

# CARI CAPTURES

ASEAN PURSUES EASTERN  
ECONOMIC TIES

CAN SINGAPORE'S ECONOMY  
SHIFT TO A LOWER GEAR?

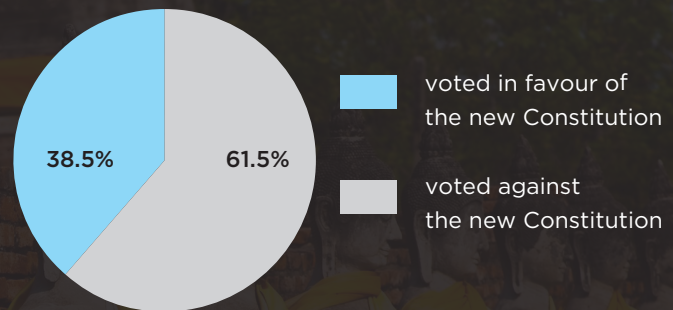
IMF: LAOS CURRENCY ALMOST  
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01 THAILAND

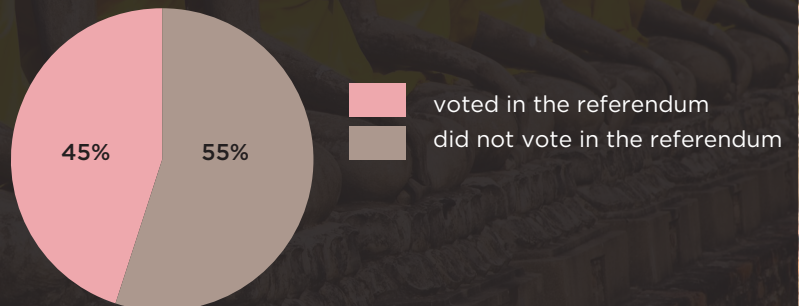
## THAI CONSTITUTIONAL REFERENDUM CLOSES



### UNOFFICIAL VOTE TALLIES



### VOTE TURNOUT



Source: BBC News

**Thailand's first democratically held vote since its coup in 2014 was a referendum on accepting a military approved constitution.**

- ▶ Opponents of the military constitution stated that if voted in, Thailand's newest constitution would cement the role of the armed forces in Thailand politics for decades, and constrain the populist forces that have arisen in recent times to challenge the generals and their allies in the royalist establishment
- ▶ Many have yet to see a copy of the draft constitution, while the military government has effectively banned campaigning against the document; they have arrested

and detained dozens of activists and politicians in the run-up to the referendum, some of them trying to hand out leaflets urging people to vote "no"

- ▶ One clause in the draft constitution would allow an unelected prime minister to take power in the event of a political crisis - which is exactly what happened when Thailand's army chief Prayuth Chan-ocha, now prime minister, took power in 2014
- ▶ In the draft constitution, a fully appointed senate could block the work of elected politicians; the 250-member senate will be appointed by the military and six seats will be reserved for security forces

Al Jazeera (08 August 2016)

## ASEAN PURSUES EASTERN ECONOMIC TIES

**The ASEAN Economic Ministers (AEM) met with both Japanese and Chinese delegations during the AEM - Minister of Economy, Trade and Industry (METI), and AEM - Minister of Commerce (MOFCOM) consultations.**

- ▶ In a move to enhance bilateral cooperation, ministers from both sides during the AEM-MOFCOM agreed to recommend the adoption of a joint statement between ASEAN and China on industrial capacity cooperation as a deliverable of the commemorative summit marking the 25th anniversary for China - ASEAN dialogue relationship in September
- ▶ This is in line with a five-point proposal raised by the Chinese side, who also vowed to work with ASEAN on the construction of the Belt and Road Initiative, enhance regional integration and expand new cooperation areas;

the Belt and Road Initiative, proposed by China in 2013, is aimed at reviving ancient trade routes which span Asia, Africa and Europe

- ▶ On the other hand, the AEM - METI consultations saw pledges from both Japan and ASEAN ministers to work together to develop new services and industries, with help from industry and government-sponsored funds; Japanese medical, logistics and other businesses hope the new arrangement leads to further opportunities to sell to Southeast Asia's growing middle classes
- ▶ According to a draft plan, the Japan Chamber of Commerce and Industry and ASEAN industry promotion bodies will collect requests from businesses on their own side and then act as matchmakers of sorts; the industry groups will also call for deregulation and other governmental steps as funded by government sponsored funds

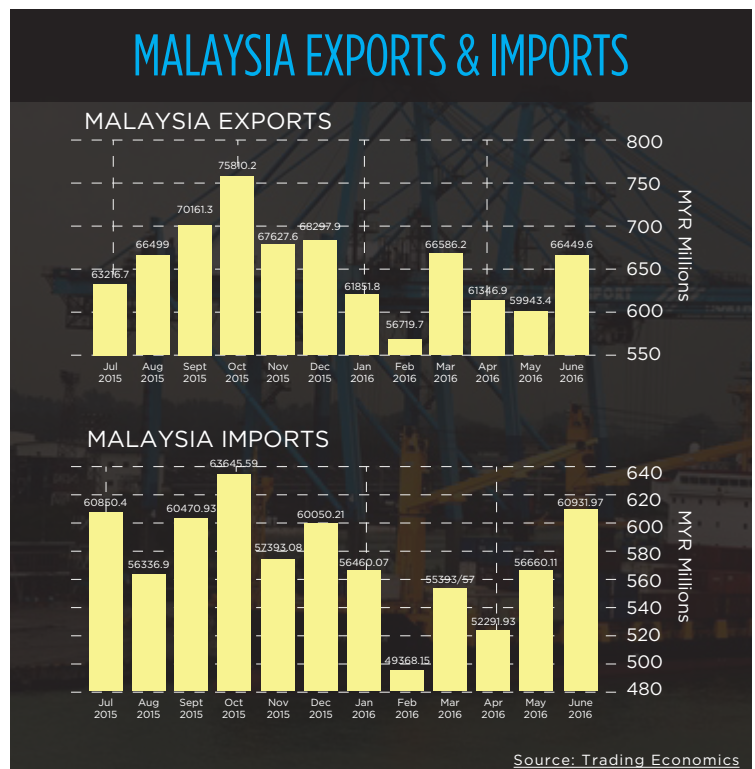
Xinhua (07 August 2016)

## MALAYSIA'S FIRST HALF TRADE DATA BOOSTED BY ASEAN DEMAND

**Malaysia's trade data for the first half of 2016 showed a 1.3% expansion against the same period last year to US\$174.58 billion as boosted by higher trade in June.**

- ▶ According to data from the Department of Statistics Malaysia, the modest expansion was due to increased trade with the U.S., the Association of Southeast Asian Nations, China, and the European Union
- ▶ Exports for electrical and electronics, which contributed 36.5% of total exports, were up 4.9% to US\$6 billion, while refined petroleum products, which make up 6.5% of all exports, rose by 34.9% to US\$1 billion; meanwhile, exports of palm oil and palm-based products, which make up 8% of total exports, declined 10.9% to contribute US\$1.3 billion
- ▶ As for imports in June, intermediate goods, or half-finished products, which make up 56.9% of all imports, rose 5.7% to US\$8.6 billion, while capital goods such as heavy equipment, making up 13.4% of imports, increased by 12.8% to US\$2 billion; consumption goods, which make up 9.7% of total imports, increased 1.8% to US\$1.4 billion

Asian Nikkei (06 August 2016)



## PHILIPPINES HOLDS INFORMAL TPP MEMBERSHIP TALKS WITH U.S.

**The Philippines is eager to join the 12-nation Trans Pacific Partnership trade deal and it has already held informal talks with the United States to do so according to Trade Secretary Ramon Lopez.**

- ▶ In an interview on the sidelines of ASEAN economy ministers meetings in Vientiane, Lopez said the key industries which would benefit would be electronics, automotives and garments; furthermore, Lopez affirmed that his country was in a good position to join, having separate FTAs in place with seven of the 12 countries already
- ▶ The TPP has been dubbed a "mega-regional accord", and once in play would be the biggest trade pact in

a generation; it will be a boon in particular for lower cost manufacturing-led economies, with the prospect of sharp tariff cuts to markets like the United States already luring factory investment to TPP members

- ▶ For the Philippines, the TPP, which covers a trade area worth \$28 trillion of GDP, would open up the North American and the South American markets; Lopez gave no timeframe for possible TPP membership, citing ratification uncertainties for the deal, seeing as TPP negotiations concluded last year and the pact has been signed, but to take effect it requires ratification by members' respective legislatures by February 2018

Reuters (04 August 2016)



## APPLE REPORTEDLY PLANNING \$1B OPERATIONS IN VIETNAM

**As Apple continues to push digital sales and services into international markets, a recent report claims the company is mulling an expansion into Vietnam that would see the creation of a US\$1 billion database centre and R&D facility.**

- ▶ Apple's apparent interest in Da Nang province reportedly came up in the minutes of a local government meeting concerning foreign direct investment; following initial reports, mention of Apple's supposed involvement was expunged from the official record
- ▶ According to the local reports, Apple was in March rumored to be weighing the benefits of building a US\$1 billion Asia-focused database centre in

Vietnam; the facility would also double as a research and development centre, though it is unclear what technologies Apple plans to investigate at the location

- ▶ At Apple's Israel R&D center, for example, employees focus on memory and computer chip technology, while an upcoming office in Yokohama, Japan, is said to specialise in the automotive and health industries
- ▶ As for Vietnam, Apple last October established a subsidiary, Apple Vietnam LLC, in Ho Chi Minh City under Gene Daniel Levoff, VP of corporate law and director of Apple Operations International; Levoff has been attached to previous international purchases, including last year's assignment of UK music tracking startup Semetric

[Apple Insider \(05 August 2016\)](#)

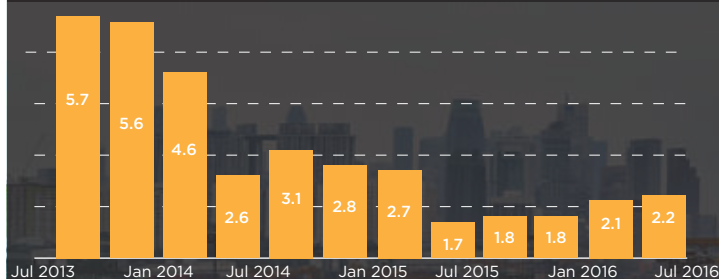
## CAN SINGAPORE'S ECONOMY SHIFT TO A LOWER GEAR?

**Faced with slowing economic growth and a quickly aging population, Singapore has aimed to pivot towards developing an innovation ecosystem and boosting productivity.**

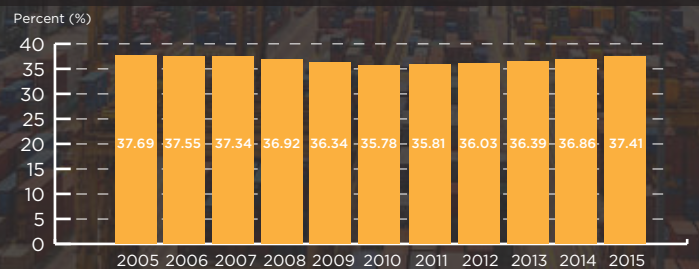
- ▶ Harish Manwani, a member of the Committee on the Future Economy created by Singapore's government to develop strategies to position the country for future economic trends, said that success just wasn't about growth, it was about inclusive growth
- ▶ The aim wasn't just to accelerate gross domestic product (GDP) growth, but to create an economic strategy to make sure the growth was sustainable and benefited all, he said at the DBS Asia Insights conference
- ▶ Singapore's economy grew by 0.8% in the April June period from the previous three months on an annualised and seasonally adjusted basis; while the Singapore government was pursuing multiple strategies to boost productivity as its working age population shrank and immigration slowed, it wasn't clear that productivity was the sole goal

[CNBC \(04 August 2016\)](#)

### SINGAPORE GDP ANNUAL GROWTH RATE



### SINGAPORE AGE DEPENDENCY RATIO



Age dependency ratio (% of working-age population out of total population)  
Age dependency ratio is the ratio of dependents--people younger than 15 or older than 64--to the working-age population--those ages 15-64. Data are shown as the proportion of dependents per 100 working-age population.

Source: Trading Economics

## INDONESIAN POLICE ARREST MAN ACCUSED OF PLANNING SINGAPORE ATTACK

**Police on the Indonesian island of Batam arrested six suspected terrorists, including one they said had plotted with an Islamic State supporter to fire a rocket from the island into neighbouring Singapore.**

- ▶ Indonesian police said the group's leader had plotted to attack the neighboring city-state with Bahrin Naim, a Syria-based Indonesian who police say helped channel Islamic State funds to Indonesian suicide bombers for attacks on downtown Jakarta in January 2016; that attack left eight people dead, including the four attackers, and was the first Islamic State-linked assault in Indonesia, the world's most-populous Muslim-majority nation

- ▶ Mr. Naim and the Batam group's leader, identified as 31-year-old Gigih Rahmat Dewa, had discussed firing a rocket into Marina Bay, a luxury residential and commercial complex in Singapore, police said; police said they were still investigating whether the men had the arms to launch such an attack
- ▶ Police said that Mr. Dewa was also suspected of receiving and channeling funds from Mr. Naim, helping arrange travel for Indonesians to link up with Islamic State in Syria and facilitating the travel of two ethnic Uighurs to Indonesia who have since been arrested or deported

[Wall Street Journal \(05 August 2016\)](#)

**FOREIGN AFFAIRS**

▶ US officials are looking to boost economic engagement with Myanmar, after Washington has rolled back several sanctions following the pro-democratic reforms, with the latest easing of financial sanctions in May this year. A US trade delegation is heading to Myanmar next week to facilitate economic ties between the two countries. Among the high-profile companies joining are IBM, GE, GM, Chevrolet, Deloitte and Coca Cola.

[Voice of America \(6 August 2016\)](#)

▶ The Indonesian embassy in Myanmar is holding a business matching event in Yangon on 18 August along with UMFCCI and the Jakarta branch of the Indonesian Economists Association. Industry participants and experts from the insurance, banking, agriculture, real estate, pharmaceuticals, education and many other sectors are due to take part in the event. Indonesian FDI approved in Myanmar until June this year totalled US\$35.39 million, which is only 0.07 percent of total FDI.

[The Irrawaddy \(6 August 2016\)](#)

**ECONOMY**

▶ Panellists at the Hospitality and Tourism Conference Myanmar last week agreed Myanmar had the potential to become a luxury destination if more investment was injected into the sector. Tourism income is currently about 5% of GDP. Last year, the country's 4.68 million foreign visitors spent US\$2.12 billion in total, or US\$453 on average. That is considerably lower than the average of US\$1000 visitors spend in the Philippines and Thailand.

[The Nation \(8 August 2016\)](#)

▶ Emirates has launched a daily direct flight to Yangon, bringing Myanmar to within a six-hour flight from Dubai. The Yangon service, which represents the airline's fifth new destination to East Asia this year, continues on to Hanoi in Vietnam after a 90-minute stop in Yangon.

[The National \(6 August 2016\)](#)

**POLITICS**

▶ The three rebel groups that did not sign last October's nationwide ceasefire agreement will be allowed to participate in the 31 August Panglong peace conference without giving up their arms. The three groups, Ta'ang National Liberation Army (TNLA), Myanmar National Democratic Alliance Army (MNDAA) and Arakan Army (AA), must however show a desire to disown the armed struggle.

[The Nation \(7 August 2016\)](#)

▶ The 88 Generation Peace and Open Society, an activist group led by former student leaders of the 1988 pro-democracy uprising, have called on the government to formally recognize 8 August as the country's Democracy Day. The 8 of August 1988, giving the name of the 8888 movement, when hundreds of thousands of people hit the streets to call for the end of the 26-year military dictatorship of Ne Win was of great historic and symbolic importance.

[The Irrawaddy \(8 August 2016\)](#)

## ASEAN PRIORITIZES MAINTENANCE OF REGIONAL PEACE: VIETNAM DEPUTY FM

**The Association of Southeast Asian Nations (ASEAN) will always prioritize the preservation of peace in the East Vietnam Sea, Vietnamese Deputy Minister of Foreign Affairs Le Hoai Trung, has asserted.**

- ▶ On the occasion of the 49th anniversary of ASEAN, Deputy Minister Trung took questions relating to the relationship between Vietnam and the bloc from local media; the Minister reiterated that ASEAN had several significant agreements in place with regard to the East Vietnam Sea situation, with the express goals of peace, stability and cooperation being the uniting force behind the nation bloc
- ▶ The minister further affirmed that consensus has been reached by the bloc to cement collaboration between in the seaway in carrying scientific research on the sea, figuring out solutions to climate change, and dealing with pirates among others
- ▶ ASEAN will also conduct more dialogues with China, discussing an effective way to follow the Declaration on the Conduct of Parties in the East Vietnam Sea (DOC) and call on relevant parties to retain from complication the situation
- ▶ Via several mechanisms, namely the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS), the communiqué and its partners have boosted cooperation and mutual trusts, and minimizing the possibility of conflicts, Trung stated

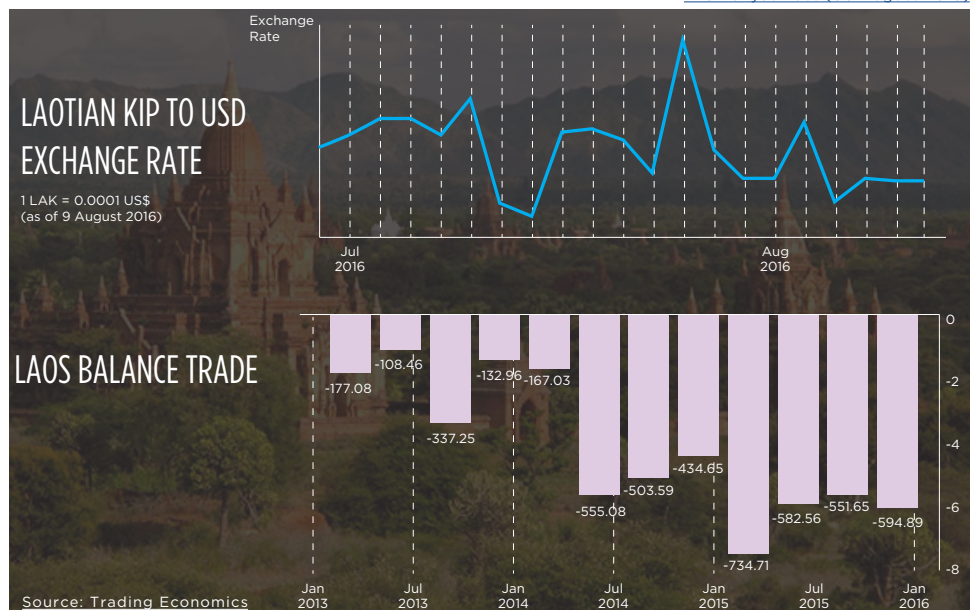
[Tuotire News \(06 August 2016\)](#)

## IMF: LAOS CURRENCY ALMOST 20% OVER-VALUED

**The International Monetary Fund said in its last country report, in 2015, that balance of payments trends in Laos suggested the currency was 10-20% over-valued.**

- ▶ The Asian Development Bank expects the external deficit to widen to 20% of GDP in 2017 from 17% in 2016, a level considered dangerous for economic stability; The Asian Development Bank sees the Lao economy growing 6.8% this year, having seen 7-8% annual growth in the past decade, albeit from a low base
- ▶ According to a trade ministry official, Laos' currency is not over-valued, with the high deficit being "understandable" as Laos is a country trying to modernise and importing machinery and software
- ▶ Laohoua Cheoching, head of trade policy at the ministry of industry and commerce, said there were pros and cons to both weak and strong currencies; the kip last traded at 8,090 per US dollar, some 1.5% stronger than a year ago
- ▶ One reason why a weaker currency might be detrimental could be the high external debt of about 85% of GDP, but Laohoua did not comment on that

[The Rakyat Post \(06 August 2016\)](#)



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