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01 ASEAN

ASEAN RELEASES STATEMENT ON SOUTH CHINA SEA

JOINT COMMUNIQUÉ OF THE 49th ASEAN FOREIGN MINISTERS' MEETING
VIENTIANE, 24 JULY 2016



SOUTH CHINA SEA CLAUSES (174 - 181):

- Reiterated concerns over ongoing developments
- Affirmed importance of peace, safety, and freedom of navigation
- Called for mutual trust and confidence to be enhanced, pursuing peaceful resolution of disputes in accordance with international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS)
- Emphasised non-militarisation, self restraint in land reclamation
- Called into focus the importance of implementing the Declaration on the Conduct of Parties in the South China Sea (DOC) and establishing a Code of Conduct
- Underscored the importance of observing the Code for Unplanned Encounters at Sea (CUES) in the South China Sea

Source: ASEAN

ASEAN released a watered down joint statement regarding territorial disputes in the South China Sea, which neglected to refer to a recent court ruling against Beijing.

▶ “We remain seriously concerned about recent and ongoing developments and took note of the concerns expressed by some ministers on the land reclamations and escalation of activities in the area, which have eroded trust and confidence, increased tensions and may undermine peace, security and stability in the region,”

▶ Although officially resolved by the Hague ruling, the deadlock highlighted the ineffectiveness of ASEAN as an institution, as well as China’s growing clout over the region; heavily dependant on trade and investment from China, communiquees in the past have been blocked by Cambodia, a nation believed to have capitulated to Chinese pressures in the present

▶ Furthermore, US Secretary of State John Kerry has said it was important that ASEAN members “speak out and represent what common ground they found on issues”, including the South China Sea, as they negotiate wording for a joint statement at the end of a joint US-ASEAN meeting

Time (25 July 2016)

INDONESIA'S TAX AMNESTY PROGRESS AND PROVOCATIONS

Though Indonesia has succeeded in successfully pushing through a tax amnesty law to bring back funds parked overseas, the Indonesian media has released statements to the media accusing Singapore of attempting to prevent Indonesia from succeeding in its efforts.

- ▶ Meanwhile, Finance Minister Bambang Brodjonegoro reportedly said that Singapore's rumoured bank scheme was a move to "challenge" Indonesia, but he was confident that Indonesian taxpayers would repatriate their assets back to their own country
- ▶ Around US\$200 billion of Indonesian money that may not have been declared to the tax authorities in Jakarta is currently being managed in Singapore, according to private banking sources; this represents a large portion of the US\$470 billion in assets under management in Singapore, meaning outflows sparked by Indonesia's tax amnesty may damage the nation state
- ▶ With the tax amnesty program project to pull US\$12.45 billion for its government, Indonesia's next key economic agenda item is improving the business climate and directing investment into the processing of commodities, the finance minister said; Indonesia's next key economic agenda item is improving the business climate and directing investment into the processing of commodities

[Bloomberg \(25 July 2016\)](#)



DUTERTE DEFENDS DEADLY CRIME CRACKDOWN

Just a month into his presidency, Duterte used his inaugural State of the Nation Address to warn the public to steer clear of drug use, the scale of which was "staggering and scary" and promised no relenting in his crackdown.

- ▶ Philippine President Rodrigo Duterte vowed big reforms to tackle chronic economic flaws and defended his pursuit of a deadly anti-narcotics war, saying drugs were drowning his country and human rights were no excuse to shield criminals

- ▶ During his address, Duterte hit back at activists incensed by a surge in the killing of suspected drug traffickers, saying human rights should protect dignity, not let criminals destroy the country
- ▶ Duterte did not mention the number of suspected drugs dealers killed during his efforts but police have logged 240 deaths related to the trade since he took office, although other estimates are higher
- ▶ The President instead highlighted that 120,000 people had surrendered to police in June 2016 alone, 70,000 of which were drug pushers

[Reuters \(25 July 2016\)](#)

THAILAND SHORES UP DIGITAL ECONOMY DRIVE

The Thai Board of Investment Seoul Office held a seminar in July 2016 to promote the country's rising digital economy and attract investors and specialists.

- ▶ The venue titled "Thailand: Moving forward to digital economy" gave an overview of developments in the second largest economy in Southeast Asia, as it transitions toward a knowledge-based society; through the ambitious government initiative "Thailand 4.0," Bangkok aims to transform the country into a regional innovation hub, housing research and development centers, universities with cutting-edge competitiveness and talented professionals in information communications technology
- ▶ Particular focus will be on nurturing "smart farming" technologies and management practices; "smart

enterprises" with new entrepreneurial energy, without excessive dependence on state support; high-value-added services and high-skilled expertise will be aimed towards powering "new engines of growth" in the sectors of food, agriculture, biotechnology, health, smart devices and robotics, the Internet of Things, artificial intelligence and cultural services

- ▶ To materialize the scheme, Bangkok has unveiled its National Digital Economy Master Plan with over US\$105 million invested in digital projects this year; furthermore, the government will provide over 10,000 Wi-Fi spots across the country, double the capacity of submarine cables and lower the cost of ICT services, create 600 digital community centers in each sub-district nationwide, and train farmers and the elderly to use digital technology

[Korea Herald \(25 July 2016\)](#)

HUMAN RIGHTS BODY CALLS FOR ASEAN LAND REFORMS

An international human rights umbrella says the Southeast Asian region faces the threat of growing conflicts over land between investors and local people unless legal and institutional reforms are put in place.

- ▶ The warning from the 180-member International Federation for Human Rights (FIDH) comes against a backdrop of significant economic gains and growth across Asia supported by foreign and domestic investment

- ▶ The opening to investors seeking land to develop for factories and plantations has triggered conflict with local communities, especially where laws governing land registration and title are weak
- ▶ These land disputes, forced evictions and violence have risen as the regional drive for economic growth has accelerated; FIDH Secretary General Debbie Stothard predicts increasing conflicts between local communities, government and investors unless reforms are implemented

[Voice of America \(22 July 2016\)](#)

U.S. LAWSUITS LINK MALAYSIAN LEADER TO STOLEN MONEY FROM 1MDB FUND

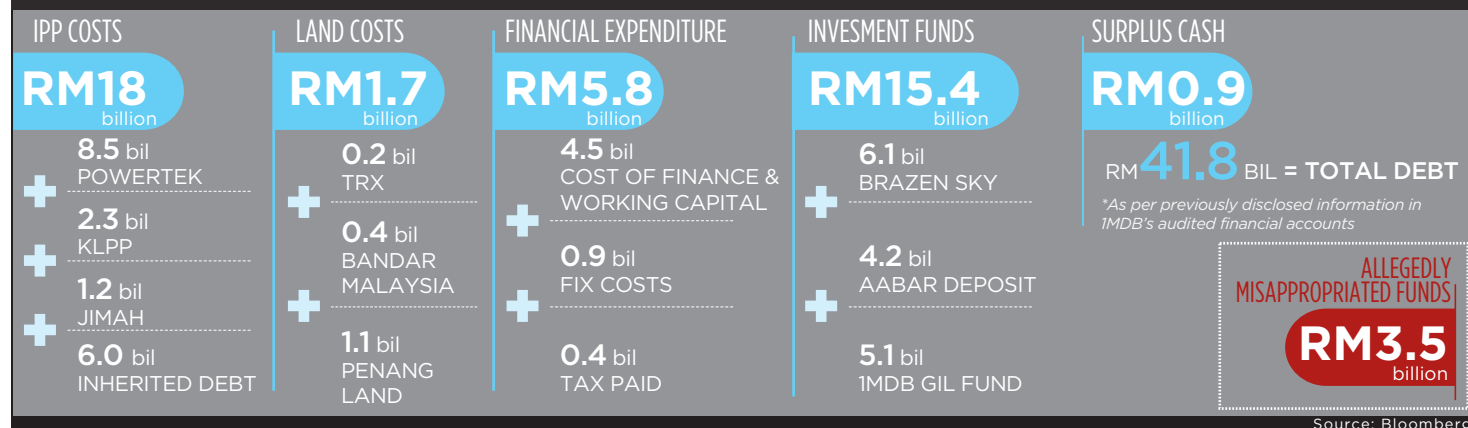
Malaysian Prime Minister Najib Razak released a statement affirming that judgment should be withheld until all the facts are known after the U.S. government filed lawsuits seeking to seize US\$1 billion in assets bought with money stolen from a state fund he oversaw.

- ▶ The U.S. Justice Department lawsuits filed in a federal court on Wednesday did not name Najib, instead referring to "Malaysian Official 1." Some of the allegations against this official were the same as those in a Malaysian investigation into a US\$681 million transfer to the premier's personal bank account

- ▶ The lawsuits said US\$681 million from a 2013 bond sale by sovereign wealth fund 1Malaysia Development Berhad (1MDB) was transferred to the account of "Malaysian Official 1"; a source familiar with the investigation confirmed that "Malaysian Official 1" was Najib
- ▶ The civil lawsuits said that a total of US\$3.5 billion was misappropriated from 1MDB, a fund Najib established in 2009 and whose advisory board he chaired; U.S. prosecutors are seeking to seize US \$1 billion that they say was diverted from 1MDB into luxury real estate in New York, Beverly Hills and London; valuable paintings, proceeds from the 2013 film "The Wolf of Wall Street" and a private jet

[Reuters \(22 July 2016\)](#)

1MDB'S ALLEGED CASH FLOW



Source: Bloomberg

THOUSANDS MARCH IN FUNERAL OF SLAIN ACTIVIST

Tens of thousands of Cambodians poured on to the streets of Phnom Penh for the funeral procession of a prominent political analyst murdered in a brazen daylight shooting that shocked the Southeast Asian nation.

- ▶ Kem Ley, a popular pro-democracy voice and grassroots rights activist, was shot dead earlier this month while drinking coffee outside a petrol station in the capital, raising suspicion of a political conspiracy
- ▶ On Sunday, a massive crowd of mourners trailed for kilometres behind Buddhist monks and a motorcade carrying the 46-year-old's body in a transparent casket for a journey to his hometown in Takeo province

- ▶ Thousands of others lined the streets to watch the procession, which marked the end of a two-week mourning period that saw scores of people from across the country flock to the Phnom Penh temple where his body had lain
- ▶ A former soldier charged with the murder claimed he shot Ley over an outstanding debt; but suspicions of an assassination continue to mount as critics have come under increasing pressure from the government of Hun Sen as he seeks to extend his 31-year grip on power

[Al Jazeera \(24 July 2016\)](#)

ECONOMY

▶ Dubai-based airline Emirates will soon be touching down in Myanmar for the first time, with an inaugural flight from Dubai to Yangon International Airport scheduled for 3 August. The new daily set route, capable of transporting a total of 354 passengers per flight, will fly directly from Dubai to Yangon, continuing on to Hanoi, Vietnam. Flights to Yangon are already overbooked for August, showing promise for the vitality of the new route.

[Frontier Myanmar \(26 July 2016\)](#)

FOREIGN AFFAIRS

▶ Myanmar's Foreign Minister Aung San Suu Kyi emerged from her first ASEAN ministerial meeting without a scratch on her international reputation, according to analysts, who praised the leader's diplomacy. The ASEAN foreign ministers were confronted with providing a response to China's claims to territory in the South China Sea, and a recent ruling by an arbitral tribunal in The Hague in favour of the Philippines. After hours behind closed doors, the ASEAN foreign ministers eventually produce a joint communiqué on 25 July, which briefly addressed the dispute, noting that "some ministers" had expressed concern over the "escalation of activities in the area".

[Myanmar Times \(26 July 2016\)](#)

▶ Chinese Foreign Minister Wang Yi said that China is willing to be the most ideal and reliable partner for cooperation with Myanmar, when meeting with Aung San Suu Kyi on 24 July on the side-lines of ASEAN foreign ministers' meeting in Vientiane. China is ready to strengthen high-level exchanges, advance pragmatic cooperation, and boost cultural and people-to-people exchanges with Myanmar so as to inject new dynamism to their bilateral ties in the new era, said the Chinese top diplomat.

[Xinhua \(24 July 2016\)](#)

▶ The French Development Agency (FDA) plans to provide over GBP200 million to Myanmar over the next two years, according to state media quoting H.E Mr. Olivier Richard, the French ambassador to Myanmar. The FDA has been granting loans to assist economic development in rural development projects in Yangon as well as the development of energy and health sectors. France also contributes a major portion of monetary assistance for the project that combats HIV/AIDS, malaria and TB through the Global Fund.

[Mizzima \(26 July 2016\)](#)

POLITICS

▶ As the head of the National Reconciliation and Peace Center (NRPC) and the Union Peace Dialogue Joint Committee (UPDJC), State Counselor Aung San Suu Kyi has recently met with leaders of both signatory and non-signatory groups to the country's 2015 nationwide ceasefire agreement (NCA). Suu Kyi will meet leaders of the Wa and Mongla non-state armed groups in Naypyidaw on 29 July to discuss their participation in the Union Peace Conference, slated for late August.

[The Irrawaddy \(26 July 2016\)](#)

INDONESIA CALLS ON NEIGHBOURS TO HELP TACKLE FOREST FIRES

Indonesian Vice President Jusuf Kalla recently reiterated his call to neighbouring countries to help Indonesia tackle forest fires.

- ▶ "If they want, let's work together for common interest. In the past, Singapore, and Malaysia has helped - that's good. Don't just blame (Indonesia). It's not that we like (the situation), no," said Mr Kalla during his visit to Siak regency, Riau province
- ▶ Mr Kalla was in Riau, one of the provinces badly affected by the forest fires last year, to commemorate World Environment Day; the massive forest fires devastated more than two million hectares of land causing toxic haze to blanket parts of Indonesia and the region
- ▶ The outspoken vice president has denounced neighbouring countries several times in the past for complaining about the haze caused by forest fires in Indonesia; however, Indonesia's efforts in tackling forest fires came into question when 15 out of 18 companies suspected of being responsible for the forest fires last year got off the hook with the law

[Channel News Asia \(23 July 2016\)](#)

SINGAPORE HOSTS ASEAN SOCIAL ENTREPRENEURSHIP

50 developed social enterprises and 30 private-public sector partners from around the region will participate in the ASEAN Conference on Social Entrepreneurship.

- ▶ The conference is the first of its kind on such a scale for Southeast Asian social entrepreneurs and will be held from 21 to 22 July 2016; co-organised by UnLtd Indonesia and the Singapore International Foundation (SIF), and supported by the ASEAN Foundation and Japan-ASEAN Solidarity Fund, the conference aims to foster collaborations among social enterprises, supporting organisations, governments and the academia so as to achieve a stronger social entrepreneurship ecosystem in the ASEAN region
- ▶ This invitation-only event will feature plenary sessions and interactive workshops for social enterprises to collaborate within their respective sectors under the guidance of industry experts; the conference focuses on five themes that are aligned with the United Nations Sustainable Development Goals, Youth & Education, Environment, Health & Disability, Culture & Tourism, and Food & Agriculture
- ▶ Panel discussions will be led by partner representatives including Oxfam International, AirAsia Foundation, Teach for All and World Vision; the two-day event will culminate in a pitching session where the top three social enterprise groups will be given the chance to regroup in Jakarta, Indonesia to showcase their collaborative projects to potential investors or funders in October 2016

[Global Indonesia Voices \(21 July 2016\)](#)

PARTICIPATING SOCIAL ENTERPRISES

COUNTRY	SOCIAL ENTERPRISE PARTICIPANTS
INDONESIA	9
MALAYSIA	6
CAMBODIA	6
LAOS	4
SINGAPORE	4
THAILAND	4
MYANMAR	4
PHILIPPINES	4
VIETNAM	4
BRUNEI	2

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