

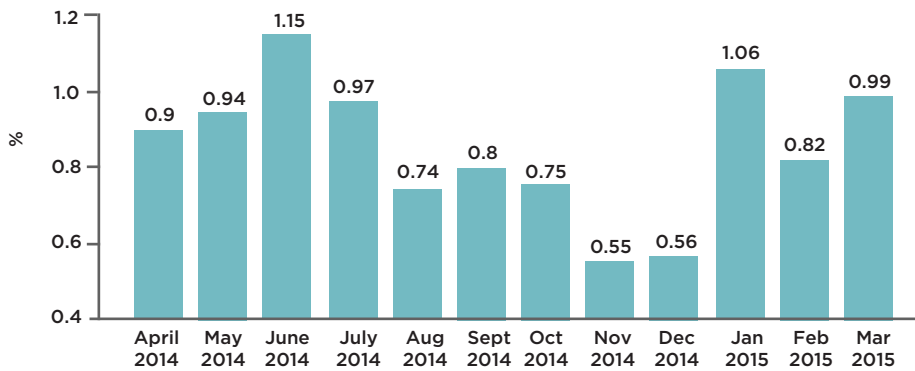
CARI CAPTURES



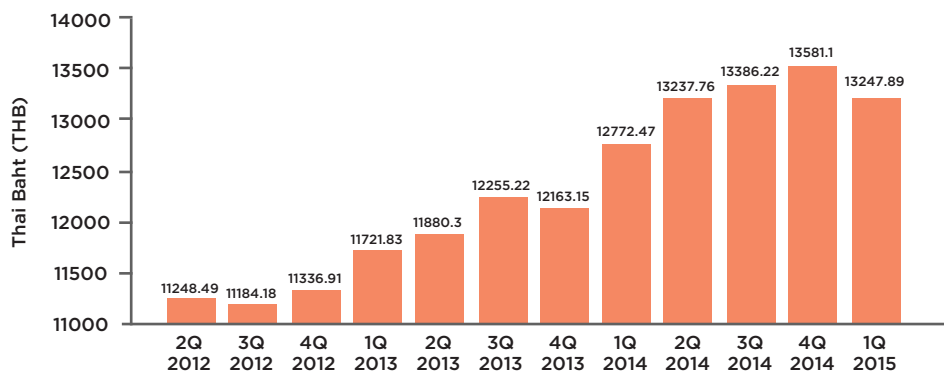
01 THAI GRADUATES BEAR BRUNT OF UNEMPLOYMENT RISE



Thailand Unemployment Rate



Thailand Average Monthly Wages



Trading Economics

According to a statement released by the Office of the National Economic and Social Development Board, Thai graduates were the hardest hit amongst individuals affected by rising unemployment rates amidst slow economic growth.

- ▶ Thailand's unemployment rate rose by 0.05% between Q4 2014 and Q1 2015, with 164,159 new graduates making up the largest unemployed demographic out of the total 361, 297 individuals whom are unemployed; a further breakdown of data revealed that 1.54% of graduates with bachelors degrees are out of work, with graduates majoring in journalism and communications topping the incidence of unemployment
- ▶ Meanwhile, graduates within engineering have managed to remain relatively unaffected by the rising trend in unemployment due

to increasing demand for said profession as required by major infrastructure projects like Thailand's newest undertaking, a high speed railway

- ▶ It should be noted that the average salary of private sector wages rose by 4.6% year-on-year, whilst the average wage for labourers in the agriculture sector decreased by 0.3% due to drought related issues

02 HUAWEI TO BUILD SUBSEA CABLES CONNECTING MALAYSIA, CAMBODIA, THAILAND



Huawei Marine has announced plans to build a submarine cable system that will connect Malaysia, Cambodia, and Thailand, with a total design capacity of more than 30Tbps. Neighbouring countries such as Laos and Myanmar will be able to tap the subsea infrastructure with terrestrial-based networks.

- ▶ The new cable system will support 100G Ethernet technology as well as a total design capacity of more than 30Tbps. When operational,

it will also mark the first time Cambodia will have access to a large capacity, high-speed submarine cable infrastructure

- ▶ Expected to be ready for commercial service by end-2016, the network would offer Cambodia and neighboring countries increased international bandwidth, said Huawei Marine Networks, which is a joint venture between Huawei Technologies and Global Marine Systems

[ZDNet \(25 May 2015\)](#)

03 MALAYSIA UNVEILS ELEVENTH MALAYSIA PLAN



To be implemented between 2016 and 2020, the plan detailed large investments into the nation's major cities and economic hubs in a bid to spur growth and the continued diversification of Malaysia's economy.

- ▶ The plan targets the four cities including Kuala Lumpur, Johor Baru, Kuching, and Kota Kinabalu, and will funnel investment within the areas of Transit Oriented Development (TOD), strengthening awareness of core public issues, enhancing liveability, and encouraging green initiatives within said cities
- ▶ The geographic centres were targeted based on the consideration of population size, productivity, existing infrastructure, and the presence of educational institutions; the core focus of Malaysia's Plan would be to remain competitive on a global stage in terms of the economic opportunities and quality of life offered by its key cities
- ▶ A renewed focus highlighted by the plan centred around the rapid development and delivery of high impact outcomes to both the economic and human capital with the nation; outside of the four listed cities, a trickle down effect of said initiatives is expected to benefit the nation as a whole

[Deal Street Asia \(22 May 2015\)](#)

Economic Planks of 11th Malaysia Plan

- | | | | |
|---|---|---|------------------------------|
| 1 | Unlocking potential in economic productivity and sustainability | 2 | Promoting investment |
| 3 | Increasing exports and rebalancing trade | 4 | Enhancing fiscal flexibility |

Potential Impact of 11th Malaysia Plan

Government revenue:

- Increase by RM358 billion
- 7.9% Increase in revenue per annum
- 6 percentage point diversification benefit away from oil related revenue
- Fiscal deficit to fall by 2.6 percentage points
- Total debt to fall by 9.8 percentage points

Inflation/Labour market:

- 2.5% - 3% average inflation per annum
- Unemployment rate of 2.8%
- Creation of 1.5million job
- Wellbeing Index to increase by 1.7%

04 HO CHI MINH CITY PLANS END TO FLOODING



The HCM City People's Committee has submitted a plan to State officials to address the city's flooding problems. Most of the VND9.9 trillion (US\$460 million) flood risk management proposal would be financed with Official Development Assistance (ODA) funds from the World Bank (\$422 million).

- ▶ In order to counter flooding, the city's existing infrastructure will be connected to increase the city's water drainage capacity and clean waterways; the climate change has pushed the city's drainage system to 1.58m from 1.32m because of heavy downpours in recent years

- ▶ The plan has three phases, which involves updating its hydro-meteorological centre's equipment, flood risk database, early warning system, flood response capabilities, canal system, building two tide gates and installing sewer systems
- ▶ According to a World Bank study, HCM City is one of the 10 cities around the world most vulnerable to rising sea levels due to climate change

[Vietnam News \(27 May 2015\)](#)

05 BANGSAMORO CREATION TO BENEFIT BIMP-EAGA



The enactment of the proposed Bangsamoro Basic Law (BBL) will benefit the initiatives of the sub-regional economic cooperation Brunei Darussalam, Indonesia, Malaysia, Philippines-East Asean Growth Area (BIMP-EAGA). The BIMP-EAGA is a developmental platform and a sub-regional initiative within the ASEAN to promote trade, people-to-people connectivity, business-to-business matching, and assisting small and medium enterprises (SMEs).

▶ The sub-regional economic cooperation strategic plan also include Cotabato, Zamboanga, and other areas. The benefits include terrestrial cable to speed up Internet connection, agricultural expansion for plantation of corn and copra, and utilizing the freeport zone for Halal products

▶ It is also important not to confuse the sub-regional economic cooperation with the Association of Southeast Asian Nations (ASEAN) Economic Community for regional economic integration. The BIMP-EAGA is a sub-regional initiative within the ASEAN

▶ In light of the ASEAN Economic Community, the priority projects within the BIMP-EAGA, under the implementation blueprint of 2012-2016, have identified 12 infrastructure projects to be implemented. A lot of these projects are upgrading of ports, building of roads within the BIMP-EAGA, and power connection which will be completed by end of 2015

[The Manila Times \(27 May 2015\)](#)

06 RENEWED FOCUS FOR ECONOMIC GROWTH IN EASTERN INDONESIA



Indonesia's Chamber of Commerce and Industry Agency (Kadin) has announced the establishment of a separate agency with prerogatives to allocate and attract investment flow in eastern Indonesian regions

▶ The new agency, to be entitled the "East Indonesia Development Fund", will be set up in the form of a limited liability company; the firm's main focus will centre around facilitating development within the sectors of energy, infrastructure, food, fisheries, and associated maritime affairs

▶ The move comes in support of synchronising the nation's equitable economic development so as to synchronise the 2015-2019 Mid-Term National Development Plan (RPJMN) which focuses on leveraging upon the existing political infrastructure set out by local governments

▶ In total, the fund is expected to cost the Indonesian government approximately US\$50 million in initial capital, with the hopes that additional funds will be sourced from private and foreign investment pools

[Antara News \(25 May 2015\)](#)

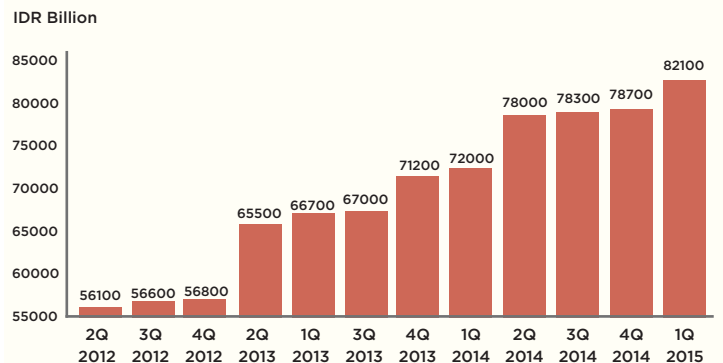
Kamar Dagang Dan Industri (KADIN)



Kamar Dagang Dan Industri (KADIN)

- Umbrella organisation of the Indonesian Business Chambers and Associations
- Focused on all matters relating to trade, industry, and services
- Most bilateral trade and investment relations are overseen by Kadin
- Privately financed

Indonesia Foreign Direct Investment



07 PHILIPPINES SEEKS STRONGER COMMITMENT FROM U.S. IN SOUTH CHINA SEA DISPUTE



The Philippines is seeking a "stronger commitment" from the United States to help its ally, the defense minister said on Monday, as China asserts its sovereignty over disputed areas of the South China Sea. China claims most of the South China Sea, through which \$5 trillion in ship-borne trade passes every year, and the Philippines, Vietnam, Malaysia, Taiwan and Brunei have overlapping claims.

▶ Philippine Defense Minister Voltaire Gazmin said he would meet U.S. Defense Secretary Ash Carter on Wednesday in Hawaii to ask for a stronger commitment. "I will ask about the extent of the assistance

they will give us, what they can do to help us because right now we are being oppressed"

▶ Gazmin would ask Washington to provide second-hand planes, ships and coastal radar systems. Next week, Gazmin will join President Benigno Aquino on a three-day visit to Tokyo to discuss the rising tension in the South China Sea, and also to discuss the transfer of Japanese military equipment to the Philippines to boost maritime security

[Reuters \(25 May 2015\)](#)



08 MYANMAR MONITOR

ECONOMY

▶ Between April and September, nine international banks will open branch offices in Yangon. The new banks are restricted to servicing the accounts of foreign companies operating in Myanmar. Under the Myanmar Companies Act, any foreign shareholding in a Myanmar company turns it into a foreign company, making it eligible for lending from foreign banks. Local banks are worried that restrictions on their activities, such as a 13% cap on loan interest rates and only kyat-denominated loans, will drive local businesses with some foreign ownership to their foreign competitors.

[Myanmar Times \(4 June 2015\)](#)

▶ The Central Bank of Myanmar announced on 27 May that it has allowed domestic currency exchange centres to exchange kyat for two more foreign currencies, the Malaysian Ringgit and the Thai Baht. Previously they were only allowed to exchange kyat for US dollars, Singapore dollars and Euros.

[Mizzima \(1 June 2015\)](#)

▶ The Central Bank announced on 29 May that the kyat only should be used in domestic payments at national, regional and state-level organisations to reduce US dollar demand and prevent dollarisation of the economy. "Using foreign currencies in local industry makes exchange rates instable and impacts the country's currency," Central Bank's circular said.

[Myanmar Times \(3 June 2015\)](#)

▶ The 21 banks that are members of the Myanmar Payment Union are preparing to offer credit cards for citizens. Credit cards currently require prepayment and are more like debit cards. Myanmar previously had real credit cards but they disappeared after the 2003 banking crisis. Last month, KBZ announced it will be the first domestic bank to again offer credit cards after receiving approval from the Central Bank.

[Myanmar Times \(4 June 2015\)](#)

POLITICS

▶ Myanmar's armed forces discharged 51 child soldiers from its ranks on 4 June, bringing the total number of discharges this year to 93. Since the Myanmar government signed a joint action plan with the United Nations in 2012 to end the use of children in its armed forces, 646 children have been released. The UN also listed seven ethnic minority rebel forces that also use child soldiers.

[Reuters \(4 June 2015\)](#)

▶ Political parties in Myanmar are going all out to attract younger members ahead of the elections at the end of the year, hoping that the outreach to young voters will rejuvenate the parties. Almost 16 million of Myanmar's 51 million population are aged between 15 and 24.

[Reuters \(4 June 2015\)](#)

FOREIGN AFFAIRS

▶ As the situation remains hot along the China-Myanmar border, where Kokang rebels have been sparring with the Myanmar army for months now, China launched a live fire joint air-ground training exercise on 2 June. The drill involved People's Liberation Army personnel from both the Army and the Air Force.

[The Diplomat \(3 June 2015\)](#)

09 LAO OFFICIALS USE STATE FUNDS TO BUILD ROADS TO THEIR HOMES



High-ranking officials in Laos have been tapping state coffers to build roads to their private residences, prompting outrage among citizens who say such funds are needed to repair main thoroughfares used by the public. This is selfish and inappropriate behavior by the officials because they do not pay attention to improving and developing the roads to meet the demands of the people, and public roads are left dirty and badly damaged.

- ▶ In fiscal year 2014-2015, the approved 800 million kip (U.S. \$100,000) fund to repair 12 roads throughout Vientiane, fell short of 6 billion kip (U.S. \$742,300), to repair the capital's roadway repairs
- ▶ Moreover, the construction and repair of main roads throughout the country have been financed through loans with high interest rates and are said to be tied to corruption because borrowing costs are higher than usual in the country
- ▶ Corruption among high officials in Laos has been going on for years, and is so widespread that it has deterred foreign investors, created problems with the country's ability to enforce business contracts and regulation, and left many ordinary citizens frustrated and impoverished
- ▶ In 2014, Lao ranked 145 out of 175 countries on corruption in the nongovernmental organization Transparency International's corruption perception index, which scores nations on how corrupt their public sectors are seen to be

[Reuters \(25 May 2015\)](#)

10 CHANGI AIRPORT PRIME CHOICE FOR AUSTRALIAN TRANSIT



Following robust growth in Singapore-Australian air links, Changi Airport has become the prime choice for travellers headed to the land down under.

- ▶ Including Singapore Airlines (SIA), the nation state now features nine carriers offering transport services between Singapore and Australia; this tremendous product offering has translated to a total of almost 265,000 seats operating under 890 flights being purchased in the month of May alone
- ▶ However, the successes of Changi do not reflect the harsh reality and stiff competition offered by various carriers on routes to Europe and the United States from Middle Eastern and North-East Asian carriers which have challenged the profitability and success of SIA in recent times
- ▶ In a move to combat said competition, the airline inked a three-year A\$12 million deal with Tourism Australia to jointly fund a range of tourism campaigns and promotional activities in key markets, solidifying SIA's foothold in its Australian interests

[Straits Times \(26 May 2015\)](#)



City	Seats	Flights	Number of	
			City Links	Airlines
Singapore	262,277	890	8	9
Auckland	228,483	1008	7	7
Kuala Lumpur	156,435	490	7	3
Dubai	135,219	309	5	2
Denpasar (Bali)	132,115	621	8	4

*One-way data for May based on advance information filed by airlines

[IATA Database](#)

