

CARI CAPTURES



01 RISING PLANTATION PROTECTIONISM IN INDONESIA

INDONESIA

Indonesia's Recent Protectionist Policies

Horticulture Regulations



Imports restricted to the use of several ports, as well as approval by the ministry of agriculture

Finished Goods Regulations



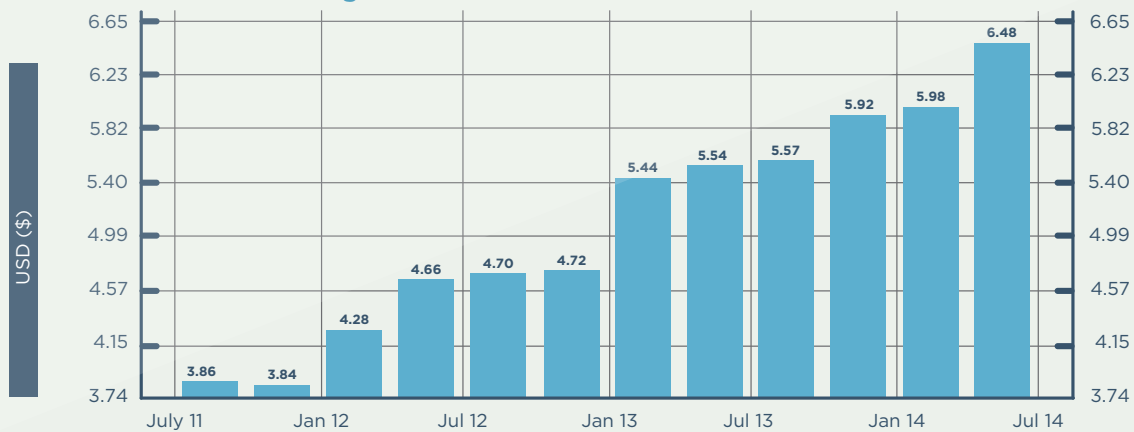
Foreign general importers only allowed to import goods falling under specific headings, whilst importing producers only allowed to import finished goods for market testing and as complementary goods

Mining Regulations



Restrictions on foreign ownership, and a ban on the export of raw commodities

Indonesia's Foreign Direct Investments



tradingeconomics.com

In a bid to support domestic investors, Indonesia's House of Representatives passed a new plantation bill which enforces foreign ownership limits in the plantation sector.

- ▶ Whilst the bill has yet to specify a percentage value cap at the moment, the new law has affirmed that any limits set will have to be based on the type of crop, the size of the producing company and certain geographical conditions; Indonesia's parliament had previously called for a 30% foreign ownership cap to be implemented
- ▶ As the law will apply retroactively to existing foreign plantation

companies, once the period of licensing rights to cultivate land have ended, foreign companies will be required to comply with foreign ownership laws; furthermore, all foreignly owned firms are required to comply with the bill within five years

- ▶ With Indonesia's aims to raise palm oil production by a third to 40million tons by 2020, foreign ownership restrictions may hamper the growth of Indonesia's most lucrative crops without the necessary foreign expertise and investment; meanwhile, the lack of clarity and increasing enforcement of foreign ownership restrictions translate positively to Indonesia's competitors in palm oil, namely Malaysia

The Jakarta Post (30 September 2014)

02 THAI GOVERNMENT APPROVES US\$11 BILLION STIMULUS PACKAGE



THAILAND

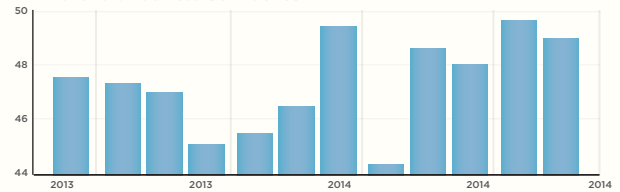
In a bid to foster economic recovery from Thailand's recent political upheaval, Thailand's ruling military government plans to revive 4-5% growth in its economy with a new stimulus package.

- ▶ ASEAN's largest economy currently features falling consumer confidence and weak exports due to Thailand's most recent political unrest and subsequent coup; causing its economy to contract by 0.1% over the first half of 2014
- ▶ In addition to Thailand's US\$11 billion stimulus, an additional US\$1.2 million is slated to be spent in a one-off payment to rice farmers as compensation for falling rice prices; the stimulus has been aimed at construction projects, as well as injections into the rural economy to speed up recovery
- ▶ Furthermore, several tax breaks and subsidies have been extended by the government, which currently predicts 2014 to end out on 1.5% growth for its economy

[Reuters \(1 October 2014\)](#)

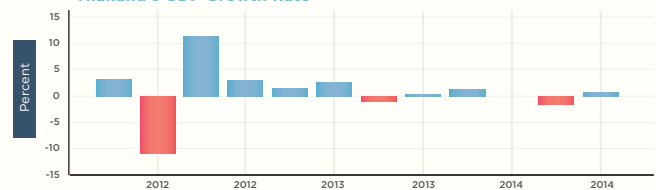
Thailand on the verge of Economic Recovery

Thailand's Business Confidence



Thai Government Approves Stimulus Package of
US\$11 Billion

Thailand's GDP Growth Rate



[tradingeconomics.com](#)

03 SINGAPORE EMERGES AS REGIONAL HUB FOR INTRA-ASIA RENMINBI TRADING



SINGAPORE



ASEAN

Singapore is structuring itself as a renminbi hub within Southeast Asia by capitalising on its increasing use in intra-regional trade in the fast-growing economies of ASEAN.

- ▶ Singapore has grown as an offshore centre for the renminbi, starting with bond issuance by HSBC and Standard Chartered last year which was quickly followed by China's two biggest banks: Industrial and Commercial Bank of China (ICBC) and Bank of China
- ▶ According to the Monetary Authority of Singapore (MAS), Singapore accounted for roughly 60 per cent of renminbi trade finance outside Hong Kong and China

- ▶ Most of the renminbi trading has been driven by local banks such as United Overseas Bank, Singapore's third largest by assets, which have had long relationships with ethnic Chinese businesses in Southeast Asia
- ▶ "Given Singapore's role as a hub for multinational corporations, many of which maintain regional treasury centres here, we are seeing strong renminbi deposit growth." said Leong Sing Chiong, MAS Assistant Managing Director

[The Financial Times \(30 September 2014\)](#)

04 JOKOWI'S ADMINISTRATION PROMISES TO NARROW SOCIAL GAP DESPITE HIGH GROWTH TARGET OF AT LEAST 7% A YEAR



INDONESIA

The incoming government is optimistic that the country's growing inequality can be narrowed through Jokowi's administration which aims to decrease inequality by reallocating subsidies to productive sectors and spreading development more widely.

- ▶ Jusuf Kalla, Vice President-elect, said: "The social gap between the rich and the poor had continued widening in the past several years due to the government's inability to make use of the country's agricultural potential and improve the quality of education."
- ▶ According to PDI-P politician Arif Budimanta, Jokowi's administration will try to focus on regional allocations in the state budget in order to boost local resources and public investment in villages

- ▶ 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
- ▶ However, economist Faisal Basri was sceptical that 7 percent economic growth could be achieved in the first term of Jokowi's administration due to the lack of fiscal space and minimal support in the House of Representatives

[The Jakarta Post \(1 October 2014\)](#)

05 AUSTRALIAN-CAMBODIAN ASYLUM AGREEMENT APPROVED



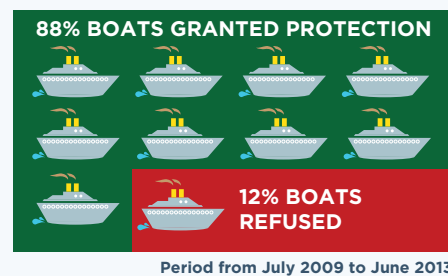
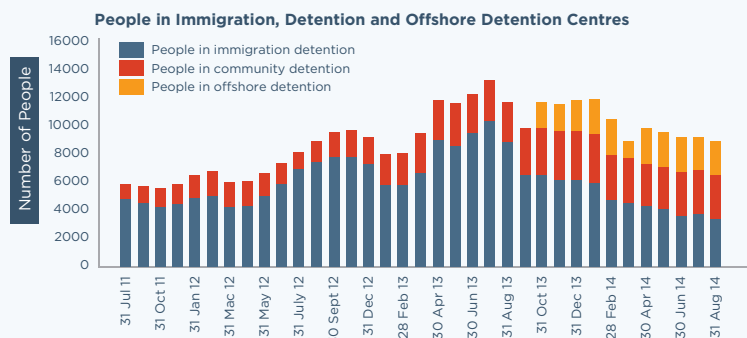
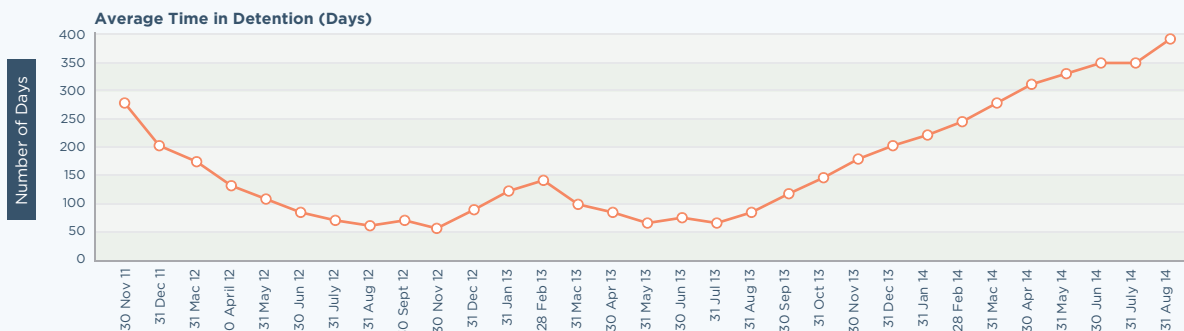
As car sales surged by 24.1% year on year to 96,728 vehicles sold in August 2014 alone, confidence in auto-makers in Indonesia plan to ramp up sales and production in Southeast Asia's largest economy, which is predicted to replace Thailand as the world's automotive hub in the near future.

▶ Whilst details regarding the deal are sparse, it has been confirmed that Australia will financial reimburse Cambodia in return for resettling asylum seekers in the South East Asian nation state

- ▶ Under current Australian government policy, all refugees are detained and processed in Nauru and Papua New Guinea; those found to be refugees are to be resettled in PNG, Nauru or Cambodia
- ▶ The deal has been highly controversial, with refugee advocates stating that Australian funding will end up in the pockets of corrupt officials whilst refugees will face living conditions in contravention of most human rights doctrines

[BBC News \(25 September 2014\)](#)

Statistics on Australia's Asylum Seekers



[Asylum Seeker Resource Center](#)

06 THAILAND'S RICE EXPORTS TO HIT 11 MILLION TONNES



Thailand's rice shipments are on the right track to hit 11 million tonnes by year-end, significantly more than earlier 8.5 million tonnes target due to price competitiveness and the government's accelerated attempt to dispose of stock.

- ▶ Duangporn Rodphaya, Director-General of the Foreign Trade Department, said that the Commerce Ministry was now able to sell rice stocks on a continued basis, notably through government-to-government (G-to-G) deals for big amounts
- ▶ Mrs. Duangporn said the ministry would also allow rice exporters who secure purchase orders to offer a tender to directly buy state rice stocks from the authorities, who will help dispose of stocks.
- ▶ The National Council for Peace and Order in July vowed to sell an average of 500,000 tonnes a month from state stocks and dispose of the surplus of 18 million tonnes within three years through general auctions, G-to-G deals, direct sales and the Agricultural Futures Exchange of Thailand

[Bangkok Post \(1 October 2014\)](#)

07 PHILIPPINES SIGNS MULTILATERAL PACT ON TAX MATTERS: GLOBAL EFFORT VS. TAX EVASION



The Philippines has signed a multilateral agreement on mutual administrative assistance in tax matters to boost its participation in global efforts to fight tax evasion. Internal Revenue Commissioner Kim Henares signed the convention on behalf of the Philippine government on September 26 in Paris.

- ▶ By signing the accord, the Philippines has become the 68th signatory to the convention, which has now taken on increasing importance with the G20's call for automatic exchange of information to become the new international tax standard of exchange of information
- ▶ Signing the agreement gives the Philippines an efficient and expeditious way of increasing its tax treaty network from 28 to 59 treaty partners
- ▶ It also saves time as well as financial, and human resources spent on negotiating and updating bilateral tax treaties, which usually take five to ten years to complete
- ▶ The agreement also allows the Bureau of Internal Revenue (BIR) to obtain jurisdiction over non-resident taxpayers who have tax liabilities in the Philippines
- ▶ Being a party to the convention gives the Philippines access to automatic exchange of information, assistance in recovery, service of documents, and freezing of assets

[The Philippine Star \(30 September 2014\)](#)



08 MYANMAR MONITOR

ECONOMY

▶ Myanmar has granted nine foreign banks operation licences - limited to one branch that can provide loans to foreign companies and only in foreign currency. Three Japanese banks, Mitsubishi UFJ Financial Group, Sumitomo Mitsui Financial Group and Mizuho Financial Group all gained licences. Also making the cut were Australia's ANZ, China's ICBC, Singapore's OCBC and UOB, Thailand's Bangkok Bank and Malaysia's Maybank. Twenty-five banks applied for the licence bid which was open the 40 international banks with representative offices in the country.

[Reuters \(1 October 2014\)](#)

▶ Myanmar can expect economic growth to reach 8.5% this year and next, according to World Bank's East Asia Pacific Economic Update released on 6 October. This figure is above the average for 'Developing East Asia' which will as a whole grow by 6.9% this year and next, down from 7.2% in 2013.

[Mizzima \(6 October 2014\)](#)

▶ The government plans to make 2016 the "Visit Myanmar Year," Tin Shwe, Deputy Minister for Hotels and Tourism announced to the Lower House on 1 October. Foreign tourist visitor numbers have risen sharply, from 800,000 in 2011 to about 2 million in 2013 and are expected to reach 3 million this year.

[The Irrawaddy \(3 October 2014\)](#)

▶ Entrepreneurs in Myanmar are hurt by high costs and high expectations when starting up businesses, according to tech entrepreneur Ko Thar Htet. In its Doing Business 2014 report, World Bank Group ranked Myanmar last in the category of "Starting a Business" - 189th out of 189 economies.

[Myanmar Times \(6 October 2014\)](#)

POLITICS

▶ President Thein Sein has signed into law an amendment to Myanmar's Political Parties Registration Law, removing the right of temporary citizenship cardholders to form or be members of political parties. The change appears targeted towards the Rohingya Muslim minority, many of whom hold the so-called "white cards" that grant them status as temporary citizens.

[The Irrawaddy \(3 October 2014\)](#)

▶ The Securities and Exchange Commission (SEC), which is to oversee the Yangon stock exchange in 2015, will operate under the Ministry of Finance for the first five years as it develops its hard and soft infrastructure, according to an SEC executive director. The launch of the exchange is planned for October 2015, though some have questioned whether it is an achievable target.

[Myanmar Times \(6 October 2014\)](#)

FOREIGN AFFAIRS

▶ US President Barack Obama has decided to keep Myanmar on the list of nations subject to US sanctions over its use of child soldiers, despite signs of progress in the discharge of under-age recruits from Myanmar's armed forces. The sanctions prevent US military assistance to or the sale of licences for commercial military sales.

[Channel News Asia \(1 October 2014\)](#)

09 LAOS BOASTS STEADY JOB GROWTH

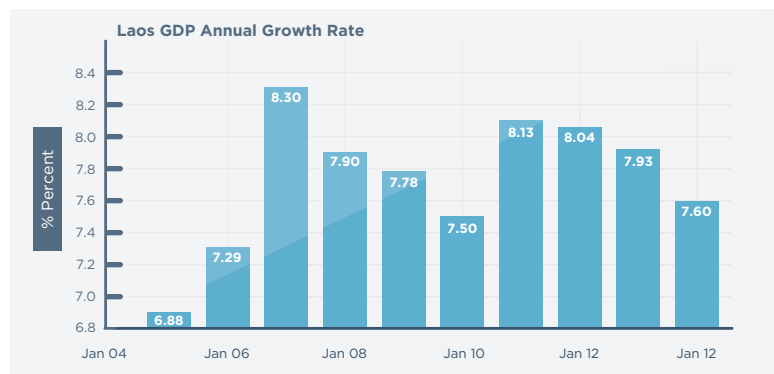
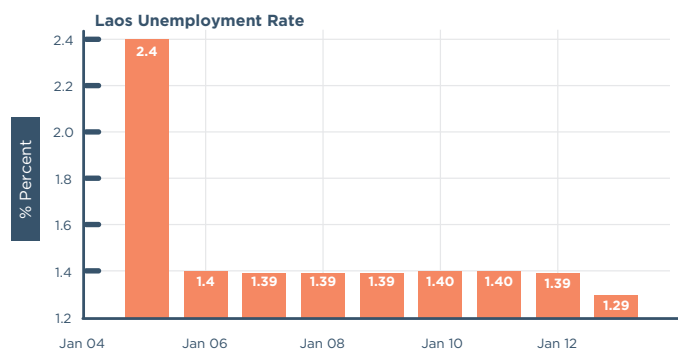


The Laos government has created more than 253,000 jobs over the past four years, equivalent to some 91% of the government's 2011-2015 growth plan, which set a target to create almost 277,000 jobs in total.

- ▶ According to an official report, authorities have been able to maintain an unemployment rate at 2% as planned, according to the report presented at the three-day nationwide technical meeting under the Ministry of Labour and Social Welfare
- ▶ Of the total of 253,206 jobs created, some 61,340 people have been recruited to positions in state departments, while the remaining 191,866 workers have been recruited to non-state workplaces
- ▶ The structure of job creation during the four-year period is trending in line with the government's intension to create more jobs in the industry and service sectors to modernise and industrialise the economy

[Straits Times \(27 September 2014\)](#)

Laos Positive Job Outlook due to Improved GDP



[tradingeconomics.com](#)

10 THREE SUSPECTED MALAYSIAN ISIS MILITANTS RECRUITED VIA FACEBOOK ARRESTED



Malaysia arrested three suspected militants at the Kuala Lumpur International Airport on September 25. These suspects were enlisted into the ISIS terror group by a senior Malaysian militant who used Facebook to lure members.

- ▶ The architect and a technician, both 26, and a 42-year-old shopkeeper were part of a wider network, all of whom joined ISIS to achieve martyrdom. They had met in Klang, Malaysia along with their "handler" several times to plan their impending trip to Syria
- ▶ Officers from the Bukit Aman Special Branch Counter Terrorism Division stated that Bukit Aman has been on high alert for Malaysians planning to join ISIS, especially after the United Nations Security Council approved a resolution calling on countries to stem the flow of foreign militants to Iraq and Syria
- ▶ "We will continue to take action against any Malaysian who plans to join ISIS in Syria. We also ask the public to be wary of the activities of their family members, especially the youth," Khalid Abu Bakar, Inspector-General of Police, said in a statement

[The Strait Times \(September 2014\)](#)

