

CARI CAPTURES



01 US-PHILIPPINES DEFENCE PACT TO STRENGTHEN MILITARY TIES



US-SOUTH KOREA Mutual Defense Treaty
In 1953, at the conclusion of the Korean War, the United States and the Republic of Korea signed a Mutual Defense Treaty, the foundation of a comprehensive alliance that endures till today.

US-JAPAN Mutual Defense Treaty
On January 19, 1960, Japanese PM Nobusuke Kishi and US Secretary of State Christian Herter signed a historic treaty. It committed the US to help defend Japan if it came under attack, and it provided bases and ports for US armed forces in Japan.

U-Tapao Royal Thai Navy Airfield, Thailand.
Used by US military during the Vietnam War and Thailand now considering joint military centre for natural disasters.

Cam Ranh Bay, Vietnam.
Used by US during Vietnam War, US Navy can now visit to re-supply and for repairs.

Subic Bay Naval Base & Clark Air Force Base, Philippines
Was US largest military base in Asia in the 20th century until evicted by Philippines in 1991. Now, Philippines have signalled it is open to access US military access once again with a 10 year military treaty.

AMERICAN SPHERE OF INFLUENCE IN ASIA

Source: Washingtonpost.com

In line with President Barack Obama's visit to the Philippines, the Filipino government ratified an agreement allowing for a larger US presence in the nation's territory.

- ▶ The 10 year treaty which increases the presence of US military forces in the Asia-Pacific region comes at a time where tensions in the South China Sea are at an all time high; with Chinese Gunboat diplomacy threatening to sink the already fragile stability of the region
- ▶ A key difference in the America's most recent treaty with the Philippines would be the fact that the prerogative of military involvement in

the Pacific does not just extend to protecting the Philippines from attack, but also to actively defend its territorial claims in the South China Sea

- ▶ Whilst this might be seen as a step forward in ensuring Filipino sovereignty in the region, the increasing involvement of the United States in such a capacity only lends to escalate the South China Sea Conflict, whilst failing to resolve any of the territorial disputes which involve potentially lucrative offshore energy resources throughout the region

02 US-MALAYSIA AFFIRM COOPERATION ON TRADE & SECURITY



Following President Obama's recent visit to Malaysia, US\$2 billion worth in commercial deals were signed between Malaysian and US firms in aviation, biotechnology and insurance sectors.

- ▶ In the past, the US was Malaysia's largest source of foreign capital in 2013, with American firms investing US\$1.9 billion and creating almost 8,000 new jobs, whilst bilateral trade averaged US\$35 billion annually from 2010 to 2013; making the US Malaysia's fastest growing investor, and vice versa
- ▶ The most recent developments between US and Malaysian trade involved a US\$1.5 billion deal in aviation, a US\$ 30 million acquisition in biotechnology, and a US\$250 million partnership in the Takaful market; furthermore, the US and Malaysia have both affirmed "the importance of upholding universally recognised principles" with competing claims in the South China Sea, citing the Law of the Sea treaty, a 1982 global legal framework under the U.N. directive
- ▶ Whilst progress has been made in broad strokes between US-Malaysian relations over various areas, the Trans-Pacific Partnership has yet to be finalised as the TPP could disrupt Malaysia's state-owned enterprises, which control wide-ranging sectors of the economy, ranging from energy to automobiles

NST.com.my (28 April 2014)

03 TPPA: WE MUST NOT BE ON THE LOSING SIDE - TUN MAHATHIR

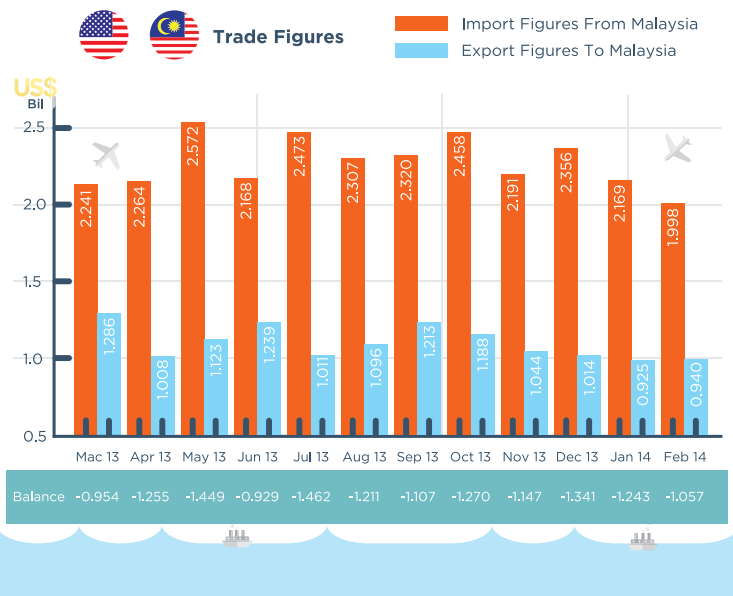


The government should ensure that Malaysia will not be on the losing side before choosing to sign the Trans-Pacific Partnership Agreement (TPPA), former Prime Minister Tun Dr Mahathir Mohamed told reporters after attending the International Federation of Landscape Architects Asia-Pacific Region (IFLA-APR) conference.

- ▶ The former Prime Minister personally felt that there was no need for Malaysia to sign the agreement as he felt that proceeding with it would open up the Malaysian market further but not necessarily would benefit Malaysians
- ▶ At the same time, he acknowledged that the final decision lies in the hands of the government and recognizes the needs for the two countries to maintain the good relationship between them and the United States' position as one of Malaysia's largest trading partner
- ▶ The United States is leading the current negotiations on TPPA with 11 countries with its aim to liberalise the economies of the Asia-Pacific region. Dr Mahathir hoped the United States president Barack Obama would live up to his words not to bully Malaysia into signing the agreement

The New Straits Times (28 April 2014)

US - MALAYSIA TRADE (MAR 13 - FEB 14)



Aviation
RM1.5 Billion



Takaful
RM250 Million



Bio-Medical
RM30 Million

Recently Signed Commercial Deals Between US & Malaysia



Source: Census.gov

04 JOKO WIDODO LAYS OUT AGRICULTURAL MANIFESTO FOR INDONESIA



Jakarta Governor Joko Widodo, nominated as presidential candidate by the Indonesian Democratic Party of Struggle, or PDI-P, has begun introducing his vision and mission to the voters after officially entering the presidential race over a month ago.

- ▶ Joko addressed six points in the field of agriculture and food security during his visit to Tanjungrasa village in Bogor district as that would be his focus should he be elected president in the next election taking place on 9 July
- ▶ Emphasis should be on to build better infrastructure for farmers, the need to monitor the quality of water in the fields together with an improved monetary benefits for farmers and better access to capital and financial support
- ▶ By looking at the production of the local farmers, the food production is not enough to sustain the population growth, around three million each year. There is a need to prepare more food for this growth as for the past five years, there has been a significant increase in food imports
- ▶ On top of his vision for the Indonesian agricultural sector, Joko also introduced a term he called "mental revolution," which he cited as one of the main requirements needed to see positive changes in Indonesia in the future
- ▶ "A mental revolution, because we have to change ourselves, so that this nation can reach its potential, because we are a big nation. Let's change our mentality from the negative to the positive," said Joko
- ▶ Indonesia, a country rich with natural resources such as marine, mineral and energy resources yet still remains hampered by bigger issues such as uneven economic growth, poor law enforcement as well as other leadership and mental issues that needs to be resolved

The Jakarta Globe (27 April 2014)

05 RISING LEVERAGE IN INDONESIA WARNS S&P

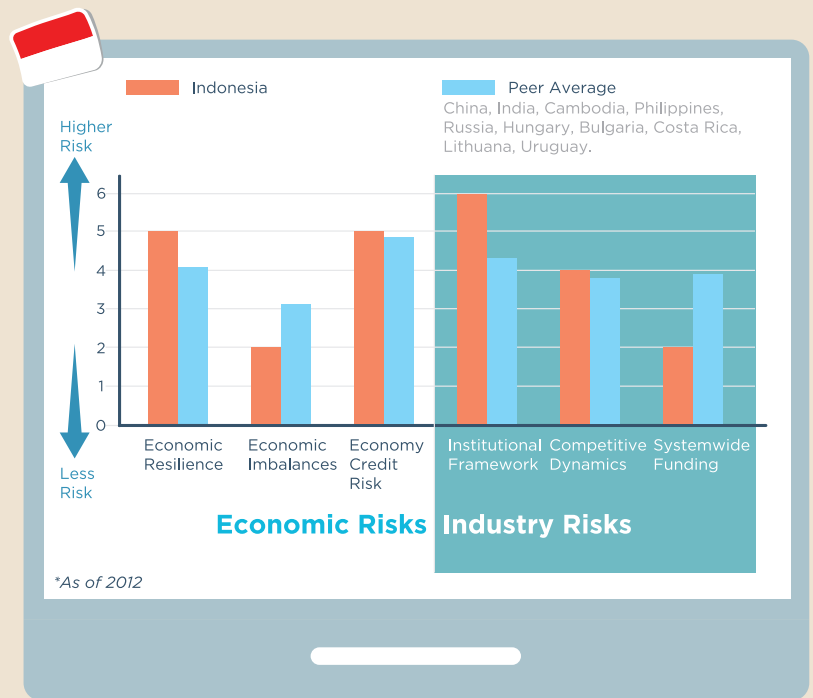
INDONESIA

Despite recent improvements in the country's economic fundamentals, Standard & Poor (S&P) has refused to upgrade Indonesia's BB+ rating due to rising risk and debt.

- ▶ Growing external indebtedness in Indonesia's private sector and government deficit due to weak policy has fostered an environment of increased market deterioration risk which have led S&P analysts to warn that the direction in the flow of funds to reverse in the near future
- ▶ Private sector external debts were an estimated 73% of the current account balance in Q1 of 2014, compared to 44% in 2013; debt is said to be growing due to shallow domestic financial and capital markets
- ▶ "Finance Minister Chatib Basri has repeatedly stressed a desire to fix the subsidy at a certain amount per liter of fuel," explained McNicholas, who previously worked as a Fitch Ratings sovereign analyst covering Indonesia, based on interactions with analysts at S&P, if this plan was implemented, it could open the door for a possible positive outlook on the sovereign rating, if not an outright upgrade."

[The Jakarta Post \(29 April 2014\)](#)

BICRA Comparisons - Indonesia VS Peers



Source: Standard & Poors

06 SERVICES SECTOR IS GAINING SIGNIFICANCE IN SINGAPORE'S ECONOMY

SINGAPORE

According to the Macroeconomic Review by the Monetary Authority of Singapore, the services sector in Singapore is expected to continue growing in 2014.

- ▶ The services sector has been expanding over the past decade in Singapore and in year 2013, it accounted for over two-thirds of total output and contributed to half of last year's GDP growth; meanwhile, the bulk of services known as 'modern services' are referring to financial, telecommunications and other business services
- ▶ An Asia-Pacific economist at ANZ Bank mentioned that the outstanding results from services sector are highly attributed to performances in trade-related services and financial services whose contributions are more than doubled as compared to 2000s

- ▶ Furthermore, there is an emerging trend to shift towards a more services-based manufacturing sector which IT firms are moving away from manufacturing hardware to services-related activities such as Big Data and other types of analytics
- ▶ On the other hand, the Ministry of Manpower's (MOM) Research and Statistics Department showed that unemployment rate in Singapore remained relatively low in the first quarter of 2014 with total employment in Singapore grew by 24,900 and 2,900 workers were laid off

[Channel News Asia \(29 April 2014\)](#)

07 ONGOING POLITICAL UNREST COSTS US\$165 BILLION IN THAILAND

THAILAND

Thailand is going to lose approximately US\$165 billion (536 billion baht) in export revenue in 2014 if the political turmoil continues until end of this year.

- ▶ The director of the Center for International Trade Studies at the University of the Thai Chamber of Commerce, Aat Pisanwanich mentioned that the current political situation in Thailand has threaten the competitiveness of Thai exporters due to a fall in foreign importers' confidence on Thai products especially for those concerned on the punctuality of shipments
- ▶ In relation to that, Thailand's export accounted for only 1.43 percent of the world export market in 2010 and plunged to 1.38 percent in 2013 whereas counterparts such as Vietnam and Myanmar enjoyed a rose in market share from 0.53 percent to 0.83 percent and 0.05

- percent to 0.06 percent respectively for the same period
- ▶ The Commerce Ministry of Thailand reported that for the first quarter of 2014, exports were decreased by 1 percent to US\$56.2 billion and imports were declined by 15.4 percent to US\$55.5 billion; Mr. Aat noted that China plays an important part for lower Thailand's exports because China is rebalancing its internal economic policies to weather its economic growth and caused Thailand's shipments down by 4.4 percent for the first quarter of 2014

[Bangkok Post \(30 April 2014\)](#)

08 MYANMAR MONITOR

POLITICS

▶ Myanmar's government has accepted an invitation from the Kachin rebels Independence Organization to hold peace talks next month, negotiators said 30 April, following fighting that has forced thousands from their homes and cast a shadow over plans for a nationwide cease-fire.

[Radio Free Asia \(30 April 2014\)](#)

▶ The results from a recent US-funded poll contradict the popular notion that the Myanmar public widely revile their oppressive military. A whopping 84% of respondents hold a favourable view of the military, and 74% of the respondents gave the ruling USDP a favourable rating. The poll was conducted by the US-based International Republican Institute (IRI).

[Global Post \(29 April 2014\)](#)

ECONOMY

▶ The Ministry of Commerce has announced the launch of MyanTrade, a new organisation with the goal of enhancing Myanmar's export sector. Myanmar's total trade in the 2013-2014 fiscal year was US\$25 billion - over US\$11 billion in exports and over US\$13 billion in imports.

[Eleven Myanmar \(30 April 2014\)](#)

▶ According to the World Bank office in Myanmar, inflation rose to 5.8% in the 2013-2014 fiscal year, a sharp rise from the average of 2.8% of the year before. Inflation is to be expected with increased investment and economic growth, but the World Bank warns that the poor will be disproportionately affected by the rising food inflation rate.

[Myanmar Times \(28 April 2014\)](#)

FOREIGN AFFAIRS

▶ Recent legislation introduced to US Congress to put conditions on US cooperation with Myanmar's military could be a sign of emerging dissatisfaction with US's Myanmar rapprochement policy. The bill grows out of concerns that the Obama administration is moving too quickly without first demanding reforms from Myanmar, especially related to the military ties with North Korea and continuing government fighting with ethnic minorities.

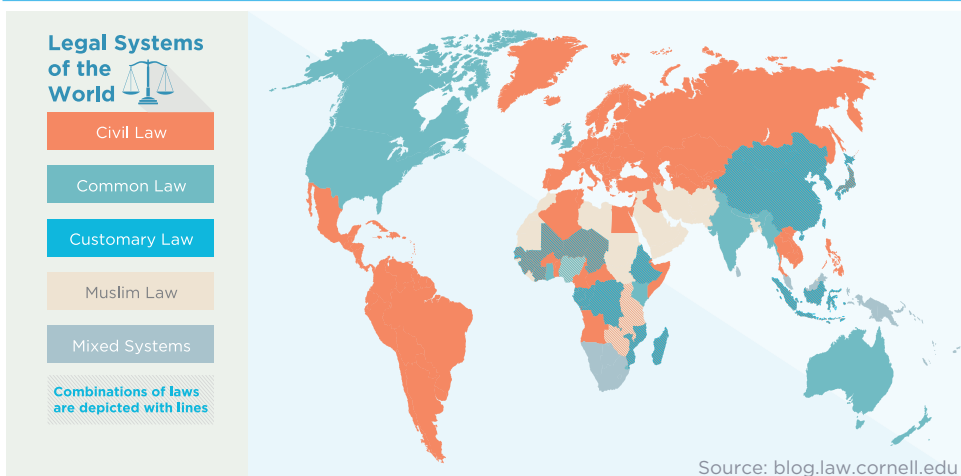
[The Diplomat \(30 April 2014\)](#)

▶ In his first visit to Myanmar, the US undersecretary of state for public diplomacy and public affairs Richard Stengel, raised concerns with Myanmar ministers about the recent arrest of journalists. He met with Information Minister Aung Kyi, Foreign Minister Wunna Maung Lwin and Culture Minister Aye Myint Kyu on 28 April, to discuss press freedom, bilateral relations and cultural exchanges.

[The Irrawaddy \(30 April 2014\)](#)

09 BRUNEI TO INTRODUCE CONTROVERSIAL SHARIA LAW

BRUNEI



Brunei may become the first country in South-East Asia to introduce Sharia law, despite widespread controversy regarding the human rights violations the law invokes.

- ▶ Despite unprecedented criticism on Brunei's active social media, the move appears to enjoy broad community support, especially among Muslim ethnic Malays, who make up about 70 per cent of the population; attorney general Hayati Salleh sought to ease concerns over the code's implementation, stressing that sharia cases will face high burdens of proof before the tough penalties are imposed
- ▶ Meanwhile, gay rights groups in the UK and the US have retaliated to the so called "stone the gays" law by taking to social media to voice their anger; they have called for a boycott of the hotel chains owned by Sultan Hassanal Bolkihah, after an LGBT philanthropist conference cancelled its bookings with the Collection's Beverly Hills Hotel last week
- ▶ The new criminal code will phase in punishments, including execution by stoning for offences such as sodomy and adultery, severing of limbs for theft, and flogging for violations ranging from abortion to alcohol consumption

[Channel News Asia \(30 April 2014\)](#)

10 MH370: MALAYSIA LEADS INTERNATIONAL INVESTIGATION TEAM

MALAYSIA

An International Investigation Team has established to take charge of the investigation into the MH370 tragedy.

- ▶ Datuk Kok Soo Chon, former Department of Civil Aviation director-general has been appointed by Acting Transport Minister, Datuk Seri Hishammuddin Hussein as Investigator-in-Charge of the team and Datuk Kok used to be a former permanent representative to the International Civil Aviation Organisation (ICAO) council in Montreal, Canada
- ▶ The team has already commenced work and made up of accredited representatives from various parties namely, US National Transport Safety Board (NTSB), UK Air Accident Investigation Bureau, China's Aircraft Accident Investigation as well as Boeing, Rolls Royce and Immarsat were also included in the investigation team; meanwhile, Japan has requested to participate in the investigation team and highly welcomed by Malaysian government
- ▶ The main purpose of this independent investigation team is to investigate, evaluate and determine the cause of the incident in order to prevent any similar incidents from occurring in the future; this transparent and highly credible investigation will be carried out in conformity with the Annex 13-Aircraft Accident and Incident Investigation to the Convention on International Civil Aviation (Chicago Convention) as implemented by the Civil Aviation Regulations 1996
- ▶ In addition to that, Australian Prime Minister Tony Abbott said that the searching area of MH370 has been expanded to a new search area that spans 700 km by 80km (435 miles by 40 miles) which may take nearly six to eight months to completely examine with a cost of A\$60 million (US\$55.69 million)

[New Straits Times \(28 April 2014\)](#)

[The Star \(29 April 2014\)](#)

[New Straits Times \(29 April 2014\)](#)