

CARI CAPTURES



01 MALAYSIA RISES IN BASELINE PROFITABILITY INDEX



ASEAN Baseline Profitability Index 2015



[US Census Bureau](#)

Malaysia climbed five spots from 11th place to achieve a 6th position ranking in 2015's Baseline Profitability Index (BPI).

▶ The index, which is a ranking of attractiveness for foreign investors, is run and published by the Foreign Policy Magazine; ranking occurs through the assessment of eight factors spanning across economic growth, financial stability, physical security, corruption, expropriation by the government, exploitation by local partners, capital controls, and exchange rates

▶ In a press release on July 13th, the Malaysia Investment Development Authority (MIDA) affirmed that the positive ranking reflected Malaysia's continued attractiveness as a profit centre within the region for investors

▶ Amongst ASEAN, only Malaysia and Singapore were featured in the top 10, whilst Indonesia was ranked 12th, Vietnam 23rd, the Philippines 30th, and Thailand at the 38th position; as the index covered a total of 110 countries across six continents, the BPI emphasises ASEAN's continued economic development and attractiveness for foreign investment

[Washington Post \(7 July 2015\)](#)

02 INDONESIA SEEKS TO REJOIN OPEC

INDONESIA

As domestic demand for oil soars and domestic production falls, Indonesia seeks to address issues surrounding its energy infrastructure by rejoining the Organization of Petroleum Exporting Countries (OPEC).

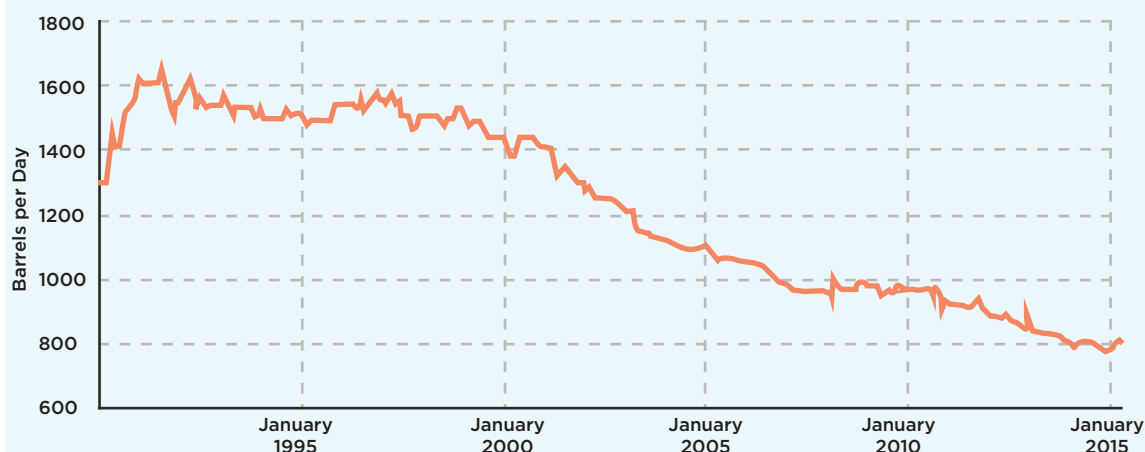
▶ Rejoining OPEC would allow Indonesia to further favourable relations with oil exporting nations, allowing the nation to source cheaper oil from members within the 12 member oil exporting cartel; whilst the move might address short term issues within Indonesia's energy infrastructure, critics have stated that this temporary stop gap measure distracts from meaningful efforts directed at reforming Indonesia's energy sector

▶ Since President Widodo's inauguration in 2014, state-owned energy company Pertamina disbanded its oil trading arm petrol, which had been criticised for a general lack of transparency; in 2014 alone, Indonesia imported 689, 000 barrels of oil a day to cover domestic demand, making it a far cry from Indonesia's history as a net exporter of oil in the 1990's

▶ With a looming oil supply crisis on the horizon, Widodo's reform team, which undertook a six month assignment assessing the sector, had begun to target newer types of cleaner burning petrol to replace the majority of fuel in Indonesia; however, there has been little to no policy or action being laid down to achieve such aims

[International Business Times \(1 July 2015\)](#)

Indonesia Crude Oil Production



OPEC Member States

Algeria
Angola
Ecuador
Iran
Iraq
Kuwait
Libya
Nigeria
Qatar
Saudi Arabia
Venezuela

[Trading Economics](#)

03 VIETNAM TO GAIN FROM REGIONAL FTAS

VIETNAM

Viet Nam would gain substantially from the Regional Comprehensive Economic Partnership (RCEP), which is still under negotiation. RCEP would create the world's largest trading bloc.

- ▶ Pham Binh An, director of the HCM City WTO Affairs Consultation Centre, said that 10 ASEAN countries and six countries with which ASEAN has existing free trade agreements (Japan, Korea, Australia, New Zealand, India and China) were negotiating the content of the RCEP, which may be finalised by the end of this year
- ▶ Vietnamese firms would be able to participate in the region's value and production chains and exchange technical expertise with other countries
- ▶ However, competitive pressure from countries that have similar export structures to Viet Nam will pose challenges to companies, as Viet Nam still mainly exports raw products at a low processing rate

[Vietnam News \(11 July 2015\)](#)

04 CAMBODIA PASSES CONTROVERSIAL LAW TO REGULATE NGOS

CAMBODIA

Cambodia passed on 13 July a contentious law to regulate non-governmental organisations (NGOs) which government critics fear will be used to muzzle opposition.

- ▶ All 68 members of parliament from the ruling Cambodian People's Party (CPP) backed the law while the opposition Cambodia National Rescue Party boycotted the assembly session, saying the public had not been consulted and the bill should be dropped
- ▶ There have been growing international calls for Cambodia to drop the law, including from the European Union and the United States, which have said the law restricts the activities of civil society groups and the defenders of human rights
- ▶ The law requires Cambodia's 5,000 domestic and international NGOs to report their activities and finances to the government. Failure to do so can result in fines, criminal prosecution and the closure of organisations

[France24.com \(13 July 2015\)](#)

05 CHINA, LAOS PLEDGE CLOSER MILITARY TIES



China is willing to make joint efforts with Laos to boost high-level military exchanges, advance practical cooperation, strengthen border defense exchanges, and deepen multilateral security cooperation, to constantly push bilateral military ties to a higher level.

▶ With long-standing solidarity and friendship between the two countries and militaries and their fruitful cooperation in various fields, China and Laos are good neighbors, friends, comrades and partners, said Xu Qiliang, vice chairman of the Central Military Commission.

▶ The common aspiration and responsibility of both two sides to consolidate and deepen their traditional friendship, which was jointly nurtured by the two countries' founding fathers.

[Shanghai Daily \(8 July 2015\)](#)

06 THAILAND LEADS SEA IN SOLAR POWER

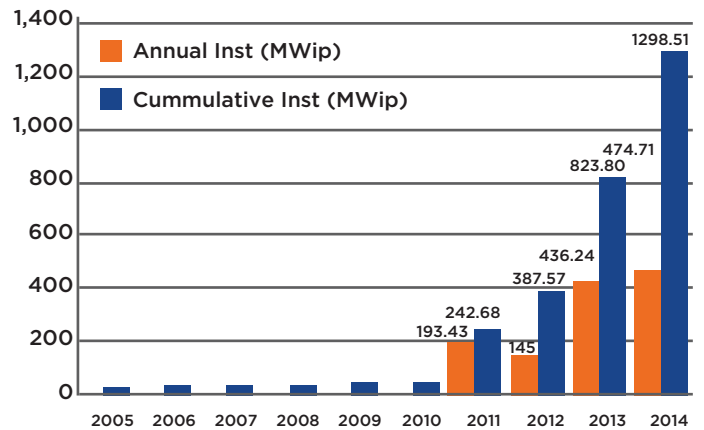


By the end of 2015, Thailand will have more solar power capacity than the rest of Southeast Asia combined.

- ▶ Thailand, which has been shifting away from depleting natural gas reserves, has been forced to increasingly rely on imported and alternative fuels more so than any other country in the region except Singapore; the recent fall in solar-component costs and subsidised tariffs have helped to facilitate growth within alternative solar technology within Thailand's energy sector
- ▶ In 2015 alone, an astounding US\$2.7 billion of investment is slated to be poured into solar technology, representing the growing industry of solar farms and rooftop solar systems within the nation; whilst currently solar power is responsible for meeting the energy needs of 4% of total electricity demand within the nation, the Vietnamese government hopes to increase this to 9% by 2036
- ▶ Though ASEAN geographically benefits from being situated within the equatorial region and thus boasts an abundant level of sunshine, Thailand has largely been alone in boosting its capacity to harness the sun's energy and capitalise on the region's natural benefits

[IHS Maritime 360 \(5 July 2015\)](#)

Cumulative Installation of PV Power Generation in Thailand as of 2014



[International Energy Agency Photovoltaic Power System Programme](#)

07 DISPUTE OVER SOUTH CHINA SEA



Indonesia is planning to build a military base in the South China Sea that may be within the territory marked by China's controversial nine-dash line.

- ▶ While China and Indonesia are not directly involved in any territorial disputes, the waters surrounding the Natuna islands are claimed by Beijing under the U-shaped nine-dash line, the demarcation used by both China and Taiwan for their claims to the majority of the South China Sea
- ▶ Indonesia's Defense Ministry and the National Development Planning Board have already held a meeting to discuss the potential location of the base, which has been narrowed down to Sambas, West Kalimantan; Natuna Islands, Riau Islands and Tarakan, North Kalimantan

- ▶ In the meantime, Google has quietly removed the Chinese name for a South China Sea (West Philippine Sea) shoal bitterly disputed by Beijing and Manila from its maps service, following an outcry from Filipinos.
- ▶ The Google Maps website on Tuesday, 14 July, referred to the rich fishing ground – a subject of a case lodged by the Philippines at an international arbitration tribunal – by its international name, Scarborough Shoal

[China Times & Rappler \(14 July 2015\)](#)



08 MYANMAR MONITOR

POLITICS

▶ A Myanmar court has sentenced the editor-in-chief and the editor of the Myanmar Herald Journal to either a one million kyat (US\$850) fine each or six months in prison for defaming the president, the paper's deputy editor-in-chief said on 22 July. Last year the newspaper ran an interview with an opposition National League for Democracy party member who harshly criticised President Thein Sein.

[Channel NewsAsia \(22 July 2015\)](#)

▶ Myanmar will respect results of elections if victory is achieved fairly, said Gen. Min Aung Hlaing, the powerful commander-in-chief of the Myanmar Armed Forces in an interview released on 20 July. The statement comes amidst concern about potential violence and military intervention in the upcoming general elections in November.

[The Diplomat \(21 July 2015\)](#)

▶ The Myanmar government and armed ethnic minority groups resumed critical talks on 22 July to reach a nationwide ceasefire agreement that would end six decades of fighting. The talks have been ongoing for more than 18 months and a key negotiator warned that failure to reach an accord could trigger a fresh round of fighting if the military takes action.

[ABC News \(22 July 2015\)](#)

ECONOMY

▶ The US\$300-million Dagon City development promised to bring a touch of luxury to this decaying city overlooking the Shwedagon Pagoda. A government decision this month to axe the project and four others amid opposition from Buddhist monks, however, has left developers wondering if their investments are safe in one of the world's fastest-growing real-estate markets. Myanmar's real-estate sector now accounts for US\$2.2 billion, or 4% of overall investment in the country.

[The Wall Street Journal \(21 July 2015\)](#)

FOREIGN AFFAIRS

▶ A court in Kachin state, northern Myanmar has sentenced 153 Chinese nationals to life in prison for illegal logging. The Myanmar government has been trying to rein in the logging industry and last year banned export of raw timber. China has expressed concern about the severity of the sentences of the group, which was arrested in January this year close to the Chinese border.

[BBC News \(23 July 2015\)](#)

▶ The Thai cabinet has approved the signing of a new agreement with Myanmar to allow visa-free visits between the two countries for travellers with ordinary passports for up to 14 days. An agreement for mutual visa-free visits had already been approved by the previous Thai government in 2013, but this agreement includes a cancellation policy of 90 days according to the timeframe stated in the ASEAN Framework Agreement on Visa Exemption.

[Bangkok Post \(22 July 2015\)](#)

09 SINGAPORE AND US NAVIES LAUNCH JOINT SEA DRILLS



This marks the 21st year between Singapore and US armed forces have come together for Exercise Carat and enhanced military partnership.

- ▶ A total of 1,400 soldiers and several ships, submarines, helicopters, and aircrafts from the Republic of Singapore Navy and United States Navy will be participating in the exercise, which was held from 13 to 24 July
- ▶ The 21st Singapore-US Cooperation Afloat Readiness and Training (Carat) exercise focuses on honing conventional maritime warfare capabilities such as anti-air, anti-surface and anti-submarine operations, as well as maritime air and base defence operations

[Asia One \(13 July 2015\)](#)

10 FLIGHT MH17 MEMORIAL SERVICE HELD



With 17 July marking the anniversary of tragedy surrounding Flight MH17 which crashed in the Ukraine, a memorial service has taken place in Kuala Lumpur to remember the deceased.

- ▶ During the emotional and sombre memorial ceremony, which Prime Minister Najib Razak attended, the families of those killed demanded justice; a lack of answers has continued to frustrate those affected by the 298 dead
- ▶ The downing of Flight MH17, which has been attributed to collateral damage as a result of Ukrainian government and separatist clashes, has undergone high levels of scrutiny; whilst suspicions continue to fall upon separatists who may have used a surface to air missile supplied by Russia to shoot down the plane, Moscow and the Separatists have continued to deny any involvement in the tragic incident
- ▶ Speaking at the memorial, Mr Najib said the international criminal investigation into the shooting down of the plane was continuing but could be over by year's end; meanwhile, Malaysia's ambassador to the UN, Ramlan Ibrahim, told the 15-member Security Council in early July that a UN court would "provide the highest degree of legitimacy for the trial"

[Today Online \(4 July 2015\)](#)



[The Australian Business Review](#)

