Under the leadership of its new CEO Christoph Mueller, Malaysia Airlines Berhad (MAS) has continued in its efforts to return to sustained profitability, and in line with its 12 point plan outlined, the airlines most recently slashed 6,000 jobs.

- During a press conference on 1 June, Mueller affirmed his commitment to cutting costs by 20% through restructuring routes, reducing staff, and selling off un-needed assets; the drastic measures are to be undertaken in a bid to ensure that the airline breaks even by 2018 should external factors such as fuel prices and currency remain stable.
- All 20,000 MAS employees were sent termination letters, with 14,000 receiving offers for new contracts; to aid in a successful transition for those laid off, a Corporate Development Centre (CDC) was created by MAS to provide training courses for upscaling purposes, as well as arranging job interviews for those seeking new jobs.
- Mueller also affirmed that MAS would continue to retain all domestic routes, whilst continuing to develop its status as an international full-fledged service carrier as opposed to a regional one; whilst part of MAS’ strategy hinges upon business partnerships to extend its routes and international presence, a six month freeze on new business partnerships has been enstated in order to maintain focus on internal efforts.
02 VIETNAM TO BENEFIT MOST FROM TPP

Following the completion and ratification of the Trans-Pacific Partnership (TPP) trade agreement later this year, Vietnam is expected to receive the greatest incidence of benefit from boosted trade and multilateral regulation; Vietnam’s GDP is expected to increase by 30% in 10 years after ratifying the TPP.

- The ringing endorsement for Vietnam’s economy was made by Charles H. Rivkin, Assistant Secretary of State for Economic and Business Affairs of the United States during a press meeting outlining the potential implications of the TPP.
- The TPP is a proposed regional free trade agreement aimed at eliminating tariffs and lowering non-tariff barriers that is being negotiated by 12 countries throughout the Asia-Pacific region; as a signatory, Vietnam would be able to better integrate with global supply chains, whilst boosting trade between member states.
- Besides trade, Vietnam is also expected to benefit from increased transparency, predictability, and regulatory standards which in turn will hopefully translate to a greater incidence of foreign investment; an added benefit of the TPP would be the lifting of trade barriers between member states, which will help to encourage the growth and continued success of Small to Medium Enterprises (SMEs).

03 SINGAPORE TO CONTINUE OFFERING ASSISTANCE TO INDONESIA TO TACKLE HAZE

The Republic will in 2015 continue to offer assistance to Indonesia to help it combat land and forest fires that cause transboundary haze.

- The Government will deploy one C-130 aircraft for cloud seeding operations, up to two C-130 aircraft to ferry a fire-fighting assistance team from the Singapore Civil Defence Force, an SCDF team to provide assessment and planning assistance in fire-fighting efforts to their Indonesian counterparts, high resolution satellite pictures and hotspot coordinates and a Chinook helicopter with one SCDF water bucket for aerial fire-fighting.
- The probability of haze goes up during the dry season, due to the region’s susceptibility to land and forest fires.
- The El Nino weather phenomenon, associated with the warming of sea surface temperatures, is also believed to affect the region this year. The Ministry cautioned that this could worsen the impact of transboundary haze.
- The government’s latest move to make the purchase of insurance compulsory for individuals applying for personal financing facilities will protect family members from inheriting debts left by borrowers in the event of untimely death. This is in line with AMBD’s new policy on loan cap which aims to ease the debt burden among Bruneians.
- But Hj Osman, who is also chairman of the Brunei Insurance and Takaful Association, said banks aren’t likely to face such risks as they usually demand the next of kin to pay up the loan on behalf of the deceased.
- He added the insurance industry will also benefit from the new policy as it will boost sales of insurance products. He called on insurance and takaful (Islamic insurance) companies to widen the scope of their insurance coverage on unsecured personal financings to make insurance products more competitive and beneficial for its policy holders.

04 COMPULSORY INSURANCE TO PROTECT PEOPLE FROM ‘INHERITED’ DEBTS

The government’s latest move to make the purchase of insurance compulsory for individuals applying for personal financing facilities will protect family members from inheriting debts left by borrowers in the event of untimely death. This is in line with AMBD’s new policy on loan cap which aims to ease the debt burden among Bruneians.

- Despite steady growth in gross premiums and total insurance assets over the last three years, Brunei’s rate of penetration remains relatively low compared to other markets.
- Based on unaudited consolidated figures compiled by AMBD, the total assets of the financial sector stood at $22.4 billion at the end of 2014. Takaful and insurance sector accounted for six per cent of the financial sector’s total assets.
- The takaful and insurance industry is comprised of four takaful operators, nine insurers, one broker, one adjuster and over 600 agents.
05 CHIANG MAI AIRPORT SEEKS NEW TERMINAL

**THAILAND**

Transport authorities are discussing the expansion of Chiang Mai airport with a new terminal and more aircraft parking bays, as part of solutions to ease traffic congestion and overcrowding.

- The terminal serves six million domestic passengers and two million foreign passengers annually. A new terminal would allow the airport to handle an additional four million travellers
- A new terminal is needed as a long-term plan to cope with expected future demand growth. The government should also consider building a car park for 2,000 cars, as currently it can hold only 800 vehicles.

06 INDONESIA’S SIZE HAMPERS ERADICATION OF CHILD LABOUR

**INDONESIA**

As Asia’s fourth largest country, the UN has cited Indonesia’s large populace and geography as a key obstacle against efforts towards solving the nation’s child labour issues.

- Indonesia’s Manpower Ministry data shows that among the 4.1 million child workers in Indonesia, approximately 2 million of them work in rural areas, compared to 386,000 children who work in cities; this in turn affirms the need for the nation’s efforts to focus on rural districts.

<table>
<thead>
<tr>
<th>Child Labour Involvement</th>
<th>Male</th>
<th>Female</th>
<th>Urban</th>
<th>Rural</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children aged 5-12 years in employment</td>
<td>3.8%</td>
<td>4.0%</td>
<td>1.7%</td>
<td>4.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>No.</td>
<td>694,385</td>
<td>682,432</td>
<td>185,223</td>
<td>1,190,594</td>
<td>1,376,817</td>
</tr>
<tr>
<td>Children aged 13-14 years in regular (non-light) employment</td>
<td>8.6%</td>
<td>6.6%</td>
<td>3.7%</td>
<td>10.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>No.</td>
<td>369,237</td>
<td>277,641</td>
<td>126,934</td>
<td>519,944</td>
<td>646,878</td>
</tr>
<tr>
<td>Children aged 5-14 years in child labour</td>
<td>4.8%</td>
<td>4.5%</td>
<td>2.2%</td>
<td>5.8%</td>
<td>4.6%</td>
</tr>
<tr>
<td>No.</td>
<td>1,063,622</td>
<td>960,073</td>
<td>313,157</td>
<td>1,710,538</td>
<td>2,023,695</td>
</tr>
<tr>
<td>Children aged 15-17 years hazardous employment</td>
<td>16.1%</td>
<td>10.5%</td>
<td>9.7%</td>
<td>16.3%</td>
<td>13.4%</td>
</tr>
<tr>
<td>No.</td>
<td>1,249,532</td>
<td>759,350</td>
<td>639,576</td>
<td>1,369,406</td>
<td>2,008,982</td>
</tr>
<tr>
<td>Children aged 5-17 years in child labour</td>
<td>7.7%</td>
<td>6.0%</td>
<td>4.5%</td>
<td>8.2%</td>
<td>6.9%</td>
</tr>
<tr>
<td>No.</td>
<td>2,313,254</td>
<td>1,719,423</td>
<td>952,733</td>
<td>3,079,944</td>
<td>4,032,677</td>
</tr>
</tbody>
</table>

07 THAILAND - LAOS STRIKE SCIENCE AND TECHNOLOGY COOPERATION DEAL

**THAILAND**  **LAOS**

Thailand and Laos PDR will be cooperating in the development of science and technology, according to the Science Minister.

- He has mentioned that Laos PDR has the strategy to develop the nation’s science and technology affairs by raising the awareness of science and technology among the public, and the improvement of legal mechanism and human resources to accommodate and incorporate science into the public’s daily lives.
- Besides, it is also to improve the quality of life and manufacturing capacity in the ASEAN market. Scientific development will also be a cooperative framework in working with foreign countries.

---

**Disclaimer:** The news articles contained in this report are extracted and republished from various credible news sources. CIMB ASEAN Research Institute (CARI) does not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Should any information be doubtful, readers are advised to make their own independent evaluation of such information.
GOVERNMENT SEEN TO SPEND P500M ON HIV DRUGS

The government is expected to spend at least P500 million next year on antiretroviral drugs that delay the effects of the incurable disease acquired immune deficiency syndrome (AIDS). It spends between P8,000 to P30,000 for the yearly treatment of a person living with human immunodeficiency virus (HIV). The amount that the government would spend on AIDS and HIV next year does not include funds needed for tuberculosis and pneumonia, which are complications of HIV.

- Department of Health (DOH) records showed the Philippines has 24,376 HIV cases from January 1984, when the disease was first reported, to March 2015. In January to March this year, 25 cases had been reported daily and involved younger people, the government’s registry showed. Central Luzon has 1,977 people living with HIV since 1984.
- The antiretroviral drug, which the government gives free, weakens the virus inside the body of an infected person, allowing the immune system to recover, making people living with HIV enjoy healthier and longer lives and delaying the development of AIDS.
- The recent National HIV Testing Week saw more than 3,000 people who volunteered to undergo HIV test in Central Luzon. This number was higher than the 1,500 people who took the test in seven cities in Metro Manila.
- There are 91 HIV testing centers in Central Luzon, with HIV cases highest in the provinces of Bulacan, Pampanga and Zambales.

AJIB LAUNCHES GOASEAN

Malaysian Prime Minister Datuk Seri Najib Razak announced the launch of GOASEAN, a dedicated travel channel to be aired on Malaysian satellite television in promotion of tourism within the ASEAN region.

- As world’s first ASEAN travel platform, GOASEAN will be available on Astro channel 737 from June 2, according to the Prime Minister, GOASEAN presents the perfect opportunity to broadcast the benefits of the ASEAN region to a global audience.
- The channel, Prime Minister Najib affirmed, will provide a window into the world of the ten member states of ASEAN to show case a kaleidoscope of natural beauty and rich cultural heritage the region offers.
- Prime Minister Najib also said that the Organisation for Economic Co-operation and Development (OECD) has forecast Gross domestic product (GDP) growth for the ASEAN community of over 5.5% over the next five years and GOASEAN is a fine example of the kind of innovation that drives growth.

Aims and Purposes of GOASEAN

- **Growth & Development**
  - To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality
- **Agriculture & Trade**
  - To increase and improve intra and extra regional agricultural practices and trade
- **Peace & Stability**
  - To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region
- **SEA Studies**
  - To promote Southeast Asian studies
- **Collaboration & Assistance**
  - To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields
- **Cooperation with Others**
  - To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves
- **Training & Research**
  - To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres