

CARI CAPTURES



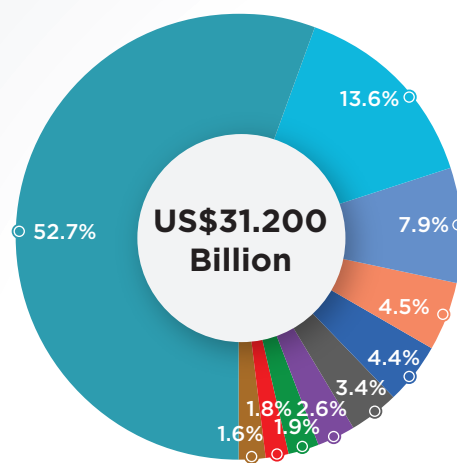
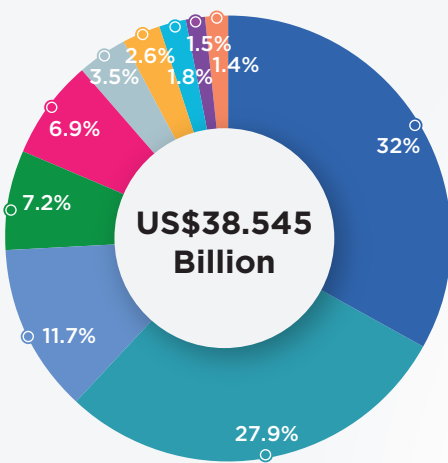
01 CHINA STRENGTHENS ECONOMIC TIES WITH MALAYSIA



Malaysia - China Trade By Numbers

CHINA'S EXPORTS TO MALAYSIA

MALAYSIA'S EXPORTS TO CHINA



- Plastics, Rubber
- Mechanical & Electrical Products
- Chemical Products
- Plant Products
- Minerals
- Wood & Wood Products
- F&B & Tobacco
- Base Metals & Products
- Optical, Watches & Medical Devices
- Textiles & Raw Materials
- Transport Equipment
- Furniture, Toys & Miscellaneous Products
- Ceramics & Glass



Source: Department of Asian Affairs of Ministry of Commerce of China

Investments flowing from China into Malaysia are expected to exceed US\$1 billion in 2014, whilst Chinese counselor Wu Zhengping hopes total trade volume will reach US\$160 billion by 2017.

- ▶ Trade volume between both countries reached US\$106 billion last year, making China Malaysia's largest trading partner for five consecutive years; meanwhile, Malaysia is also the third country in Asia to have a bilateral trade volume with china surpassing US\$100 billion
- ▶ Amongst its approved investments into Malaysia, China's proprietary

clean energy system which generates electricity from garbage is amongst the forefront; particular emphasis was also placed on the industrial parks set up in Qingzhou and Kuantan, as well as developments with regards to a cement factory

▶ Along with its bilateral trade and investments, China also managed to recently renew its currency swap arrangement with Malaysia, expanding its foreign reserves in Malaysia from \$US13 billion in 2013 to US\$29 billion today

02 AUSTRALIA TO PATCH RIFT WITH INDONESIA



Foreign Minister Julie Bishop recently announced a jointly created code of conduct between Indonesia and Australia, which affirms their bilateral ties in hopes to placate recent rocky relations.

- ▶ The affirmation comes after Australia's covert wiretapping of the Indonesian President's phones was exposed, which caused the withdrawal of the Indonesian diplomatic mission to Australia for 6 months recent tensions regarding refugees passing through Indonesia whilst seeking asylum in Australia have also served to exacerbate tensions between both countries
- ▶ The one page document affirms cooperation between both nations

in the areas of defence, intelligence, and border security on the condition that the national sovereignty of each nation is respected; the code of conduct will stand as an addendum to the Lombok Treaty, signed by Dr Yudhoyono and then prime minister John Howard in 2006 after the last breakdown in relations over a group of refugees from West Papua

- ▶ The one-page agreement is due to be ratified by Ms Bishop and Indonesian Foreign Minister Marty Natalegawa, in the presence of President Susilo Bambang Yudhoyono, by the end of the month

[Sydney Morning Herald \(19 August 2014\)](#)

Incidents Shaping Australian-Indonesian Relations



03 MALAYSIA, THAILAND ECONOMIES WITNESSED EXPANSION IN Q2 2014



The economies of both Malaysia and Thailand reported stronger growth rate in Q2 2014. In Malaysia, the country's central bank, Bank Negara announced that its economy grew by 6.4% in the second quarter of 2014, beating forecasted growth rate of 5.8%. The National Economic and Social Development Board (NESDB) of Thailand on the other hand said the country's gross domestic product (GDP) increased by 0.4% year-on-year after contracting by a revised 0.5% in the previous three months.

- ▶ "On the supply side, growth in the major economic sectors remained firm, supported by trade and domestic activity. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.8% (Q1 2014: 0.8%)," Bank Negara said

- ▶ Compared to the previous year, Malaysia's GDP in current prices amounted to RM262.8 billion (US\$83.01 billion), an increase of RM23.5 billion (US\$7.42 billion) in Q2 2013

- ▶ For first six months of the year, the Thai economy contracted by 0.1% with second-quarter growth supported by household spending
- ▶ To support the economic expansion, the Thai National Council for Peace has also approved 67 billion baht (US\$2.09 billion) in infrastructure spending for the country

[The Star Online \(15 August 2014\)](#)

[Bangkok Post \(18 August 2014\)](#)

04 CAMBODIA, LAOS ACHIEVE 86% OF BORDER DEMARCATION



Cambodia and Laos have achieved 86% of joint border demarcation so far and both sides pledged to fully complete it as soon as possible.

- ▶ “To date, the two countries have erected 121 of the total 145 markers,” Koy Kuong, spokesman for the Cambodian Ministry of Foreign Affairs after a meeting between Cambodian Deputy Prime Minister and Foreign Minister Hor Namhong and Laos ambassador

to Cambodia, Prasith Sayasith

- ▶ The two sides agreed to expedite the process of boundary demarcation and said that the remaining 14% would be completed as soon as possible
- ▶ Cambodia shares 540 kilometres of border with Laos to the North and Northeast

[Global Post \(19 August 2014\)](#)

05 SINGAPORE SEES EXPORTS SLIDE FURTHER

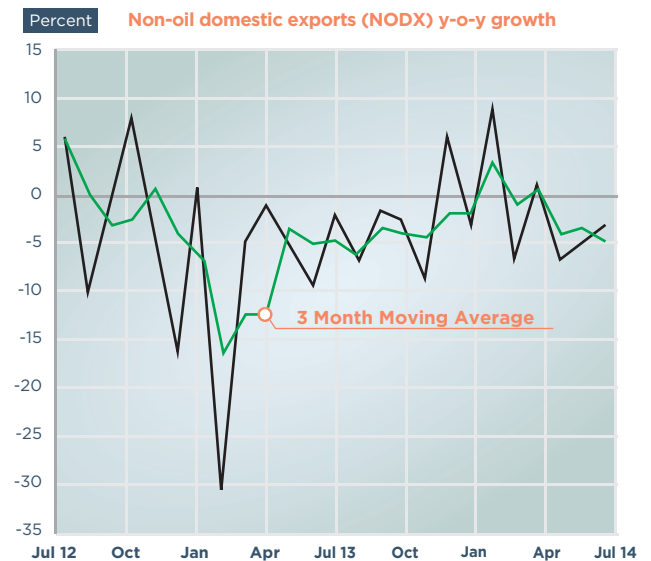


Non-oil domestic exports (NODX) in Singapore fell by 3.3% on-year in July due to a decrease in both electronic and non-electronic exports as Singapore’s manufacturing markets attempt to stay competitive.

- ▶ According to several economists, rising costs in Singapore are prompting companies to relocate their production centres; on the other hand, shipments to developing markets and China rose, prompting hope that future export numbers may increase
- ▶ NODX to the United States rose 8.6% last month from a year earlier, after sliding 2.9% in the previous month, whilst shipments to China gained 7% in July, compared to a 5.3% rise in June; similar trends could be observed in shipments to the EU, suggesting the manufacturing sector may have bottomed out on the back of an improving economic outlook in Singapore’s biggest trade partners
- ▶ It should, however, be noted that Singapore’s electronics exports have continued to slide well below that of its regional peers, whilst also tracking below the level implied by the global purchasing managers index; this further affirms that the trend of off shoring of production is occurring in Singapore

[Channel News Asia \(18 August 2014\)](#)

On a y-o-y basis, NODX decreased by 3.3 percent in July 2014



06 TOP US GENERAL VISITS VIETNAM AMIDST SIMMERING TENSION IN ASIA



The United States Joint Chiefs of Staff, General Martin Dempsey met his Vietnamese counterpart, General Do Ba Ty in Hanoi as the superpower sought to ramp up support from its allies in the region. General Dempsey became the first top-ranked military officer to visit the country since the Vietnam War.

- ▶ General Dempsey told reporters that he hoped that the US would begin easing its restrictions on lethal arms exports to Vietnam as early as September
- ▶ In response to the reporting of positive indicators, Hong Leong Investment Bank (HLIB) Research is upgrading its 2014 full-year forecast on Malaysia’s gross domestic product (GDP) growth to 5.7% from its earlier estimates of 5.5%
- ▶ The research house also said it does not expect the central bank to bring the Overnight Policy Rate above its estimated neutral level of 3.50 per cent, unless incoming financial data continues to suggest strong household loans growth, with the loan-deposit growth gap remaining wide after a cumulative 50 bps hike

[Wall Street Journal \(14 August 2014\)](#)

07 PHILIPPINES, REBELS WRAP UP TALKS ON MUSLIM SELF-RULE LAW



The Philippine government and the country’s largest Muslim rebel group, Moro Islamic Liberation Front (MILF) have wrapped up talks that will ensure the terms of a landmark peace deal be enacted into law.

- ▶ “After a series of productive meetings, we have concluded discussions on the various issues involving the draft Basic Bangsamoro Law,” said President Benigno Aquino’s chief aide Paquita Ochoa and chief MILF negotiator Mohagher Iqbal said in a joint statement
- ▶ The Philippine government signed an accord with MILF in March that laid out a roadmap for final peace by the middle of 2016
- ▶ Under the accord, MILF will take control of a new southern autonomous region, while the rebels would lay down their arms. The process however hit a snag in April due to series of changes made by the president’s legal team that frustrated the MILF

[Channel News Asia \(15 August 2014\)](#)

08 MYANMAR MONITOR 

POLITICS

▶ Although drafting of a parliamentary act to introduce a system of proportional representation has begun, the system is unlikely to be adopted in time for the 2015 elections as the bureaucracy required to introduce such a system would take too long, said a Union Election Commission official.

[Mizzima \(20 August 2014\)](#)

▶ President Thein Sein warned that drastic action would be taken against public servants involved in corruption and bribery, which he said remained rife in the bureaucracy. The culture of public servants must be changed, the president said at a government meeting in Naypyidaw on 20 August.

[Mizzima \(21 August 2014\)](#)

ECONOMY

▶ A number of foreign companies have signed final agreements on 15 onshore blocks with the Myanmar Oil & Gas Enterprise (MOGE) to explore for oil and gas in onshore areas across the country. They include Singapore's Petroleum Exploration, Brunei National Petroleum and Petronas of Malaysia.

[The Irrawaddy \(16 August 2014\)](#)

▶ China's new oil pipeline running 900 km through Myanmar from the coast at Kyaukphyu to the Chinese border is still not close to beginning operations due to unexplained delays. "It will take some time to start operation of the pipeline" said a company official who requested anonymity.

[The Irrawaddy \(16 August 2014\)](#)

▶ Private banks in Myanmar are calling on the country's Central Bank to be more transparent in plans to grant limited operating licenses to foreign banks next month, as they feel they have been unable to prepare because the government has been opaque with its plans. Local bank are concerned foreign competition will create scarcity of human resources.

[The Irrawaddy \(20 August 2014\)](#)

FOREIGN AFFAIRS

▶ The Myanmar Government and the United Nations Office on Drugs and Crime have signed an agreement to collaborate on strengthening the rule of law and addressing significant drug and crime issues, the UN agency announced on 18 August. The agreement on an integrated country program for 2014-2017 followed a year of negotiations and has been reviewed and approved by President U Thein Sein and the Cabinet.

[Mizzima \(18 August 2014\)](#)

09 TWO MISSING AS TOURIST BOAT SINKS OFF VOLCANIC ISLAND



Two foreign tourists, a Dutch and an Italian, were missing when the boat they were travelling on capsized near Sangaeng Api, a volcanic island off Sumbawa. The boat was carrying 20 foreign tourists, an Indonesian guide and four crew when the incident took place.

- ▶ Ten people were rescued initially and another 13, including all the crew were found alive later. All the victims were sent to nearby hospital for treatment due to trauma and dehydration
- ▶ Officials said the incident took place when the boat, sailing from Lombok to Komodo Island, hit a wave of 3m high and crashed into a reef. It sprung a leak and sank
- ▶ The tourists were made up of nationalities from Netherlands, France, Italy, United Kingdom, Germany, Spain and New Zealand

[BBC News \(18 August 2014\)](#)

10 MALAYSIAN POLICE FOIL TERRORIST ATTACKS



Malaysian police have foiled alleged plans for a wave of bombings drawn up by radical Islamic militants inspired by Iraq's extremist jihad group the Islamic States of Iraq and Syria (ISIS).

- ▶ 19 militants were arrested for formulating plans to bomb bars, discos, and a Carlsberg brewery; the group had visions of establishing a hardline South-east Asian Islamic caliphate spanning Malaysia, Indonesia, Thailand, the Philippines and Singapore, and planned to travel to Syria to learn from ISIS
- ▶ Malaysia has previously has been home to several suspected key figures in groups such as al-Qaeda-linked Jemaah Islamiyah, a South-east Asia-based organisation blamed for the deadly 2002 Bali bombings and numerous other attacks
- ▶ Said plotters were aged between 20 and 50, with many of the group having raised money to travel to Syria on the pretence of humanitarian work; 7 have already been charged with offences ranging from promoting terrorism to the possession of home-made rifles
- ▶ It should also be noted none of the terrorists possessed heavy weapons or bomb making knowledge, as the operation had been halted at the early stages of planning

[Straits Times \(19 August 2014\)](#)

Recent Major Incidents of Terrorism in ASEAN

