

CARI CAPTURES

INDONESIA'S COAL
ADDICTION FLARES UP

SINGAPORE JOINS OECD
TAX FRAMEWORK

JUNTA CONSIDERS LEGALISING
CRYSTAL METH

01 ASEAN

ASEAN JOINT-STATEMENT RETRACTED

EXCERPTS FROM ASEAN'S RETRACTED STATEMENT

"We expressed our serious concerns over recent and ongoing developments, which have eroded trust and confidence, increased tensions and which may have the potential to undermine peace, security and stability in the South China Sea,"

"We emphasised the importance of non-militarisation and self-restraint in the conduct of all activities, including land reclamation, which may raise tensions in the South China Sea,"

"We articulated ASEAN's commitment to maintaining and promoting peace, security and stability in the region, as well as to the peaceful resolution of disputes,"

"Full respect for legal and diplomatic processes, without resorting to the threat or use of force, in accordance with universally recognised principles of international law, including the UNCLOS (United Nations Convention on the Law of the Sea) and the UN Charter".



Source: Channel News Asia

A strongly worded joint statement critical of China's actions released by the ASEAN bloc was retracted shortly after its release due to a need for "urgent amendments".

- ▶ The statement, which was released by the Malaysian foreign ministry following a special meeting of foreign ministers from ASEAN foreign ministers in Kunming China, was reported to have the approval of the ASEAN secretariat prior to being rescinded by said body shortly after release
- ▶ According to an official Chinese foreign ministry spokesperson, the special meeting was "closed" to the public and members had agreed to no joint

statement being issued; in the recent past however, ASEAN-Chinese joint statements have always been released by foreign ministers following meetings

- ▶ This confusion over the status of this document has not yet been clarified by the ASEAN Secretary General or by the ASEAN Secretariat, giving the impression that ASEAN is in disarray and caved in to Chinese pressure

The Diplomat (17 June 2016)

INDONESIA'S COAL ADDICTION FLARES UP

With shipments of coal to China falling by up to 49% in 2015 alone, Indonesia's government has attempted to substitute foreign demand for national coal with domestic demand.

- ▶ So far, the government has begun planning the construction of 117 new coal-fired plants throughout the country in a bid to create 10,000MW in total power generation capacity; the move is expected to stave off shut down of coal mining operations in Indonesia whilst powering the nation
- ▶ The downside of doubling down on coal mining, especially degrading, open-air strip mining techniques employed

by Indonesia's cost effective coal mining industry, would be the environmental impact; an example of this would be the province of East Kalimantan, where waterways, agricultural regions, and surrounding nature have been damaged by coal mining operations

- ▶ Additionally, a study by Harvard University released last year found that the health impacts of the government's coal push could result in an additional 21,200 lives lost every year, on top of the estimated 6,500 premature deaths caused by pollution from existing coal plants in the country

[Southeast Asia Global \(13 June 2016\)](#)

PHILIPPINE POOR GET HIT EARLY IN DUTERTE-INSPIRED CRACKDOWN

In a crackdown bearing the Philippine president-elect's name, police have rounded up hundreds of children or their parents to enforce a night curfew for minors, and taken away drunk and shirtless men roaming metropolitan Manila's slums.

- ▶ The crackdown was dubbed "Oplan Rody", where Oplan is an acronym for "Rid the Streets of Drinkers and Youth." whilst Rody is the nickname of Duterte; whilst president elect Duterte has yet to assume the office of the Philippines, his promises of pardoning law enforcement officials and calls for a hard line approach on crime have already influenced current policy and action
- ▶ Over the course of the operation, apprehended minors are turned over to social workers and most are released to their parents with warnings; adults caught drinking alcohol outdoors are warned the first time and can be fined, detained or both the next, said Police Chief Inspector Bernabe Irinco Jr., who led the Manila operations
- ▶ Other local officials are applying their own brand of justice; one mayor in a town south of Manila parades suspected drug pushers around town to shame them, whilst another in the central Philippines has offered police US\$1000 for every criminal killed

THE SOCIOECONOMIC BREAKDOWN OF DUTERTE'S VOTE

- **Nearly half (45.9%) of those who said they voted Duterte came from the A-B-C socioeconomic class**
- **39.6% of Class D voters voted for Duterte**
- **35.3% of Class E voters voted for Duterte**

* Whilst no official definitions have been provided, it is understood that Classes A and B indicate individuals in the upper middle income to super wealthy individuals. Classes C and D indicate the middle class, whilst E represents those in informal settlements and below.

[Source: Interaksvon](#)

- ▶ Whilst post election demographics show a strong level of support from the less fortunate for Duterte's presidency, they have clearly begun to bear the brunt of Duterte's crackdowns

[Inquirer.net \(17 June 2016\)](#)

MALAYSIA RECORDS POSITIVE FIRST QUARTER NUMBERS

Malaysia recorded US\$9.2 billion of approved investments in the services, manufacturing and primary sectors in the first quarter and if fully implemented, will create 39,990 jobs.

- ▶ Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed said on Friday the investments involved 1,271 projects but he expected this year to be another challenging year for the country; elaborating on the Q1 2016 investments, he said despite a weaker global environment, Malaysia remains as a competitive investment location for foreign investors, with an increase of 28% in the Q2 of 2016

- ▶ The increased investments from regional and international retailers have boosted Malaysia's ranking to 3rd position in the 2016 Global Retail Development Index (GRDI) by A.T. Kearney; a prime destination for investments is education, where an increase of 672.7% of foreign investments in Q1 2016 reflects Malaysia's success in accelerating the process in making the country a regional education hub of excellence
- ▶ In Q1 2016, MIDA approved a total of 60 global establishments with investments of US\$1.3 billion; the lion's share of these was from 6 Principal Hub projects including aerospace, electronic & electrical (E&E), food & beverage and resource-based industries

[The Star \(17 June 2016\)](#)

SINGAPORE JOINS OECD TAX FRAMEWORK

Under the new tax framework, Singapore will implement minimum standards aimed at preventing "aggressive tax planning" by multinationals.

- ▶ Locally headquartered multinationals will soon have to file reports broken down by country as well as income and taxes to the Inland Revenue Authority of Singapore (IRAS); in a statement, the Ministry of Finance announced that Singapore is joining the tax framework led by the Organisation for Economic Co-operation and Development (OECD) and G20
- ▶ The OECD Base Erosion and Profit Shifting (BEPS) Action Plan was initiated in 2013. Under the framework,

Singapore will implement minimum standards aimed at preventing "aggressive tax planning" by multinationals; the framework also includes setting standards on countering harmful tax practices, preventing treaty abuse, transfer pricing documentation, and enhancing dispute resolution

- ▶ Multinational firms with a group turnover of more than US\$850 million and whose parent firms are in Singapore will have to report financials and economic activity to the tax authority on a country-by-country basis, for financial years starting in 2017

[Channel News Asia \(16 June 2016\)](#)

PREVENTING "AGGRESSIVE TAX PLANNING"



PWC Tax consultants estimate that less than 100 firms will be affected



Multinational firms with turnovers over US\$850 million will be affected



Tax framework will come into effect in 2017



Framework hopes to address "Aggressive Tax Planning"

JUNTA CONSIDERS LEGALISING CRYSTAL METH

Thailand is considering legalising meth as the country's justice minister admits they have lost the war on drugs.

- ▶ Paiboon Koomchaya, Justice Minister of the Interim Government, has suggested the highly addictive methamphetamine, known as ya ba in Thailand, should be taken off the dangerous drugs list because it is 'less harmful than alcohol or cigarettes'; Any legalisation of crystal meth would have to be carefully considered and controlled, Koomchaya added
- ▶ In 2014 alone, Koomchaya claimed there were 1.3 million drug addicts in Thailand, some 250,000 of whom had been jailed for their habit; furthermore, the nation has been plagued by a virulent drug trade which has funded crime and damaged communities
- ▶ Despite the radical proposal, the country's Justice Minister has advocated looking at different ways to combat the problem; the minister has also affirmed that rehabilitation programmes rather than punitive imprisonment is the way forward for addressing Thailand's drug issues

[Mail Online \(16 June 2016\)](#)

PHILIPPINES KIDNAPPERS DRIVEN BY CASH NOT CALIPHATE

According to Col. Roy Trinidad, a former commander in the Philippines Special Forces who spent years going after Abu Sayyaf in the jungles of the south, Abu Sayyaf, the terrorist group in the Philippines is driven by economic rather than religious motivations.

- ▶ Whilst greed wasn't always the driving motive for Abu Sayyaf, which means "Bearer of the Sword" in Arabic, the group has moved from the solid credentials in the world of Muslim extremists into a violent offshoot of an independence movement in the impoverished islands in the south of the Philippines
- ▶ According to one security consultant in the Philippines, the informal ransom list for Kidnappings by Abu Sayyaf are about US\$10,000 for Filipinos, US\$100,000 for others in the region and at least US\$1 million for North Americans and Europeans
- ▶ The ransoms demanded increased significantly in 2014 after a German couple was kidnapped from their yacht and released after an unprecedented amount was paid, reportedly as much as US\$5 million each
- ▶ Many others in the southern Philippines also get a cut, says Marc Singer, director of business intelligence for Pacific Strategies and Assessments, a Manila security consulting firm that has been involved in some hostage negotiations; that's part of the reason many in the local community support Abu Sayyaf

[CBC News \(16 June 2016\)](#)

DALAI LAMA URGES MYANMAR'S SUU KYI TO EASE ROHINGYA TENSION

The Dalai Lama has called upon Aung San Suu Kyi to fulfil her moral responsibility in easing tensions between Buddhists and Rohingya Muslims, both groups which respectively form a majority and minority in the nation.

- ▶ The Tibetan spiritual leader said he had stressed the issue in meetings with Suu Kyi, who came to power in April in the newly created role of state counselor in Myanmar's first democratically elected government in five decades; Violence between Buddhists and Muslims in recent years has cast a cloud over progress with democratic reforms in Myanmar, with rights groups have sharply criticized Suu Kyi's reluctance to speak out on the Rohingya's plight
- ▶ There is widespread hostility towards Rohingya Muslims

in the Buddhist-majority country, including among some within Suu Kyi's party and its supporters; more than 100 people were killed in violence in western Rakhine state in 2012, and some 125,000 Rohingya Muslims, who are stateless, took refuge in camps where their movements are severely restricted

- ▶ Suu Kyi said during a visit by U.S. Secretary of State John Kerry that the country needed "enough space" to deal with the Rohingya issue and cautioned against the use of "emotive terms", that she said were making the situation more difficult; in the meantime, Suu Kyi has created a newly formed committee to bring peace and development to Rakhine State

Reuters (14 June 2016)

POWER-SHARING MODEL CAN WIDEN ENERGY ACCESS IN ASEAN

A current ASEAN action plan for energy integration seeks to establish a region wide electricity grid and energy market but the plan has suffered from long delays.

- ▶ The Nordic power pool model recommends that national governments simplify their approach by allowing companies to sell electricity across the border at transparent prices set by the market; the exchange rate is separate from the price consumers have to pay, which each country will have to determine on their own
- ▶ Nawal Kamel, director of the ASEAN energy market integration initiative and a visiting economics professor at Chulalongkorn University in Thailand, says the model

could go a long way to increasing access to renewables across the region; for instance, Cambodia, Laos and Myanmar have lots of renewable energy that could be dispersed throughout the region and possibly decrease overall reliance on coal

- ▶ Kamel says over 127 million people do not have access to electricity in the ASEAN so it is not a matter of affordable price, but of buying and accessing electricity; "We have to look into the possibility of a transboundary grid in areas where it makes sense geographically and economically," she adds

Eco Business (17 June 2016)

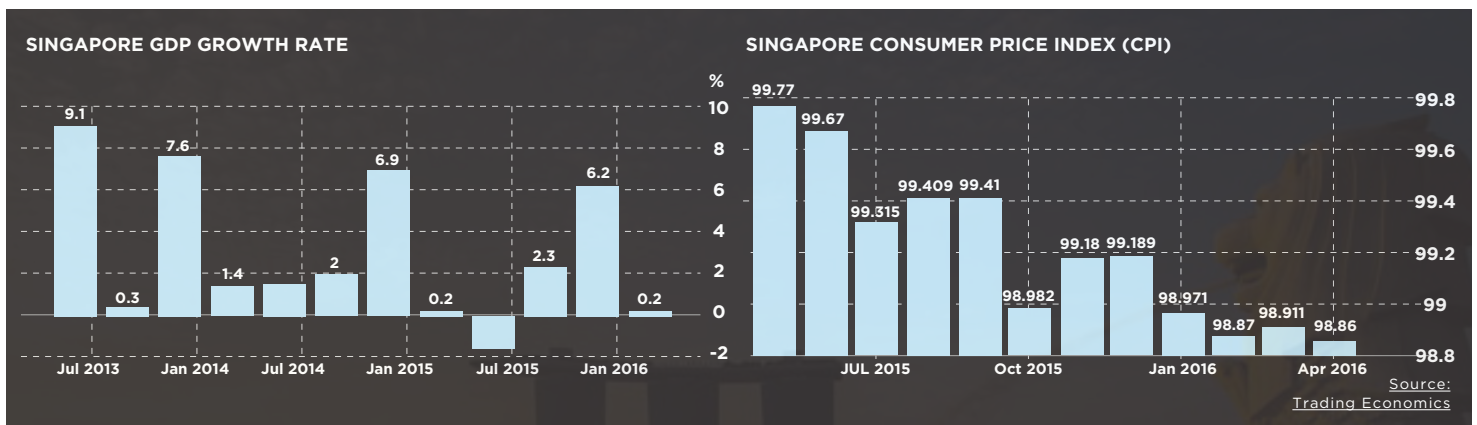
ECONOMISTS TRIM 2016, 2017 SINGAPORE GROWTH FORECASTS

Economists trimmed their forecasts for Singapore's 2016 and 2017 growth, while downgrading their views on exports as well as private consumption for 2016.

- ▶ The median forecast of 22 economists surveyed by the Monetary Authority of Singapore (MAS) was for gross domestic product (GDP) to grow 1.8% in 2016, down from the 1.9% expected in the previous survey published in March; the median forecast for GDP growth in 2017 was also lowered to 2.1%, down from 2.5% in the previous survey

- ▶ The government expects full-year GDP growth of 1.0%-3.0% in 2016; economists' median forecast for non-oil domestic exports was for a contraction of 2.1% in 2016, down from the previous forecast for growth of 0.2%
- ▶ The manufacturing sector was not expected to grow at all in 2016, still an improvement from the previous median forecast for a contraction of 2.7%; economists also lowered their forecasts on the all-items consumer price index (CPI)

The Star (15 June 2016)



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