

# CARI CAPTURES



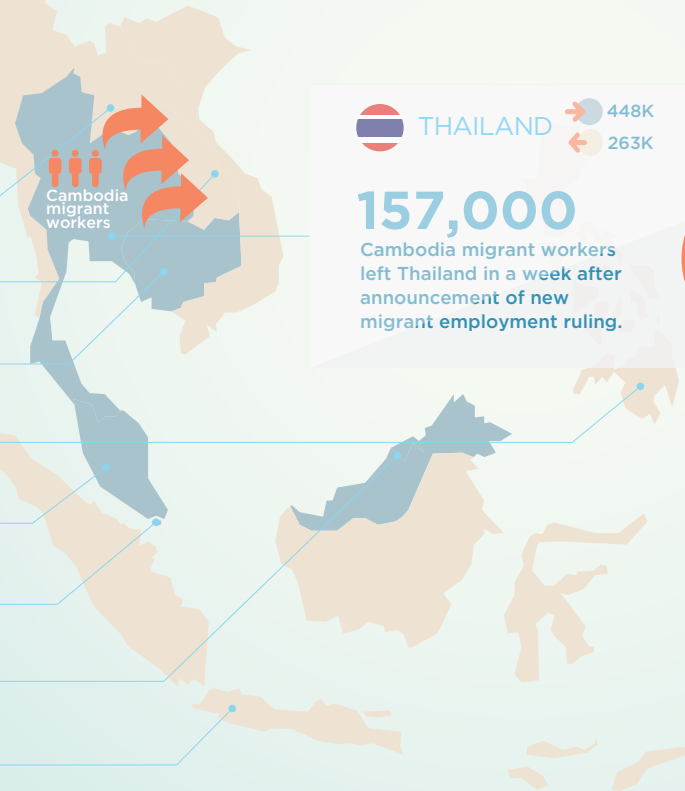
## 01 THAI LABOUR POLICIES SPARKS CAMBODIAN EXODUS



### Labour Migration Among ASEAN Countries (as of 2010)

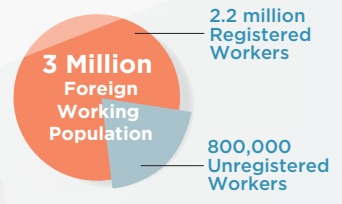
➔ Inward Migration of Labour  
➜ Outward Migration of Labour

➔ 814	➜ 321K	MYANMAR
➔ 10K	➜ 83K	LAOS
➔ 22K	➜ 222K	VIETNAM
➔ 448	➜ 261K	CAMBODIA
➔ 9.1K	➜ 335K	PHILIPPINES
➔ 1.8M	➜ 1.2M	MALAYSIA
➔ 1.2M	➜ 122K	SINGAPORE
➔ 121K	➜ 9K	BRUNEI
➔ 158K	➜ 1.5M	INDONESIA



THAILAND  
➔ 448K  
➜ 263K

**157,000**  
Cambodia migrant workers left Thailand in a week after announcement of new migrant employment ruling.



● Net Labour Importing Country  
● Net Labour Exporting Country

Source: Worldbank.org

**The ruling military's latest inclinations towards tightening restrictions on migrant employment have spurred a total of 157,000 Cambodians to flee over the course of a week.**

- ▶ In a bid to address burgeoning issues related to human trafficking, forced labour, and illegal alien workers, Thailand's governing body has called upon local enterprises to register foreign workers; rumours, which the Thai military have denied, have it that violence has been used in coercing foreign workers to leave
- ▶ According to the UN's International Organisation of Migration, Thailand has observed a massive outflow of foreign workers averaging around 40,000 individuals a day, most of which are Cambodian; whilst 2.2 million foreign workers from the surrounding ASEAN region are

legitimately registered with work permits, an estimated 800,000 additional workers are illegal immigrants who form the backbone of Thailand's fishing, construction, and general labour industries

- ▶ Cambodia's Ministry of Interior has expressed that measures undertaken by Thailand have been relatively rushed, whilst economic experts espoused that should the exodus continue, Thailand's economy might be negatively impacted due to its ageing population and reliance on foreign labour

## 02 INDONESIANS OPT FOR UNSAFE BOAT RIDES TO RETURN HOME



Two vessels ferrying illegal Indonesian workers back to Indonesia capsized off Malaysian waters. Within several hours, 13 have died and 29 are missing and feared dead, too.

- ▶ Boat carrying 27 Indonesians sank off the Malaysia's waters early Thursday. This comes barely a day after the news of the capsized boat carrying 97 Indonesians capsized on Wednesday
- ▶ Most of the victims entered Malaysia valid travel documents. However fearing arrest from authorities due to overstaying for a duration between 10 and 12 months in Malaysia, their only viable option is to take the illegal boat ride back to their homeland
- ▶ Yet victims pay a handsome price for the dangerous trip. Fares range from RM640 (US\$198.82) to RM960 (US\$298.23) and on some occasions RM1,600 (US\$497.05). Despite the hefty fees, passengers get no life jackets nor other safety equipment
- ▶ The syndicates operating the boats are known to pack them well beyond safety limits while the boat captains stay away from the safe routes to avoid detection. Most of them are actually fishing boats operated by Indonesians and are usually bound for either Tanjung Balai or Batam in Indonesia
- ▶ Some Malaysians, it is believed, are involved in human trafficking for which these boats also serve. Maritime authorities said the syndicates used several secret routes to transport the illegal immigrants to the boats. At least 10 routes have been discovered around the country to date

[The Star Online \(20 June 2014\)](#)  
[Astro Awani \(18 June 2014\)](#)

## 04 INDONESIA LOOKS APPEALING TO CAR MAKERS AMID THAI TURMOIL



Thailand's political strife has foreign investors running cold on the country one week, hot the next. Indonesia has been a beneficiary of that uncertainty.

- ▶ The second coup in eight years is raising concerns that one of the world's fastest-growing economies in recent years had reached a new level of dysfunction. Several auto makers were considering expanding in Indonesia if the political situation deteriorated in Thailand
- ▶ Auto production in Indonesia is increasing much faster this year than its sales, a sign that more carmakers are using Indonesia as an export hub, according to Andrey Wijaya, an auto analyst at RHB Research Group in Jakarta. Production jumped 18% to 340,237 vehicles while sales increased 11% to 328,555 vehicles in the first quarter of the year
- ▶ According to Indonesia Industry Minister Mohamad Hidayat, Toyota Motor Co., one of Thailand's largest investors is looking to increase its investment in Indonesia due to Thailand's political uncertainty
- ▶ Meanwhile Volkswagen with its local partner Garuda Mataram is looking to expand in Indonesia. Andrew Nasuri, chief executive at Garuda Mataram, expects VW cars to begin production in Indonesia in the next two years
- ▶ Certainly, Indonesia has a long way to go before catching up to Thailand. Despite its bigger economy and population, Indonesia produced just over 1 million cars last year, compared with Thailand's 2.4 million. Yet Indonesia's car sales are expected to pass Thailand's this year because of the political situation

[The Wall Street Journal Online \(16 June 2014\)](#)

## 03 RISING OIL PRICES TO NEGATIVELY IMPACT MALAYSIA



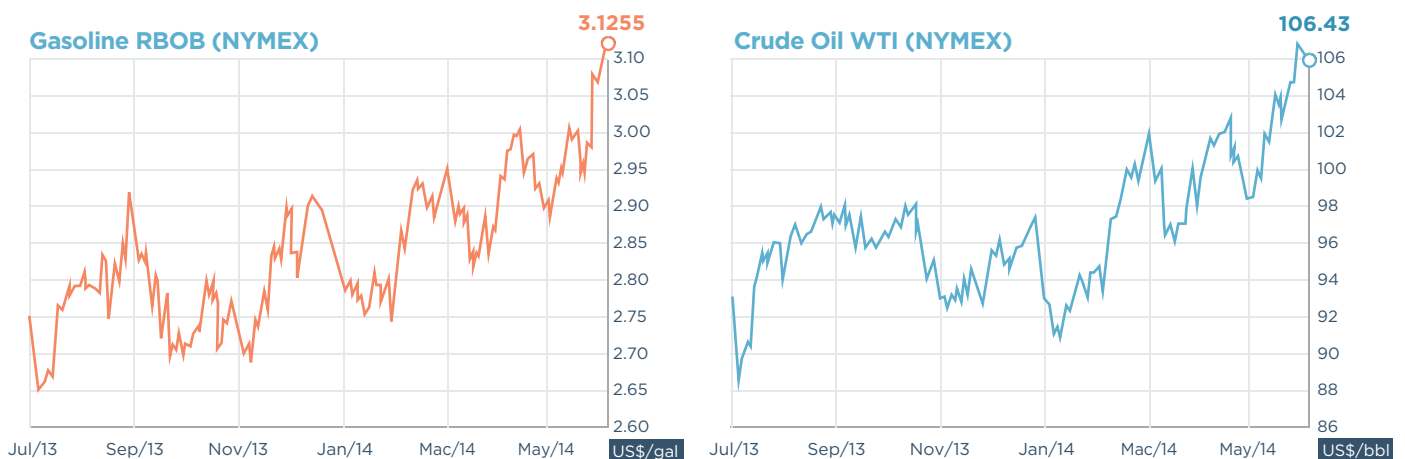
Malaysia could see stunted economic growth and rising inflation should rising oil prices prevail; meanwhile, the nation could see positive gains in an improving trade balance.

- ▶ According to Maybank IB Research, for every US\$10 increase in higher crude oil prices over base estimations, GDP is expected to decrease by 0.7%, whilst inflation is projected to increase by 0.6%; on the other hand, as the ASEAN-5's only net oil exporter, Malaysia could also see an improvement in its trade balance, with increases of up to RM4.2 billion in export revenues

- ▶ Whilst the net economic impact of rising oil prices is largely negative, Tenaga Nasional Bhd, Malaysia's national electricity provider, is predicted to remain relatively immune to said rise in prices as oil and distillates account for only 0.2% and 0.8% of total generation and costs for 2015
- ▶ It should also be noted that capital expenditures within the fuel industries will see a mild increase, whilst Malaysia's three largest airlines, MAS, AirAsia, and AirAsia X will be the hardest hit by rising oil prices

[The Star Online \(18 June 2014\)](#)

### Steady Rise of Gasoline and Crude Oil Prices



Source: NASDAQ



# 05 SINGAPORE SEES SPIKE IN M&A

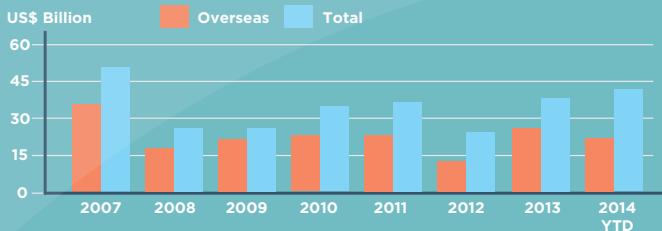


Singaporean companies are currently undergoing their largest acquisition spree in a post-2008 GFC state.

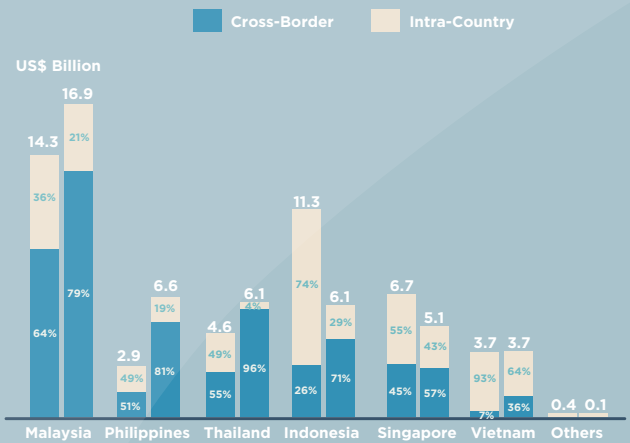
- ▶ Singapore has invested US\$24 billion out of a total of US\$39.1 billion in foreign firms so far in 2015, with targeted firms operating in industries such as baking, healthcare, and supermarkets
- ▶ Said overseas acquisitions are driven by long-term strategic rationale such as exposure to important geographic markets such as China according to the head of M&A in Merrill Lynch
- ▶ State owned Temasek spent US\$5.7 billion alone in acquiring a 25% stake in A.S. Watson & Co., which owns supermarket and drugstore chain; meanwhile, OCBC has continued to pursue its acquisition of Wing Hang bank in Hong Kong, whilst CapitaLand Ltd is completing its acquisition of CapitaMalls Asia Ltd

[The Wall Street Journal Online \(17 June 2014\)](#)

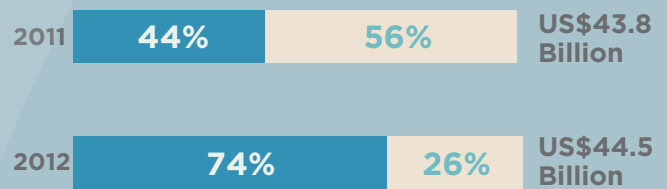
## Value of M&A Acquisitions by Singaporean Investors



## ASEAN M&A Values by Country and Deal Type



Overall Increase of US\$700 Mil (2%) from 2011 to 2012



Source: The Wall Street Journal

# 06 EAST ASEAN GROWTH AREA ENVIRONMENT CLUSTER ADOPTS CLIMATE CHANGE PROPOSAL



Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) environment cluster adopted the proposal of the Philippines to implement a US\$1.2 million project that will build the resilience of local communities and enhance disaster preparedness.

- ▶ Entitled "Building Local Community Resilience in BIMP-EAGA for Climate Change Adaptation and Mitigation and Disaster Preparedness," the proposal's main thrust is to lessen the impact of climate change, with the prime goal of preventing environmental disasters within the region
- ▶ An EAGA-wide policy on climate change adaptation and mitigation will be formulated based on key outputs of the proposal, including climate change-proofing of infrastructures, resulting in local communities that are more resilient to environmental disasters. The policy will also push for the sustainable management, protection, and utilization of the region's natural resources
- ▶ The Brunei Darussalam Sultanate has upped investment in storage and processing infrastructure, while also calling on its people to reduce consumption. The Sultanate subsidises the cost of potable water for its citizens, which some officials believe could be contributing to the country's high usage. Driving down usage could help the government achieve its aim of having capacity eventually exceed consumption. However, the task may prove to be a challenging one, despite the investment being channelled into new infrastructure
- ▶ In May, US\$313 million had been made available under the 10th National Development Plan (NDP) to expand the country's water supply infrastructure

[Phillipine Information Agency \(18 June 2014\)](#)  
[The Brunei Times \(16 June 2014\)](#)

# 07 SOUTH CHINA SEA: CHINA'S TOP DIPLOMAT MEETS VIETNAMESE COUNTERPART TO RESOLVE DISPUTE



No progress in the talk between China and Vietnam over South China Sea dispute. Meanwhile this issue will be on top of the agenda in the upcoming meeting between Philippines and Japan.

- ▶ High-level talks between China and Vietnam on Wednesday (18 June 2014) led by Beijing's top diplomat Yang Jiechi and Vietnamese Foreign Minister Pham Binh Min over maritime disputes ended with no progress. However, in a regular media briefing China's foreign ministry accused Vietnam of "hyping up" the issue
- ▶ The talks are the first since the territorial disputes sparked anti-China riots across Vietnam last month. The riots and attacks on factories left several people dead. Many of the factories were in fact Taiwanese owned. The riots were prompted by China moving an oil rig to a spot off the Paracel Islands in waters claimed by both countries
- ▶ Meanwhile, Philippine President Benigno Aquino will meet Japan Prime Minister Shinzo Abe during the one-day trip on June 24, with rows over China's territorial ambitions "likely" on the agenda while referring to a "strategic partnership" between the two nations, his office said
- ▶ Japan and the Philippines have been drawn closer in recent years as they have tackled their parallel disputes with China. When Abe visited Manila in July last year, he pledged Japan's help in strengthening the Philippines' maritime defence capabilities. Part of that equipment was a promise of 10 patrol boats for the Philippines' poorly-equipped coast guard

[BBC News \(18 June 2014\)](#)  
[Channel News Asia \(18 June 2014\)](#)



08 MYANMAR MONITOR 

**POLITICS**

► President Thein Sein has created a new religious affairs advisory group following reports that the current religious affairs minister has been detained and is being investigated for corruption. The government is also facing international and local opposition to two religious bills that would restrict religious conversions and interfaith marriages.

[The Irrawaddy \(19 June 2014\)](#)

**ECONOMY**

► Myanmar's economy is expected to build on already rapid growth but that momentum was at risk unless broad reforms are undertaken, the IMF said during a meeting with authorities on 4-17 June. The IMF predicted GDP growth of 8.5% in the current fiscal year ending March 2015, slightly higher than last year's 8.25% growth, due to rising gas production and investment. While modernisation of the financial sector was making progress, the regulatory system and supervision need improvement, particularly because of the expected entry of foreign banks, the IMF said.

[Channel News Asia \(18 June 2014\)](#)

► Myanmar's earnings from natural gas exports fell to US\$3.3 billion in the 2013-2014 fiscal year from US\$3.7 billion from the year before, as more of the resource was consumed domestically after redrawing the agreement with Thailand's PTT. Shipments of greater volumes to China are however expected this year as the new cross-country pipeline is now filled to capacity. Gas exports are a crucial revenue source for Myanmar, accounting for nearly 30% of its total exports of US\$11.2 billion in the last fiscal year.

[Reuters \(18 June 2014\)](#)

► As of July, the Myanmar Investment Commission (MIC) is scheduled to move to Yangon and will no longer answer to the Ministry of National Planning and Economic Development. The MIC will be restructured so it eventually operates as an independent organisation. The changes reflect Myanmar's strategic efforts to attract foreign direct investment to spur economic development.

[Myanmar Times \(15 June 2015\)](#)

**CULTURE**

► Myanmar will hold its first ever Music Festival featuring several international and local music stars on 22 June. The festival is organised by Myanmar and international organisations, embassies, individuals and students.

[Global Post \(18 June 2014\)](#)

09 INDECISION IN INDONESIAN ELECTIONS

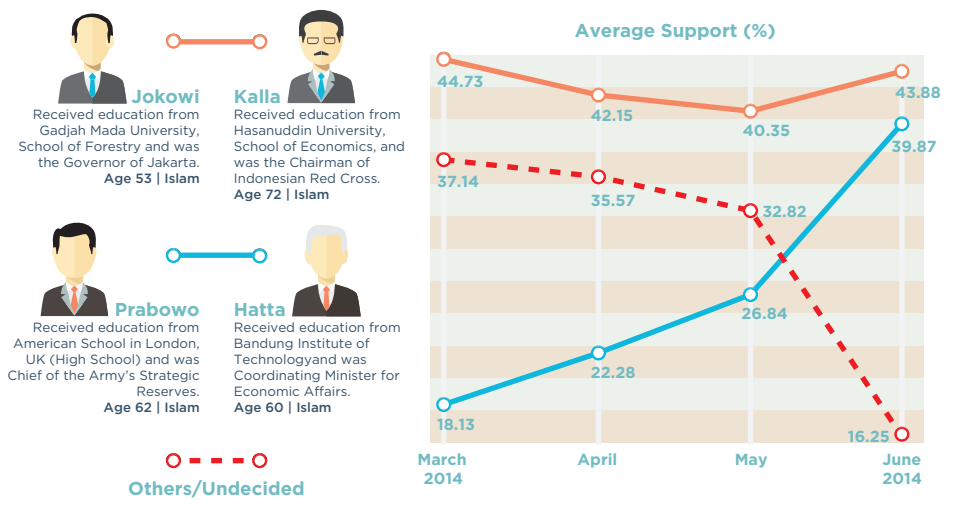
 INDONESIA

**The gap between presidential frontrunner Joko Widodo and his rival Prabowo Subianto is narrowing, according to the latest opinion poll, which indicates that the July 9 election could be much closer than once anticipated.**

- A survey conducted by Jakarta-based research center Poltracking showed that Widodo still leads but with a far smaller margin of 7.4% than the 27% lead he previously commanded; the survey spanned between 26 May and 3 June, encompassing 2,010 individuals, which found that Widodo would win 48.5% of the vote compared to 41.1% for Subianto
- When the same survey was conducted in March, Widodo won 54.9% of the vote against Subianto's 27.9%, showing that the undecided swing vote is currently narrowing its choices
- Most recently during a series of presidential debates, candidate Subianto argued that creating a people's economy and preventing leaks from the budget that harm growth should take precedence over Widodo's focus on improving productivity and enhancing competitiveness, highlighting economic policy as a key issue driving shifts in voting preference in upcoming elections

[The Wall Street Journal Online \(16 June 2014\)](#)

Survey Shows Tight Indonesia Election in July 



Source: JG

10 MILITANTS FROM SOUTHEAST ASIA INVOLVED IN IRAQ AND SYRIA

 INDONESIA  MALAYSIA

**Militants from Indonesia and Malaysia are increasingly joining extremist groups such as Islamic State of Iraq and Syria (ISIS) to fight in Syria and Iraq.**

- According to a recent report, the Syrian conflict has lured an estimated 12,000 foreign fighters, mostly from neighbouring Middle Eastern countries, but also from Europe, Australia, the US — and Southeast Asia. Intelligence sources estimate about 200 Australians, 50 Indonesians, 20 Malaysians, at least 1 Filipino & 1 Singaporean have gone to fight in Syria
- Emboldened by Indonesia's more tolerant attitude, ISIS supporters there have become more visible and openly solicit funds. They held a collection in February at an Islamic state university on the outskirts of Jakarta and held a rally in the capital's central business district in March. On June 15, a Sunday morning when one of the main streets in the Central Javanese city of Solo is transformed into a weekly car-free zone for strolling families, militants from Jamaah Ansharut Tauhid, a JI splinter cell, paraded in ISIS insignia and waved ISIS flags
- On Friday, June 13, Malaysian police arrested 3 Malaysians, including a Royal Malaysian Navy officer, in an operation led by its Special Branch Counter-Terrorism Division in Sandakan on the east coast of Sabah. Police said they were members of a group linked to ISIS in Iraq. Malaysian authorities said they have arrested 15 other members of the same group since April 28. The men, according to a Special Branch source, were planning to fight in Syria and then "launch suicide bombings in Iraq"

[Time Magazine Online \(17 June 2014\)](#)  
[Rappler.com \(19 June 2014\)](#)

