

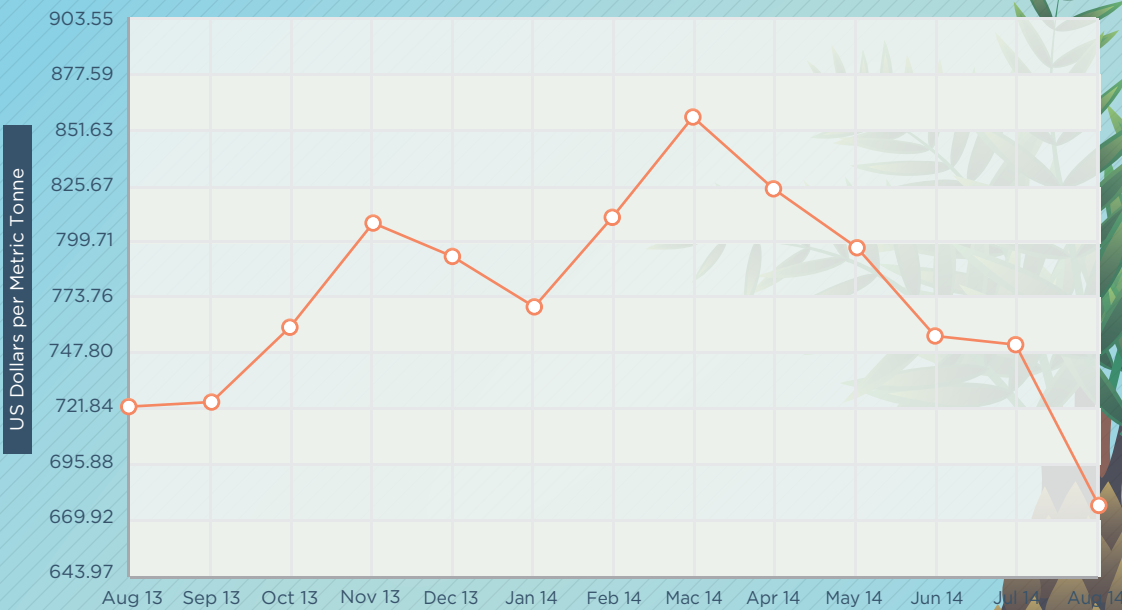
CARI CAPTURES



01 INDONESIA-MALAYSIA EXPORT TARIFF WAR ESCALATES



Crude Palm Oil Futures End of Day Settlement Price



Index Mundi

Following Malaysia's recent abolition of export taxes, Malaysia's palm oil exports jumped by 30%, eating into Indonesia's international market share of vegetable oil exports; Indonesia is now looking to reduce similar export tariffs.

▶ Should international and local crude palm oil prices drop below US\$750 a tonne, Indonesia will cut its export tax on palm oil to zero in October

- ▶ Global edible oil supplies are forecast to climb, with expectations of record soybean production in the US and a seasonal upswing in palm oil output in Indonesia and Malaysia, which account for 60% of world vegetable oil exports
- ▶ Refinery capacity in Indonesia, the world's top palm oil producer, is expected to jump to 45 million tonnes per annum by the end of 2014, up from 30.7 million last year and more than double the 21.3 million in 2012

02 PHILIPPINES BALANCE OF PAYMENTS SURPLUS IN AUGUST



PHILIPPINES

Data from the Bangko Sentral ng Pilipinas (BSP) showed that the Balance Of Payments (BOP) surplus in August totaled \$114 million, which was down from the \$501 million BOP surplus in July.

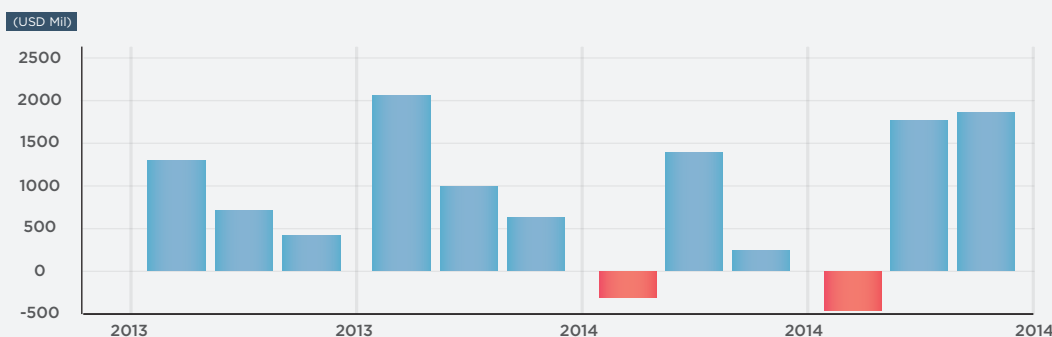
- ▶ The central bank expects this year's current account surplus to reach US\$6 billion, lower than the estimate of \$10.4 billion made in December, while the BOP surplus is forecast to hit US\$1.1 billion, down from a previous estimate of \$3 billion
- ▶ The central bank expects cash remittances from overseas Filipinos to rise 5 percent this year after a growth of 6.4 percent in 2013 when they hit a record \$22.97 billion; recently, the current account has

weakened because of lower trade-in-goods and services accounts which widened the trade deficit widened by 13%

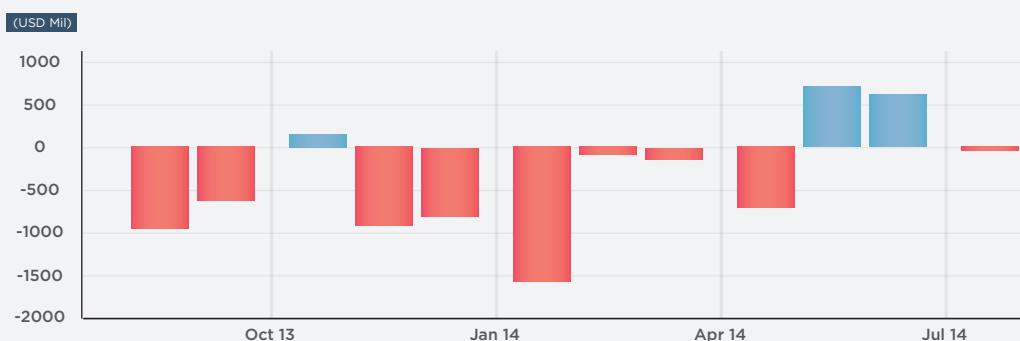
- ▶ Said trade deficit can be attributed to payments made by the national government to maturing debt obligations, as well as a continued deficit in foreign portfolio investments according to Deputy Governor Diwa C Guinigundo

[Philstar \(23 September 2014\)](#)

Philippines Current Account



Philippines Balance of Trade



03 RULE OF LAW IN INDONESIA REMAINS ELUSIVE, STUDY SHOWS



INDONESIA

Respect for the rule of law in Indonesia is still inadequate according to the Indonesian Legal Roundtable (ILR). The study pointed out that Indonesia only scored 5.12 in terms of rule of law due to lack of a thorough supervisory mechanism.

- ▶ The implementation of the law scores the lowest with 4.61 among the five indicators
- ▶ The study surveyed documents in the country's 33 provinces as well as interviews with 193 experts, including lawyers and academics

- ▶ ILR researcher Erwin N. Oemar said that the lack of effective supervision in a number of legislative, judicial and executive sectors resulted from corruption, which he said, was rampant in the three branches of government

[The Jakarta Post \(24 September 2014\)](#)

04 REPORT SAYS SOUTHEAST ASIA ATTRACTIVE MARKET FOR INFRASTRUCTURAL INVESTMENT



A report by Arcadis said Singapore is the top spot for investment in infrastructure globally while Southeast Asia is one of the attractive regional markets.

- ▶ The report said Singapore's integrated strategic plan linking infrastructure planning with businesses and social requirements helped retain its top position in this regard
- ▶ The index ranks 41 countries and regions by their attractiveness to investors in infrastructure, based on factors including the ease of

doing business in each market, tax rates, gross domestic product per capita, government policy, the quality of the existing infrastructure and the availability of debt finance

- ▶ Emerging markets in South East Asia such as Malaysia, Thailand, Indonesia and the Philippines are trying to improve their business environment for foreign investment. Due to the lack of funding, these countries offer more opportunities for investors in infrastructure

[Xinhua \(24 September 2014\)](#)

05 CONFIDENCE IN INDONESIAN AUTO-MARKET

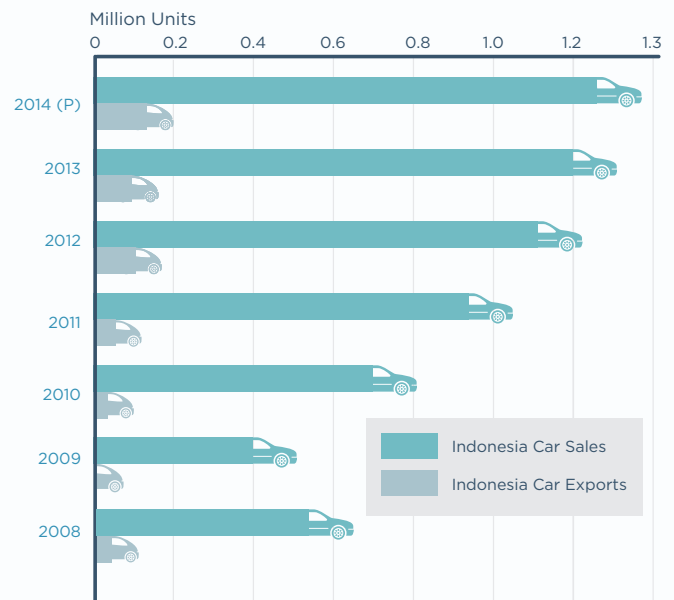


As car sales surged by 24.1% year on year to 96,728 vehicles sold in August 2014 alone, confidence in auto-makers in Indonesia plan to ramp up sales and production in Southeast Asia's largest economy, which is predicted to replace Thailand as the world's automotive hub in the near future.

- ▶ According to Priyono Sugiarto, Director of Astra International, the market leader in Indonesia's auto-manufacturing industry, car and motorcycle sales in 2015 are expected to reach similar sales targets of 1.25 million cars and 8 million motorcycles despite slowing economic trends
- ▶ Additionally, president elect Joko Widodo is expected to raise the price of subsidised fuels, which may limit the demand for cars temporarily in the short term future
- ▶ Furthermore, companies such as Suzuki Motors, Datsun Indonesia, Toyota and Tata Motors all seek to expand their manufacturing and selling operations within the nation

[The Jakarta Post \(20 September 2014\)](#)

Indonesia Domestic and International Car Sales



[Indonesia Investment \(August 2014\)](#)

06 VIETNAM OPENS LONGEST EXPRESSWAY TO LINK CHINA



Vietnam opened its longest expressway connecting Noi Bai in capital Hanoi and northwestern Lao Cai province, bordering China on 21 September. The highway has a total length of 245 kilometres.

- ▶ The Noi Bai- Lao Cai expressway runs from Noi Bai through provinces of Vinh Phuc, Phu Tho, Yen Bai to Lao Cai
- ▶ It received a total investment of over US\$1.46 billion including US\$1 billion loan from the Asian Development Bank (ADB)
- ▶ "We believed that Noi Bai-Lao Cai expressway will contribute to further facilitating bilateral trade between Vietnam and China and turning the existing GMS transport corridor into a real economic corridor," said the ADB country director for Vietnam, Tomoyoki Kimura

[Xinhua \(21 September 2014\)](#)

07 LAOS ANNOUNCES DECREE BANNING CRITICISM OF GOVERNMENT POLICY ONLINE



Laos issued a decree outlawing criticism of policies of the ruling party or government according to the country state-run news agency, KPL

- ▶ The legislation approved by Prime Minister Thongsing Thammavong said web users will face criminal action for spreading "false" information that discredit the government
- ▶ The report added that users must also use their real names when setting up social media accounts
- ▶ Internet service providers on the other hand could face action for making "available conditions" for any individual or group that had intentions of "tarnishing the party and government's guidelines and policy"

[Reuters \(23 September 2014\)](#)



08 MYANMAR MONITOR

POLITICS

▶ Myanmar's army released 109 children from its military ranks on 25 September in its single largest discharge of child soldiers yet. Myanmar has released 472 children from service since June 2012 but according to the UN boys are still being illegally recruited from poor families.

[Reuters \(25 September 2014\)](#)

▶ Myanmar's latest attempt at securing a historic ceasefire deal with ethnic armed groups ended in frustration on 26 September, the government's chief negotiator said. While all sides have publicly stated their desire for peace, long-held mistrust and continuing fighting in northern Kachin state have overshadowed the process. A new round of talks is due to be held in October.

[The Straits Times \(26 September 2014\)](#)

▶ Myanmar President Thein Sein reshuffled the National Human Rights Commission (MNHRC) on 25 September, removing nine officials and adding five new members to the now 11-member body. Since its formation three years ago, the previous commission had been accused of ignoring thousands of complaints and the lack of transparency.

[Radio Free Asia \(25 September 2014\)](#)

ECONOMY

▶ The mayor of Yangon cancelled on 26 September a US\$8 billion project to expand Myanmar's biggest city after a public outcry over the scheme's lack of transparency. The Yangon regional government had announced plans in August to build a massive new town on 12,140 hectares of land on the western edge of Yangon.

[Bangkok Post \(26 September 2014\)](#)

▶ Norway's Telenor launched telecommunications services in Myanmar on 27 September, becoming the second foreign telecoms company operating in the country after Qatar's Ooredoo, which launched services on 2 August.

[Reuters \(25 September 2014\)](#)

FOREIGN AFFAIRS

▶ Thai Prime Minister Prayut Chan-ocha will pay a three-day official visit to Myanmar on 1-3 October, and is scheduled to visit Naypyidaw to meet President Thein Sein and Union Parliament Speaker Shwe Mann. Prayut is expected to sign a memorandum of understanding with Thein Sein to boost trade relations between the two countries.

[The Irrawaddy \(26 September 2014\)](#)

▶ South Korea will provide a total of US\$56.86 million to Myanmar for infrastructure development, state media reported on 25 September. South Korea is now the sixth biggest foreign investor in Myanmar, with a total of US\$3.07 billion in 96 projects as of June 2014, accounting for 6.58% of the total foreign investment in Myanmar.

[Shanghai Daily \(25 September 2014\)](#)

09 SINGAPORE CLEARS NUCLEAR MATERIALS HURDLE

SINGAPORE

The Singaporean government took steps towards ensuring the physical protection of nuclear materials, as per the International Atomic Energy Agency's (IAEA) Convention on the Physical Protection of Nuclear Material (CPPNM).

- ▶ The CPPNM obligates parties towards the protection of nuclear materials for peaceful purposes, as well as affirms the need for international cooperation in criminalising illegal sharing and trading of nuclear materials
- ▶ Resident Representative of Singapore to the IAEA, Mr Foo Kok Jwee, deposited the country's instruments of accession and acceptance of the CPPNM and its 2005 Amendment, thus ensuring Singapore's compliance with the pact
- ▶ Despite being a signatory since 2005, Singapore's Government had to review its nuclear policy, technical and legal considerations to ensure the city-state was ready to fulfil its obligations to the CPPNM; the Amendments to the Radiation Protection Act were passed in Parliament in July as a precursor to depositing the instruments of accession and acceptance

[Channel News Asia \(23 September 2014\)](#)

148 Nations have Ratified the CPPNM



10 ASEAN AND MEMBER STATES ACCELERATE EFFORTS TO COMBAT HAZE

ASEAN MALAYSIA INDONESIA

Environment ministers for all ten ASEAN countries will discuss details to set up a centre to tackle haze during their meeting in Laos next month. Separately, Malaysia and Indonesia are also currently working on a memorandum of understanding to tackle trans-boundary haze.

- ▶ The ASEAN Co-ordinating Centre for Transboundary Haze Pollution Control will help conduct training and capacity-building activities to strengthen preparedness and mitigate the impact of land and forest fires in the region
- ▶ It will also raise awareness and understanding of transboundary haze issues, and co-ordinate and mobilise technical and financial resources to tackle the problem
- ▶ Commenting on KL-Jakarta pact, Malaysian Natural Resource and Environment Minister Datuk G. Palanivel said the agreement will address open burning and share experiences and expertise on the matter

[The Star Online \(24 September 2014\)](#)

[The Straits Times \(23 September 2014\)](#)