

CARI CAPTURES

PHILIPPINES VICE PRESIDENT
QUITS CABINET

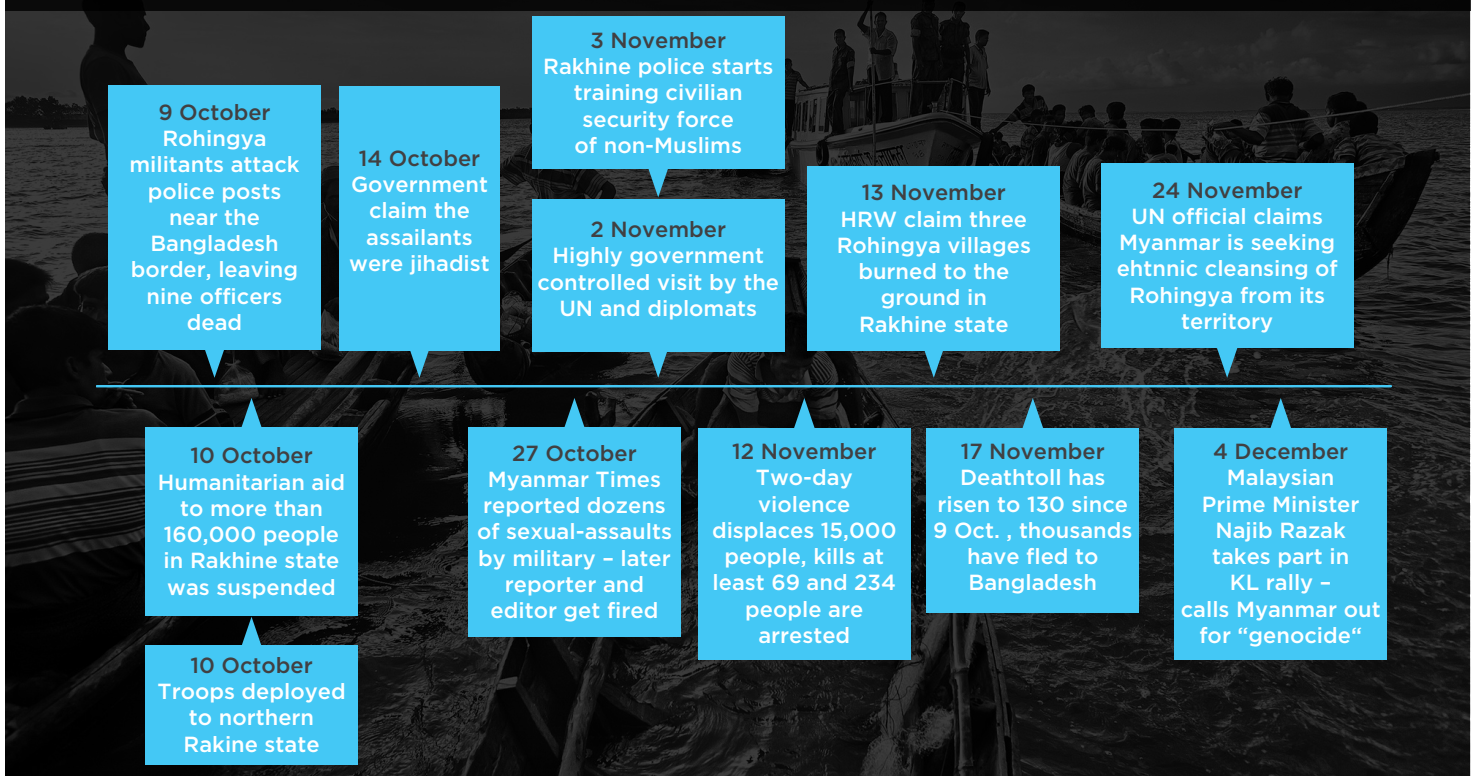
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TENSION IN ASEAN RISES DUE TO MYANMAR'S ROHINGYA CRISIS

TIMELINE OF RECENT EVENTS ON ROHINGYA CRISIS



Tension is rising in ASEAN following Malaysia's criticism of the to the Rohingya crisis in Myanmar, which has left more than one hundred Rohingya Muslims dead and caused thousands to flee their country. Indonesia's foreign minister offers support in a meeting in Naypyidaw with Aung San Suu Kyi.

- ▶ Relations between Myanmar and Malaysia have soured since Malaysia's Prime Minister Najib Razak participated in a protest in KL last week and called the developments in Myanmar “genocide”
- ▶ Myanmar president U Htin Kyaw and Commander-in-chief Senior General Min Aung Hlaing met with Malaysia's military chief in Naypyidaw on 5 December to assured him that the Rohingya community's rights were not being violated
- ▶ On 6 December, Myanmar's immigration ceased issuing new licences for its nationals to work in Malaysia, which for years has been a top destination for migrant labour

- ▶ Indonesia's Foreign Minister Retno LP Marsudi expressed her country's concerns regarding the Rohingya Muslims to Myanmar's State Counsellor Aung San Suu Kyi in a meeting in Naypyidaw on 6 December
- ▶ In the meeting, Suu Kyi conveyed her appreciation for Indonesia's support to Myanmar, and Retno urged Suu Kyi to uphold human rights for all people of Rakhine state and to allow access to humanitarian aid,
- ▶ Former United Nations chief Kofi Annan also urged Myanmar to find peaceful solutions during his visit on 9-10 December, in his capacity as the chairman of Rakhine State Advisory Commission
- ▶ The Organisation of Islamic Cooperation (OIC) has been urged to hold a meeting to save Rohingyas in Myanmar and stop the oppression that is being committed against them

[The Jakarta Post \(8 December 2016\)](#)

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

[New Straits Times \(6 December 2016\)](#)

[Malay Mail Online \(6 December 2016\)](#)

[Channel News Asia \(5 December 2016\)](#)

SINGAPORE CENTRAL BANK FINES TWO BRITISH BANKS FOR 1MDB-RELATED PROBE

Singapore's central bank imposed penalties of US\$3.65 million and US\$1.68 million on the local units of UK-based Standard Chartered and private bank Coutts, respectively, for 28 money laundering breaches related to Malaysia's scandal-tainted 1MDB fund.

- ▶ The move is the latest punitive measures taken by the central bank in its crackdown on money laundering but earlier this year, the central bank ordered the closure of the local units of Swiss banks BSI and Falcon
- ▶ The Monetary Authority of Singapore (MAS) is also

in the process of issuing a prohibition order against Tim Leissner, Goldman Sachs' former Southeast Asia chairman

- ▶ "These actions send a strong signal that we will not tolerate the abuse of Singapore's financial system for illicit purposes," said Ravi Menon, the managing director of MAS, adding that while the breaches were serious, the central bank did not find "wilful misconduct"
- ▶ The central bank said it was nearing the end of its 1MDB-related investigations and will provide a final update early next year

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

PHILIPPINES VICE PRESIDENT QUILTS CABINET

Philippines Vice President Leni Robredo quit her post as housing secretary in President Duterte's Cabinet after being banned from all of its meetings.

- ▶ Major irreconcilable differences in principles and values between Vice President Robredo and President Duterte are cited as the main reason for her resignation, while adding that there was an alleged plot to remove her from her Vice President post
- ▶ Duterte accepted her resignation "with a heavy heart" and immediately named a replacement
- ▶ In Philippines, presidents and vice presidents are separately elected and often come from rival political parties
- ▶ Robredo, a human rights lawyer and a respected political newcomer is the second official to resign from Duterte's administration in less than a week

[The Jakarta Post \(5 December 2016\)](#)

[The Washington Post \(5 December 2016\)](#)

SINGAPORE AND MYANMAR MEET ON INVESTMENT TREATY, AGREE VISA FREE TRAVELS

Singapore and Myanmar will discuss a bilateral investment treaty, begin to update its agreement on double taxation, and allow visa-free travels between the two nations, in a sign of growing economic ties between the two ASEAN neighbours.

- ▶ Singapore's Prime Minister Lee Hsien Loong made the announcements at a dinner hosted for Myanmar's State Counsellor Aung San Suu Kyi in her official visit in early December
- ▶ Lee said that Singapore has been a long-standing and steadfast friend of Myanmar and is confident in Myanmar's long-term success
- ▶ A 30-day visa exemption between the two countries came into force on 1 December
- ▶ As a result, Singaporean travellers to Myanmar could surge by some 35% and could deliver more than US\$20 million in revenue for Singaporean travel agencies, according to Myanmar Tourism Marketing
- ▶ In 2015, 43,000 Singaporeans travelled to Myanmar but as of August 2016, more than 32,000 Singaporeans had visited the country, an increase of 18 percent compared to the same period last year.

[Singapore Business \(2 December 2016\)](#)

[The Nation \(2 December 2016\)](#)

PHILIPPINES TO BE 'PREDOMINANTLY MIDDLE CLASS' IN 25 YEARS

The National Economic and Development Authority (NEDA) of the Philippines is working on Philippine Development Plan (PDP) 2017-2022 which aims to make the Philippine a prosperous, predominantly middle-class society, without poverty by 2040.

▶ The objective of the plan, which is to be released in early 2017, is to “lay down a solid foundation for inclusive growth, a high-trust society and a globally competitive knowledge economy,” said Economic Planning Secretary Ernesto Pernia

- ▶ Administration’s 10-point socio-economic agenda into strategies, policies, programmes and activities into workable plans for execution
- ▶ The plan would be the first of the four six-year plans that will together lay down the vision for the country’s next 25 years
- ▶ The three main strategies of the PDP 2017-2022 is to enhance the social fabric, reduce inequality and increasing potential growth

[The Nation \(3 December 2016\)](#)

SIZE OF MIDDLE CLASS IN DIFFERENT ASEAN COUNTRIES

Economies	Middle Income Population (M)				% of Population - 2020	
	2010	2015	2020			Percentage
Brunei	0.4	0.4	0.5		100%	
Singapore	5	5	6		100%	
Thailand	31	33	35		49%	
Malaysia	11	13	15		45%	
Philippines	32	37	43		40%	
Vietnam	18	26	34		36%	
Indonesia	50	64	79		30%	
Laos	1	1	2		23%	
Cambodia	1	2	3		21%	
Myanmar	5	7	9		15%	
ASEAN 10	154	190	227		34%	

Source: Business Insider (2015)

MALAYSIA, SINGAPORE POSTPONE HIGH-SPEED RAIL AGREEMENT SIGNING

The two countries are expected to sign the US\$ 16 billion agreement at the leaders’ retreat in Putrajaya, Malaysia on 13 December after both Singapore and Malaysia requested for a postponement from the initial date of 5 December.

- ▶ Singapore Prime Minister Lee Hsien Loong said cost sharing is one of the things that make the project complicated as there are two governments involved
- ▶ Malaysia’s opposition coalition wants the agreement to be postponed until an in-depth and transparent study is conducted to prove the sustainability of the project
- ▶ The tender for the project will open in the final quarter of 2017 and bids will be evaluated and awarded by the end of 2018
- ▶ The HSR service, which will link 45 Malaysia cities to Singapore, will herald closer economic integration between the two countries
- ▶ The service is targeted to be up and running by 2026, and will cut travel time between Kuala Lumpur and Singapore to just 90 minutes

[The Star \(8 December 2016\)](#)
[Channel News Asia \(6 December 2016\)](#)
[Straits Times \(9 December 2016\)](#)

VIETNAM’S START-UP SCENE LURES BACK ONE-TIME REFUGEES

By 2010, more than 1.5 million Vietnamese had resettled in the US, while others fled to Canada and Europe after the communist victory resulted in a massive displacement of Vietnamese residents. Now, there is a wave of Vietnamese refugees returning and investing in a country they once risked all to escape.

- ▶ Vietnamese people living abroad are a driving force in the economy, sending back US\$13.2 billion in remittances last year, a 900% increase since 2000, according to the World Bank
- ▶ The country’s burgeoning tech start-up scene, improvement in education and living standards, youthful demographics, and a growing middle class are the key strengths of the country that are attracting overseas Vietnamese back to the country
- ▶ Vietnamese government is actively trying to lure investment in high-tech sectors as there is major interest in the industry, evident by the significant number of its citizens online

[Bloomberg \(7 December 2016\)](#)

SECURITY

- ▶ Human Rights Watch claims that satellite images could prove that villages in Myanmar's restive Rakhine State were deliberately burned to the ground. The timing of the various incidents and their "spacial trends" offer evidence of a pattern that is "consistent with military operations and not random village acts of self-immolation."
[Aljazeera \(8 December 2016\)](#)

- ▶ At least 11 people have died this month in northern Shan state in escalating clashes between security forces and armed rebel fighters. Thousands have fled their homes since fighting erupted in late November, with many crossing the border into China, which has offered Myanmar to work together to stabilize their shared border.
[Aljazeera \(8 December 2016\)](#)

ECONOMY

- ▶ Japan's ANA Holdings Inc has invested in a new airline venture in Myanmar that aims to start international flights in 2018. ANA and its local partner hold a 49% and a 51% stake, respectively, and made an initial investment of US\$150,000.
[Bangkok Post \(12 December 2016\)](#)

- ▶ A recently published report by German consulting firm Roland Berger shows that companies in Myanmar are concerned about government regulation and policy despite showing optimism about future growth. The survey, which collected responses from 200 executives from 179 local and international companies operating in Myanmar, shows there is a bit of nervousness in the market, according to Thomas Klotz, the Managing Partner for Southeast Asia.
[Mizzima \(7 December 2016\)](#)

FOREIGN AFFAIRS

- ▶ Myanmar's immigration ministry said on 6 December that it had ceased issuing licences for its nationals to work in Malaysia. The move comes as relations sour between the neighbours after Malaysian Prime Minister Najib Razak lashed out at Aung San Suu Kyi for allowing "genocide" on her watch during a rally on 4 December in Kuala Lumpur.
[Aljazeera \(8 December 2016\)](#)

MCDONALD'S SELLS SINGAPORE AND MALAYSIA FRANCHISE TO SAUDI GROUP

McDonald's Corp sold the franchise rights for its restaurants in Singapore and Malaysia after selecting Saudi Arabia's Lionhord Pte Ltd as the Developmental Licensee (DL), as part of a plan to move away from the wholly-owned business model to franchise model in Asia.

- ▶ The new DL assumed ownership of the world's largest fast-food chain's business in Malaysia and Singapore which includes a total of 390 restaurants, more than 80% of which are company-owned, effective 1st December 2016
- ▶ The DL partner will provide the capital necessary to support and grow the business and will pay an initial franchise fee and an ongoing royalty to McDonald's
- ▶ Although the terms of the transactions were not disclosed in a statement by McDonald's Malaysia, press reports had valued the deal at around US\$400 million for 20-year franchise rights
- ▶ Lionhord is led by Sheik Fahd and Abdulrahman Alireza, who are franchisees for nearly 100 McDonald's restaurants in the western and southern regions of Saudi Arabia

[Nikkei Asian Review \(5 December 2016\)](#)

[The Sun Daily \(5 December 2016\)](#)

SINGAPORE OUTPERFORMS ALL OTHER COUNTRIES IN THE LATEST PISA TEST

The Organisation for Economic Cooperation and Development (OECD) released the results from its 2015 Programme for International Student Assessment (Pisa) study on 6 December 2016. Singapore takes the global first place in all test subjects.

- ▶ Pisa is a triennial assessment administered by the OECD on 15-year-olds in both OECD and non-OECD countries and offers students questions in the main language of instruction in their countries
- ▶ Singapore outperforms all other participating countries in the three subjects: 564 in mathematics, 556 in sciences and 535 reading
- ▶ Vietnam had the second best score out of the ASEAN countries with above OECD average scores for maths 495 and science 525, while its score of 487 is slightly below the OECD average of 493 for reading
- ▶ The results shows sharp falls in maths, sciences and reading scores as Thai student underperform compared with their ASEAN peers
- ▶ Thailand scored 415 points in maths, 421 points for sciences, and 409 for reading, significantly lower than the 2012 scores of 427, 444, and 441, respectively
- ▶ Malaysian students, on the other hand, had better scores than three years ago, with 446 in Mathematics, 431 in Reading and 443 in Science in the 2015 test, up from 421, 398 and 420 respectively, in 2012
- ▶ Indonesia had the worst score of the ASEAN nations included in the test, scoring 386, 403, and 397 for math, science and reading, respectively

[Bangkok Post \(8 December 2016\)](#) [The Star Online \(6 December 2016\)](#)

SCORES OF ASEAN COUNTRIES THE 2015 PISA TEST

	Maths	Sciences	Reading
OECD AVERAGE	490	493	493
Singapore	564	556	535
Vietnam	495	525	487
Malaysia	446	443	431
Thailand	415	421	409
Indonesia	386	403	397

Source: OECD - PISA 2015 Results in Focus

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