014\)](#)


# 09 THAI ELECTORATE UNABLE TO DECIDE ELECTION DATE



### Thailand's Election Conundrum




Constituency



Party

**Two Ballot Sheets**  
Each voter has to vote for a Representative from his/her constituency and the party of their choice

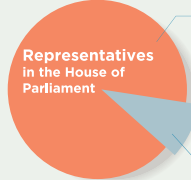


**Electorate**  
64.5 million population  
48.77 million eligible voters

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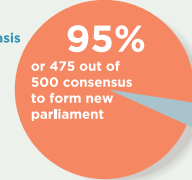
**Eligible Voters : Thai Nationals Aged 18**

**Ineligible Voters : Buddhist Priests, Novices, Monks or Clergy**




**375** elected on Constituency basis


**125** elected as Party list MPs



**95%**  
or 475 out of 500 consensus to form new parliament



Anti-government protestors activities in southern Thailand halted the electoral process in these areas and the House of Representatives will not hit the 95% threshold number to form new parliament.



**Somchai Srisuthiyakorn**  
Electoral Commissioner

"The election result might not yield enough seats. It might take four to six months to convene parliament."

Source: cnn.com

**A meeting scheduled on April the 22nd to pick a date for upcoming Thai elections failed to realise any meaningful collaboration amongst constituents; the political deadlock in Thailand continues as the election held in February was nullified by a court order.**

- ▶ The eruption of anti-government street protests by the self-styled People's Democratic Reform Committee (PDRC) nearly six months ago first brought Thai politics into deadlock; since the February election was overturned, the current caretaker government, headed by Yingluck Shinawatra, is gradually exhausting its constitutional powers to raise the money it needs for even basic administrative tasks
- ▶ Meanwhile, extremists on both sides of a yawning political divide are flourishing, with the "red-shirt" supporters of Ms Yingluck's ruling Pheu Thai party remain loyal to her and her brother Thaksin Shinawatra, a former prime minister ousted in a military coup in 2006; the other side of the divide is occupied by "yellow shirts" representing the Bangkok establishment and claiming legitimacy as defenders of the Thai monarchy
- ▶ Thus, without a vote in place, the Thai political deadlock will continue in its current state of limbo, with no possible outs until a general election can be confirmed

[Channel News Asia \(22 April 2014\)](#)

# 10 MH370: MILITARY AIRCRAFT CONTINUE SAR



**On 22 April 2014, four military aircrafts had departed Royal Australian Air Force (RAAF) Pearce base despite an earlier decision to suspend air search activities due to poor weather conditions that caused by Tropical Cyclone Jack, said Joint Agency Coordination Centre (JACC).**

- ▶ The military aircraft were joined by RAAF E7 Wedgetail aircraft to support airspace deconfliction that departed from RAAF Base Learmonth; Bernama reported that the aircraft is going to continue their missions in assessing the weather conditions as well as deciding whether they should continue their planned search activities or return to the base
- ▶ JACC also mentioned that the Bluefin-21 AUV completed mission nine in the underwater operations and had completed approximately two thirds of the focused underwater search but with no contacts of interest have been found to date
- ▶ On the other hand, Malaysian government is studying the technicalities involved in the issuance of death certificates for the passengers of the missing flight MH370; this is because, the next of kin of the passengers have been waiting for their beloved family members especially those whose breadwinners were on the flight nearly two months

[The Edge Financial Daily \(21 April 2014\)](#)  
[NST.com.my \(22 April 2014\)](#)

