

CARI CAPTURES



01 EFFICIENT BANKS A PRIORITY FOR ASEAN INTEGRATION



Features of the Commercial Banking Sector

	Deposits	Loans	Outreach	
	no. of accounts per 1,000 adults	no. of accounts per 1,000 adults	no. of bank branches per 100,000 adults	no. of ATMs per 100,000 adults
Cambodia	108.0	28.9	4.0	5.1
Indonesia	504.7	274.8	8.3	13.4
Laos	44.3	4.0	2.6	4.3
Malaysia	1,619.9	284.1	10.5	56.2
Myanmar	na	na	na	na
Philippines	487.8	na	7.7	14.9
Singapore	2,134.3	967.7	10.3	58.6
Thailand	1,119.9	237.0	11.2	77.7
Vietnam	na	na	3.3	17.6
Japan	7,169.0	171.0	34.0	133.0
High-income Europe	2,022.0	701.0	32.0	94.0
US	2,021.9	na	35.7	173.8
South Asia	317.0	38.0	7.0	4.0
Sub Saharan Africa	163.0	28.0	3.0	5.0



[International Monetary Fund](#)

The Asian Development Bank Institute, or ADBI, recently published a report highlighting that efficient bank and financial institutions were the underpinnings of successful integration amongst the region’s capital markets.

- ▶ The report emphasised the diverse size of each of the member state’s various banking system, the lack of similarity in their provision of domestic credit, and disparities in the quality of their equity and bond markets
- ▶ Whilst Malaysia and Indonesia compared favourably with their

international peers, states such as Brunei, Cambodia, the Lao PDR, and Myanmar were listed as countries with a significant lack of development in their financial infrastructure

- ▶ Another key highlight of the report concerned itself with the ratio of deposit accounts to population, which reflect the existence of savings and liquidity within financial markets; based on 2010 data, both Singapore and Malaysia led the region in deposit accounts with 2134 and 1620 accounts per every 1000 adults respectively

[Brunei Times \(2 December 2014\)](#)

02 MALAYSIAN MARKET SENTIMENT AFFECTED BY CONFLUENCE OF FACTORS



Market sentiment remained wary after Monday's rout, as disappointing corporate earnings, a weaker ringgit, lower commodity prices and cooling factory orders in China and the eurozone kept investors mostly on the sidelines.

- ▶ Domestic consumption and investment growth are to slow due to fiscal restraint, prudent monetary policy and a maturing credit cycle," said the bank's Asian Economic Outlook 2015-2016.
- ▶ Year-to-date, the US dollar has strengthened 4.59% against the ringgit and investors are now worried that the country could face the spectre of a twin deficit next year.
- ▶ Expectation that lower crude oil prices will lower production cost hence allow consumers to enjoy a higher income, is hampered by the fact that

Malaysia is an exporter of oil and gas. Subsequent to this event, it will affect the aggregate demand and slightly trim the national revenue.

- ▶ For next year, the research forecasts a 7% earnings-per-share growth on a pick-up in corporate earnings, with a focus on growth stocks that create shareholder value, over and above defensive and yield stocks; hence assets are where investors could currently focus on.

[The Star \(3 December 2014\)](#)

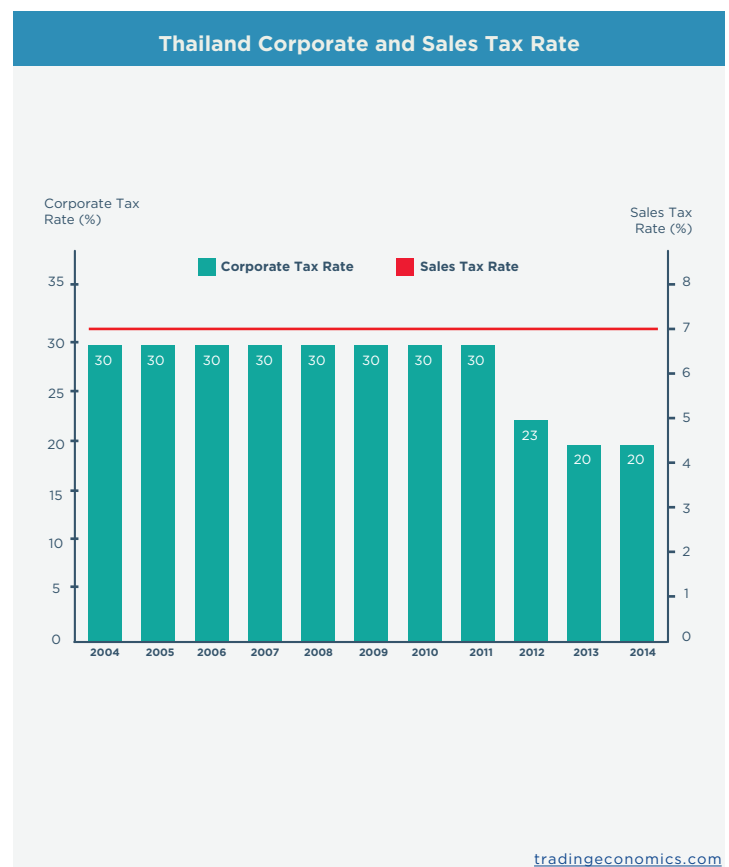
03 THAILAND HALTS VAT HIKE



Finance Minister Sommai Phasee initially planned to increase the VAT by 1% in 2015 in order to increase the fiscal budget by 12-13%, an announcement that was met with widespread concern amongst businesses as Thailand attempts to recover from political strife.

- ▶ Presently, consumer confidence within Thailand has experienced moderate to weak recovery following the political deadlock that plagued the nation's economy; coupled with the additional household debt incurred by families during the crisis, any additional taxes upon the people can be viewed to be detrimental to the recovering economy
- ▶ The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB) currently forecasts between 3.5% to 4% in economic growth for 2015, a number that reflects delays in the disbursement of the Thai government's budget and slow pace of economic recovery
- ▶ The move towards increasing the VAT has also been shadowed by the 10% reduction in corporate income tax, a fiscal policy decision that many have stated will only benefit a few individuals whilst not actually addressing fundamental fiscal issues within the nation

[Bangkok Post \(3 December 2014\)](#)



04 ALMOST 20% OF UAE FILIPINOS MULL PROPERTY BUY IN THE PHILIPPINES IN 2015



Almost 20 per cent of Filipinos living in the UAE are planning to buy a property in the Philippines within a year, according to a new survey. The survey revealed that five out of 10 Filipinos were prioritising property investment and found cities such as Bonifacio Global City, Makati and Metro Manila attractive for investment.

- ▶ Investing in Philippine property today is ideal for Filipino and international investors as prices are likely to soar substantially in the coming years," said Karen Remo, managing director of New Perspective Media
- ▶ Global financial institutions and analysts forecast good investment returns in the Philippines, which is one of Asia's most steady economies. Majority of overseas Filipinos say they are looking at buying property back home for their families, or as an investment, in the coming 12 months.

▶ The property event comes about as Philippines is witnessing a stable property market with high appreciation and rental yields coupled with low interest rate and flexible financing terms. Backed by a strong economy, a young and growing population and increasing income, the Philippines is Southeast Asia's strongest performing economy and is among the fastest growing residential market.

- ▶ They are also one of the world's top 10 fastest growing luxury property markets and has higher rental yields compared to other Asian countries. The property sector's growth is expected to remain robust.

[Gulf Business \(30 November 2014\)](#)

05 ASIAN HEALTHCARE GROUP BHD ANNOUNCES IPO



The healthcare group seeks to execute a Special Purpose Acquisition Vehicle (SPAC) to tap into the rising demand for private healthcare from Asia's burgeoning middle class; the IPO is expected to raise up to US\$216 million.

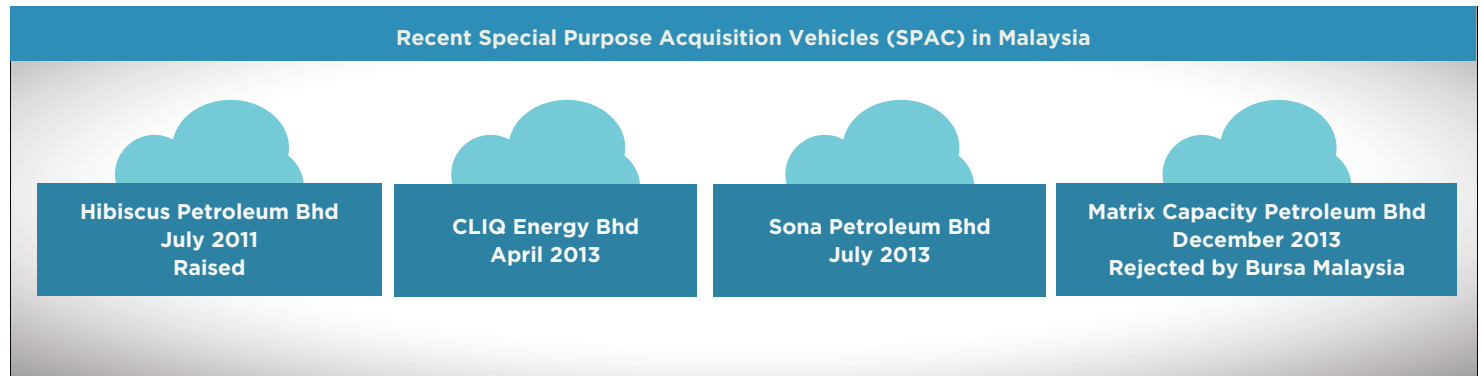
▶ According to documents filed with the Securities Commission, the healthcare group hopes to use 95% of the funds raised with the IPO to acquire at least one hospital providing secondary or tertiary care with a capacity of 100 to 500 beds

▶ Currently, Yvonne Chia, head of the Group, holds the majority of equity within the company, alongside other directors such as Chevy Beh, an ex executive director for BP healthcare, and Jegathesan Vasagam, a consultant for the diagnostics to laboratory medical group

▶ Whilst the Asian Healthcare Group intends to focus on Malaysia in the short term future, the firm has set its sights on ventures into Indonesia, Thailand, and Singapore in the future; currently, the execution of the SPAC will offer 80% of the company's shares on the open market, whilst the remainder will be held by Chia, Beh, and Negrita Holdings

[The Business Times \(2 December 2014\)](#)

Recent Special Purpose Acquisition Vehicles (SPAC) in Malaysia



06 MYANMAR'S ROLE IN EASING TENSION DURING THE ASEAN SUMMIT



International investors will have to wait at least 10 months for Vietnam to ease curbs on foreign shareholders after a 2013 proposal to increase ownership limits was shelved. Policy makers must revise a Ministry of Finance plan that recommended lifting the foreign cap on voting shares in some industries to 60 percent from 49 percent, Vu Bang, Chairman of the State Securities Commission (SSC), said in an interview on November 28. Bang, who had said in February that the government was in the "last stage" of making a decision on the proposal, now says a new version will be submitted in October.

▶ Speculation that ownership limits for the US\$56 billion stock market would be raised helped boost the benchmark Vietnam Ho Chi Minh Stock Index (VNINDEX) by 22 percent in 2013 and another 13 percent this year. Money managers, including Templeton Asset Management

and Dragon Capital Group Ltd. have said they're unable to buy as many shares as they want because of the caps

▶ "This is disappointing as the market has been rallying because investors were expecting the increase in the limit this year," Attila Vajda, Managing Director at Project Asia Research & Consulting Pte., said. It will probably take until 2016 at the earliest for a revised plan to get final approval, Vajda said

▶ The SSC will work with relevant ministries to revise the plan and address inconsistencies with existing laws, Bang said. He said an increase in foreign limits will be implemented "eventually" while declining to provide details of the new proposal. The plan will need approval from Vietnamese Prime Minister Nguyen Tan Dung.

[Bloomberg \(1 December 2014\)](#)

07 CAMBODIAN PM DEFENDS AUSTRALIAN REFUGEE DEAL



Prime Minister Hun Sen continues to affirm Cambodia's deal with Australia regarding the housing of refugees turned away from Australian sanctuary; the \$35 million resettlement program has raised concerns over the social and economic costs incurred in the sheltering of refugees.

▶ In addition to those concerns, the US Based Human Rights Watch has continued to call for the program to be suspended until Cambodia improves its refugee support system; Prime Minister Hun Sen cited the successful resettlement of 85 asylum seekers in an earlier 2009 program as proof that the country was willing and able to undertake any and all refugees redirected from Australia

▶ Currently, the resettlement program involves Australia funding the accommodation and resettlement services for refugees going to Cambodia for a one year duration with the option to extend said funding; furthermore, Australia has promised to provide health insurance for resettled refugees for a total of five years

▶ Refugees sent to Cambodia are however limited in a socioeconomic sense as they are only issued "Prakas", interim documents that do not qualify for a refugee to open a bank account and other essential purposes

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

08 MYANMAR MONITOR

POLITICS

▶ National League for Democracy (NLD) chairwoman Aung San Suu Kyi blames government inaction for a recent fatal shooting at the Letpadaung copper mine in central Myanmar. One villager was killed and 20 others, including 11 policemen, were injured on 22 December in a confrontation at the mine when the police and Chinese workers erected a fence on land that the villagers claimed as theirs.

[The Irrawaddy \(29 December 2014\)](#)

▶ Yangon held the first municipal elections since 1949 on 27 December, with voters hoping for change despite knowing little about the candidates or their policies. For many the ballot for the Yangon City Development Committee (YCDC) is the first chance to vote under the country's quasi-civilian government, which replaced outright military rule in 2011. But restrictions on who can vote mean that just 400,000 of the city's several million residents can cast ballots, while other clauses have strictly controlled who can stand for the YCDC. Voter turnout was only around 20%.

[Bangkok Post \(27 December 2014\)](#)

ECONOMY

▶ To ensure a sustainable eco-system, Myanmar has set an annual limit of 1.16 million tons of timber for future demand despite annual increase in both local and foreign consumption. Logging in the 2013-14 fiscal year totalled 925,050 tons, while annual production for the current fiscal year of 2014-15 is at 730,000 tons.

[Xinhua \(29 December 2014\)](#)

▶ The Yangon-Mandalay highway will be upgraded to a world-class eight-lane road through the build-operate-transfer (BOT) system and tender will be opened for both local and foreign companies, according to the Ministry of Construction. The highway connecting Yangon, Mandalay and Naypyidaw has made headlines frequently for causing many fatal accidents.

[Eleven Myanmar \(29 December 2014\)](#)

▶ Till third week of December, Myanmar's trade volume has become nearly US\$20 billion - only five billion dollars short from the estimated trade volume of this fiscal year which ends 31 March, according to the Ministry of Commerce. During this period, average trade volume of a month was over US\$2.2 billion and if this goes on, trade volume of this FY might exceed the estimated volume.

[The Nation \(29 December 2014\)](#)

▶ Rice shipments across the Sino-Burmese border, considered illegal in China, accounted for more than two-thirds of total rice exports over the last nine months, according to the Myanmar Ministry of Commerce. Chit Khine, chairman of the Myanmar Rice Federation (MRF), said Myanmar's rice exports across the Sino-Burmese border constituted the highest bilateral trade total, despite a Chinese ban on Myanmar rice imports. China banned rice imports from Myanmar earlier this year demanding a trade agreement guaranteeing that most rice is milled and meets quality standards.

[The Irrawaddy \(26 December 2014\)](#)

09 THAILAND RECOGNISES MALAYSIA'S ROLE IN THE PEACE PROCESS



Speaking to Malaysian reporters after hosting a luncheon in honour of visiting Thai Prime Minister Gen Prayuth Chan-o-cha, Malaysian Prime Minister Datuk Seri Najib Razak said Thailand recognises Malaysia's role in the Southern Thailand peace process and has vowed to give a firm commitment towards the effort.

- ▶ Malaysia and Thailand would reinvigorate the peace process and restart the efforts based on the three principles discussed; period of no violence and respect for the law, all parties be represented in the peace process and they must agree to the list of demands or requests that they wished to put forward to the Thai government
- ▶ "Based on the three principles, Malaysia will continue the peace process and the Thai government has stated categorically that Malaysia is the only country that they will work with in the peace process," Najib said
- ▶ Besides, Najib pointed out that Malaysia and Thailand have agreed to strengthen cooperation in addressing the problem of extremism, militancy and dual citizenship which are the long-standing problems in both countries

[Borneo Bulletin \(3 December 2014\)](#)

10 SINGAPORE TO SEE VIRTUAL MODEL PROJECT BEGIN IN 2017



The National Research Foundation's US\$58 million project will map out the entire city within a 3D model for knowledge sharing and community sharing.

- ▶ The US\$58 million will go towards the development of the platform, as well as research into latest technologies and advanced tools over a period of five years, which will begin operations in 2017
- ▶ The 3D map will have uses within public, private, and research contexts; from potential map applications, simulations of traffic and crowd behaviour, to other geo-spatial data applications, the project hopes to improve the lives of Singaporeans in more than one way
- ▶ A key concern to the collection of such data would be the breach of privacy rights relating to land and buildings; the NRF has in turn guaranteed that safeguards will be put in place to prevent the leaking of sensitive information which will be collected through the project

[Channel News Asia \(1 December 2014\)](#)

Potential Applications of Singapore's Virtual Model Project

Community's Travel Finder

Virtual Singapore can be used to locate facilities or amenities in the neighbourhood.

Services/ Solutions

Locate facilities or amenities such as bicycle racks, bus stops, coffee shops, clinics, study corners, etc
Access interior floor plans of shopping malls, community clubs and coffee shops
Plan routes for handicapped or during heavy rain

Community Sharing

Users of Virtual Singapore can work together to share information and resources for environmental sustainability.

Services/Solutions

Contribute and collate information on animal sightings and faulty facilities to alert fellow residents
Share information on energy generation and consumption and exchange tips to reduce energy usage and cost
Share information on when the recycling companies are coming, as well as their routes. Translate the information into an app for residents to inform the companies if there are old newspapers / clothes to be collected
Share information on the amount of recyclables consumed

Business and Community Monitoring/Tracking

Virtual Singapore can translate information from tracking devices or wearables to help families, companies and public agencies project future needs.

Services/Solutions

Track elderly family members who have dementia, or locate missing pets
Conduct neighbourhood watch using shared information to view the CCTV footage of public areas around their neighbourhoods
Plot frequently used paths and spots to propose sheltered walkways, shelters, bicycle kiosks

Scenario Planning

As a 3D City Model, Virtual Singapore can help to simulate possible scenarios of future amenities in their town and provide feedback.

Services/Solutions

Choosing paint colours of HDB blocks' external surfaces
Location of new facilities such as basketball courts, parks, BBQ pits, function areas

[Singapore Land Authority Press Release](#)