

CARI CAPTURES



01 MALAYSIA CALLS FOR ASEAN SOLIDARITY IN SOUTH CHINA SEA



Contentious Claims in the South China Sea



[The Economist](#)

Malaysian Defence Minister Hishammudin Hussein called for unity amongst ASEAN nations in the face of rising tensions in the South China Sea during the most recent ASEAN Defence Minister's Meeting (ADMM).

▶ The minister, who is also the chair of the ADMM, stated that stability and peace within the region lies not within the unilateral dealings with major powers such as the United States or China, but rather a united foreign policy shared by ASEAN nations; in other words, the political leverage afforded by bargaining with foreign powers as a united front rather than individual nations would be highly effective

- ▶ Currently, the US and China have devolved into dealings of gunboat diplomacy, with both nations flexing their sphere of influence through the use of warship patrols within the contested South China Sea; furthermore, more conventional forms of economic and foreign relation diplomacy within the region have also made it harder for ASEAN nations to remain neutral
- ▶ Exacerbating the situation would be the overlapping maritime border claims of several ASEAN nations with China; currently, only the Philippines and Vietnam have taken hard line stances against Chinese claims within the region, whilst other ASEAN nations hope for a more amicable solution to the current situation

[Channel News Asia \(2 November 2015\)](#)

02 INDONESIA INKS COOPERATION PACTS WITH INDIA

INDONESIA

High level bilateral talks between the nations yielded two Memoranda of Understanding (MoU) between Indonesia and India, whilst the issue of extraditing the criminal Chhota Rajan back to India still remains a high level priority between nations.

- ▶ The two MoUs covered cooperation in new and renewable energy, and the renewal of a current cultural exchange program for the next three years; furthermore, both nations pledged to maintain unity in issues surrounding climate change, maritime security, and counter terrorism policies and undertakings

- ▶ The MoU pertaining to renewable energy comes at a time when increasing international pressure is present for both nations to reduce emissions by 2030; commitments were made by India and Indonesia to reduce carbon emissions by 35% and 29% respectively
- ▶ Whilst cooperation between both nations was bolstered by the twin MoUs, the extradition of Chhota Rajan, a well known and sought after Indian criminal, was not settled; whilst the concerned agencies have been cooperating on the issue, progress is still slow to come

[The Hindu \(2 November 2015\)](#)

India/Indonesia Carbon Emissions

Year	Billions Tons per Capita, CO2	
	India	Indonesia
2003	1.2	0.3
2004	1.2	0.4
2005	1.3	0.4
2006	1.4	0.4
2007	1.5	0.4
2008	1.6	0.4
2009	1.7	0.4
2010	1.8	0.5
2011	1.82	0.5
2012	1.98	0.5
2013	2.07	0.5

Recent Indonesia - India Agreements

- 2015 MoU on Energy
- 2015 MoU on Culture
- 2011 MoU on Biennial Trade
- 2009 Comprehensive Economic Cooperation Agreement (CECA) Joint Feasibility Study

Commitments by 2030

- India to cut carbon emissions by 35%
- Indonesia to cut carbon emissions by 29%

[Trends In Global Co2 Emissions, 2014 Report](#)

03 CHINA-TAIWAN SUMMIT HELD IN SINGAPORE

SINGAPORE

The historical meeting of both nations' leaders is the first in more than six decades, marking a milestone in Sino-Taiwanese relations, which have gradually eased, in recent times due to growing trade.

- ▶ The choice of Singapore for the summit speaks to the city state's famously rare neutral reputation within a region of rising tensions; furthermore, the Singapore has been the site of historical talks between both nations, the last being held in 1993 between diplomats from both Taiwan and China as both sides clashed
- ▶ Presidents Xi Jinping of China and Ma Ying-Jeou of Taiwan discussed a variety of issues which spanned from trade in goods to a diplomatic hotline between their governments; whilst sentiment within Taiwan has remained strongly rooted in anti-reunification with China, President Ma has continued to stress the importance of renewing and formalising engaging China economically
- ▶ The meeting, which was designed to boost both trade and the political standings of both presidents, will only be 20 minutes long, with heavy pressures on President Jinping to push an agenda of reunification

[Wall Street Journal \(8 November 2015\)](#)

04 VIETNAM PLEDGES TO MANAGE MARITIME DIFFERENCES WITH CHINA

VIETNAM

Both nations agreed to address the issues which have strained diplomatic ties in recent times as Chinese President Xi Jinping visited Vietnamese Prime Minister Nguyen Tan Dung.

- ▶ China's move to step up construction of artificial islands and the attempted construction of an oil rig in contested waters has served to fray Sino-Vietnamese alienate Vietnam over the course of the past year alone; this has also been worsened by the entrance of US engagement in the form of trade deals such as the TPP and increased military operations, thus increasing the need for China to strengthen its bilateral ties
- ▶ The upcoming reshuffle of Vietnam's ruling communist party also gives rise to the possibility of an less than friendly leader to Chinese interests in the region, a sentiment reflected in sporadic anti-Chinese protests in Vietnam; as such, on top of President Jinping's visit to the nation, 12 bilateral agreements were signed representing several financing deals involving Chinese banks
- ▶ Whilst China retains its position as Vietnam's largest trading partner with total trade amounting to almost US\$60 billion a year, it should be noted that Vietnam has begun diversifying its ties in foreign direct investments in an attempt to break its dependance on Chinese trade

[Reuters \(5 November 2015\)](#)



05 PAST MALAYSIAN PM MAHATHIR QUESTIONED BY POLICE



Malaysia's upcoming budgetary announcement will be the first of the country's 11th Malaysia Plan, outlining the nation's fiscal and monetary standing and policies for the year ahead.

- ▶ The investigation into the Dr Mahatir was officially declared to be under Section 500 of the Penal Code on defamation; Police Chief Khalid Abu Bakar confirmed this by stating that Dr Mahatir was being questioned over comments he made during an anti-government rally held in August calling for clean and fair elections
- ▶ In recent times, Dr Mahatir has been on a public campaign to remove PM Najib due to worsening race relations, a tougher economic environment within the nation, and the scandal surrounding the state owned IMDB which PM Najib chairs
- ▶ Dr Mahatir further escalated his criticisms following the discovery US\$700 million in PM Najib's personal accounts, which Najib claims to be political donations from the Middle East; Currently, Dr Mahatir has refused to answer any questions posed by the police, and is being represented by three lawyers

[Bloomberg \(6 November 2015\)](#)

07 THAI JUNTA ANNOUNCES RICE SUBSIDIES



With commodity prices and exports hitting record lows, Thailand's transitional military government caved into the demands of disgruntled farmers threatening to protest and has granted subsidies worth US\$1.3 billion.

- ▶ The military government initially pledged that populist policies used by the deposed leader Yingluck Shinawatra would not continue under its rule as it deemed said subsidies to be a handout program rampant with corruption and vote buying; however, in a complete reversal, US\$365 million has been dispersed to aid rubber plantations, with a further US\$1 billion to be given to rice farmers
- ▶ The move was not a total surprise as the transitional government had already appointed Somkid Jatusripitak as its Economic Leader within the National Council for Peace and Order; Somkid had previously been the Minister of Finance under deposed prime minister Thaksin Shinawatra and was a key proponent of the populist policies branded under "Thaksinomics"
- ▶ Furthermore, the subsidies follow the transitional government's disbursement of soft loans through village funds, which were also designed to appease farmers and boost the economy; as such, it should be noted that whilst the rhetoric employed by Thailand's Junta calls for the halt of populist programs, the political climate within the nation has not allowed for this

[Reuters \(7 November 2015\)](#)

06 FILIPINO ELECTIONS RAMP UP WITH INVESTORS SEEKING REASSURANCE

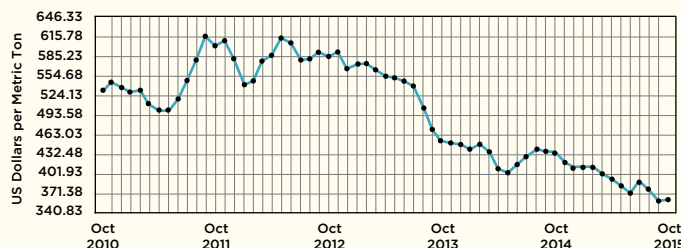


Though the upcoming Filipino elections are still six months away, investors have begun to seek reassurance with regards to the replacement President Benigno Aquino, who has reached the end of his constitutional 6 years term limit.

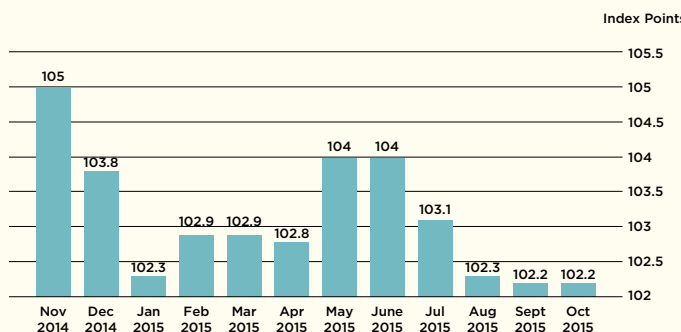
- ▶ A record 130 candidates have filed to become president in 2016, most of whom will be rejected by the elections commission as "nuisance candidates", or candidates without serious political platforms; initial opinion polls have revealed the top three candidates to be Grace Poe, a senator who may be disqualified over citizenship and residency issues, Jejomar Binay, who currently faces corruption charges, and Aquino's endorsed candidate and current secretary of interior, Manuel Roxas
- ▶ Investors are concerned with how Aquino's successor will continue current reforms whilst maintaining a high and healthy level of economic growth; Aquino's administration oversaw a 6.3% average GDP growth rate, the fastest in Southeast Asia, a trend which is expected to continue through 2017
- ▶ According to Steven Rood of the Asia Foundation, investment has often dipped prior to the elections in reflection of concerns regarding the reshuffling and review of contracts when the incumbent's administration is sworn in

[NPR \(7 November 2015\)](#)

Rice Monthly Price - US Dollars per Metric Ton



Thailand Producers Prices



[Index Mundi](#)



08 MYANMAR MONITOR

POLITICS

▶ Myanmar's president Thein Sein vowed during a meeting with the leaders of more than 70 political parties to abide by the law to ensure a smooth transition to a new government next year, after his ruling party was trounced in the general election on 8 November. Thein Sein won praise from some of the leaders for holding a transparent, free and fair election, and accepting the results with grace.

[The Guardian \(15 November 2015\)](#)

▶ Myanmar's opposition leader Aung San Suu Kyi held talks with parliament's chairman Shwe Mann on 15 November after an election landslide set to usher in democracy and sweep out much of the military old guard. With only three seats in the bicameral parliament yet to be declared, the victory allows the National League for Democracy (NLD) to form the next government. Shwe Mann lost his seat to the NLD in the 8 November elections and was ousted in August as head of the ruling party.

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

▶ EU chief observer, Alexander Graf Lambsdorff, said that the poll was well-organized and voters had a real choice between different candidates. In an effort to observe what is happening on the ground, 150 EU observers went to more than 500 polling stations. The observers found out that the elections were better than what they had expected.

[The Nation \(10 November 2015\)](#)

ECONOMY

▶ After an early flurry of enthusiasm following the military regime's move to open Myanmar for business five years ago, some businesses are struggling with the impact of double-digit inflation and the country's overburdened, decaying infrastructure. "We'd like to see the new government continue opening up, continue reforms, continue making it easier for businesses to invest," said Judy Benn, executive director of the American Chamber of Commerce in Myanmar.

[Wall Street Journal \(11 November 2015\)](#)

▶ Global Entrepreneurship Week (GEW) is being held for the fourth time in Myanmar. On 15 November an event was held with a focus on businesses that take on problems in society – which the country does not lack, according to Myanmar Mobile Education Project (myME) founder Tim Aye Hardy. "Instead of complaining and pointing fingers why things are not moving properly and accordingly, we should stop looking at these issues as purely social problems and try to figure out positive and constructive approaches and solutions," Hardy said.

[Myanmar Times \(16 November 2015\)](#)

09 UN DETERMINES DETENTION OF ANWAR IBRAHIM ARBITRARY

MALAYSIA

The United Nations Working Group on Arbitrary Detention concluded that the imprisonment of former Malaysian opposition leader Anwar Ibrahim was arbitrary and politically motivated.

- ▶ Anwar, who was jailed in February for five years, was convicted of sodomising a former male aide after denying the charge and claiming that the long-ruling government did so to halt political gains by the opposition
- ▶ The opinion released by the UN body stated that corrective actions needed to be pursued to rectify the situation amount to releasing Anwar, and reinstating his political rights; furthermore, it stated that Anwar's treatment in prison violates international prohibitions against torture and degrading treatment
- ▶ Anwar Ibrahim's imprisonment, which was not his first, was a former deputy prime minister until ousted by the ruling party in the late 1990's and was jailed under sodomy and corruption charges which were also widely viewed as politically motivated

[ABC \(2 November 2015\)](#)

10 INDONESIA TO FILL OIL PRODUCTION GAP

INDONESIA BRUNEI MALAYSIA

Following the fall of oil prices worldwide, ASEAN oil rich nations such as Indonesia, Brunei and Malaysia have experienced declining production and revenues within their respective energy sectors.

- ▶ With the oil and gas LNG-AS prices dropping by more than half since 2014, the expected annual production output of all three ASEAN nations is expected to drop from anywhere between 1.5% to 4%; currently, oil revenues represent approximately 15% of Indonesia's budget, 40% of Malaysia's budget, and almost 100% of Brunei's budget
- ▶ In a bid to limit the declining level of production, Indonesia's state owned energy firm Pertamina plans to expand its portfolio of oil producing assets and develop oil and gas wells in Algeria; meanwhile, Malaysia has begun developing oil and gas processing facilities next door to Singapore, along for imported or domestically sourced petroleum to be resold at higher values
- ▶ According to Reuters research, which considers government, industry, and consultancy data, all three nations may run dry of oil within the next 25 years, making the measures discussed stop-gap in nature whilst all three nations attempt to source alternative revenue streams to fund government budgets

[Reuters \(5 November 2015\)](#)

Crude Oil WTI (NYMEX)



[Philstar \(30 October 2015\)](#)

