

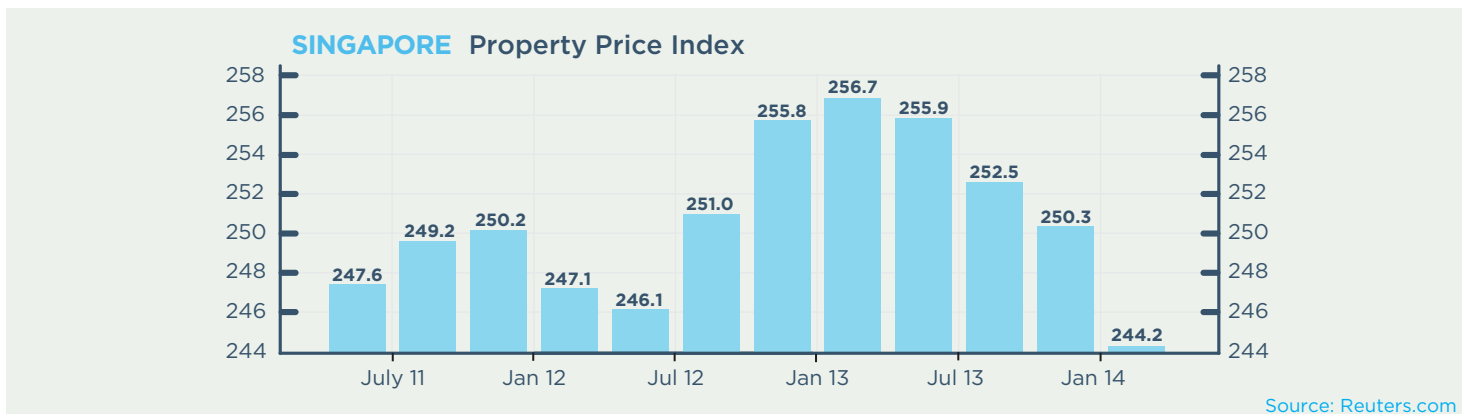
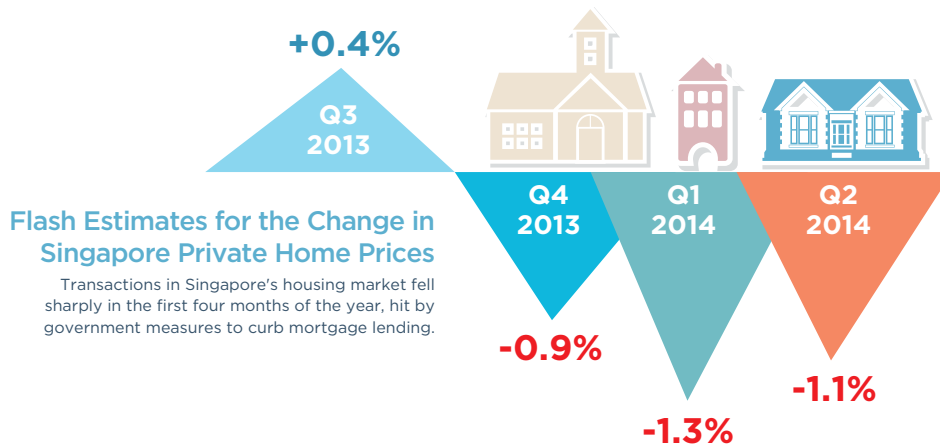
CARI CAPTURES



01 SINGAPOREAN HOUSING PRICES CONTINUE TO SLIDE

SINGAPORE

FALLING PROPERTY PRICES IN SINGAPORE



Tighter mortgage measures have caused Singapore's private home prices continue to slide for its third consecutive quarter.

- ▶ Last June, Singapore capped the amount private investors were able to borrow in the purchase of properties; this continues the trend of increasing taxes and higher down payments implemented by the government to cool the nation's property market
- ▶ Under the new loan framework, mortgages shouldn't push a borrower's total debt-servicing ratio above 60%, this will continue to hamper loan growth, which fell to 7.6% in Q2 of 2014, its lowest rate of growth since June 2007

▶ According to Singapore's Urban Redevelopment Authority, apartment prices in prime districts fell by 1.5% in Q2 of 2014, whilst landed property prices dropped in 1.1%; fears that foreign investment into Singapore's property markets will fall due to falling prices have been expressed by various parties

02 SOUTHEAST ASIAN STOCKS TOPS PERFORMANCE IN ASIA



Southeast Asia and India stocks have surged to become top performers in Asia, while Japan and China have not shown similarly promising results.

▶ Investor's confidence in the region have been positive with the Philippines index rallying by 16%, in stark contrast to this time last year, when US showed signs of tapering quantitative easing measures that sparked panic in developing markets that it has been channelling

- ▶ Fund managers have mentioned that they are reassured by Janet's Yellen positive assessment of the economy and are confident that interest rates will remain low for a long period, which encourages investors to invest in riskier assets in developing economies for higher yield
- ▶ Politics has also been credited for the strong performance, whereby Thailand's benchmark SET gained 14% this year as investors welcomed military intervention that ended the seven-month feud between government and protestors, and Indonesia's JSX gains of 13% so far in anticipation to Joko Widido's victory in July

[The wall Street Journal \(29 June 2014\)](#)

03 THAILAND GUARANTEES SAFETY OF CAMBODIA WORKERS



Thailand recognises the need for Cambodia workers in the country and remains committed to ensure that its people are well-protected by the government.

- ▶ The focal point on the 1 July table talk between Thailand's most senior Foreign Ministry official, Sisahak Phuangketkeow and Cambodia's Foreign Minister, Hor Namhong has been Thai's reassurance that its government will continue to safeguard the Cambodian workers and labourers in Thailand, due to the rising fear among Cambodian workers in Thailand
- ▶ The dismay of the Cambodian workers that resulted in their mass exodus came after rumours that the authorities would clampdown immigrants in the wake of the coup in which Mr Sisahak strictly denied saying that The National Council for Peace and Order (NCPO) of Thailand hold no policy of suppression against foreign workers

- ▶ According to Mr Sisahak, Thailand continues to demand Cambodians' labour strength to help spur its economic growth; among the initiatives being taken by the current Thai government include the setting up of interim centres at the entry points in Sa Kaeo, Surin, Trat and Chanthaburi provinces to assist the return of Cambodian workers to Thailand that allow them to register for temporary work permits
- ▶ Apart from the temporary border stations, the Thais have agreed to open up a new border checkpoint between Nong Ian in Sa Kaeo and Stung Bot in Banteay Meanchey, a Cambodian province to help reduce the congestion of workers at the existing checkpoint

[Bangkok Post \(01 July 2014\)](#)

04 THAI INFLATION EASES WITH PRICE CONTROLS



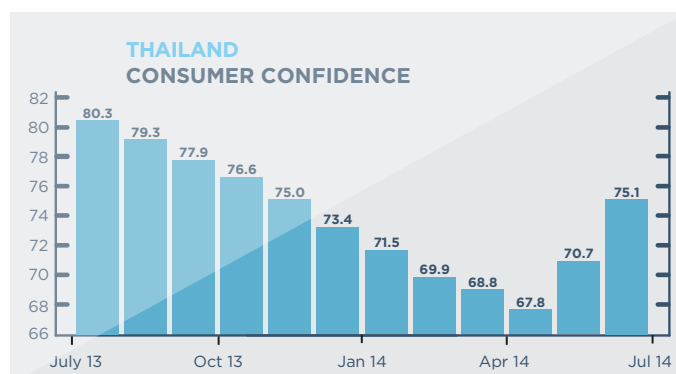
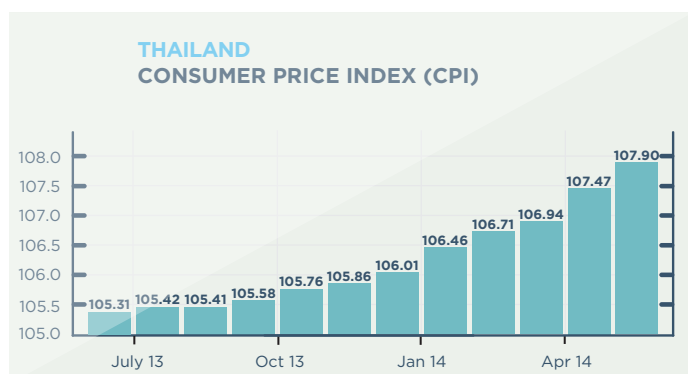
Following the military's newly implemented measures to contain energy and other consumer related good prices, monthly inflation rates eased from 1.75% to 1.71%.

- ▶ Since taking over power from a democratically elected government in May, the military junta, has quickly moved to unlock fiscal spending, restart big-ticket infrastructure projects, and disburse millions of dollars in overdue payments to farmers under a controversial rice-subsidy program

- ▶ The military government also asked retailers and wholesalers not to raise prices of food and consumer products while imposing a lid on diesel prices, in an attempt to help preserve purchasing power and shore up consumption
- ▶ The Commerce Ministry expects Thailand's headline inflation to rise 2.53% in the second half of the year and to average 2.4% this year; meanwhile, the Thai government has maintained its inflation target for 2014 at between 2% and 2.8%

[The Wall Street Journal Online \(01 July 2014\)](#)

Thailand Economy Regaining Consumers' Confidence



Source: [Tradingeconomics.com](#)



05 ECONOMISTS: ASEAN A 'RELUCTANT ECONOMIC BLOC'



While ASEAN nations are working on their 2015 vision in creating a single market and an integrated economy that allows free flow of business within its ten member nation, a harsh reality is that there are still restrictions exist as per Paulius Kuncinas, Asia regional editor of the Oxford Business Group on June 26, "ASEAN is a very efficient and very ambitious trading bloc but it somehow got stuck in the path of reaching a full economic integration".

- ▶ A factor that may potentially hamper ASEAN's aspiration in becoming a fully integrated economy by 2015 is "cultural divergence" and "development ranges" between the member countries, according to economists; the different economy sizes within ASEAN in addition to its wide-ranging GDP values will make the integration hard to achieve
- ▶ Another major challenge faced by the ASEAN nations is their incompetency in the global market; in which the economists agreed that the five strongest ASEAN members should come up with their respective flagship products to be marketed globally
- ▶ Ralph Sorenson, director of Whole Foods Market and professor at the College of Business and Administration at the University of Colorado specified the strengths of the five nations: Indonesia 's rich natural resources, Thailand with automobile and assembly, Singapore with banking, Malaysia with rubber and the Philippines' business process outsourcing
- ▶ Head of clients and corporate finance of Asia ING Bank, Manuel Salak III highlighted the importance of small and medium enterprises (SMEs) in the ASEAN integration, as he said that the SMEs "form the backbone of the economy of the ASEAN region"

[Business Inquirer \(30 June 2014\)](#)

06 SHIPPERS TO LOOK FURTHER AFIELD



Being the key players in overall ASEAN's car production, Thailand's car makers are urged to take necessary steps to expand their export radius as other auto-producing countries in the region such as Malaysia, Singapore, Indonesia, the Philippines and Vietnam are dominating their respective domestic markets.

- ▶ In 2013, The ASEAN Automotive Federation (AAF) reported that in 2013, the production of car in ASEAN sees a hike of 4.75% from the previous year, to 4.44 million units while the sales grew 2.19% to 3.55 million units; making the region the world's car production hub according to Putak Pruittisarikorn, CEO of Honda Automobile (Thailand).; Thailand topped last year's list with 2.45 million units, an increase of 0.14% from 2012, pushing the country into the top ten list of the world's auto-producing countries
- ▶ The AAF also reported that for the first five months of this year, ASEAN overall car production dropped 12% and the sales show a downturn of 12.7%.
- ▶ For the said period of the year, Thailand sees a reduction of 29.5% while sales plunged 42.2%; according to Surapong Paisipatanapong, spokesman for the automotive industry club of the Federation of Thai companies, Thailand's domestic car output will stay below 1 million units due to the nation's stagnant economy growth and its unstable political situation
- ▶ While it is forecasted to be unlikely that Thailand will hit the 2.45million figures of last year's production, exports are expected to show some positivity with a forecast of 0.8million increase in total units

[Bangkok Post \(02 July 2014\)](#)

07 MALAYSIA'S ISLAMIC BOND MARKET CONTINUES TO GROW

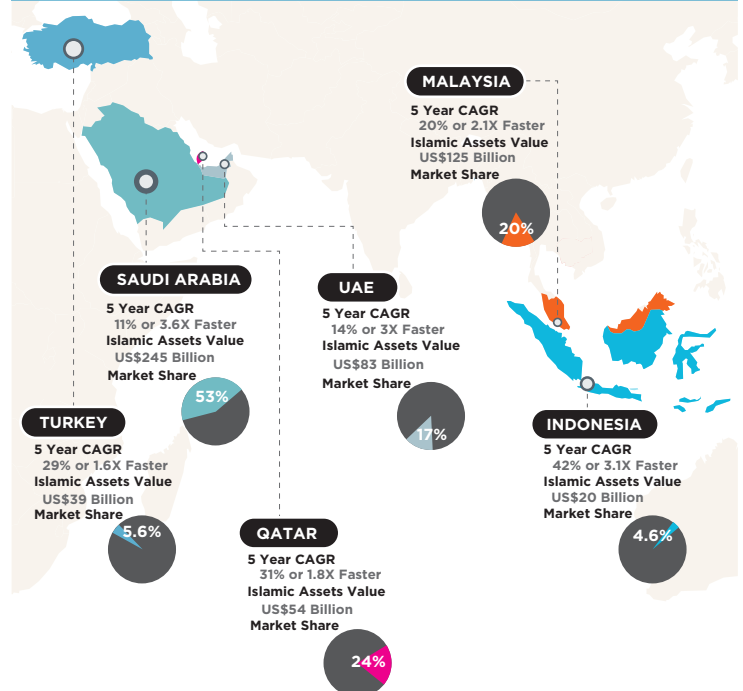


Malaysian Islamic banks issued a record total of RM3.25 billion of Islamic bonds in the first half of 2014 according to Moody's investor service.

- ▶ The increased growth in both the supply and demand of Islamic financial instruments comes with rapid asset growth in Malaysian banks, along with increased capital and funding needs sparked by increased regulations such as the Basel III framework
- ▶ The Malaysian government has continued to affirm its commitment to increasing the proportion of local domestic financing to 40% of total funding by 2020, a figure which currently sits at 24%; in the past five years alone, Islamic Banking assets have doubled to RM434 billion
- ▶ Whilst the growth in Islamic finance has been resoundingly strong, Moody's has highlighted that whilst Islamic financing has been growing consistently at 20%, deposits have been growing at a rate of 16%, causing a key funding gap in the industry

[The Edge Malaysia \(02 July 2014\)](#)

World Islamic Assets Distribution



Source: World Islamic Banking Competitiveness Report 2013-14
Ernst and Young



08 MYANMAR MONITOR

POLITICS

▶ A curfew has been imposed in Myanmar's second largest city, Mandalay, after two men were killed and at least 14 people injured since clashes between Buddhists and Muslims began on 1 July.

[BBC \(03 July 2014\)](#)

▶ The Extractive Industries Transparency Initiative (EITI) announced on 2 July that Myanmar has been accepted as a candidate country, meaning Myanmar has to start complying with an international transparency standard for oil, gas and mining earnings.

[The Irrawaddy \(03 July 2014\)](#)

ECONOMY

▶ Myanmar is clamping down on illegal trading and tax evasions to better reflect its trade numbers. Officers have confiscated illegal goods worth about US\$17 million over a one-and-a-half-year period, a relatively small percentage of the country's overall trade volume of US\$25 billion last year.

[Channel News Asia \(03 July 2014\)](#)

▶ Myanmar has delayed plans to improve its domestic airports as the country is concentrating on upgrading international airports, a senior Myanmar Department of Civil Aviation official said on 3 July. The Myanmar government had planned to find local and foreign developers to improve and manage 30 domestic airports in public and private partnerships.

[Bangkok Post \(02 July 2014\)](#)

▶ Myanmar's trade deficit in Q2 of 2014 reached over US\$1.4 billion, the government said on 2 July. The value of exports during April-June was more than US\$2.2 billion but US\$3.6 billion was spent on imports. The deficit grew by US\$1 billion compared to the same period last year.

[Bangkok Post \(02 July 2014\)](#)

FOREIGN AFFAIRS

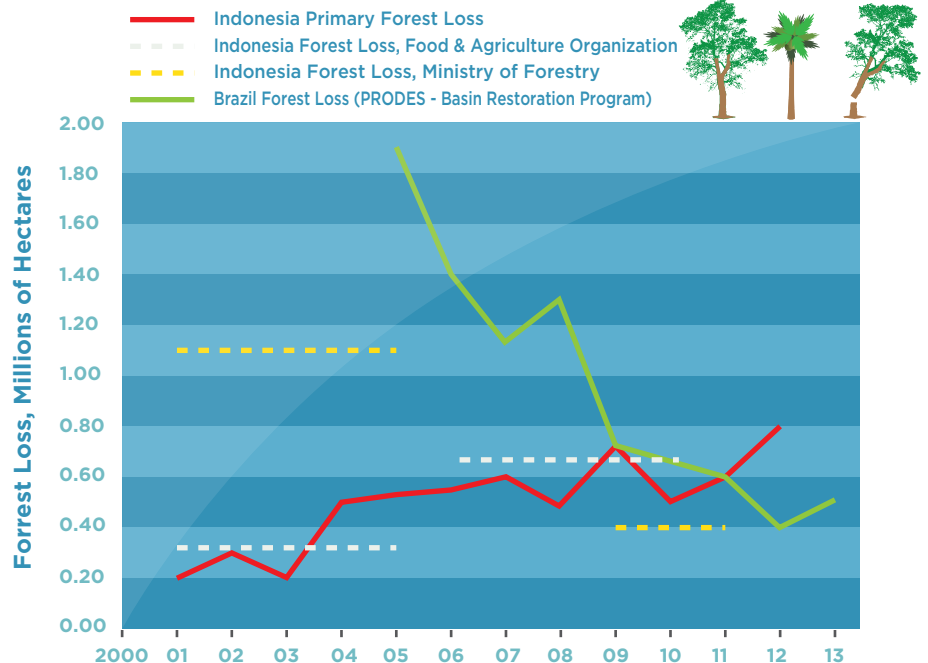
▶ The Philippines and Myanmar are hoping to sign a memorandum of understanding in defence cooperation, to pave the way for training exchanges and dialogues between the two countries. Myanmar Defence Services commander-in-chief Senior General Min Aung Hlaing paid a courtesy call to the Philippines Defence Secretary Voltaire Gazmin in Manila on 2 July.

[Channel News Asia \(03 July 2014\)](#)

09 INDONESIA TOUTS HIGHEST RATE OF DEFORESTATION

INDONESIA

Indonesia Surpasses Brazil's Deforestation Rate



Source: Reneweconomy.com

According to researchers in the University of Maryland, Indonesia has lost over 6 million hectares of forest between 2000 and 2012 despite government attempts to ban logging.

- ▶ In 2012 alone, Indonesia lost a total of 840,000 hectares of land, compared to Brazil, which only lost 460,000 hectares of land
- ▶ Yuyun Indradi, forest campaigner at Greenpeace Southeast Asia, said in a statement that the findings should serve as a "wake-up call" for greater government action to protect vulnerable wildlife and curtail greenhouse emissions, highlighting that "While it was a welcome step, it's clear that Indonesia's forest moratorium has not worked"
- ▶ These findings will most likely be a topic of conversation during Indonesia's current presidential elections, rival candidates Joko Widodo and Prabowo Subianto will likely try to capitalise on the issue to garner both local and international approval

[Time.com \(02 July 2014\)](#)

10 MALAYSIA TOLD TO ACT ON DIPLOMAT'S SEX CHARGE

MALAYSIA NEW ZEALAND

New Zealand has urged the Malaysian government to take appropriate action on a diplomat that claimed immunity and left the country after being charged for committing a sexual assault in May.

- ▶ Mohammed Rizalman Bin Ismail, a diplomat that was attached to the Malaysian High Commission in Wellington was arrested on suspicion of assault with intent to rape and burglary in early May
- ▶ Malaysian Foreign Minister, Anifah Aman has been reported to say that Malaysia has offered to waive Rizalman's diplomatic immunity to be charged in New Zealand, but that New Zealand had "offered an alternative" for him to return back to Malaysia
- ▶ Malaysia's defence ministry has set up a board of inquiry to investigate the case and mentioned that it will not hesitate to take stern action against the accused if found guilty
- ▶ Prime Minister John Key assured Rizalman that he will be assured of a free trial if he is sent back to face these charges, which could carry a maximum penalty of 10 years in jail

[Aljazeera.com \(01 July 2014\)](#)

