

CARI CAPTURES

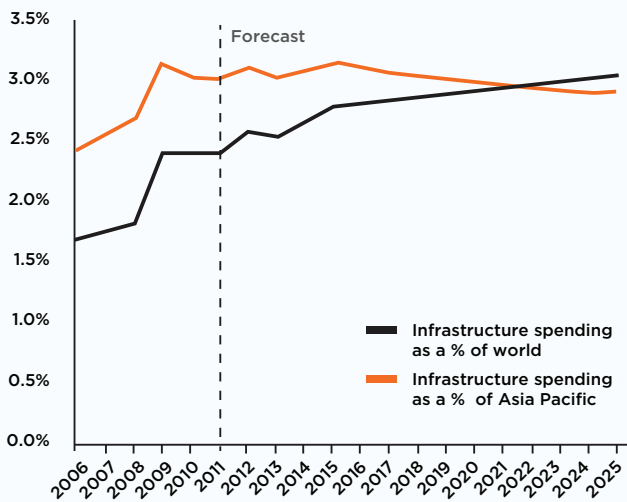


01 REFORM BRINGS RENEWED FOCUS ON INFRASTRUCTURE

INDONESIA

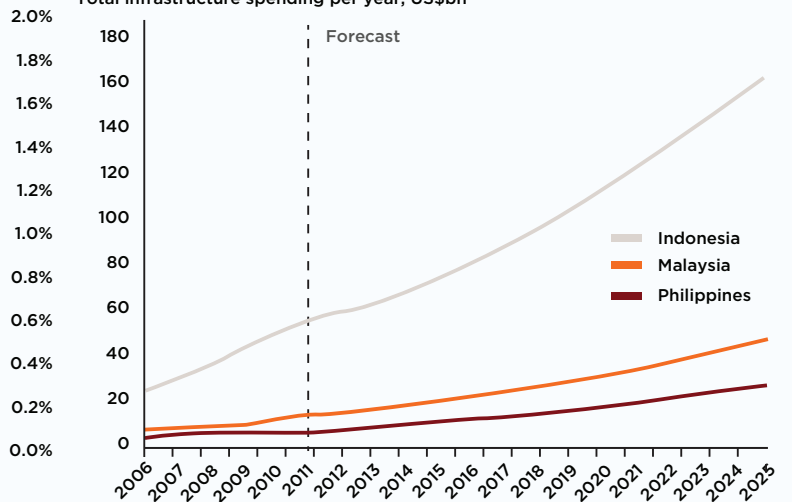
Projected Spending

Infrastructure in global context in Indonesia



Indonesia versus peers

Total infrastructure spending per year, US\$bn



Indonesia State Buildup

ELECTRIC	CONSTRUCTION	MINING	CONSTRUCTION	PLANTATION	RAILWAY TRANSPORTATION	AIR TRANSPORTATION	PORT	CONSTRUCTION
PT PLN US\$384M	PT Hutama Karya US\$276M	PT Antam US\$269M	PT Waskita Karya US\$269M	PT Perkebunan Nusantara III US\$269M	PT Kereta Api Indonesia US\$269M	PT Angkasa Pura II US\$269M	PT Pelindo IV US\$154M	PT Adhi Karya US\$108M

Oxford Economics

President Joko Widodo’s plan to invest US\$25 billion in Indonesian infrastructure is aimed at building up ports, power plants, and roadways.

- ▶ Out of the allocated funds, US\$3 billion is slated to be directly injected into state owned firms like PT Waskita Karya and Angkasa Pura II, the former being one of the country’s largest construction firms and the latter, an airline operator; the funds are to be used in private sector partnerships as well as to facilitate investment into the private sector
- ▶ Whilst the announced initiatives have been well received at face value, concerns surrounding government have been cited as

reasons private investment may not be facilitated by the budgetary announcements; concerns such as corruption, previous failures to complete infrastructural projects, and the fact that the Indonesian government has had a history of spending less than announced are all central to this issue

- ▶ The capital injection will also be coupled with multibillion dollar projects which the government will hope to tender in the coming months; whilst the fundamental groundwork for Widodo’s infrastructural initiative have been laid, it remains to be seen whether he will receive the backing in parliament to green-light future projects

Wall StreetJournal (5 March 2015)

02 SEC SIGNS ASEAN MOU ON SECURITIES



The Securities Commission Malaysia, the Monetary Authority of Singapore, Thailand's Securities and Exchange Commission (SEC) and the Singapore Exchange have signed a memorandum of understanding (MoU) to establish a Streamlined Review Framework for the Asean Common Prospectus. Malaysia, Singapore and Thailand were the first three jurisdictions to sign the MoU.

- ▶ The SEC said that the framework will require both home and host authorities to complete the approval process for foreign share offering at the same time, within four months from the date of submission
- ▶ Under the proposed framework, the process for overseas companies issuing equity securities or plain debt securities in these three countries will be streamlined as long as the prospectus is prepared in accordance with the Asean Disclosure Standards. Thus, this will enhance market efficiency, as the time taken for the issuer to obtain approval to offer its securities in multiple jurisdictions will be shortened
- ▶ The Streamlined Review Framework is an initiative under the Asean Capital Markets Forum (ACMF) implementation plan endorsed by Asean finance ministers in 2009. The framework is aimed at facilitating cross-border offerings of equity securities and plain debt securities in jurisdictions that are signatories to the MoU in order to foster Asean capital market integration.

[Bangkok Post \(6 March 2015\)](#)

03 FOREIGN FIRMS OPTIMISTIC ABOUT VIETNAM'S OUTLOOK

Just eight years after its WTO accession, Vietnam is the top ASEAN exporter to the US with a 20 per cent market share, Herb Cochran, executive director of AmCham, said. "If present trends continue, Vietnam will have a 30 per cent market share by 2020."

- ▶ "With the TPP and the AEC 2015 both to be finalised this year, and maybe the EU-Vietnam FTA, prospects are bright for continued improvement in Vietnam's business environment, additional FDI and growth in Vietnam's international trade," Cochran said
- ▶ From amendments to the Law on Investment and Corporate Law, transparency and simplification of administrative procedures can be expected, while measures like reductions in time taken for taxation procedures and customs clearance have also been taken, Yasuzumi Hirota, vice chairman of the Japanese Business Association in HCM City (JBAH) said. However there are still existing risks
- ▶ Thai Van Re, director of the city Department of Planning and Investment, said the city economy grew by 9.6 per cent in 2014 to around US\$39.7 billion, accounting for 21.6 per cent of the nation's GDP. Its foreign trade amounted to \$57.4 billion, accounting for 19.3 per cent of the country's total
- ▶ The city last year licensed 457 FDI projects with total registered capital of \$2.88 billion, while 138 existing projects brought in a further \$383.4 million

[Vietnam Bridge \(6 March 2015\)](#)

04 FTA REACHED BETWEEN LAOS AND VIETNAM



In a bid to eliminate tariffs and increase trade between the two countries, Vietnam and Laos have signed a bilateral Free Trade Agreement (FTA) removing and maintaining a zero-tariff trade policy covering 95% of all goods traded.

- ▶ The agreement, which was signed on 3 March 2015, will replace an existing trade treaty originally agreed to in 1998; the FTA is expected to remove tariffs from over 9,000 products once the both countries have completed their domestic ratification procedures

- ▶ The move towards zero-tariffs comes after increasingly open trade relations have continued to develop through the year; most recently, Vietnam and Laos have managed to implement a 1-stop customs system between both nations
- ▶ According to the Vietnamese News Agency (VNA), Vietnam currently has 128 projects in Cambodia with a total investment of US\$49.6 million; on a bilateral level, trade revenue has been forecasted to hit US\$5 billion as spurred on by increased deregulation and the growing nature of both economies

[Bangkok Post \(5 March 2015\)](#)

VIETNAM-LAOS TRADE		Units	Reporting Month		Year to date	
			Volume	Value (USD)	Volume	Value (USD)
EXPORTS						
Laos				53,431,079		53,431,079
Fruits and vegetables	USD			717,663		717,663
Pastrycooks, sweets and cereals products	USD			821,316		821,316
Clinker and cement	Ton	32,223		3,890,100	32,223	3,890,100
Coal	Ton	18,584		1,934,676	18,584	1,934,676
Petroleum products	Ton	8,821		5,580,905	8,821	5,580,905
Fertilizers	Ton	668		385,382	668	385,382
Plastic products	USD			2,287,847		2,287,847
	USD			371,727		371,727
Textiles	USD			705,359		705,359
Ceramic products	USD			837,610		837,610
Iron and steel	Ton	18,524		13,494,365	18,524	13,494,365
Iron and steel products	USD			1,778,683		1,778,683
Other base metals and other base metal products	USD			147,427		147,427
Machine, equipment, tools and instruments	USD			2,023,369		2,023,369
Insulated wires and cables	USD			1,327,461		1,327,461
Other means of transportation, oarts and accessories thereof	USD			6,246,303		6,246,303
Furniture of other material, other than of wood	USD			276,809		276,809
IMPORTS						
Laos				50,760,962		50,760,962
Maize (corn)	Ton	190		40,500	190	40,500
Ores and other mineral product	Ton	42,873		2,125,113	42,873	2,125,113
Fertilizers	Ton	19,504		5,220,552	19,504	5,220,552
Wood and wooden products	USD			28,043,268		28,043,268
Other base matals	Ton	80		148,000	80	148,000

[Vietnamese Customs](#)

05 CAMBODIA'S LARGEST HYDROPOWER PLANT BEGINS OPERATION



The 338-MW Russey Chrum Krom hydropower plant in southwestern Koh Kong province, Cambodia, was inaugurated on Jan. 12. The Chinese-built project is the largest hydropower station located in the Southeast Asian country of more than 15 million people.

- ▶ The dam was constructed by China Huadian Corp. at a cost of about \$500 million under a 35-year build-operate-transfer contract with the Cambodian government. The first five years of the contract were designed to accommodate construction, which officially began on Apr. 1, 2010. It is the largest investment China Huadian has made in Cambodia.
- ▶ Cambodia is in desperate need of reliable power. According to The World Bank, electricity cost and access is a key constraint to further growth of the country's manufacturing sector. Even so, Cambodia's average annual growth rate was 7.7% during the past two decades, making it the sixth-fastest growing country in the world during the period
- ▶ The Cambodian Ministry of Industry, Mining, and Energy (MIME), forecasts power demand will more than double by 2020. While that sounds daunting, with a current nationwide capacity of only 1,072 MW, adding a plant the size of Russey Chrum Krom goes a long way toward meeting new demand requirements

Powermag (1 March 2015)

06 MALAYSIA ON TRACK TO ACHIEVE HIGH INCOME STATUS: IMF



Malaysia is on track to reach high income status in five years due to skilful economic management amidst an uneven global recovery, says the International Monetary Fund. "Robust domestic demand supported by sound macro-financial policies is driving strong, non-inflationary growth in the face of uncertain external conditions and declining commodity prices," it assessed, in its latest annual Article IV report.

- ▶ Growth is expected to moderate to a still robust rate of 4.8 per cent in 2015, underpinned by private investments in the non-oil sector. The Fund commended the authorities for taking advantage of its full employment, low inflation and falling energy prices to implement ambitious fiscal reforms
- ▶ "These reforms will have far-reaching and long-lasting benefits, helping to diversify Malaysia's revenue system away from oil and gas and raising the efficiency and equity of public spending," according to the staff report by the IMF mission to Malaysia, headed by Alex Mourmouras in November last year
- ▶ The staff report, which was released by the executive board, said structural reforms should continue under the 11th Malaysia Plan, addressing innovation, quality education, youth unemployment and female labour force participation.
- ▶ However, the Fund has also warned that the risks are tilted to the downside. It viewed external risks as significant, slower growth recovery in advanced economies and emerging markets, falling fuel and commodity prices could slow growth through Malaysia's trade channel with second round effects on domestic demand

New Straits Times (4 March 2015)

07 IT TOPS HIGHEST PAYING JOBS IN PHILIPPINES

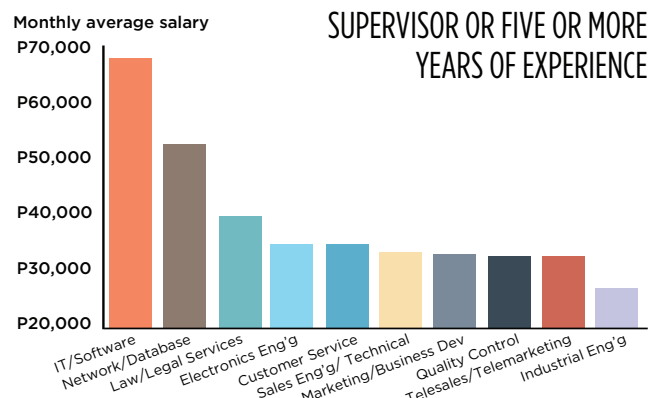
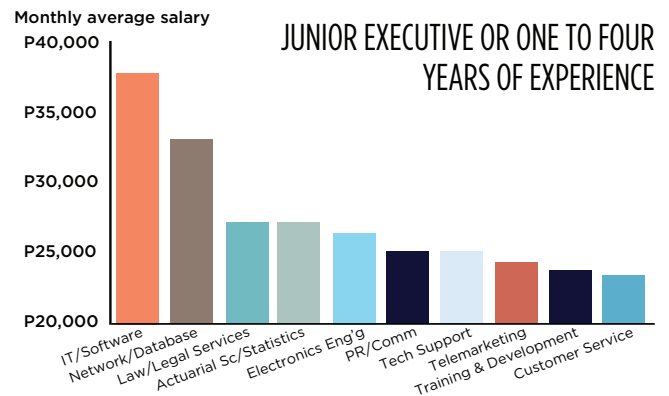


According to JobStreet Philippines, a job portal that collates information relating to salaries within various industries, the highest paying field of employment for individuals with less than four years of employment is currently Information Technology.

- ▶ In line with the tremendous growth of Business Process Outsourcing (BPO) within the region, the Filipino 2015 Annual Salary Report has highlighted jobs relating to computer networking and database administration as the two top paying fields for relatively less experienced individuals in the work force
- ▶ The same holds true statistically for individuals in the work force with five or more years of experience, whereby IT software and database related jobs continue to pay experienced individuals the highest average pay
- ▶ Another specialization placed in the top 10 for all position levels is customer service, while the fields of electrical and communications engineering, sales or telesales and training and development figure in two of the three position levels
- ▶ It should, however be noted that these statistics be taken with a grain of salt, as the median pay for fields of employment are often used as a more objective and accurate representation of pay within an industry
- ▶ Conversion rate: 1.00 Philippine Peso = 0.022 USD

Philstar (3 March 2015)

Highest Paying Jobs In Philippines



Bangkok Post (26 February 2015)



08 MYANMAR MONITOR

NATIONAL

▶ More than 50 people have been confirmed killed in a ferry accident off western Myanmar, police said on 16 March. The ferry sank on 13 March after leaving the coastal town of Kyaukphyu. State media has claimed the ferry was carrying 218 passengers and crew but locals say they fear far more unregistered passengers may have been on board, a common practice on the nation's often overcrowded ferry network.

[Channel News Asia \(16 March 2015\)](#)

POLITICS

▶ Buddhist monks in Myanmar have prepared a lawsuit against Myanmar's interior minister, accusing police of using poisonous chemicals to break up a protest in 2012, the monks and a human rights organization said on 16 March.

[Reuters \(16 March 2015\)](#)

▶ Myanmar on 12 March freed from jail more than a dozen students detained last week in a violent crackdown in which riot police beat protesters with batons and arrested 127 people after a lengthy standoff. The students had been protesting against an education bill they said would stifle academic freedom.

[Reuters \(12 March 2015\)](#)

ECONOMY

▶ Thai authorities are eyeing a Thai-Myanmar border checkpoint, named Daan Singkhorn, in the lower central part of the country as another Thai tourist attraction. "Up to five million Thai and foreign tourists are expected to visit Daan Singkhorn border checkpoint on their way to the interior of Myanmar in a year," Provincial Governor Veera Sriwattanatrakul said.

[Xinhua \(16 March 2015\)](#)

FOREIGN AFFAIRS

▶ China appeared to try to cool tensions with Myanmar over a deadly bombing last week in a Chinese border area, even as Beijing continued to insist that a Myanmar aircraft was responsible. Chinese Foreign Ministry spokesman Hong Lei said Chinese investigators had begun working with a team from Myanmar to investigate the incident, adding that the Myanmar government had expressed condolences as well.

[The Wall Street Journal \(16 March 2015\)](#)

09 INDONESIA IMPROVES A GRADE IN EFFORTS TO STOP TERRORISM FUNDING

INDONESIA

The Financial Action Task Force (FATF), an intergovernmental body to combat money laundering and terrorist financing, has dropped Indonesia from the black list of countries it deems uncooperative in suppressing the funding of terrorism, a move that could boost trade and investment into Southeast Asia's largest economy.

- ▶ Agus Santoso, vice chairman of Indonesia's anti-money laundering agency, known as PPAATK, said officials from FATF had put Indonesia on the grey list and would monitor the efforts Indonesia has taken to stop terrorism funding in the coming months
- ▶ Last month FATF said Indonesia had made substantial progress on achieving its action plan by 3 significant steps: 1) Adequately criminalizing money laundering and terrorist financing; 2) Establishing adequate procedures to identify and freeze terrorist assets; and 3) Enacting laws or other instruments to fully implement the 1999 International Convention for the Suppression of Financing of Terrorism
- ▶ Mr. Santoso said in the perspective of foreign investors, the exclusion of Indonesia from the FATF's black list would reduce investment risks in Indonesia and reduce the financial of forming trade deals with Indonesian businesses, both of which eventually will boost Indonesia's international trade activities

[Wall Street Journal \(4 March 2015\)](#)

10 SINGAPORE FORECASTED TO HAVE FASTEST GROWTH IN UHNWI

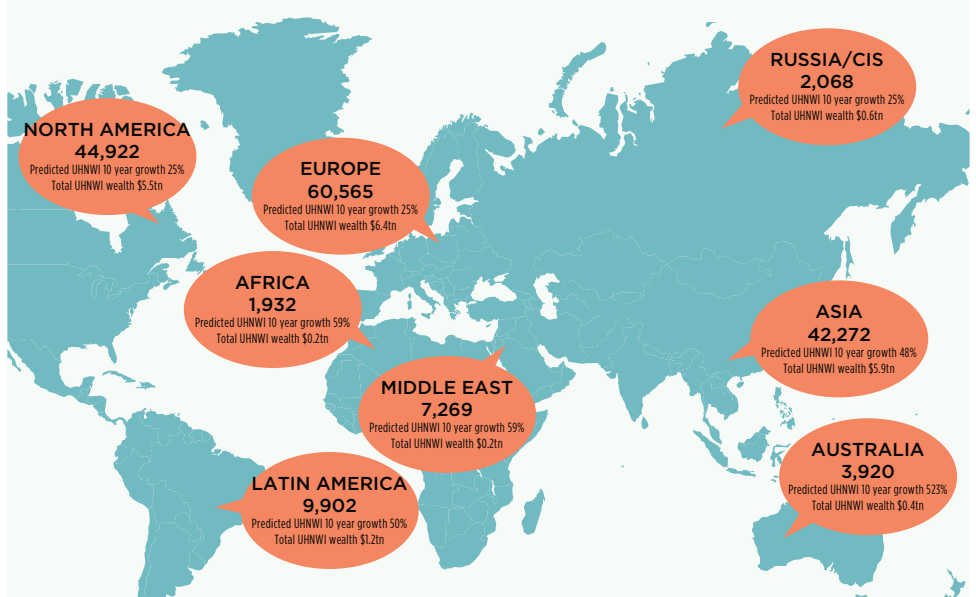
SINGAPORE

Ultra-High-Net-Worth Individuals (UHNWI), or individuals who have a net worth of US\$30 million or above, are slated to see the largest rise in their numbers in Singapore over the next decade.

- ▶ According to Knight Frank, a global real estate consulting firm, Singapore's UHNWI is expected to increase by 1,752 individuals between 2014 and 2020; this puts Singapore ahead of Hong Kong, New York, London, and Mumbai in terms of the growth within the ranks of the the worlds wealthiest individuals
- ▶ Whilst Singapore will experience the highest growth rate in the ranks of the super rich, the nation state is currently still behind Monaco and Luxembourg in terms of the concentration of UHNWIs; currently, Singapore features 60 UHNWIs per every 100,000 residents
- ▶ Reflecting the shift in wealth concentration around the world, the ultra-rich in Asia also hold more in total wealth with combined net assets of US\$5.9 trillion, 7% more than North America's US\$5.5 trillion

[Straits Times \(5 March 2015\)](#)

UHNWI Populations and Total Wealth by Region in 2014



[The Guardian \(25 February 2015\)](#)

