

CARI CAPTURES

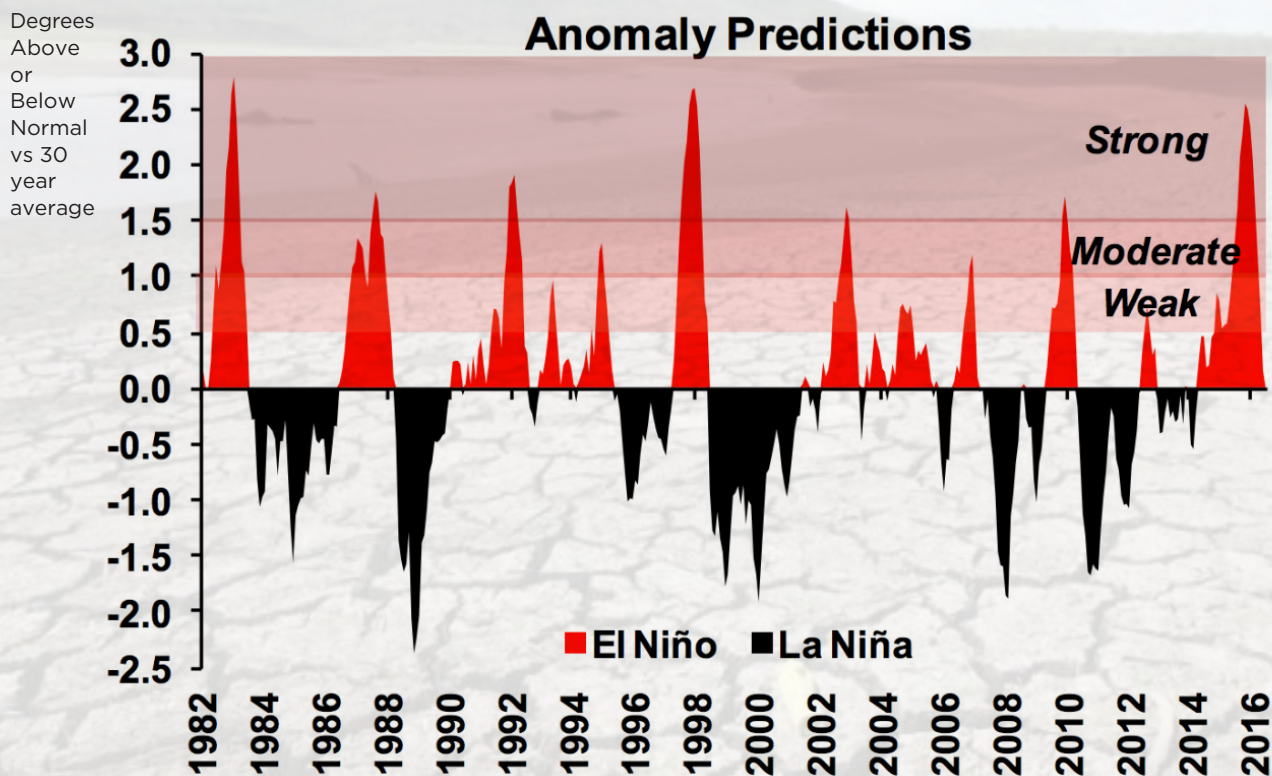
MALAYSIA SUKUK DEFIES ODDS

INDONESIAN BEEF CARTEL BUSTED

PHILIPPINE ELECTIONS PROCEED
DESPITE DATA LEAK

01 ASEAN

EL NINO MAY COST ASEAN US\$10 BILLION



El Niño and La Niña events are a natural part of the global climate system. They occur when the Pacific Ocean and the atmosphere above it change from their neutral ('normal') state for several seasons. El Niño events are associated with a warming of the central and eastern tropical Pacific, while La Niña events are the reverse, with a sustained cooling of these same areas.

Source: businessinsider.com

According to Asia-Pacific's chief economist at IHS Global Insight Rajiv Biswas, the El Niño weather phenomenon causing severe drought conditions will continue to reduce the production of key commodities including rice, palm oil, and sugar.

- ▶ Overall, the total economic cost on ASEAN from the 2015-2016 El Niño effect could exceed USD10 billion, depending on how many months longer the El Niño effect persists; currently, the protracted drought has critically impacted Northern Malaysian states, the Mekong Delta, and Southern Philippine region
- ▶ In Thailand, drought conditions are expected to result in lower rice yields and could be a significant drag

- on Thailand's GDP growth rate in 2016; the impact of the drought on rice production has resulted in Thai rice prices reaching an 8-month high in March
- ▶ In both Malaysia and Indonesia, expected palm oil production has fallen; Malaysian palm oil production volume in March 2016 was 18% lower year-on-year, whilst Indonesian crude palm oil production was 1% lower year-on-year in Q1, 2016
- ▶ A further result of the weather phenomenon, Thailand has had a severe negative impact on sugar crops; sugar output down 10% year-on-year during the first 90 days of the 2015-16 season

theedgemarkets.com (22 April 2016)

MALAYSIA SUKUK DEFIES ODDS

The Government of Malaysia managed to attract orders of US\$3.9 billion and US\$2.4 billion for its issue of US\$1 billion 10 year and US\$500 million 30 year Islamic bonds.

- ▶ The foreign demand for government bonds comes in spite of concerns over state fund 1Malaysia Development and the fallout from weak oil prices; the successful transaction came after 1MDB missed a coupon payment on its 5.75% 2022 bonds on Monday,

following a dispute with Abu Dhabi's International Petroleum Investment Corp

- ▶ A continued rebound in oil prices has also helped Malaysia, which is a major exporter of oil and gas; Brent crude hit a new peak of US\$46 a barrel, up 70% from January's lows
- ▶ CIMB, HSBC (B&D), JP Morgan and Maybank were joint bookrunners. The sukuk will be issued in the name of Malaysia Sukuk Global under the wakala structure

ifrasia.com (23 April 2016)

INDONESIAN BEEF CARTEL BUSTED

32 Indonesian cattle importer and beef feedlot companies were slapped with a collective US\$8.1 million fine on the grounds of unfair competition.

- ▶ The 32 firms were found guilty of controlling local beef prices, curtailing imports and the distribution of beef to artificially inflate prices at the expense of the Indonesian consumer; Indonesia's Business Competition Supervisory Commission (KPPU) charged the firms following several statements from various witnesses
- ▶ Indonesia's Chamber of Commerce and Industry (Kadin Indonesia) did not agree with the decision

made by the KPPU as it undermined stability in the beef sector and resulted in the loss of jobs; one of the companies fined, Agro Giri Perkasa, has already stopped operations, resulting in the retrenchment of more than 100 employees

- ▶ This is not the first cartel to have been busted by Indonesia in the past, with other commodity sectors such as rice and soybean having had similar incidents; currently, the KPPU is investigating unusual fluctuations in the supply of rice

indonesia-investments.com (24 April 2016)

PHILIPPINE ELECTIONS PROCEED DESPITE DATA LEAK

Personal information, including fingerprint data and passport information, belonging to around 70 million individuals is said to have been compromised by hackers.

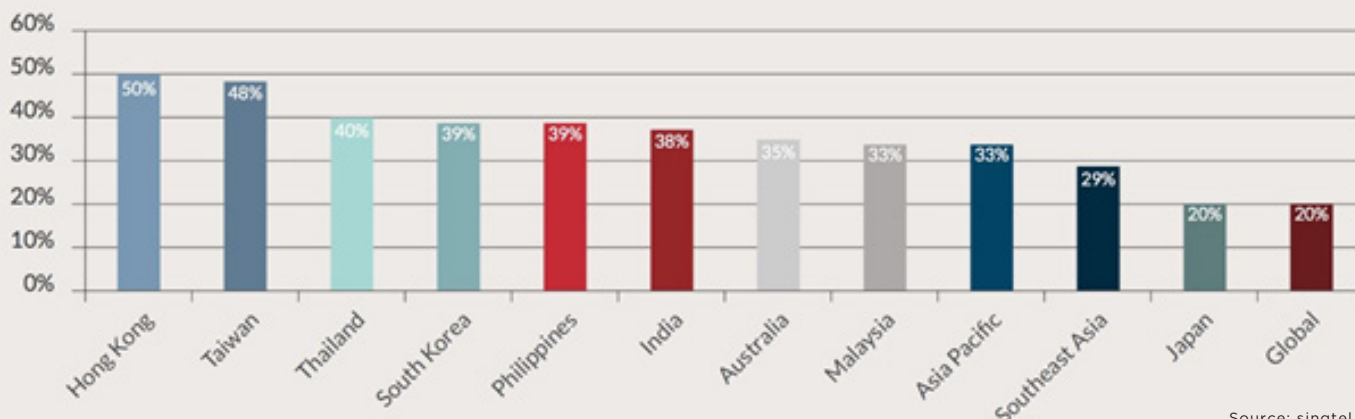
- ▶ The Anonymous Philippines group has claimed responsibility for the attack which has resulted in the worst government data breach for the Philippines; Comelec, the Filipino electoral commission, claims that no sensitive information relating to the election was released
- ▶ While this personal information might not directly affect the upcoming election, it does potentially

leave millions of individuals who could be targeted by criminals with the information in hand; the release of biometric data as well as sensitive identification information may lead to widespread identity theft and phishing schemes

- ▶ This is only the third time the South East Asian nation has held automated elections and Comelec has faced criticism that security is not tight enough; one of the more sensitive issues is that the leaked database is the same for the automated system being used for the election

newsweek.com (22 April 2016)

ASEAN CYBER ATTACKS Observed Advanced Cyber Attacks in the First Half of 2015



Source: singtel.com/

CAMBODIA HALTS MIGRATION TO THAILAND

The Cambodian government has agreed to a request from the Thai Labour Ministry to temporarily block migrant workers from traveling to Thailand for the next four months as it conducts a census into migrants in the country.

- ▶ Contacted on Thursday, Labour Ministry spokesman Heng Sour said Cambodian migrant workers already in Thailand would also have to request a permission letter from the Thai Labour Ministry in order to leave the country during the census, and would only be able to do so under exceptional circumstances
- ▶ Furthermore, workers with “pink cards” which allow

them to work temporarily in Thailand until their migrant worker status is confirmed, will not find it easy to leave the country as they would require the issue of a permission letter from Labour officials

- ▶ Moeun Tola, who heads the labour rights group Central, said the suspension would not stem the flow of Cambodians to Thailand. Desperate for decent paying jobs, many migrants have already chosen to cross the border illegally in order to avoid red tape and administrative costs

cambodiadaily.com (22 April 2016)

SINGAPORE PM TO CONDUCT HISTORIC VISIT TO ISRAEL

Lee Hsien Loong's trip to Israel will mark the first time a head of state from Singapore has visited Israel despite established diplomatic relations in 1969.

- ▶ Prime Minister Lee will be accompanied by a 60 member delegation which includes his foreign minister, water resources minister, and representatives from the government's press office; the Prime Minister is set to tour the Old City of Jerusalem, the Yad Vashem Holocaust museum and Jaffa, and meet with Prime Minister Benjamin Netanyahu, opposition leader Isaac Herzog, President Reuven Rivlin and former president Shimon Peres

- ▶ The trip includes a reception at the Hebrew University of Jerusalem, where Lee will receive an honorary doctorate; he will also visit the flashpoint Temple Mount holy site in the city during his five-day trip
- ▶ Israel has long played a vital role in Singapore's development, with Israeli generals aiding in setting up the country's armed services after major unrest caused it to become independent from Malaysia in 1965; the Singaporean military's training, conscription, and reserve duty model much mirrors that of the Israeli Defence Force

timesofisrael.com (17 April 2016)

ASEAN MEMBER STATES WITH FORMAL DIPLOMATIC TIES WITH ISRAEL



- Despite not holding formal diplomatic ties with half of ASEAN's member states, Israel still holds strong economic and technological links with all ASEAN member states



- Two of ASEAN's largest detractors of Israeli foreign policy for an example, Indonesia and Malaysia, respectively trade an estimated US\$95 million and US\$1.4 billion in goods

Source: globaledge.msu.edu | embassies.gov.il

THREE ASEAN NATIONS REACH CONSENSUS WITH CHINA OVER SOUTH CHINA SEA

China has reached an agreement with Brunei, Cambodia and Laos that the South China Sea dispute should not affect relations with the ASEAN member states.

- ▶ The four nations also agreed that territorial and maritime disputes should be resolved through consultations and negotiations by “directly concerned parties” under ASEAN's 2012 Declaration on the Conduct of Parties in the South China Sea
- ▶ The four countries agreed that states must be able

to determine their own ways of solving disputes under international law and opposed attempts to “unilaterally impose an agenda on other countries.”

- ▶ The tone of the statement released was highly contrasting to an earlier statement released by the collective ASEAN foreign ministers earlier in the year; serious concerns were raised over the activities carried out by China that “eroded trust and confidence” and “increased tensions” in the region

japantimes.co.jp (24 April 2016)

NATIONAL

- ▶ Violent storms which saw hailstones the size of golf balls rain down across Myanmar have killed at least eight people and destroyed at least 7,500 houses, Phyu Lei Lei Tun, director of the Ministry of Social Welfare, Relief and Resettlement said on 24 April. The freak storms struck across five states on 22-23 April after weeks of heat wave temperatures regularly topping 40C.

[Channel NewsAsia \(24 April 2016\)](#)

POLITICS

- ▶ Myanmar's USDP has expelled former party chairman and parliamentary speaker Shwe Mann and 16 of his allies in the military-affiliated party, Tint Zaw, a member of the USDP's Central Committee said on 23 April. "About 17 members who are not obeying party rules and disciplines were allowed to leave from the party," he said, adding that the decision was taken at a meeting of senior party leaders to plan for upcoming by-elections.

[Radio Free Asia \(23 April 2016\)](#)

- ▶ Myanmar remains one of the most repressive media environments in the world, according to the 2016 World Press Freedom Index, prepared by international media watchdog Reporters without Borders. Myanmar was ranked 143 out of 180 countries included, and the overall score for the country worsened last year despite ongoing political changes.

[Myanmar Times \(25 April 2016\)](#)

- ▶ Myanmar's State Counsellor and Foreign Minister, Aung San Suu Kyi, has made it clear to foreign diplomats that doesn't matter if they call the country Myanmar or Burma. Suu Kyi made the comments on 22 April during a speech to the foreign diplomatic corps. "I use Burma very often because I am used to using it. But it does not mean that I require other people to do that as well. And I'll make an effort to say Myanmar from time to time so you all feel comfortable," she said.

[The Washington Post \(22 April 2016\)](#)

BUSINESS AND INVESTMENT

- ▶ Myanmar has approved a US\$2.6 billion investment by Longwin Global Petrochemical Co Ltd, a joint venture company, to set up a five million MT oil refinery along with related logistics facilities in Tanintharyi region in the south. China's Guangdong Zehenrong Energy Co Ltd (GDZR), Union of Myanmar Economic Holdings Ltd (UMEHL) and an energy company under the Htoo Group of Companies form part of the consortium.

[Mizzima \(25 April 2016\)](#)

FOREIGN AFFAIRS

- ▶ Myanmar along with 174 other countries signed the landmark Paris climate change accord at United Nations Headquarters in New York on 22 April in the largest ever one-day signing of an international agreement. "Myanmar is one of the most vulnerable countries in the world to the adverse effects of climate change ... such as cyclones, severe droughts and floods," Minister for Natural Resources and Environmental Conservation U Ohn Win said at the signing.

[Myanmar Times \(25 April 2016\)](#)

MIXED OUTLOOK FOR MALAYSIA'S EMPLOYMENT MARKET

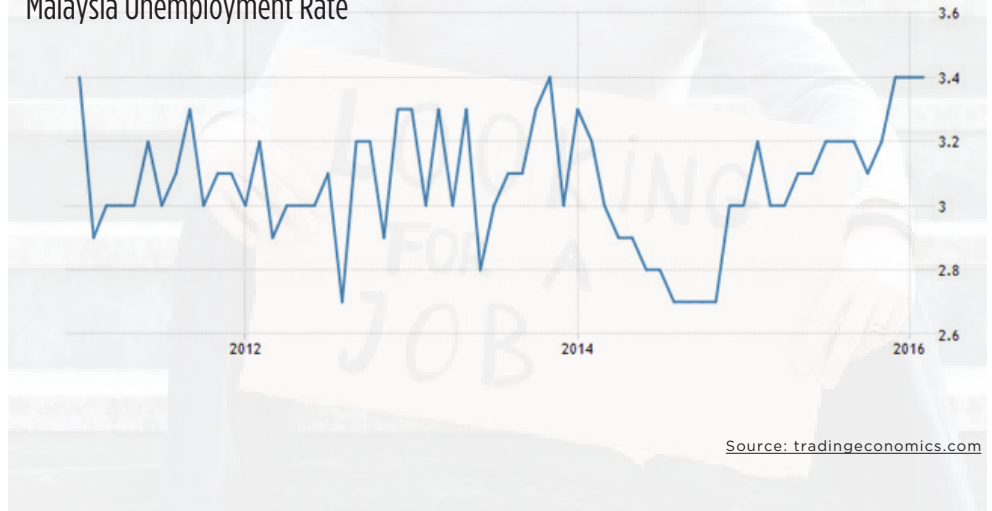
Human Resources Minister Datuk Seri Dr Richard Riot had told Parliament that more than 38,000 workers were retrenched in 2015; the highest number since 2010.

- ▶ In response to the recent rise in retrenchment and unemployment, initiatives such as the Human Resources Development Fund, which collects monthly levies from employers, has allocated US\$76 million to retrain retrenched workers; there will be six major programmes under this pilot project that includes the setting up of an outplacement centre for retrenched workers, plus training and replacing foreign workers with Malaysians
- ▶ Furthermore, a moratorium on foreign migrant workers is helping with the employability of locals, but hurting the economy as a whole; labour shortages are driving up the prices of labour intensive goods, whilst threatening the stability of their corresponding industries
- ▶ Jobs deemed dirty, dangerous, or difficult such as farming, construction, and manufacturing have long been the mainstay of foreign migrant workers; it is unlikely that these jobs will be undertaken by Malaysian nationals in the short term

[asiaone.com \(24 April 2016\)](#)

MALAYSIA'S AILING EMPLOYMENT

Malaysia Unemployment Rate



Source: [tradingeconomics.com](#)

ASEAN TRADE DEAL MAY INFLATE MEDICAL PRICES

According to the International humanitarian medical organisation Médecins Sans Frontières (MSF), the implementation of ASEAN's Regional Comprehensive Economic Partnership (RCEP) may restrict the access of affordable medicines from India to millions of people across the world.

- ▶ India, which is the world's largest supplier of affordable generic drugs, is currently undertaking trade negotiations along with China, Japan, Australia, New Zealand, South Korea in formulation of the RCEP
- ▶ The RCEP, which is a multilateral trade agreement that covers goods, services, investments, economic and technical cooperation, competition and intellectual property rights, would potentially limit the availability and legality of generic drugs
- ▶ According to the MSF, drug patents and data exclusivity clauses which may be proposed to be part of the RCEP would act to block the entry of more affordable generic medicines to the market, even for drugs that are already off patent, or do not deserve a patent to begin with

[ibtimes.co.in \(21 April 2016\)](#)

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