

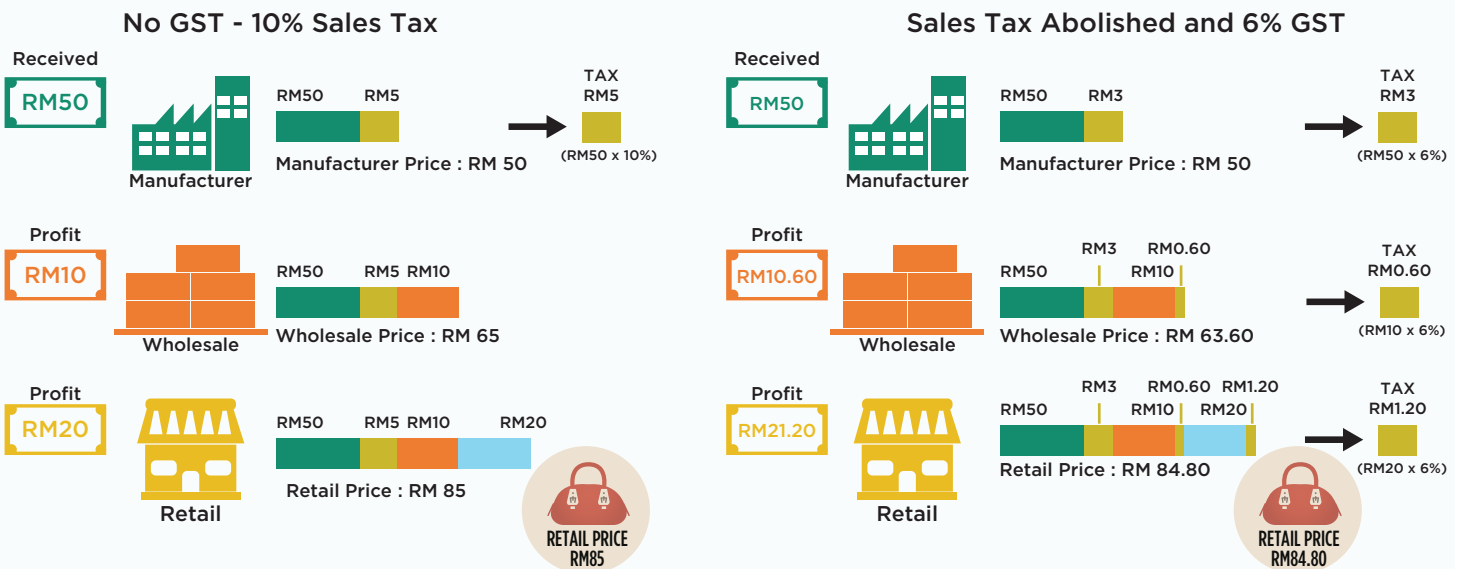
# CARI CAPTURES



## 01 MALAYSIA IMPLEMENTS GST



### Possible Impact of GST on Products



### ASEAN GST Rate

N/A	1999 10%	1999 10%	2009 10%	2014 6%	N/A	1998 12%	1993 7%	1992 7%	1999 10%

[SaveMoney.my](http://SaveMoney.my)

**Following its 1 April implementation, Malaysia joins 160 other countries in embracing the Goods and Services Tax (GST).**

- ▶ Currently, 8 out of 10 of the ASEAN nations employ the GST, with Indonesia being the first to introduce GST in 1984, followed by Thailand in 1992, and Singapore in 1993; more recently, the Philippines adopted a GST in 1998, followed by Cambodia and Vietnam in 1999, and Laos in 2009
- ▶ If implemented as planned, the GST, which replaces Malaysia's existing Sales and Service Tax (SST), will hopefully remove any form of double taxation on goods which the SST incurred at 5 to 10%; furthermore, as a progressive tax system with a comprehensive system of exemptions and relief supplies, the GST should not negatively impact lower to middle income groups

- ▶ It should also be noted that the Malaysian government is also actively policing hoarding and arbitrary price raising problems under the Price Control and Anti-Profitteering Act of 2011; additionally, the informational campaign undertaken by the government in the lead up to the implementation of the GST should aid in clearing any misconceptions
- ▶ However, opposition politicians and activists have argued that the implementation of the GST will cause further hardship in an already uncertain economic climate, and that much more should be done to tackle corruption and inefficiency first

[New Straits Times](http://New Straits Times) (1 April 2015)

# 02 CHINA TO FUND INDONESIAN INFRASTRUCTURE INITIATIVE

## INDONESIA

According to a statement released by Indonesia’s state investment agency, Chinese banks and state firms have begun preliminary discussions on the financing of US\$63.4 billion in infrastructural projects following President Widodo’s visit to Beijing.

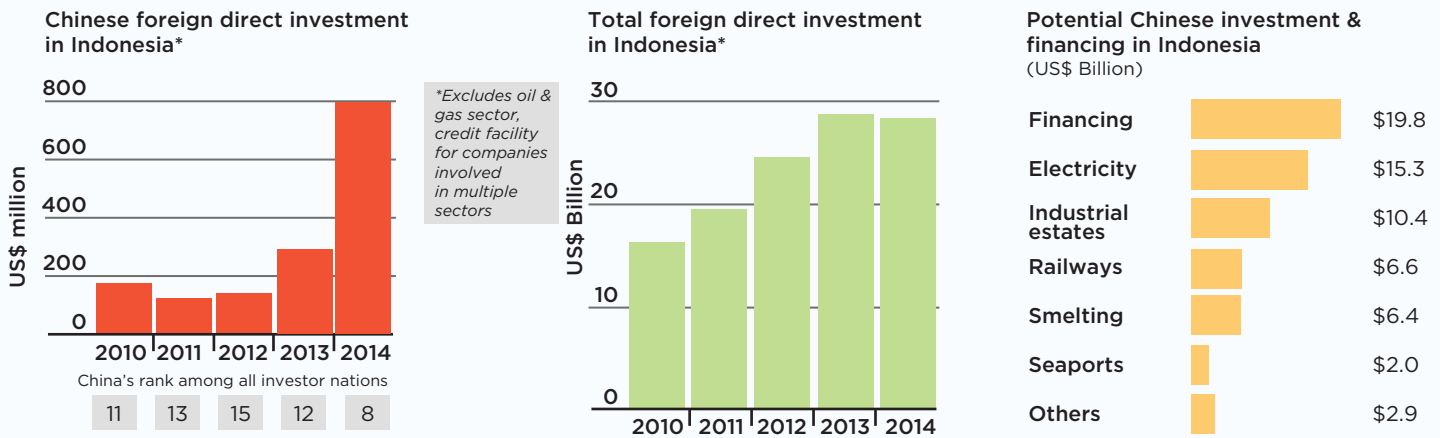
- ▶ Whilst the promise of funding has been viewed as a political victory for Widodo’s political standing, tangible results from talks have often less than stellar in the past; since 2005, only 7% of all pledged investments have resulted in actual financing from China
- ▶ It should be noted, however, that China has remained Indonesia’s 12th largest source of investment over the past five years, with an ever

increasing level of foreign direct investment (FDI) flowing into the nation state since 2011; the results of said preliminary discussions will only be apparent in June and July of 2015, when the details have been finalised and funds dispersed

- ▶ Whilst Indonesia’s economic outlook remains positive, with Widodo’s planned economic reforms guaranteeing strong fundamentals for years to come, Indonesia’s ever tightening foreign ownership restrictions and fickle nationalisation policies have often acted as deterrents to foreign funds; it remains to be seen if the current administration will continue these past practices or embrace a truly free market approach to foreign investors

[Wall Street Journal \(1 April 2015\)](#)

### Indonesia’s investment agency hopes a number of preliminary deals will turn China into a top investor in Southeast Asia’s largest economy



[The Wall Street Journal](#)

# 03 PHILIPPINES POSITIONS ITSELF AS 'SHIP REPAIR HUB' IN ASIA

## THAILAND

Maritime Industry Authority (Marina) Administrator Maximo Q. Mejia, Jr. said the Philippines would soon be the hub of ship repair works in Asia, stressing strong indicators in job orders in the country’s more than 100 active shipyards.

- ▶ Administrator Mejia said the strategic position of maritime and archipelagic Philippines in the Asia-region is very favorable climate to ship repair undertaking, and ship-building as well. “We are at the crossroads of the region,” he pointed out.
- ▶ In the World Book Order in terms of capacity, the Philippines is ranked as the fourth largest ship-building after China, Japan and Korea
- ▶ According to Administrator Mejia, there is a growing market on the production of Philippine-made ships by foreign/locally owned and managed shipyards like Tsuneishi and Hanjin. There is also a big demand for bigger tonnage capacity
- ▶ The resultant products of ship building and ship repair (SBSR) undertaking in the Philippines are increase of employment and increase training opportunities for Filipino shipyard including marine engineers and naval architects.
- ▶ He cited that more than 13,000 Filipinos working at Tsuneishi shipyards in Balamban, Cebu as fitting beneficiaries. This also gives opportunity to Filipino technical men to catch up with the latest SBSR technology, and provides programs for community development

[Manilla Buletin \(2 April 2015\)](#)

# 04 VIETNAM, LAOS, THAILAND BOOST LOCAL COLLABORATION

## VIETNAM LAOS THAILAND

Seven Vietnamese localities, representatives from the Lao localities and the Thai Union joining gathering in the Central Highlands province of Kun Tom agreed that investment, trade and tourism are the key cooperation focus of the localities, with tourism playing the central role. The localities were also encouraged to strengthen the exploration of each other’s potential along with engaging in common partnership mechanisms to build new mutually-beneficial bilateral affiliation programmes.

- ▶ Vietnam, Laos and Thailand are currently facing dramatic changes in the environment and climate; thus, the cooperation will not only help boost tourism in all three countries, but also is significant to closer connection and to promote activities for socio-economic, cultural and tourism development
- ▶ According to Ta Quy, Deputy Head of the Office of the Ministry of Culture, Sports and Tourism, Lao and Thai localities should roll out more favourable policies for investors and tourists in order to boost investment and tourism collaboration
- ▶ The participants pledged to engage in partnership activities while backing the business community to reinforce collaboration in tourism, trade, investment and human resources training
- ▶ Besides that, they will also consider the expansion of cooperation with the involvement of a fourth country and other financial institutions and organisations while maintaining regular information sharing

[Vietnam Net \(3 April 2015\)](#)



## 05 SINGAPORE JOINS AIIB AS FOUNDED MEMBER



SINGAPORE

**China's Asian Infrastructure Investment Bank (AIIB) continues to gain momentum with Singapore's pledge to use its development expertise in shaping the organisation's rules and frameworks.**

- ▶ The AIIB, which has been lauded as the Asian IMF, is a conceptual organisation being spearheaded by China in a bid to finance infrastructural projects across the region; experts have affirmed its existence, stating that the organisation will be directly complementary to institutions such as the world bank and the ADB
- ▶ Dr Xiao Geng, vice president (China) of Fung Global Institute, said: "By becoming a founding member, Singapore will have the chance to shape the rules which will be used for operating this new bank"
- ▶ Most recently, South Korea announced on the 26 March that they would also become a founding member of the AIIB, making a total of 40 other countries signatories to its organisational charter and bolstering the burgeoning level of funding that will be able to be dispersed in the near future

[Channel News Asia \(31 March 2015\)](#)

## 06 THAILAND BUILDS UP SPECIAL ECONOMIC ZONE IN MUSLIM SOUTH



THAILAND

**The Thai government is pushing economic development in the country's Muslim-dominated southern provinces by establishing a Special Economic Zone in Songkhla province at the border to Malaysia to promote trade in the region affected by unrest and to stimulate the local economy ahead of the arrival of the Asean Economy Community at the end of 2015. Plans are that the zone is to become a rubber-processing industrial estate for which national and international investors are sought.**

- ▶ According to latest customs statistics, around \$15.3bn worth of goods were traded at this particular border last year, making it a strategic point along the North-South Economic corridor and the Indonesia-Malaysia-Thailand Growth Triangle in that area. Exports from Thailand are shipped not only to Malaysia, Singapore and Indonesia, but further to China, Japan, South Korea and the US
- ▶ Thailand is currently facing 2 significant challenges which are: 1) the decades of insurgency and unrest in the four provinces which have taken their toll on the region have deterred investors, and 2) the result of the political unrest in Thailand has declined the prices of agricultural goods and the lower number of tourists
- ▶ Therefore, the military government in Thailand has introduced a "Southern Border Provinces Problem-Solving and Development Action Plan 2015 to 2017" to handle the situation in order to improve people's lives in the region by setting up not only industrial estates, but also includes improvements in education and cultural development. Thus, improving the living standard for the people from the grassroots to decrease the social gap, and to attract investors to the region

[Gulf Times \(2 April 2015\)](#)



[Ministry of Finance, China](#)

## 07 CAMBODIAN CHILD LABOUR LAWS FLOUTED WITH FAKE IDS



CAMBODIA

**Factories and brands know all about the role of fake IDs in age-rule breaches. Any major brand which says they are unaware of the connection between the fake ID problem and the underage worker problem is either being untruthful or admitting that they cannot monitor an industry where a given brand is only invested in 20 or 30 factories.**

- ▶ The main problems are: 1) the ease with which workers can get fake IDs based on the weak control of fake certificates by the Cambodian government, 2) employers turning a blind eye or not sticking to the ban on overtime for underage employee rules, and if they get caught, they don't get punished, and also 3) the parents helping their children lie about their age to get a job as they have no other way of providing the basic necessities of food and shelter for their family
- ▶ Unicef's chief of communication, Denise Shepherd-Johnson stated that "For many children in Cambodia, the child protection situation is dire," and. "Strengthening the child- and social-protection systems is a priority." Furthermore, according to Dave Welsh, country director for US-based labour rights group the Solidarity Centre. "At the end of their career, at the ripe old age of 35, the majority [of workers] are left with no savings, no transferable skills, and very little education,"
- ▶ Heng Sour, spokesman for the ministry of labour, says: "The ministry of labour and vocational training always has taken the child labour as a serious issue. The ministry not only follows up cases uncovered by International Labour Organisation's Better Factories Cambodia (BFC), but also has its own random inspections to prevent... child labour." He says that when any child labour case is uncovered, the ministry - along with the BFC, the Garment Manufacturers' Association in Cambodia (GMAC) and the ministry of commerce - always carries out a joint inspection
- ▶ Via stronger implementation of the law, the conditions for workers will get better and the pressure from brands will make companies improve

[The Guardian \(30 March 2015\)](#)

# 08 MYANMAR MONITOR

## POLITICS

▶ Top Myanmar political and military leaders, including President Thein Sein and opposition leader Aung San Suu Kyi, met on 10 April to discuss political reform. Political analyst Yan Myo Thein said he was disappointed with the talks because they appeared to lack substance. "The results of the talks are not very encouraging," he said.

[ABC News \(11 April 2015\)](#)

## ECONOMY

▶ Myanmar Investments International Ltd said on 15 April that it is considering issuing equity over the next few months to raise additional funding to take advantage of a number of investment opportunities that it is looking at across the healthcare, telecommunications, manufacturing and education sectors.

[Reuters \(15 April 2015\)](#)

▶ The role of children in the Myanmar economy, with many working as housecleaners, factory hands and shop assistants, has come under increasing international scrutiny as the country opens up. The UK risk analysis firm Maplecroft ranks the country's child labour problem as the seventh worst in the world. The government is currently considering raising the minimum working age to 14.

[Aljazeera America \(14 April 2015\)](#)

▶ The Chinese smartphone manufacturer Vivo mobile has entered the Myanmar mobile market, currently dominated by Huawei. In 2014, the mobile internet population doubled in Myanmar and 49% of mobile internet users use mobile as their only method of internet connection.

[Go-mash \(14 April 2015\)](#)

▶ Japanese automaker Suzuki will build an assembly plant in the Thilawa Special Economic Zone (SEZ), according to Japanese media. The company has secured a 20-hectare plot of land inside the zone, just outside Yangon. The factory would be the second in Myanmar after it reopened its Yangon factory in 2013.

[The Irrawaddy \(11 April 2015\)](#)

▶ The Central Bank of Myanmar has rapidly increased its rate for US dollar-kyat conversion, nearly catching up with the market rate. The Central Bank had left its official rate at K1027 per US dollar since February, though the rate charged on the market was as high as K1090, leading to arbitrage on the market and difficulties for consumers.

[Myanmar Times \(10 April 2015\)](#)

# 09 VIETNAM, AUSTRALIA AGREE TO BOOST TIES



**Prime Minister Nguyen Tan Dung and his Australian counterpart Tony Abbott have agreed to formulate a joint action plan for strengthening the Vietnam-Australia Comprehensive Strategic Partnership from 2015 to 2017**

- ▶ The two PMs had a telephonic conversation during which they concurred to assign both the countries' Foreign Ministries to coordinate with one another for implementing the outcomes of PM Dung's visit to Australia on March 17 and 18.
- ▶ The Vietnamese PM thanked Australia for its warm welcome during his visit. He reiterated his proposal that Australia would complete all procedures to allow Vietnamese agricultural products to be imported to Australia
- ▶ He also suggested Australia set up an agency in Vietnam for inspecting produce before it is exported to Australia to ensure its quality, and the Australian PM agreed with his counterpart's proposal, reaffirming his wish to enhance the bilateral trade and investment partnership
- ▶ The Australian PM said he hoped that more Vietnamese farm produce would be sold in the Australian market going forward

[Viet Nam News \(1 April 2015\)](#)

# 10 MALAYSIA TO DECIDE ON TPP



**According to a statement released by International Trade and Industry Minister Datuk Seri Mustapa Mohamed, Malaysia will decide if they will become signatories of the highly controversial Trans-Pacific Partnership (TPP) agreement by Q3 of 2015.**

- ▶ The TPP, which has been termed a free trade agreement initiative, spans 12 countries including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam, has been negotiated behind closed doors away from constituents for the past few years
- ▶ Whilst including free trade documents, leaked drafts of the agreement have also included clauses relating to International Property Rights, Environment, State-Owned Enterprises, Investment, Rules of Origin, and Financial Services
- ▶ In the interest of determining whether Malaysia should ratify said agreement, Price waterhouseCoopers (PWC) Malaysia and the Institute of Strategic and International Studies (ISIS) Malaysia were tasked to carry out a cost-benefit analysis (CBA) and a study on national interest

[New Strait Times \(2 April 2015\)](#)

