

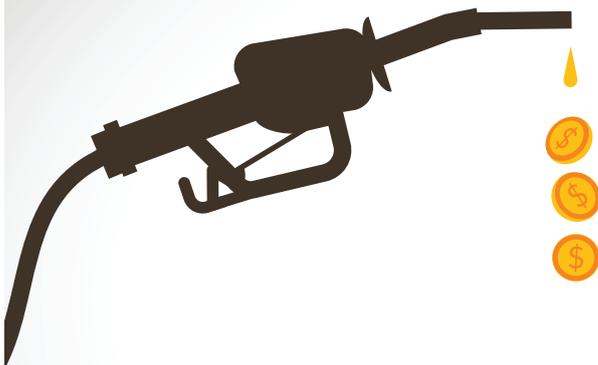
CARI CAPTURES



01 INDONESIA SLASHES FUEL SUBSIDIES



Petrol Subsidies Across ASEAN in 2013



Petrol Subsidies Across ASEAN in 2013

| Country | Value (US\$ Billion) | Subsidy Rate (%) | Share of GDP (%) | Share of Gov Expenses (%) |
|-------------|----------------------|------------------|------------------|---------------------------|
| Indonesia | 21.3 | 23.2 | 2.5 | 14.3 |
| Thailand | 10.3 | 20.0 | 3.0 | 15.2 |
| Malaysia | 7.2 | 18.4 | 2.6 | 10.1 |
| Vietnam | 4.1 | 15.5 | 3.4 | 12.8 |
| Philippines | 1.5 | 4.3 | 0.7 | 4.4 |

[International Energy Agency](#)
[International Institute for Sustainable Development](#)

By raising fuel prices by 16 US cents, or 30%, the Indonesian government is expected to create more than US\$8 billion in savings in 2015.

▶ As Widodo's first move in major economic policy reforms, the fuel subsidy cuts are slated to improve Indonesia's current dual budget and current account deficits; the savings will also be used to work towards building a larger budget for infrastructure, healthcare, and educational initiatives

▶ Finance minister Bambang Brodjonegoro stated that the fuel price hike would increase inflation by 2% between this year and February 2015; the 7.3% inflation rate has been a constant cause of concern for Indonesia's economy, whose currency had recently recovered from a rapid devaluation earlier in 2014

▶ Whilst the controversial decision was met by widespread criticism from both trade unions, opposition politicians, and the general public, economists say that the short term hardships faced by Widodo's constituents are likely to be offset by long term gains

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

02 CHINA PLEDGED US\$20 BILLION IN LOANS TO SOUTHEAST ASIA



China offers increased economic incentives for its Southeast Asian neighbours to overlook territorial disputes. Chinese Premier, Li Keqiang announced China's plans for a US\$20 billion in loan to Southeast Asia for regional infrastructure development. That is in addition to US\$3 billion for the China-ASEAN Investment Cooperation Fund, which funds infrastructure and energy investments in ASEAN member countries, and US\$480 million to help fight poverty in Southeast Asia. China also promised preferential treatment to ASEAN investors under an expanded China-ASEAN free trade agreement.

- ▶ The financial push is part of a plan to reassure ASEAN member states that China's rise is beneficial for its neighbors and for the region as a whole

- ▶ Besides, China is more emphasise on maritime cooperation extends to the territorial disputes in order to allow more communication between maritime law enforcement agencies as well as setting up a hotline between foreign ministers for use in case of maritime emergencies
- ▶ Beyond a South China Sea code of conduct, Li said: "China and ASEAN are working on a potential treaty on good-neighborliness, friendship and cooperation. Such a treaty would be aimed at providing an institutional framework and legal guarantee for peaceful co-existence between the two sides from generation to generation."

[The Diplomat \(15 November 2014\)](#)

03 REALISATION OF AEC HEAVILY DEPENDENT ON INDONESIA



Making up roughly 40% of the ASEAN's US\$2.1 trillion economy, Indonesia is by far the largest economy within ASEAN members. Its reluctance to open up the economy further has drawn concerns on the success of the AEC.

- ▶ Chairman of CIMB Group, Datuk Seri Nazir Razak mentioned that Asean was nothing without Indonesia. He emphasised: "Economic nationalism in Indonesia is on the rise, partly because of fears about AEC, and if the new Joko Widodo administration chooses to pander

- to this sentiment, then I would turn bearish about AEC's prospects."
- ▶ Generally, Indonesia still has reservations on the market-integration plan, mainly because its infrastructure is not up to mark with the rest of the region
- ▶ "For the Asean investment value proposition to be realised, it was imperative for all member countries to be on board, with the participation of major regional markets being a particularly crucial success factor," said Securities Commission (SC) Chairman, Datuk Ranjit Ajit Singh

[The Star \(14 November 2014\)](#)

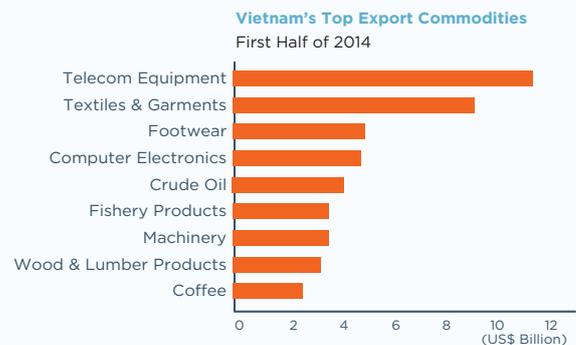
04 VIETNAM RIPE FOR FOREIGN INVESTMENT



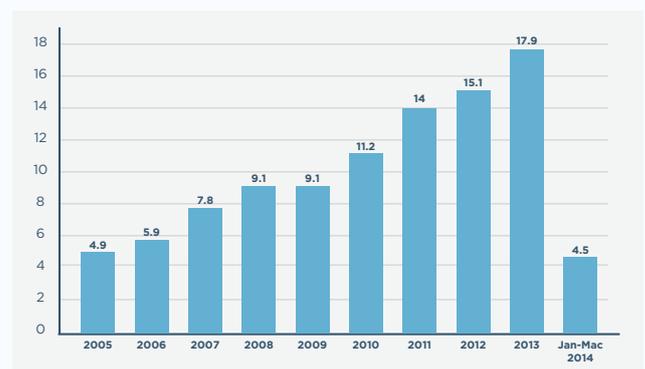
With strong developments in its electronics, Information and Communications Technology (ICT), textile, and textile industries, Vietnam is quickly becoming Asia's next growth market.

- ▶ With China's recent move up the value chain to high-tech manufacturing, the lower end mass manufacturing market has shifted its FDI to ASEAN countries such as Myanmar, Thailand, Cambodia and Vietnam in order to keep costs down; in particular, Vietnam has experienced the majority of benefits from said shift, making Telecom equipment its number one export
- ▶ This trend is slated to continue as Thailand begins its transition into higher value manufacturing, leaving the bulk of low end manufacturing services to Vietnam
- ▶ Currently, Vietnam's textile industry employs a total of 1.3 million workers, much of which is funded and created by foreign investment and firms; in the first quarter of 2014 alone, the country's textile exports increased by 20% year on year; a figure that is expected to increase as the impending integration of ASEAN nations will create easier avenues of sourcing for textile inputs

Vietnam's Exports on the Rise



Vietnamese Textile & Garment Export Revenue 2005 - First 3 Months of 2014



[Bernama \(19 November 2014\)](#)

[Vietnam Briefing \(8 November 2014\)](#)



05 VIETNAM & INDONESIA AIM US\$10-BILLION TWO-WAY TRADE BY 2018



Vietnam and Indonesia are targeting to increase two-way trade to US\$10 billion by 2018, Vietnam News Agency (VNA) reported.

▶ The target was set during a meeting between Vietnamese State President Truong Tan Sang and Indonesian President Joko Widodo on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' meeting in Beijing, Indonesia's Foreign Ministry said in press release

▶ Statistics from the Indonesian Foreign Ministry and National Statistics Office (BPS) showed annual bilateral trade between the two countries rose 25 percent in the last five years to US\$5.12 billion in 2013

▶ Two-way trade in the first eight months of the year stood at US\$3.71 billion. Indonesian companies' investment in Vietnam is still moderate with the largest project in cement production worth US\$300 million

[Bernama \(19 November 2014\)](#)

06 SINGAPORE, GUANGDONG INK 17 JOINT PROJECTS



Bilateral relations between Singapore and Guangdong received a boost as 17 projects were signed during the 6th Singapore-Guangdong Collaboration Council (SGCC) meeting on November 18. The projects, which span the healthcare, transportation, urban solutions and environmental services sectors, come as Guangdong looks to introduce reforms and restructure its economy.

▶ Speaking at the meeting, Singapore's Transport Minister, Lui Tuck Yew said: "For this year, the Council will focus on contributing to Guangdong's development of an intellectual property (IP) ecosystem, its urban rejuvenation plans and enhancement of its global connectivity."

▶ Guangzhou Knowledge City is looking to build a pool of IP practitioners to take advantage of its new Intellectual Property Protection and Services Hub in order to beef up its IP management and support emerging knowledge-based enterprises

▶ "It would be good if we could establish a framework in Guangzhou Knowledge City whereby foreign investors can have their technology protected and more importantly, enforced, if there is any issue in China." Chia Kim Huat, Singaporean Regional Head of Corporate and Transactional Practice at Rajah & Tann, said

[Channel News Asia \(19 November 2014\)](#)

07 KASIKORNBANK PCL TO ENTER LAOS



Kasikornbank, Thailand's fourth largest bank, is slated to open a branch in Laos with a registered capital of US\$37 million.

▶ In the initial stage, Kasikornbank Co Ltd will focus on corporate loans, of which the total outstanding in the country amounts to about US\$3 billion; most of said loans will involve border trade in one form or another

▶ Having entered the Cambodian market earlier this year and applied for entry into Myanmar, Kasikornbank is evident of ASEAN integration as well as the trending attempt for Thai banks to capitalise on high growth nations within the region

▶ In the past, Kasikornbank has had previous dealings within Laos, providing a US\$133 million in capital funding for the nation in the construction of dams and power plants



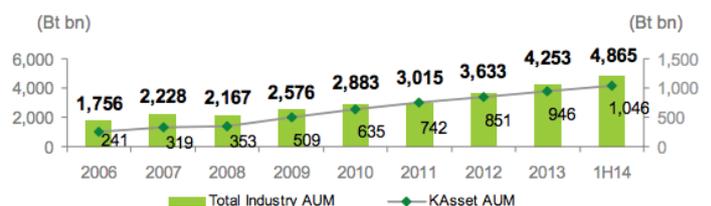
KASSET HIGHLIGHTS IN 1H14

June 2014

หลักทรัพย์จัดการกองทุนสิทธิกรไทย
开泰基金管理 KASIKORN ASSET MANAGEMENT



AUM (KASSET vs. Industry)



[The Nation \(14 November 2014\)](#)



08 MYANMAR MONITOR

POLITICS

▶ Seven Myanmar soldiers were killed and 20 wounded in an attack by Kokang insurgent group in the northeastern frontier with China five days ago, state media said on 15 December. The latest round of peace talks between ethnic groups and the government ended without an agreement on 27 September.

[Reuters \(15 December 2014\)](#)

ECONOMY

▶ Foreign investors who seek to bypass laws by registering businesses under the names of locals, a problem is most pronounced in the rapidly growing garment industry, are facing a “crackdown” by the Myanmar Investment Commission, a report said. Foreign firms are not permitted from entering business in several industries and are subject to restrictions in other areas, such as land ownership.

[The Irrawaddy \(13 December 2014\)](#)

▶ Myanmar Airways will return to the international scene early next year as part of the carrier’s recent USD500million transformation into Myanmar National Airlines. Although the airline would remain government-backed, a recently launched corporatisation process will see it develop a strong degree of independence from the country’s Ministry of Transportation thereby allowing it to make more commercially-oriented decisions, said managing director Captain U Than Tun. Myanmar’s parliament recently enacted Myanmar Aviation Bill legislation paving the way for the carrier’s move to quasi-autonomy. The bill will also leave the door open to future possible investment.

[ch-aviation \(14 December 2014\)](#)

▶ Indian state explorer Oil India Ltd. along with its consortium partners signed a Production Sharing Contract (PSC) with Myanmar Oil and Gas Enterprise (MOGE) for two offshore blocks in Myanmar, company statement said on 13 December. OIL is the operator with 60 per cent interest in both the blocks.

[The Economic Times \(13 December 2014\)](#)

▶ The Chinese state-owned telecommunications firm China Unicom has finished building a 1,500 km long optical cable route through Myanmar. The cable links China’s Yunnan Province with Myanmar’s Bay of Bengal coast, improving communications between Mandalay, Yangon and the Chinese city Ruli.

[The Irrawaddy \(13 December 2014\)](#)

FOREIGN AFFAIRS

▶ Human rights advocates and some lawmakers say the United States is sending the wrong signal by opening the door for broader engagement with Myanmar’s military just weeks after US President Barack Obama assured opposition leader Aung San Suu Kyi that closer ties weren’t going to happen soon. US training in some noncombat activities for the Myanmar military was a part of a defence policy bill that passed in US congress on 12 December.

[Yahoo News \(12 December 2014\)](#)

09 LAOS RAIL DEVELOPMENT ON FAST TRACK WITH THAILAND, CHINA LINE



Thailand and China has agreed to cooperate on building a new rail line, which would eventually connect Southern China with Bangkok. This initiative has put the spotlight on Laos, the country this proposed railway would pass through. Undeniably, this will match with the target of the 36th ASEAN Railway CEO’s Conference which held in Vietnam on 18 November, aiming to boost closer connectivity in term of among ASEAN members.

▶ This new line could eventually connect with China. Thai Permanent Secretary for Transport Soithip Trisuddhi said: “We see this as an investment for the future, connecting us with the world. The Chinese will have a rail line to Europe. If we build this then we will be linked with China through Laos. We would also be connecting with the standard gauge line currently being developed in Malaysia and Singapore.”

▶ Experts say the Thai economy will gain from greater regional rail connectivity, but also points out that Laos could reap the benefits as well. “China and Thailand should design this project so that the Lao people can benefit,” said Yasushi Negishi, Thailand’s Country Director at the Asian Development Bank

▶ Rail transport has only played a minor role in the economic development of Laos. But with neighbouring countries focused on forging a regional network, developing rail in Laos has become a strategic focal point for both ASEAN and China

[Channel News Asia \(12 November 2014\)](#)

10 US EXPANDS INITIATIVE FOR ASEAN YOUTH



The Young South-East Asian Leaders Initiative (YSEALI), mooted by US President Barack Obama last year, has been expanded to include more participants.

▶ According to US Ambassador to Malaysia Joseph Y. Yun, 500 YSEALI fellows will be chosen from each of the ASEAN nations on an annual basis; said individuals will be divided into two groups where those aged between 18 to 25 will attend a five week programme in preeminent US universities, whilst those aged between 18 and 35 will work directly with their American counterparts in non-profit organisations, state, and local government offices across the US

▶ Both programs, respectively named the Academic Fellows program and the Professional Fellows program, are aimed at aiding individuals in addressing both local and regional issues through grant competitions, regional workshops, and other opportunities

▶ YSEALI focuses on critical topics identified by youth in the region, such as civic engagement, environment and natural resources management, entrepreneurship and economic development; a further 12 programs have been lined up for 2015

[The Star \(18 November 2014\)](#)

Eligibility of Applicants



1

Applicants must be community leaders, ages 25-35, currently employed and with at least two years of professional experience at the time of application

2

Have a track record of making an impact in their community, institution or company



3

Proficient in spoken and written English at the time of application

4

Be a citizen of, and currently residing in, one of the ten ASEAN member nations

