

CARI CAPTURES

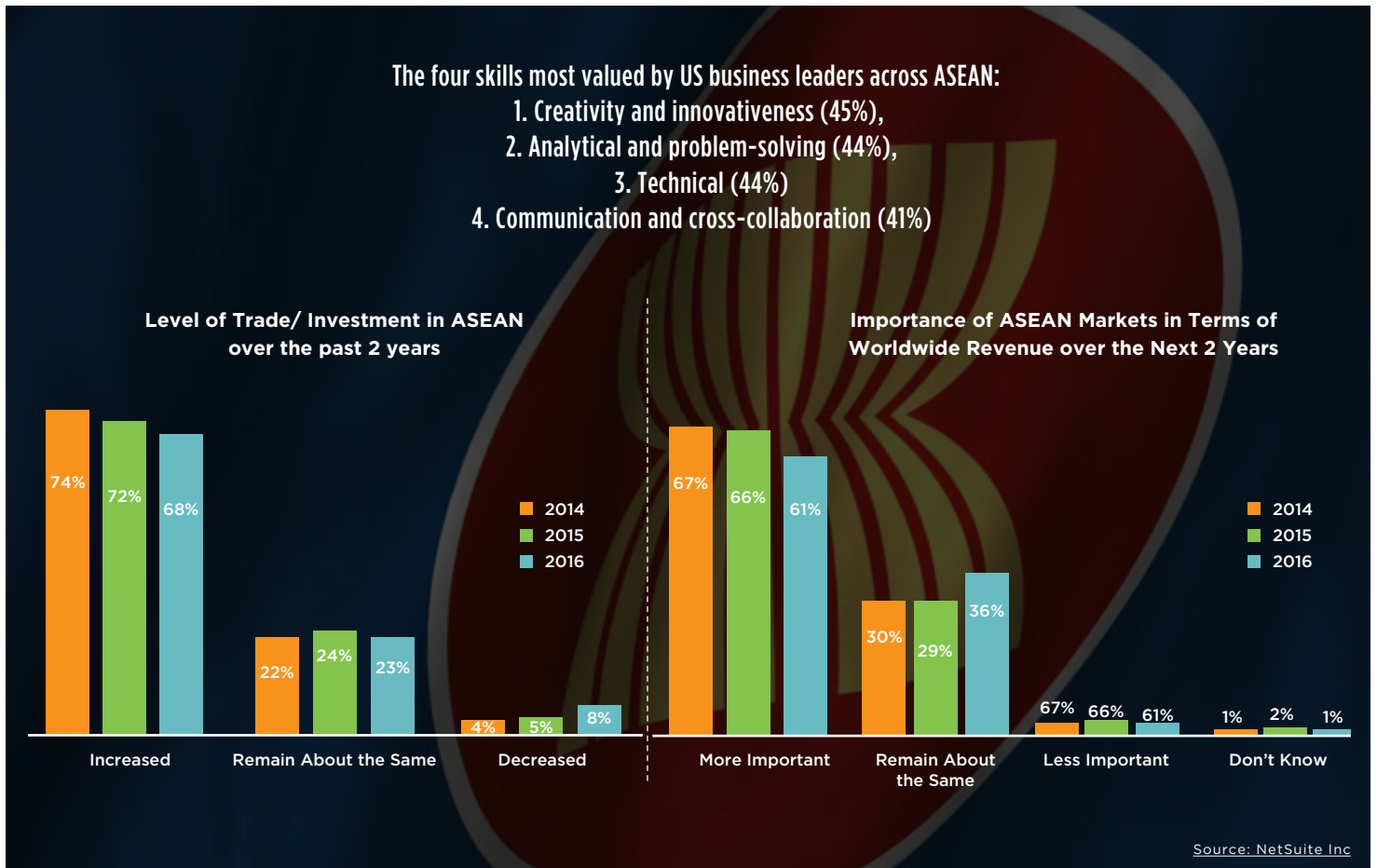
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DECLINED OPTIMISM FOR BUSINESS PROSPECTS IN ASEAN



Each year AmCham Singapore collaborates with the U.S. Chamber of Commerce and other AmChams in the region to survey senior members from U.S. companies to gather insights about business conditions and sentiment in Asia-Pacific. The result from this year's survey suggests that although ASEAN's importance as a marketplace for American companies is still high, the number of firms who have increased trade and investment in the region has declined from last year and the business optimism for the next two years is also lower.

A total of 517 executives of American businesses, or 17 percent of 3,154 companies comprising the membership of American chambers of commerce in different ASEAN countries responded to the survey which was conducted between April 26 to May 24 this year

- ▶ This year, 69% of surveyed executives indicate that their company's level of trade and investment in ASEAN has increased, down from 72% in 2015 and 74% in 2014. About 8% report a decrease over the same period, up from 5% last year.
- ▶ About 61% of respondents believe ASEAN markets to be more important in terms of worldwide revenue over the next two years, compared with 66% last year and 67% in 2014.
- ▶ Despite the overall good business outlook, a number of critical challenges remain for American companies, including improving government transparency, regulatory efficiency, and policy engagement
- ▶ Availability of adequate technical and managerial talent is also a significant consideration for US businesses seeking to invest in the region

[AmCham Singapore](#)
[The Philippines Star \(7 September 2016\)](#)



FIRST ASEAN SUMMIT AFTER AEC FORMATION STARTS IN LAOS

President of Laos Bounnhang Vorachith opened the ASEAN Summit in Vientiane on 6 September, the first summit after the establishment of the ASEAN Economic Community (AEC) in Kuala Lumpur last year.

- ▶ Among those present at the opening ceremony were Malaysia's Prime Minister Datuk Seri Najib Tun Razak, Singapore's Prime Minister Lee Hsien Loong and first time attendees President of the Philippines Rodrigo Duterte and Myanmar's State Counselor and de facto state leader Aung Sang Suu Kyi
- ▶ The South China Sea dispute overclouded the summit to some extent as the issue continues to be a test for ASEAN unity, as Brunei, Malaysia, the Philippines and Vietnam claim parts of the sea that China has claimed but lack support from members such as Laos and Cambodia, who are seen as pro-China
- ▶ Hours before the ten leaders met China's Premier Li Keqiang on 7 September, the Philippines released photos purportedly showing Chinese vessels near a disputed chain of reefs and rocks and said that the vessels were capable of activities required to build artificial islands.

[The Star \(6 September 2016\)](#)

[Aljazeera \(7 September 2016\)](#)

ANTI-DRUGS CHIEF CALLS FOR PHILIPPINE-STYLE WAR AGAINST DEALERS IN INDONESIA

Inspired by the Philippines "war on drugs", Indonesia's anti-narcotics chief Budi Waseso, chief of Indonesia's national anti-narcotics agency (BNN), plans to aggressively ramp up the country's fight against drugs by bolstering its police force.

- ▶ The death-toll in the Philippines' "war on drugs" has risen to more than 2,400 people since Rodrigo Duterte took office in June this summer
- ▶ Indonesia had already declared a "war on drugs" by stepping up executions of drug convicts but is now in the process of adding weapons, investigators, technology, and sniffer-dogs in its efforts to step up law enforcement in one of the region's biggest narcotics markets
- ▶ A BNN spokesman said Indonesia would not be as aggressive as its neighbor and that punishments would be in accordance with national laws and international standards
- ▶ Previously, Waseso had commented that he believed Indonesia would be as aggressive as the Philippines as the drug problem in Indonesia is as bad

[Reuters \(7 September 2016\)](#)

ZIKA OUTBREAK ALARMS REGION

The sudden spike of the locally transmitted Zika virus infection in Singapore has raised concerns of possible spread to its densely populated ASEAN neighbours.

- ▶ Singapore's Ministry of Health has confirmed 329 Zika cases, of which eight are pregnant women, as of 11 September
- ▶ In February, the World Health Organization (WHO) announced a global state of emergency concerning the Zika virus, predicting as many as four million cases by year end
- ▶ The WHO has commended Singapore as a global role model in how the city-state has managed the situation
- ▶ The virus has already spread to other ASEAN countries, Thailand has seen widespread transmission the past three months while Malaysia and Vietnam have had sporadic transmission over the period
- ▶ "There is no vaccine for Zika so a lot of the control measures would focus on vector control elimination of breeding areas, use of insecticides and trying to interrupt the breeding cycle," says Irani Thevarajan, an infectious diseases physician based at the Doherty Institute for Infection and Immunity in Melbourne.

[Channel NewsAsia \(11 September 2016\)](#)

[SciDevNet \(7 September 2016\)](#)



INDONESIA VOWS ACTION AFTER HAZE INVESTIGATORS THREATENED

Indonesia's Forestry Ministry said on 6 September it would take legal action against a palm-oil company that allegedly cleared land through illegal burning and took environmental investigators hostage.

- ▶ "The companies found responsible for the fires that cloak much of Southeast Asia in noxious haze each year need to be prosecuted", said Indonesia's Environment and Forestry Minister Siti Nurbaya Bakar
- ▶ In an attempt to halt investigations, a team of seven

officials were detained and threatened with death during their investigations of wildfires in Sumatra's Riau province

- ▶ The incident highlights the challenges Indonesia faces to bring those responsible for the fires to justice, but the recurring problem has caused regional tensions, affects public health and cost billions each year in economic losses
- ▶ Jakarta has pledged to toughen enforcement in its efforts to combat deforestation, but it faces challenges such as corruption, poverty and difficulty monitoring rural areas

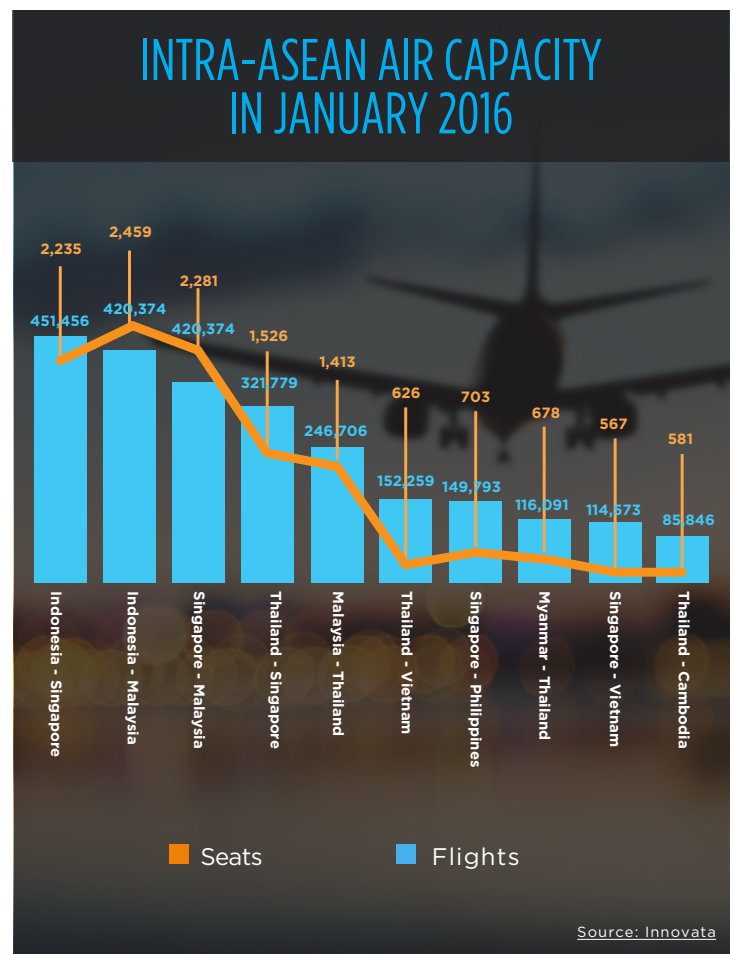
[The Wall Street Journal \(6 September 2016\)](#)

THAILAND AND CAMBODIA LIFT FLIGHT-QUOTAS WHILE VIETNAM BOOSTS ITS AIRPLANE FLEET

Flight traffic in ASEAN continues to increase and the region is steadily moving towards an 'open sky'. Case in point include the recently removed restrictions on passenger flights between Thailand and Cambodia, and the 40 airplanes Vietnam bought last week to meet increasing demand.

- ▶ The Thai cabinet approved the removal of the restrictions on 6 September in accordance with an agreement between Thai and Cambodian aviation authorities on 18-19 May
- ▶ Under the previous agreement, the two countries could not operate flights exceeding 5,300 seats per week but now the number of seats is unlimited from each side
- ▶ The two sides also agreed to allow airlines from each side to continue to two or more destinations
- ▶ Thai Transport Minister Arkhom Termpittayapaisith said there had been 108 flights with 18,312 seats in total from Thailand to Cambodia each week, surpassing the previous quotas, while only seven flights from Cambodia to Thailand totaling 1,288 seats
- ▶ Meanwhile, Vietnam airlines bought 40 airplanes worth US\$6.5 billion from France's Airbus on 6 September, as French President Francois Hollande visited the country
- ▶ VietJet bought 20 planes while national carrier Vietnam Airlines and budget airline Jetstar Pacific bought ten each
- ▶ The fast expanding airlines VietJet also bought 100 passenger jets worth US\$11.3 billion from Boeing in earlier this year when US President Obama visited the country

[Bangkok Post \(6 September 2016\)](#)
[The China Post \(7 September 2016\)](#)



MALAYSIA AND THAILAND MULL NEW HIGH-SPEED RAIL LINK

Malaysia's Prime Minister Datuk Seri Najib Razak met his Thai counterpart Prayuth Chan-o-cha on 9 September in Bangkok to discuss several key bilateral issues on security and trade, during the 6th Malaysia-Thailand Annual Consultation.

- ▶ During the meeting, Malaysia and Thailand agreed to begin preliminary studies on a high-speed rail (HSR) link between the two countries, as well as expediting construction of bridges and road links as well as upgrading customs infrastructure to facilitate border trade

- ▶ The two sides aim to increase bilateral trade from current value of around US\$21 billion to US\$30 billion by 2018, backed up by a number of projects including promotion of border trade, creation of a Perlis-Narathiwat special economic zone, a new Golok River bridge project, and expanding the Malaysian dual-track rail from Hatyai to Padang Besar
- ▶ The two leaders also discussed the challenges managing the Malaysia-Thailand border, such as human trafficking, transnational crime and violent insurgency in southern Thailand

[New Straits Times \(7 September 2016\)](#)
[The Diplomat \(12 September 2016\)](#)

POLITICS

▶ The last day of the landmark UN-backed peace summit in Naypyidaw drew to a close a day earlier than expected on 3 of September without a concrete resolution. The summit, which began on 31 August gave more than a dozen rebel groups the opportunity to come to the table and make their voices heard and among them were rebel groups that had not signed a ceasefire agreement with the former government last year. Three rebel militaries refused to participate and the United Wa State Army stormed out on the second day after it was only granted observer status.

[Deutsche Welle \(3 September 2016\)](#)

▶ Hundreds rallied in Rakhine State on 6 September against an advisory commission led by former UN chief Kofi Annan to find solutions to the conflict between the country's Buddhists and minority Rohingya Muslims. The plight of the Rohingya has raised questions about Aung San Suu Kyi's commitment to human rights and represents a politically sensitive issue for the NLD. The protesters expressed frustration with what they called a "foreigners' biased intervention".

[Reuters \(6 September 2016\)](#)

ECONOMY

▶ Myanmar has stepped into the era of the fourth generation of mobile technology, with the three leading wireless carriers rapidly shifting to 4G services. Qatar's Ooredoo built up its 4G wireless network infrastructure in Myanmar's four major cities by the end of August and Norway's Telenor Group and state-owned Myanma Posts and Telecommunications are seeking to enhance their 4G operations with new mobile licenses at the scheduled spectrum auction in October.

[Nikkei Asian Review \(7 September 2016\)](#)

FOREIGN AFFAIRS

▶ The United States is considering further easing or lifting sanctions against Myanmar ahead of Aung San Suu Kyi's visit to the White House on 14-15 September, US officials told media. US President Barack Obama is expected to decide on the extent of sanctions relief after consultations with Suu Kyi to gauge how far she wants Washington to loosen the screws on Myanmar's still-powerful military. Obama will also meet Suu Kyi during the East Asia summit in Laos 6-8 September.

[Reuters \(2 September 2016\)](#)

▶ Myanmar's rigid banking system is restraining trade potential with India, one of the country's largest trading partners, according to U Myo The, vice president at the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Many Indian traders want to deal in rupees, which delayed payment as local traders need to settle in US dollars. A history of currency instability and complex trade sanctions means that a lot of foreign exchange transactions relating to international trade with Myanmar are completed offshore.

[Myanmar Times \(6 September 2016\)](#)

OBAMA'S LAST ASEAN VISIT

US President Barack Obama made his 11th and last presidential trip to the Asia-Pacific on 2-9 September, cementing an eight-year "pivot to Asia", as well as visiting Laos for the first time.

- ▶ In a presidential remark published on the White House website, Obama said he had met with the ASEAN leaders eight times in total and visited ASEAN more than any other US President, reflecting the growing importance of ASEAN and the region.
- ▶ "ASEAN is key to the U.S. rebalance to Asia, and, more importantly, it's key to a peaceful and prosperous future for the world", he said in the remark.
- ▶ On his trip, Obama became the first US president to visit Laos, where he pledged US\$90 million to help Laos recover millions of unexploded bombs secretly dropped there by US planes during the Vietnam War, saying the clean-up was a "moral obligation"

[White House Speeches & Remarks \(8 September 2016\)](#)
[The Telegraph \(6 September 2016\)](#)

10 SINGAPORE

SINGAPORE SECOND ONLY TO LONDON AS A FINANCIAL HUB

A new study by PricewaterhouseCoopers LLP shows that Singapore is now the world's second largest financial hub after London, overtaking cities such as Paris and New York.

- ▶ Superior technology, low taxes and efficient transport and infrastructure systems helped Singapore to move one notch higher in the rankings since the last study was done in 2014, according to PwC
- ▶ Singapore is second only to London, based on social and economic data published before the UK voted to leave the European Union
- ▶ The PwC Cities of Opportunity Index assesses cities on their social and economic health, measuring indicators such as the ease of doing business, demographics and technology readiness

[Bloomberg \(6 September 2016\)](#)



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