

# CARI CAPTURES



## 01 WIDODO TO BACK SINGAPOREAN HAZE FINES

 SINGAPORE  INDONESIA

### Asia's Air Quality Index as of 1 August 2014



 Moderate Air Quality    
  Hot Spots (Areas where Forest Fires are Concentrated)    
  Moderate Haze    
  Dense Haze  
 Healthy Air Quality    
  Wind Direction

Source: AQICN.org

**President Joko Widodo has affirmed his commitment to Singapore's plan to wield heftier fines against overseas polluters, whilst containing to place emphasis on respecting the sovereignty of Indonesia.**

- ▶ The new bill, which was presented to Singapore's Parliament, will seek to raise fines as high as US\$1.6 million against foreign companies which are implicated in illegal emissions; meanwhile, Jokowi also pushed to extend the ASEAN moratorium on new permits to develop peatlands and primary forests, which is set to expire in 2015
- ▶ Outgoing president Susilo Bambang Yudhoyono had previously

pledged to cut emissions by 26% in 2004, but instead oversaw the loss of 6 million hectares of primary forest, overtaking Brazil as the country with the highest rate of deforestation

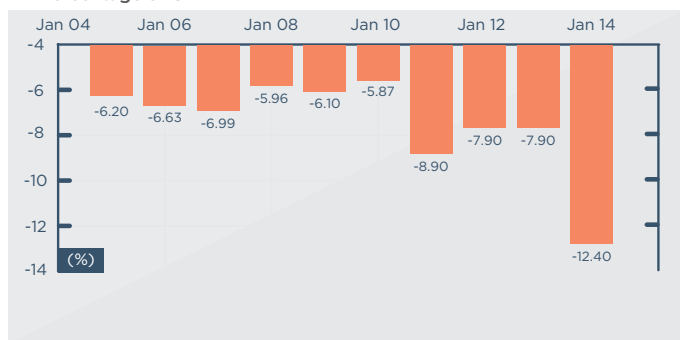
- ▶ Indonesia is still the only ASEAN state that has yet to ratify the ASEAN 2002 haze treaty, which requires nations to form a combined effort at tackling forest fires and illegal emissions; however, the Indonesian parliament is slated to revisit the issue, which may lead to Indonesia ratifying the bill in September

## 02 CHINA AND LAOS AFFIRM TIES WITH BILATERAL AGREEMENTS

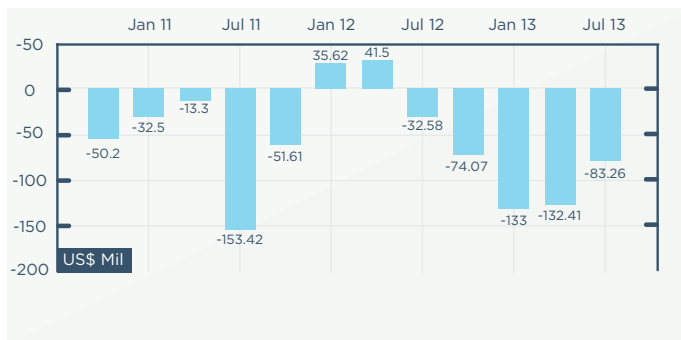


### LAOS GOVERNMENT BUDGET AND TRADE

Laos Government Budget  
Percentage of GDP



Laos Balance of Trade



Source: Tradingeconomics.com

**The two nations signed seven cooperative agreements over the past week in joint efforts to boost bilateral trade and national developments.**

- ▶ The agreements include Chinese loans to fund power grids, hydropower projects, and prevent cybercrime in Laos; furthermore, modern agriculture, energy, and infrastructure construction were emphasised as future areas of cooperation between both nations
- ▶ The deals come at a welcome time, amid efforts to boost growth in Laos' recent budget cuts; where government expenditures into infrastructure, roads, and public offices were cut and investment

projects suspended by the Lao National Assembly due to a lack of funding

- ▶ China is Laos' second-largest trading partner and second-largest source of imports, as well as its third-largest export market. Bilateral trade rose to US\$1.73 billion in 2012; whilst trade was certainly the priority between both nations during the bilateral talks, a joint call for law enforcement and border management near the Meekong River was also raised as an area of issue

[China Daily \(29 July 2014\)](#)

## 03 THAI IMPORTS DROP FURTHER UNDER JUNTA RULE



**Thailand's imports suffered further decline in June, showing the delicate state of the domestic economy, which has been run by a military junta for more than two months.**

- ▶ Imports fell 14% year over year. In a sign that local companies are putting off investment, imports of raw materials fell 12.2% and capital goods dropped 4.1%, according to the Commerce Ministry
- ▶ The imports of consumer products have edged up 1.1% in June from a year earlier. Economists said, however, that domestic spending remains constrained by the nation's rising household debt, which stood at above 82% of gross domestic product at the end of 2013, one of the highest in Southeast Asia
- ▶ The junta ordered a state bank to make a delayed payment to farmers for their rice under the government subsidy program of about \$2.7 billion in June, which was aimed to help boost rural spending and consumption. The junta also sought to relieve the burden on households by capping the prices of diesel fuel and cooking gas in June and asking retailers to cooperate on a six-month suspension of price increases

[The Wall Street Journal Online \(28 July 2014\)](#)

## 04 MOODY'S BOOSTS VIETNAM'S SOVEREIGN RATING



**Vietnam's dollar bonds jumped the most in more than a month after Moody's Investors Service upgraded the country's sovereign ratings for the first time since 2005, citing a stronger economy.**

- ▶ The government's issuer and senior unsecured bond ranking was raised one level to B1, the fourth-highest junk grade, with a stable outlook, Moody's said in a statement today. The long-term foreign-currency bond ceiling was lifted two levels to Ba2 from B1 and the long-term deposit ceiling to B2 from B3.
- ▶ According to the ratings company, Vietnam is in the midst of its third consecutive year of broad macroeconomic stability helped by stable prices. The strengthening of the balance of payments and external payments position has been underpinned by a diversification in the structure of Vietnam's exports toward more electronic goods and away from labor-intensive products. Moody's also cited a stabilising operating environment in the banking system and limited risks to the government's balance sheet as reasons for the upgrade.
- ▶ "The upgrade may spur demand and trading of Vietnamese government bonds," said Do Ngoc Quynh, head of treasury at Bank for Investment & Development, Vietnam's second-largest lender by assets. "It would also help reduce borrowing costs."

[ThanhNienNews \(29 July 2014\)](#)

# 05 CAMBODIA AIMS TO EXPORT MORE RICE



**Cambodia is on the right track to entering the list of world major rice exporters, taking crucial steps to boost the digits to a million tons by the end of 2015.**

- ▶ Historically, Cambodian rice has had an unpleasant reputation—tough, dirty and unmilled; as Cambodia has recovered from years of war, other areas of agriculture flourished, yet rice production languished – a major national embarrassment to a country where 80 percent of the population works in paddies
- ▶ However, Cambodian rice exports have improved drastically over the past few years, where in 2009 the export was just 12,613 tons of milled rice to 378,856 tons last year, pushing the country up to the world's fifth-largest exporter of rice; by the end of 2015, Cambodia targets to export one million tons of milled rice

- ▶ The Cambodian rice industry is now taking advantage from political instability in Thailand, one of the world's largest rice exporters where rice hoarding and huge government subsidies in Thailand gave Cambodian milled rice an unexpected lift from Thailand
- ▶ Among other factors that have helped Cambodian rice industry blossoms is the modern milling systems that were adopted in the last few years; the rice federation was also formed to merge three different industry bodies that existed before, for an aim to eliminate costly and unhealthy competition as well as to define the industry's goals more subtly

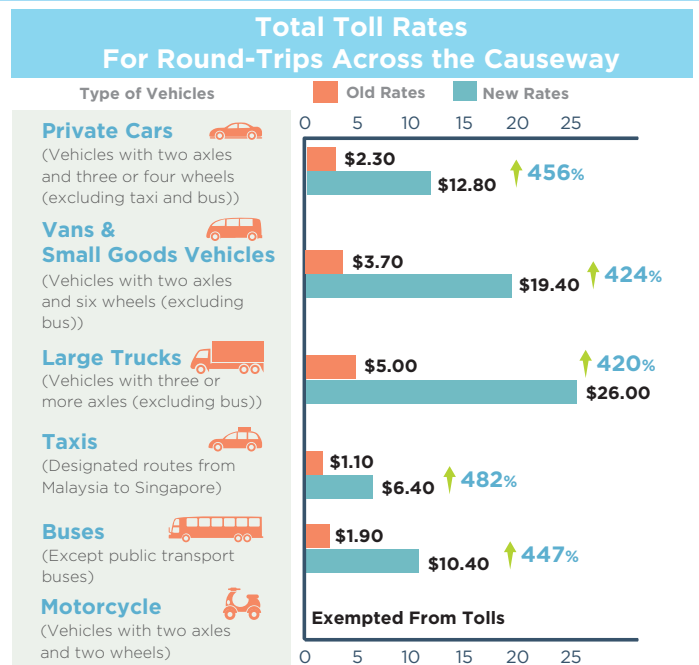
[The Straits Times \(14 July 2014\)](#)

# 06 MALAYSIA HIKES TOLL FEES AT SINGAPOREAN-MALAYSIAN BORDER



**The Malaysian Highway Authority recently announced a toll hike to be imposed upon all vehicles passing through the Customs, Immigration and Quarantine (CIQ) complex beginning 1 August, which in turn sparked Singaporean Authorities to threaten similar increases in toll rates against Malaysia.**

- ▶ Toll prices are expected to increase by almost three times its initial sum for vehicles attempting to enter Malaysia, costing up to RM9.70 to get into Johor with a private car, up from the previous RM2.90; in addition, an extra RM6.80 is charged to foreign vehicles leaving the Malaysian state of Johor, which was previously free
- ▶ The Land Transport Authority (LTA) of Singapore had said earlier in the week that it will match any new toll charges due to Singapore's practice of pegging the rates at the Causeway, and that at the Second Link at Tuas, to those set by Malaysia
- ▶ These changes follow Malaysia's announcement earlier this month of a new entry fee on foreign-registered vehicles entering Johor. That came shortly after Singapore said on July 1 that it would raise the Vehicle Entry Permit (VEP) and Goods Vehicle Permit (GVP) fees for foreign-registered vehicles entering Singapore



[The Straits Times \(28 July 2014\)](#)  
[The Malay Mail Online \(29 July 2014\)](#)

All figures in Singapore dollars, based on Aug 1 conversion rates  
Toll Rate Changes expected in a few weeks

Source: The Straits Times

# 07 AUSTRALIA MUZZLES PRESS ON BRIBERY CASE INVOLVING TOP LEADERS FROM MALAYSIA, INDONESIA, VIETNAM



**Australia has barred its media from reporting on a multi-million-dollar corruption case implicating government leaders from Malaysia, Indonesia and Vietnam in deals with the Reserve Bank of Australia (RBA), according to whistleblower site WikiLeaks.**

- ▶ The case stems from the long-running allegations of bribery involving RBA subsidiaries Securrency and Note Printing Australia to obtain contracts to supply polymer notes – such as the RM5 bill used here – to the governments of Malaysia, Indonesia, Vietnam
- ▶ According to WikiLeaks, Canberra invoked grounds of “national security” in order to secure the so-called super-injunction, claiming that censoring reports on the matter would “prevent damage to Australia's international relations”

- ▶ The suppression order bars mention of 17 top government leaders and heads of states, both past and serving, including “any current or former Prime Minister of Malaysia”, “Truong Tan San, currently President of Vietnam”, “Susilo Bambang Yudhoyono, currently President of Indonesia (since 2004)”, “Megawati Sukarnoputri, a former President of Indonesia,” and other senior officials and relatives from those countries, who specifically may not be named in connection with the corruption investigation
- ▶ The injunction also specifically bans the publication of the order itself as well as an affidavit affirmed last month by Australia's representative to ASEAN Gillian Bird. This effectively blacks out any and all coverage on the issue in Australia and the region.

[The Malay Mail Online \(30 July 2014\)](#)



## 08 MYANMAR MONITOR

### POLITICS

▶ Myanmar President Thein Sein has nominated Deputy Minister of Information Ye Htut and Deputy Minister of Health Than Aung as replacements for Minister of Information Aung Kyi, and Minister of Health Pe Thet Khin. The reason for the cabinet reshuffle is said to be issues and reforms Thein Sein wants addressed before the end of his term, according to the president's spokesman Ye Htut.

[Radio Free Asia \(30 July 2014\)](#)

▶ Myanmar's parliament agreed on 29 July to set up a committee to consider the possibility of introducing a controversial proportional representation (PR) electoral system in the 2015 elections. Parliament Speaker Shwe Mann said he does not agree with the proposal to adopt the PR system, warning it could hurt Myanmar's bid to achieve a national reconciliation among varied ethnic groups.

[Radio Free Asia \(29 July 2014\)](#)

### ECONOMY

▶ Thai banks are said to be leading the Central Bank of Myanmar's nomination list for foreign bank licences to be awarded later this year, according banking industry sources. Thailand is the second-largest trade partner of Myanmar after China, and an increasing number of Thai businesses are in talks with the Myanmar Investment Commission about new ventures.

[Bangkok Post \(28 July 2014\)](#)

▶ Myanmar will endeavour to improve its rating in the World Bank's 'Doing Business Report', presidential advisor on economic affairs Dr Zaw Oo said in Yangon on 27 July. "Private companies have told us of the difficulties they face and we will try to ease their path as much as possible," he said after a meeting between government officials and members of the business community.

[Mizzima \(28 July 2014\)](#)

▶ A report by Reuters claims that the underperforming US\$1 billion gas pipeline through Myanmar into China was built by the state-owned China National Petroleum Corporation (CNPC) to please political leaders in Beijing rather than for sound practical reasons. The pipeline was completed in June 2013 and has been carrying only a fraction of its capacity because the offshore Myanmar fields are unable to supply enough gas. CNPC has reported that in the first full year of operation, the pipeline carried only 1.87 billion cubic meters, about 15% of intended annual capacity of 12 billion cubic meters of gas per year.

[The Irrawaddy \(31 July 2014\)](#)

### FOREIGN AFFAIRS

▶ The United States will train about 30 mid-level security officials in a five-day workshop held in Naypyidaw in August. The aim of the workshop is to increase the understanding of the concepts and best practices of modern civil-military relations, including promoting civilian control of the military.

[Myanmar Times \(31 July 2014\)](#)

## 09 23 KILLED IN ABU SAYYAF ROAD ATTACK IN SULU



**Abu Sayyaf militants armed with assault rifles opened fire on a group of villagers in Sulu Province, killing 23 as they traveled by road to visit relatives during the Eid holiday ending the month of Ramadan.**

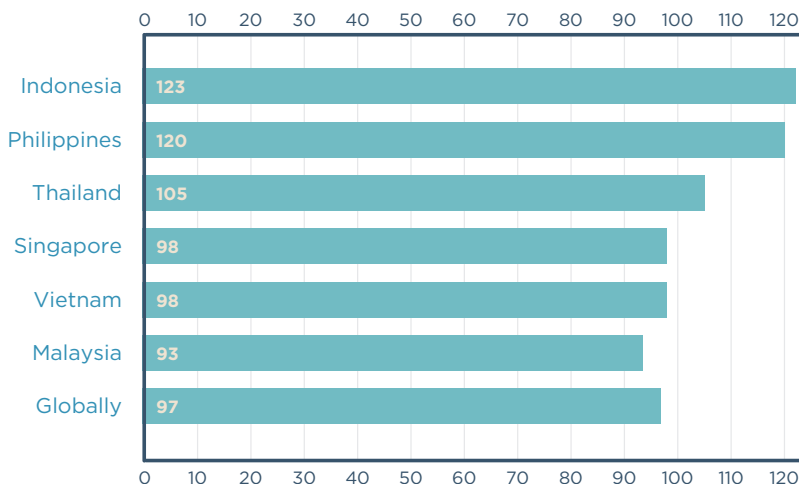
- ▶ A 3-year-old boy and his father died from wounds suffered in a brazen attack on Monday, 28 July by Abu Sayyaf extremists on Filipinos celebrating the end of the holy month of Ramadan, raising the death toll to 23, officials said
- ▶ Marine Brig. Gen. Martin Pinto said six villagers who were wounded remained in the hospital following the militants' bloodiest attack in recent years. Three other slightly wounded villagers have gone home after treatment
- ▶ The attack occurred in a coastal village in Talipao town in the predominantly Muslim Sulu province, where the extremists have survived in jungle camps despite years of Philippine military offensives
- ▶ Sulu Vice Governor Abdusakur Tan condemned the attack and alleged that supporters of a village official he did not name, in cooperation with the Abu Sayyaf, may be behind the "barbaric act." "This is un-Islamic and very satanic," Tan said. "After going through the holy month of Ramadan, even animals could hardly inflict damage of such magnitude."
- ▶ The Abu Sayyaf has about 300 armed fighters split into several factions. It has been crippled by government operations and endures largely by conducting ransom kidnappings and extortions

[Miami Herald \(29 July 2014\)](#)

## 10 INDONESIAN CONSUMERS AMONG THE WORLD'S MOST OPTIMISTIC



### Consumer Confidence in Q2 2014



Source: Nielsen Global Survey of Consumer confidence and Spending Intentions

**According to the latest consumer confidence survey from Nielsen, with neighbouring nations feeling less confident in their buying power amid an uptick in political instability and rising food prices, Indonesia's consumers now boast the highest level of confidence in the region.**

- ▶ The Nielsen survey was conducted in May, a month after a peaceful legislative election in the world's third-largest democracy but ahead of a close presidential race that left room for some political uncertainty; of the six countries surveyed, only the Philippines and Malaysia saw a boost in confidence
- ▶ The survey also measured major concerns among consumers, with job security and food prices among the key worries; 85% of respondents in Indonesia believed their personal finances to be in good condition, with spare savings for the future
- ▶ Said increase in consumer confidence can be linked to increasing levels of income within the region, with individuals joining the ranks of a rising middle class; furthermore, rising financial literacy has enabled the very same individuals the opportunity to manage and grow their personal finances

[The Wall Street Journal Online \(29 July 2014\)](#)