

## Report # 104

### Business and Politics in Muslim World

#### South East Asia

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23 January to 29 January

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## Summary

### At Political Front

- Indonesia

INDONESIAN President Susilo Bambang Yudhoyono, facing falling domestic popularity despite winning plaudits from investors, has found time to release his third album of pop songs in Jakarta.

The president's album, entitled "I'm Certain I'll Make It," comes as his government's popularity has declined over the expensive bailout of a local bank in 2008.

"In my struggle to serve the country, sometimes during my leisure time, I express my feelings in the form of arts," yesterday's edition of an English-language newspaper, the Jakarta Post, quoted Yudhoyono as saying. "This came as a surprise for us, that he had a chance to sing while the people are crying," Rijalul Imam, the head of the Indonesian United Students Action group, was quoted as saying by Detik.com.

The popularity of Indonesian President Susilo Bambang Yudhoyono has dropped, partly owing to controversy over a bank bail-out and perceived back-peddalling in fighting corruption, according to a new poll released Wednesday.

A nationwide survey of 2,900 people conducted this month found that Yudhoyono still enjoyed good ratings from a substantial majority of Indonesians but his approval ratings had fallen to 70 per cent from 85 per cent in July, the Indonesian Survey Institute said.

The pollster attributed the drop to respondents' unhappiness with the president's performance in areas such as law enforcement and the economy.

An ongoing tussle over the government's decision to bail out a failing small bank in 2008 and Yudhoyono's perceived waning commitment to fighting corruption has contributed to the decline, it said.

Thousands of Indonesians have taken to the streets to express dissatisfaction with the performance of President Susilo Bambang Yudhoyono, who has completed the first 100 days of his second term.

They say the president has failed to crack down on corruption and they reject his economic policies which give free rein to the market.

Demonstrations were held near the presidential palace in the capital Jakarta and in several other cities including Surabaya and Ambon in the Moluccas. In Ambon, the protesters tried to storm the regional government building and set fire to a poster of President Yudhoyono.

- Malaysia

sentiments by saying that the Sept 11, 2001 attack on the World Trade Centre in New York was staged.

"Many people may think that I am trying to stir up the matter by publicly commenting that the attack on the United States was staged but I am firm with my point of view," he told reporters after attending a dinner organised by the Penang Medical Practitioners' Society here on Saturday.

The former prime minister said there were groups of people who thought that he was trying to stir anti-Christian sentiments by commenting on the attack at this point of time.

- Thailand

The outcome of the asset seizure trial next month is expected to affect the intensity of red shirt protests in the future, former premier Somchai Wongsawat says. He said the verdict would have a direct impact on the political situation.

The case is filed in the Supreme Court's Criminal Division for Holders of Political Positions against ousted prime minister Thaksin Shinawatra, Mr Somchai's brother-in-law. The court will deliver its verdict on Feb 26.

Mr Somchai, a former judge, said political stability depended on how the red shirt United Front for Democracy against Dictatorship supporters react to the Verdict. Many red shirts are loyal supporters of Thaksin.

- **Philippine**

The Justice secretary who served under the administration of former President Joseph Estrada said that President Gloria Arroyo could pick the next chief justice before her term ends this year.

In a two-page opinion, former Artemio Tuquero wrote that President Arroyo was not precluded by law from appointing the replacement for Chief Justice Reynato Puno, who retires on May 17. Tuquero, a former dean of the University of the East College of Law and of the Manuel L. Quezon University College of Law, added that he strongly believes that once President Arroyo appoints the next chief justice, it should remain valid unless declared unconstitutional by the Supreme Court.

The Liberal Party leaders have said that President Arroyo's successor should pick the next chief justice, arguing against so-called midnight appointments.

- **Singapore**

Singapore Prime Minister Lee Hsien Loong on Monday said restructuring of the economy, dealing with population shortfall and updating the political system were the three priorities for the city-state.

Speaking at the annual conference of the Institute of Policy Studies entitled Singapore Perspectives 2010, he said updating the political system would be the most difficult one to achieve.

### **Geo-Strategic Front**

- **Cambodia**

A Cambodian cargo ship, MV Layla S, was hijacked off the Somalian port of Berbera in the Gulf of Aden, a top maritime authority said in Mumbai on Wednesday.

The crew members are said to be a mix of Indian, Pakistani, Sri Lankan, Somalian and possibly Syrian nationals.

### **At Economic Front**

- **Brunei**

Brunei Darussalam will be embarking on a new project that will highlight the Islamic side in this region by offering tourism packages, which will also impart knowledge on the spread of Islam and its significance.

Pehin Orang Kaya Seri Utama Dato Seri Setia Awang Haji Yahya, Minister of Industry and Primary Resources, said, "We should promote the Islamic theme" considering that we are an Islamic nation.

According to Sheikh Jamaluddin, CEO of Brunei Tourism, it is hoped that the project will be ready by next year to be presented to other tourism ministers who will be in Cambodia for the 2011 Asean Tourism Forum (ATF).

The Malaysia Tourism Board and Brunei Tourism have verbally agreed to discuss the framework of the project and hope to follow the footsteps of the Buddhism Trail that started in Myanmar.

Bandar Seri Begawan - Brunei could be on its way to becoming a data/information storage hub for countries such as Malaysia and Singapore, said Graeme Kemlo from Senatas, an internationally recognised and accredited company for its high-speed network encryption technology.

The general manager of marketing communications said that this information was disclosed to him by a government agency which could not be disclosed during press time. "I am only telling you what we were told but there is apparently a plan afoot to establish a series of data centres which will effectively allow organisations, governments and businesses, among others to send their data to Brunei to be backed up," he said.

- Philippine

The Philippine economy grew at its slowest pace in 11 years in 2009 as the global economic crunch hit exports and investment, officials said Thursday.

Growth in gross domestic product faded to 0.9 percent in 2009 from 3.8 percent in 2008 - the weakest since the economy shrank 0.6 percent in 1998 in the wake of the Asian financial crisis.

Last year's growth was still within the government's 0.8 percent to 1.8 percent target and shows the Philippine economy's resilience, said acting National Economic Planning Secretary Augusto Santos.

- Malaysia

Malaysian Prime Minister Dato Sri Mohd Najib bin Tun Abdul Razak, on Saturday, slammed the International Monetary Fund (IMF) prescriptions' asserting that there were no universal recipe to financial crises.

He said "IMF has been proven wrong" in Malaysia's case during the 1997-99 Asian financial crisis. Razak, whose keynote address at CII Partnership Summit-2010' inaugural was read out by Malaysian Minister for International Trade, Dato Mustapa Bin Mohammed, said during that crisis his government's decision to peg the exchange rate of Malaysian ringgit to that of US dollar was received with "horror" by the IMF. However, Malaysia responded to the crisis in its own way and took a series of measures to stem the outflow of capital and to stabilise its currency, which turned out to be the "most judicious" given the circumstances, Razak said, adding, the IMF's diagnosis and prognosis was proved wrong. Malaysia was thus affected to a "much lesser extent" by the Asian financial crisis than other countries which accepted IMF's prescription, he said. Though globalisation was about change, countries differed in their ability to respond to this change, he pointed out. Hence, "we have to recognise that nations differ in their capacity to change and they must be given the space to arrive at their own solution, whether on issues related to subsidies, the removal of trade barriers or financial deregulation," he said.

Malaysia's rubber products export is expected to hit RM11.1bil this year with the bulk contributed by rubber gloves, said Malaysian Rubber

The Arab Health 2010 exhibition ended here Thursday with Malaysian companies racking up US\$4.19 million in sales and another US\$30.35 million in potential business deals.

Malaysia External Trade Development Corporation (Matrade) brought in 15 healthcare-related companies from Malaysia for the four-day show while 10 others took part outside the Matrade umbrella.

The Malaysian Institute of Economic Research (Mier) has maintained its gross domestic product (GDP) growth forecast of 3.7% for Malaysia this year in view of the improving macroeconomic indicators.

It also sees a 5% GDP growth for 2011 after estimating that the domestic economy contracted 3.3% in 2009.

“The technical recession is likely to end in the fourth quarter 2009,” the research institute said in its report on the Malaysian economic outlook released yesterday.

- Cambodia

Peter Costello’s first major private sector venture is a \$US600m investment fund aiming to bring agricultural technology to Cambodia, one of the world’s most corrupt countries. Last year, Costello retired from federal politics and became managing director and partner at corporate advisory outfit BKK Partners, founded and run by ex-Goldman Sachs and NAB execs and chaired by Alistair Walton, a long-time Costello mate from his days in student politics.

#### **At Social Front**

- Indonesia

The Indonesian Migrant Workers Union (SBMI) lambasted the government for failing to protect Indonesian workers overseas, saying more than 1,000 of them had died while doing their jobs last year.

SBMI chairman M. Miftah Farid said more than 6 million Indonesians were now making a living abroad due to the government's failure to provide enough jobs. "Ironically, the government has also failed to protect workers who are forced to find jobs overseas," he said as quoted by [kompas.com](http://kompas.com) on Wednesday.

Indonesian authorities are considering a petition to tear down a statue of US President Barack Obama as a boy, only a month after the bronze was unveiled in Jakarta. The statue of “Little Barry,” as Obama was known when he lived in the capital in the late 1960s, stands in central Jakarta’s Menteng Park.

“The statue is of Obama as a child, not as the US president. His relatives and friends who erected it said it’s meant to motivate children to study hard and dream big,” Bintarto said. Members of the “Take Down the Barack Obama Statue in Menteng Park” group on Facebook say Obama has done nothing for Indonesia.

- Malaysia

Malaysian prosecutors charged three Muslim men Friday in the firebombing of a church—the first suspects in a string of assaults on places of worship amid a dispute over whether no Muslims can refer to God as "Allah."

Arson attacks, vandalism and other incidents at 11 churches, a Sikh temple, three mosques and two Muslim prayer halls in recent weeks have been a blow to decades of multiracial harmony in this Muslim-majority country.

- Thailand

PM's Office Minister Sathit Wongnongtoey yesterday slammed Human Rights Watch's (HRW) annual report as a distortion, and questioned its sources of

information. Mr Sathit claimed that the report, released last week, contained inaccuracies, especially concerning the government's handling of street protests in Pattaya and Bangkok in April last year.

He said allegations that the government's handling of the situation was responsible for fatalities was absolutely untrue. "It contradicts the facts. The US government even complimented the Thai government for maintaining law and order and avoiding loss of life. Foreign press correspondents were also there [covering the protests] and their reports did not match HRW's," he said. Mr Sathit called into question HRW's sources of information, and suggested that the pro-Thaksin United Front for Democracy against Dictatorship (UDD) may

- **Philippine**

The Philippine military on Monday commissioned six upgraded Armed Personnel Carriers which it said will boost its capability in fighting threat groups, particularly the leftist New People's Army.

"The launching marks a step towards the military's efforts to upgrade its fleet of APCs. The new armored vehicles will play a key role in supporting the nation's Security Operations," said the military public affairs office chief Lt. Col. Romeo Brawner.

The Philippine government and Muslim separatists held two days of talks in Malaysia as they work towards a peace deal to end decades of

conflict, officials said Thursday. Malaysian facilitator Othman Razak said negotiators from the Philippine government and the Moro Islamic Liberation Front, the largest of the country's Muslim rebel groups, met in Kuala Lumpur on Wednesday and Thursday.

After a 16-month impasse, the two sides last month resumed negotiations towards ending a separatist rebellion in the southern island of Mindanao that has

left more than 150,000 people dead. In the latest talks they reviewed each other's draft positions, Othman said, adding they would meet again on February 18-19 when they will "identify next steps towards achieving a comprehensive, compact and a negotiated solution". He also said that international monitors would return to Mindanao "in the coming weeks." The Philippines' chief negotiator, Rafael Seguis, said there had been no breakthrough in this week's talks.

The Philippines will borrow more this year to finance a higher budget deficit, the Department of Finance (DOF) said.

Data from the department showed that the government is set to borrow P4.83 trillion, or 58 percent of the country's gross domestic product (GDP), up from an earlier goal of P4.723 trillion, or 56.7 percent of GDP. An indicator of economic performance, GDP is the amount of final goods and services produced in the country.

- **Cambodia**

Sam Rainsy, the leader of Cambodia's largest opposition party, has been sentenced to two years in jail after a closed court found him guilty of pulling up posts used to demarcate the border between Cambodia and Vietnam.

A court found Sam Rainsy guilty of pulling up posts used to demarcate the border between Cambodia and Vietnam. Mr Rainsy, currently in Paris, said the conviction was politically motivated. He had led a protest last October to highlight what he said was land



encroachment by Vietnam. "I don't care about this sentence," Mr Rainsy said. "I will continue to fight for justice for Cambodians who are victimised by land grabbing, including border encroachment."

#### **At environmental front**

Indonesia, the world's third largest greenhouse gas emitter, has announced plans for a \$1bn fund to invest in emission reduction projects across the country.

Last year, Indonesia made a high profile commitment to cut its greenhouse gases by 26 per cent against business as usual levels by 2020, and the government is now putting in place a number of policies to help meet the target.

Central to the initiative will be the new Indonesia Green Investment Fund, which will initially be backed by \$100m from the Government Investment Unit, a sovereign wealth fund which will also manage the new fund.

City administration officials said Friday they had made sufficient preparations to face possible flooding in the city.

"We have prepared medicine, ambulances and medical staff which will be needed in the event of a flood," said head of the Jakarta Health Agency Dien Emawati.

Floods occur every rainy season in Jakarta, usually hitting the city in January and February.

## Detailed News Monitoring Report

### Indonesia

- **Political front**
- **Indonesian president releases 3rd album**

INDONESIAN President Susilo Bambang Yudhoyono, facing falling domestic popularity despite winning plaudits from investors, has found time to release his third album of pop songs in Jakarta.

The president's album, entitled "I'm Certain I'll Make It," comes as his government's popularity has declined over the expensive bailout of a local bank in 2008.

"In my struggle to serve the country, sometimes during my leisure time, I express my feelings in the form of arts," yesterday's edition of an English-language newspaper, the Jakarta Post, quoted Yudhoyono as saying.

Andi Mallarangeng, the Minister of Youth and Sports Affairs and a former presidential spokesman, said that the president found singing and composing songs meditative.

Lots of inspiration

"He has been doing this since high school, and while he was in the military," Mallarangeng said. He said the president composed the album's nine songs over the past 18 months.

"He gets inspiration anytime anywhere, including on plane trips abroad and also at the Presidential Palace," Mallarangeng said.

The president, who in the past has crooned onstage during election rallies, chose not to sing on the latest album but collaborated with popular local artists, including a former winner of Indonesian Idol and the 2009 winner of favorite male artist at MTV Indonesia Music Awards.

Proceeds from the sale of the latest album will be donated to educational and other charities, he said. Not all Indonesians were pleased with the album's release.

"This came as a surprise for us, that he had a chance to sing while the people are crying," Rijalul Imam, the head of the Indonesian United Students Action group, was quoted as saying by Detik.com.

<http://www.shanghaidaily.com/article/?id=426920&type=World#ixzz0dtFqa8qP>

- **Indonesian president's popularity drops**

The popularity of Indonesian President Susilo Bambang Yudhoyono has dropped, partly owing to controversy over a bank bail-out and perceived back-peddling in fighting corruption, according to a new poll released Wednesday.

A nationwide survey of 2,900 people conducted this month found that Yudhoyono still enjoyed good ratings from a substantial majority of Indonesians but his approval ratings had fallen to 70 per cent from 85 per cent in July, the Indonesian Survey Institute said.

The pollster attributed the drop to respondents' unhappiness with the president's performance in areas such as law enforcement and the economy.

An ongoing tussle over the government's decision to bail out a failing small bank in 2008 and Yudhoyono's perceived waning commitment to fighting corruption has contributed to the decline, it said.

Parliament has launched an inquiry into the bailout of Bank Century amid accusations by critics that the rescue was meant to save the money of people close to Yudhoyono.

Critics have suggested that some of the money was used to bankroll the president's re-election campaign last year.

Yudhoyono won a second five-year term on promises to fight graft and boost the economy. He denied the allegations over the bank bail-out, saying it was meant to prevent a crisis in the banking system.

Yudhoyono's popularity was also hit by a scandal in which police and prosecutors allegedly framed two deputies of the Corruption Eradication Commission in what appeared to be a high-level conspiracy to weaken the graft-busting agency.

Corruption charges against the two deputies were dropped late last year at Yudhoyono's request following intense public pressure.

[http://www.monstersandcritics.com/news/asiapacific/news/article\\_1528815.php/Indonesian-president-s-popularity-drops?#ixzz0dtZwdYEq](http://www.monstersandcritics.com/news/asiapacific/news/article_1528815.php/Indonesian-president-s-popularity-drops?#ixzz0dtZwdYEq)

- **Protests against Indonesian president SBY.**

Thousands of Indonesians have taken to the streets to express dissatisfaction with the performance of President Susilo Bambang Yudhoyono, who has completed the first 100 days of his second term.

They say the president has failed to crack down on corruption and they reject his economic policies which give free rein to the market.

Demonstrations were held near the presidential palace in the capital Jakarta and in several other cities including Surabaya and Ambon in the Moluccas. In Ambon, the protesters tried to storm the regional government building and set fire to a poster of President Yudhoyono.

### **Economic Front**

- **Indonesia sees palm exports climbing 16% this year**

Indonesia sees its palm oil exports climbing 16% this year on strong market prices, following a 12 percent rise last year as the world's largest exporter looks to tap demand from India and China

- **Social front**

- **1,000 migrant workers died in 2009: Union**

The Indonesian Migrant Workers Union (SBMI) lambasted the government for failing to protect Indonesian workers overseas, saying more than 1,000 of them had died while doing their jobs last year.

SBMI chairman M. Miftah Farid said more than 6 million Indonesians were now making a living abroad due to the government's failure to provide enough jobs. "Ironically, the government has also failed to protect workers who are forced to find jobs overseas," he said as quoted by kompas.com on Wednesday.

Miftah said according to Migrant Care, a total of 1,080 Indonesian migrant workers died in 2009. The union also recorded at least 150 criminal cases involving Indonesian workers in foreign countries but only a few of them were given legal assistance by the government.

"We have not yet seen any breakthroughs in the government's efforts to improve the protection system of Indonesian migrants," Miftah said, accusing the government of having exploited his fellow workers to achieve its Rp 169 trillion (US\$18.08 billion) of foreign exchange target.

- **Obama statue under attack**

Indonesian authorities are considering a petition to tear down a statue of US President Barack Obama as a boy, only a month after the bronze was unveiled in Jakarta.

The statue of "Little Barry," as Obama was known when he lived in the capital in the late 1960s, stands in central Jakarta's Menteng Park.

Critics say the site should have been used to honor an Indonesian and 55,000 people have joined a page on social networking website Facebook calling for the statue to be removed.

"We've been discussing for the past two weeks what to do with the statue ... whether to take it down, move it elsewhere or retain it," said Jakarta parks agency official Dwi Bintarto. "We're finding the best solution."

Obama, who was born in Hawaii, lived for four years as a child in Jakarta from 1967 after his divorced mother married an Indonesian.

The bronze was designed by Indonesian artists and depicts the boy Obama dressed in shorts and a T-shirt with a butterfly perched on his hand.

"The statue is of Obama as a child, not as the US president. His relatives and friends who erected it said it's meant to motivate children to study hard and dream big," Bintarto said. Members of the "Take Down the Barack Obama Statue in Menteng Park" group on Facebook say Obama has done nothing for Indonesia.

"Barack Obama has yet to make a significant contribution to the Indonesian nation. We could say Obama only ate and sh\*t in Menteng. He spent his subsequent days living as an American," the web page says. "For the dignity of a sovereign nation, Barack Obama's monument in Menteng Park must be removed immediately."

The childhood connection and his knowledge of a few words of Indonesian made Obama popular in the mainly Muslim country of 234 million people. Obama said in November he would visit Indonesia this year along with first lady Michelle Obama and daughters Malia and Sasha.

- **Environmental Front**
- **Indonesia to establish \$1bn climate fund**

Indonesia, the world's third largest greenhouse gas emitter, has announced plans for a \$1bn fund to invest in emission reduction projects across the country.

Last year, Indonesia made a high profile commitment to cut its greenhouse gases by 26 per cent against business as usual levels by 2020, and the government is now putting in place a number of policies to help meet the target.

Central to the initiative will be the new Indonesia Green Investment Fund, which will initially be backed by \$100m from the Government Investment Unit, a sovereign wealth fund which will also manage the new fund.

Edward Gustely, a senior adviser at the Ministry of Finance in Jakarta, told Reuters that the plan was to have the fund operational before the end of the year, adding that "there's no reason why this can't, in the next five years, scale to \$5bn or more".

The fund is expected to raise the remaining \$900m from institutional investors and governments from industrialised nations that have pledged to fund low carbon projects in developing countries.

Gustely said the fund will offer top-up funding needed for projects where a bank lender is seeking an additional equity injection. "We would come in and play a catalyst role to ensure good projects with good asset quality, with good expertise and proper management, can be deployed and proceed," he explained.

The fund will invest as much as \$80m in each project, according to its marketing material.

Deforestation and forest degradation account for more than 83 percent of Indonesia's carbon emissions, according to WWF, and the fund is expected to largely focus on projects designed to curb deforestation through improved agriculture techniques and reforestation programmes.

Indonesia last year became the first country to launch a legal framework for the UN-backed Reducing Emissions from Deforestation and Degradation mechanism, which aims to integrate forest protection projects into the carbon market, allowing them to generate revenue by issuing carbon credits.

- **City braces for possible flooding**

City administration officials said Friday they had made sufficient preparations to face possible flooding in the city.

"We have prepared medicine, ambulances and medical staff which will be needed in the event of a flood," said head of the Jakarta Health Agency Dien Emawati.

Floods occur every rainy season in Jakarta, usually hitting the city in January and February.

According to the Jakarta Crisis Center, the health agency has prepared 324 health community centers, 134 ambulances, and more than 6,900 medical staff for a possible disaster.

The Crisis Center also reported that 434 boats, 242 tent, and 34 tanker trucks for clean water had been readied for flood victims who would be evacuated to 323 shelters in the city.

Dien said the agency had prepared medicines for water-borne diseases such as diarrhea, dengue fever, chikungunya, leptospirosis and skin diseases.

"We will also provide instant food for toddlers," she added.

Dien said that if an area began to flood, the agency would send supplies and a team of medical staff to the community centers and flood shelters located near the area.

"We have also prepared 17 referral hospitals for flood victims who cannot be treated in health centers," she said.

Dien said even after a flood subsides the agency would be busy handling patients and fogging the areas prone to water-borne diseases.

The crisis center identified 99 flood-prone areas in the city. In West Jakarta, 33 areas were identified, while North Jakarta had 26 areas, East Jakarta 22 areas, South Jakarta 10 areas and Central Jakarta 8 areas.

To date there have been no floods reported in the city this rainy season. However, due to heavy daily rain many streets in the city have become inundated.

The Jakarta Public Works Agency said in order to tackle the inundation of streets, the agency had been clearing city drains each day.

"About 72 workers from my agency clean the city drains every day," said the head of the public works agency Budi Widiyanto.

Budi is optimistic that there will be no major flood disaster in the city this year.

"We have long prepared for a flood disaster. The East Flood Canal is already connecting five out of the city's 13 rivers with the sea. The West Flood Canal has also been dredged," he said.

Budi said the agency had further plans to handle a potential flood.

"We already received Rp 120 billion for the construction of new drain channels. We will make a new drain channel which will connect the drains in Jl. Thamrin to the West Flood Canal in Cideng area in Central Jakarta," he said.

The new drain channels would also be made in Matraman in East Jakarta, Grogol and also Slipi in West Jakarta, he added.

The agency has also allocated Rp 290 billion to rehabilitate existing and build new artificial lakes in the city in order to retain rainwater.

"We will make new lakes in Cipayung in East Jakarta and Bintaro in South Jakarta this year," he said.

## **Malaysia**

- **Political Front**

- **I Am Not Anti-Christian, Says Tun Mahathir**

Tun Dr Mahathir Mohamad has denied claims that he is trying to stir up anti-Christian sentiments by saying that the Sept 11, 2001 attack on the World Trade Centre in New York was staged.

"Many people may think that I am trying to stir up the matter by publicly commenting that the attack on the United States was staged but I am firm with my point of view," he told reporters after attending a dinner organised by the Penang Medical Practitioners' Society here on Saturday.

The former prime minister said there were groups of people who thought that he was trying to stir anti-Christian sentiments by commenting on the attack at this point of time.

"What do I gain from a publicity stunt? I'm not going to run for Prime Minister again."

Earlier in his blog, Mahathir said that he had watched a three-hour video showing the attack and suggested that the World Trade Center and surrounding buildings collapsed due to controlled demolition.

"A lot of people in America (the apologists will dismiss them as conspiracy theorists) questioned whether the towers collapsed because the planes crashed into them or that something else caused them to come down.

"These people have reproduced videos taken by media people showing the attack and the collapse of the towers, pointing out certain peculiar features.

"If you have seen the three-hour long video which is widely distributed you would be convince by it.

"People fear of saying anything political on this issue, especially when we are accusing the government of a very powerful country of doing something wrong.

"Don't forget they (even) told lies to go to war," he said.

On another note, Tun Mahathir said Malaysia should not solely depend on foreign direct investments (FDI) and should instead build up its own economy.

- **Economic Front**

- **We've proved IMF wrong, says Malaysian premier**

Malaysian Prime Minister Dato Sri Mohd Najib bin Tun Abdul Razak, on Saturday, slammed the International Monetary Fund (IMF) prescriptions' asserting that there were no universal recipe to financial crises.

He said "IMF has been proven wrong" in Malaysia's case during the 1997-99 Asian financial crisis. Razak, whose keynote address at CII Partnership Summit-2010'

inaugural was read out by Malaysian Minister for International Trade, Dato Mustapa Bin Mohammed, said during that crisis his government's decision to peg the exchange rate of Malaysian ringgit to that of US dollar was received with "horror" by the IMF. However, Malaysia responded to the crisis in its own way and took a series of measures to stem the outflow of capital and to stabilise its currency, which turned out to be the "most judicious" given the circumstances, Razak said, adding, the IMF's diagnosis and prognosis was proved wrong. Malaysia was thus affected to a "much lesser extent" by the Asian financial crisis than other countries which accepted IMF's prescription, he said. Though globalisation was about change, countries differed in their ability to respond to this change, he pointed out. Hence, "we have to recognise that nations differ in their capacity to change and they must be given the space to arrive at their own solution, whether on issues related to subsidies, the removal of trade barriers or financial deregulation," he said.

- **Rubber products export may hit RM11.1b this year**

Malaysia's rubber products export is expected to hit RM11.1bil this year with the bulk contributed by rubber gloves, said Malaysian Rubber

Export Promotion Council (MREPC) chief executive officer Datuk Teo Suat Cheng.

Rubber gloves are expected to generate exports valued at about RM7.7bil this year.

"The outlook for rubber this year is expected to improve considerably especially with news of recovery in the global automotive sector coupled with the expected sterling performance of the rubber gloves sector," Teo said at the MREPC's 2010 Incentives launch by Plantation Industries and Commodities Minister Tan Sri Bernard Dompok yesterday.

Datuk Teo Suat Cheng says rubber gloves are expected to generate exports worth RM7.7bil. Export of rubber products is expected to have reached RM10.56bil in 2009, with rubber gloves likely to have exceeded RM7.1bil, constituting about 67% of the total export value. "Export of rubber products last year is likely to be marginally short of the RM11.2bil achieved in 2008 given tight labour supply, increased cost of utilities, increasing competition from neighbouring countries and difficult market conditions in our local traditional markets," said MREPC chairman Datuk Billy Abit Joo.

On MREPC 2010 Incentives, Billy said the new incentives were to improve on the incentives in 2009 which saw total disbursement of about RM1mil.

"The utilisation of 2009 incentives by local rubber product manufacturers was significantly better with 105 applications for incentives from 62 companies approved compared with 73 applications in 2008," he added.

The new revised and improved incentives include a range of financial support for international trade exhibitions, product certification, laboratory accreditation, market research reports, website development and production of promotional materials.

Manufacturers of Standard Malaysian Glove (SMG) particularly, would be able to enjoy more incentives under MREPC's SMG Blitz programme to carry out their marketing and promotional activities to ensure the world markets look at Malaysia as the first choice for quality rubber gloves. Earlier in his speech, Dompok said local rubber manufacturers needed to ensure their products met all the stringent quality requirements given the increasing competition from other world players. "Promotions need to be more

aggressive and consistent to maintain our market share in the established markets as well as expand market share in emerging countries like China, Russia, India and Brazil," he added.

In the past 10 years, local rubber products manufacturers managed to double the export value to over RM10bil in 2009.

To further promote their products to the world, market, these manufacturers should take advantage of the benefits offered under MREPC 2010, said Dompok.

- **Fruitful Arab Health 2010 For Malaysian Companies**

The Arab Health 2010 exhibition ended here Thursday with Malaysian companies racking up US\$4.19 million in sales and another US\$30.35 million in potential business deals.

Malaysia External Trade Development Corporation (Matrade) brought in 15 healthcare-related companies from Malaysia for the four-day show while 10 others took part outside the Matrade umbrella.

They showcased products and services such as disposable medical items, herbal supplements, first aid boxes and kits, pharmaceutical products, hospital furniture and integrated facility management.

"2010 is a good year for Malaysian healthcare products to enter Dubai and United Arab Emirates (UAE) as well as other Gulf countries as governments here are putting a lot of effort into healthcare," Matrade's senior trade commissioner Datuk Dzulkifli Mahmud told Bernama.

He reckoned that Malaysian products were well received in this part of the world due to their high quality and the fact that they met international standards."We received many trade visitors from countries like Palestine, Iraq, Iran, Libya as well as other north African nations asking about our products, especially disposable medical items," Dzulkifli said.He also said one Malaysian company promoting its disposable circumcision devices had caught the attention of many potential buyers.The trade commissioner said he was encouraged by the turnout during Arab Health 2010."Due to the non-cyclical nature of the healthcare industry, it's less affected by the recession. People are still coming to look at products on offer at the show," he said.Dzulkifli stressed that Malaysian companies should look at the long-term potential of this market and identify potential partners in the UAE with a view to venturing into other markets in the region.

A recent report said the healthcare market in the Gulf Cooperation Council (GCC) was expected to grow at about nine per cent annually to reach US\$47 billion to US\$55 billion by 2020 on the back of solid demand.More than 200 hospital projects have been announced or under construction with cumulative capacity of up to 27,000 beds, most of which are due to be delivered by 2015.The GCC comprises Bahrain, Oman, Saudi Arabia, Kuwait, UAE and Qatar.

- **Property prices may rise 5% to 10%**

Property prices in Malaysia are forecast to increase by 5% to 10% this year against last year in line with the recovering economy.

Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia president James Wong said the market did not expect a big jump in property prices this year as the economy was not fully recovered yet.



The economic recovery will largely influence the property market performance and Malaysia's gross domestic product (GDP) growth rate this year is forecast at 2% to 3% from the estimated contraction of 3% last year.

"Condominiums and apartments are currently selling well and landed property prices, which had held through the economic crisis last year, are expected to grow this year," Wong said after the opening of the Malaysian Property Summit 2010 yesterday.

Citing examples, Wong said the St Mary's serviced apartments were 80% taken up within five days of their launch, Sky Residences recorded a 70% take-up rate and the 50-unit Verticas Residensi in Bukit Ceylon achieved a 60% take-up rate during soft launch. "This shows that condos and apartments are not short of buyers. And developers that postponed property launches last year are not expected to do so this year," he said, adding that property prices last year were estimated to have dropped by 5%. However, Wong raised some concerns about tenancy of condominiums and apartments. "A lot of new developments are facing a hard time in getting tenants," he said. Another area of concern would be the office market that saw the supply of four billion sq ft of space last year, according to Wong. "Thus, there is a slight concern on the take-up rate, especially for tenants that will occupy huge space of 20,000 sq ft and above as well as the effect of the new supply on rental rates," he said.

Valuation and Property Services Department director-general Datuk Abdullah Thalith Md Thani said this would be a good year for the property sector as key economic indicators that related to the growth of the industry were expected to perform better than last year. The expected recovery in the GDP of Malaysia's main trading partners – the United States, Japan and Singapore – and improved prices for crude oil, crude palm

oil and rubber would augur well for the country, he said.

In fact, the property market, which had slumped in the first half of last year, had improved since the second half-year, he added.

- **Mier maintains 2010 growth forecast at 3.7%**

The Malaysian Institute of Economic Research (Mier) has maintained its gross domestic product (GDP) growth forecast of 3.7% for Malaysia this year in view of the improving macroeconomic indicators.

It also sees a 5% GDP growth for 2011 after estimating that the domestic economy contracted 3.3% in 2009.

"The technical recession is likely to end in the fourth quarter 2009," the research institute said in its report on the Malaysian economic outlook released yesterday.

Zakaria Abdul Rashid ... 'The services sector would be a pillar of strength.'

"This is supported by effects of the larger public infrastructural expenditure, manufacturing turnaround, improved services trade and higher domestic spending," executive director Zakaria Abdul Rashid told a media briefing.

He said the services sector would be the pillar of strength amid a weaker manufacturing sector. However, Zakaria cautioned that downside risks such as ongoing financial deleveraging at the global level, volatile commodity prices as well as weak consumer and business sentiments were still prevalent and may hamper recovery.

"But there are stronger positive influences that led to our projections," he said.

In tandem with improvements in regional economic performances, monthly Malaysian indicators had signalled improvement, he noted, citing the 1.1% year-on-year rise in the December consumer price index, the first increase in seven months.

Mier's in-house surveys such as the Consumer Sentiments Index (CSI) and Business Conditions Index (BCI) had also continued to show improvements.

In the fourth quarter of last year, the CSI rose 4.2 points quarter-on-quarter to settle at 109.6 points while the BCI climbed 5.1 points to 118.6.

Mier also expects Malaysia's monetary policy stance to be fairly accommodative until the economy recovers and the overnight policy rate to remain unchanged until the end of this year. "This is because we expect inflationary levels to be stable this year despite fuel price hikes," Zakaria said.

Mier sees inflation averaging 2.3% this year from an estimated 0.8% last year.

It also expects exports to grow 9.3% this year after an estimated decline of 17.5% in 2009. Domestic demand is forecast to grow strongly to 4.7% this year from an estimated contraction of 0.4% last year.

The unemployment rate is set to improve to 4.2% this year from an estimated 4.5% in 2009, according to Mier.

- **Social Front**
- **Three Civil Servants Charged With Corruption In Connection With Sand Smuggling**

Two customs personnel and a Johor Lands and Mines office employee were separately charged in the Sessions Court here on

Friday with receiving bribes in connection with smuggling sand to Singapore last year.

Customs superintendent's assistant Syahrol Md Zain, 31, Customs superintendent Kamarudin Ismail, 49, and Johor Lands and Mines office worker Johairi Ahmad,

41, were charged in separate courts under section 17(a) of the Malaysian Anti-Corruption Commission Act 2009 which carries a maximum 20 years jail and a fine

five times the amount of graft involved or RM10,000, whichever is higher, on conviction.

Syahrol, of the preventive division, faces two counts of accepting a total of RM5,600 from Sendry Anak Ugi alias Ah Sim, 33, as inducement to refrain from

taking action against seven lorries for smuggling sand to Singapore.

The offences were allegedly committed in a room in Hotel The Zon and at the Trevi Lounge Bar, Hotel Grand Blue Wave, at about 1.15pm on July 10 and at 7.37pm

on Aug 5 last year.

- **Malaysia charges 3 Muslims for church firebombing**

Malaysian prosecutors charged three Muslim men Friday in the firebombing of a church—the first suspects in a string of assaults on places of worship amid a dispute over whether non-Muslims can refer to God as "Allah."

Arson attacks, vandalism and other incidents at 11 churches, a Sikh temple, three mosques and two Muslim prayer halls in recent weeks have been a blow to decades of multiracial harmony in this Muslim-majority country.

The attacks, which started on churches, followed anger among Muslims over a Dec. 31 court verdict that allowed non-Muslims to use "Allah" as a translation

for "God" in the Malay language. Many Malaysian Muslims believe the word should be exclusive to their religion, and that its use by others could confuse some

Muslims and even tempt them to convert.

Three suspects pleaded innocent in a Kuala Lumpur district court Friday to starting a fire that partially gutted a Protestant church on Jan. 8, said government lawyer Anselm Charles Fernandis. It was the first and most serious of all the attacks on churches, most of which suffered only minor damage.

The men, who are in their 20s, face a maximum prison sentence of up to 20 years if convicted of "mischief by fire" with the intention of destroying a place of worship. The court did not immediately schedule a trial date.

Five others arrested with the men last week in connection to the same attack were released without charges.

The attacks on churches have abated in the past two weeks, though fears of tensions resurfaced Wednesday when severed heads of wild boars were found dumped at two mosques. Pigs are considered unclean by Muslims.

- **Environmental**

### **Philippine**

- **Political Front**

- **GMA can appoint next chief justice**

The Justice secretary who served under the administration of former President Joseph Estrada said that President Gloria Arroyo could pick the next chief justice before her term ends this year.

In a two-page opinion, former Artemio Tuquero wrote that President Arroyo was not precluded by law from appointing the replacement for Chief Justice Reynato Puno, who retires on May 17.

Tuquero, a former dean of the University of the East College of Law and of the Manuel L. Quezon University College of Law, added that he strongly believes that once President Arroyo appoints the next chief justice, it should remain valid unless declared unconstitutional by the Supreme Court.

The Liberal Party leaders have said that President Arroyo's successor should pick the next chief justice, arguing against so-called midnight appointments.

The party's presidential candidate, Sen. Benigno "Noy" Aquino, even said that he would not recognize President's Arroyo pick for chief justice.

Tuquero served under Estrada, who was ousted from the presidency in 2000 and was replaced by his then-vice president, Mrs. Gloria Arroyo. She pardoned Estrada who was convicted of plunder after a six-year trial. And this year, Estrada is making another bid for the presidency, representing one of the opposition parties, Partido ng Masang Pilipino (PMP).

#### **Contrasting legal opinions**

Tuquero's opinion counters that of Father Joaquin Bernas, Ateneo Law School dean, who said that if President Arroyo names a replacement to Puno that it would be illegal and void.

But Tuquero said, "Should PGMA [President Arroyo] decide to fill the vacancy to be created by the retirement of Chief Justice Puno, the appointment she issues would be considered valid. Only the Supreme Court, in an appropriate case that may be lodged with, can declare the same null and void."

He added that the decision to appoint was up to the President.

"She may fill the vacancy before her term expires. Or she may not. Certainly, the JBC [Judicial and Bar Council] cannot control or prevent the president's

exercise of her appointing power by submitting the list of nominees after her term,” Tuquero explained.

The council, according to the Constitution, considers the candidates for chief justice and makes a shortlist from which the President picks her choice.

Tuquero said that it should do its job.

“Such doubt [whether President Arroyo can appoint Puno’s replacement], however, does not justify refusal on the part of the JBC to perform its principal function of providing the president with a list of nominees,” he added.

He said that while Section 15, Article VII constitutes a restriction on the appointing power of the President “it does not preclude the JBC from performing its function. Hence, the submission of the list of nominees to the President, whether before or within the period covered by Section 15, will not constitute a violation thereof.”

“What is prohibited under Article 15 is the issuance of appointments during the period prescribed therein, which is an act totally different from the process of nomination,” he added.

Tuquero also criticized Aquino for saying that he will not recognize an Arroyo-appointed chief justice if he wins as president in the May elections.

“Indeed, for the next president to simply brush aside said appointments without resorting to judicial processes for the determination of its status would be to disregard the rule of law and undermine the independence of the judiciary,” Tuquero said.

Not in the running

Meanwhile, Supreme Court Justice Presbitero Velasco Jr. said that he was withdrawing from the process selecting the next chief justice.

Velasco is the fifth most senior justice of the High Court after Chief Justice Puno and Justices Antonio Carpio, Renato Corona and Conchita Carpio Morales.

In a one-page confidential letter dated January 18, 2010 addressed to Puno, Velasco said that believes that the nominations should be limited to the three most senior justices.

As chief justice, Puno heads the Judicial and Bar Council.

“I read in the newspapers that I maybe a possible candidate for the position of chief justice after your retirement,” according to the Velasco’s letter. “I would like to inform the council that if ever I will be considered for the position of chief justice, I will formally decline the nomination because I believe that the nomination should be limited to the top three senior associate justices.”

- **Philippine military boosts capability in fighting rebels with armored vehicles**

The Philippine military on Monday commissioned six upgraded Armed Personnel Carriers which it said will boost its capability in fighting threat groups, particularly the leftist New People's Army.

"The launching marks a step towards the military's efforts to upgrade its fleet of APCs. The new armored vehicles will play a key role in supporting the nation's Security Operations," said the military public affairs office chief Lt. Col. Romeo Brawner.

The upgraded APCs, with a combat weight of 10.7 tons each and a 13-soldier seating capacity, have lesser maintenance cost and have extended life cycle that

will enhance the military's operational performance.

Brawner said President Gloria Macapagal-Arroyo approved the acquisition in 2003 after market analysis showed that it was cheaper to procure a complete unit rather than upgrade the current 20 vehicles in the country.

Bangit said the six APCs will be deployed and tested in Masbate, which Philippine Defense Secretary Norberto Gonzales said may be the next flashpoint of violence after Maguindanao. More troops have been infused to Masbate due to almost daily killings.

Bangit said these APCs will eventually see action against communist insurgents which President Arroyo wanted defeated on or before her term ends in June this year. When asked if the APCs will hasten the defeat of the NPAs, Bangit said: "Anything that is an added capability to the army or the armed forces will be a big boost to our desire to achieve our mission by 2010."

- **Philippine government meets rebels in Malaysia**

The Philippine government and Muslim separatists held two days of talks in Malaysia as they work towards a peace deal to end decades of conflict, officials said Thursday. Malaysian facilitator Othman Razak said negotiators from the Philippine government and the Moro Islamic Liberation Front, the largest of the country's Muslim rebel groups, met in Kuala Lumpur on Wednesday and Thursday.

After a 16-month impasse, the two sides last month resumed negotiations towards ending a separatist rebellion in the southern island of Mindanao that has left more than 150,000 people dead. In the latest talks they reviewed each other's draft positions, Othman said, adding they would meet again on February 18-19 when they will "identify next steps towards achieving a comprehensive, compact and a negotiated solution". He also said that international monitors would return to Mindanao "in the coming weeks." The Philippines' chief negotiator, Rafael Seguis, said there had been no breakthrough in this week's talks.

"I wish to clarify that there is no agreement yet. Both sides are still in the early stages of discussing each others position papers," he said in a statement. Seguis said that any negotiations that touched on the Philippines' legislation or policy would have to be submitted to Congress for approval.

In December both sides expressed optimism over the renewed talks, which collapsed after the MILF launched deadly attacks across Mindanao in August 2008.

The violence broke out after the Philippine Supreme Court outlawed a proposed deal that would have given the MILF control over large areas of the south that were claimed by the rebel group as its "ancestral domain". Over 700,000 people were displaced at the height of the fighting and nearly 400 were killed. A new ceasefire was signed in September, paving the way for the

resumption of the talks.

Since then, Mindanao has been rocked by a massacre in Maguindanao province that left 57 people dead and the imposition of martial law there as the government battled militiamen loyal to the powerful Ampatuan clan.

The government had earlier backed the clan as part of a strategy to contain the 12,000-strong MILF.

Seguis has previously said that Manila is aiming to secure a peace deal with the MILF before President Gloria Arroyo steps down this year.

Arroyo opened the peace talks in 2001 in an effort to end the bloody secessionist war in restive but mineral-rich Mindanao.

- **Economic Front**
- **Philippine GDP grows at slowest pace in 11 years**

The Philippine economy grew at its slowest pace in 11 years in 2009 as the global economic crunch hit exports and investment, officials said Thursday.

Growth in gross domestic product faded to 0.9 percent in 2009 from 3.8 percent in 2008 - - the weakest since the economy shrank 0.6 percent in 1998 in the wake of the Asian financial crisis.

Last year's growth was still within the government's 0.8 percent to 1.8 percent target and shows the Philippine economy's resilience, said acting National Economic Planning Secretary Augusto Santos.

"More importantly, our economy has never entered into a recession despite the odds," Santos said. "Our economy has proven itself resilient, and elections will bring fresh mandates and new energy to our society. We are thus optimistic." Polls are slated for May.

The slow growth last year was largely due to poor performance across numerous sectors of the economy, said Romulo Virola, secretary general of the National Statistical Coordination Board.

Agriculture, fishery and forestry grew just 0.1 percent. Industry shrank 2 percent and growth in the services sector slowed to 3.2 percent from 3.3 percent.

Contributing to the "tepid rejuvenation" of the economy in the fourth quarter -- despite the battering by two of the worst typhoons to whip the country in decades -- was growth in retail sales, banking, recreational services and mining, Virola said. Manufacturing also began to recover.

Increased consumer and government spending compensated for decreased investments in durable equipment and the sustained decline in demand for Philippine exports from the country's major trading partners, he said.

In addition, about 9 million Filipinos working abroad helped boost the economy by sending home \$25.9 billion, or an average of more than \$2 billion in monthly remittances. That was a 15.6 percent increase over the previous year's \$22.4 billion.

- **Philippines raises 2010 borrowing program**

The Philippines will borrow more this year to finance a higher budget deficit, the Department of Finance (DOF) said.

Data from the department showed that the government is set to borrow P4.83 trillion, or 58 percent of the country's gross domestic product (GDP), up from an earlier goal of P4.723 trillion, or 56.7 percent of GDP. An indicator of economic performance, GDP is the amount of final goods and services produced in the country.

"It is due to the deficit. Since we adjusted the program we have to change the debt projections," Finance Undersecretary Gil Beltran said.

Of the revised projection for this year, P2.822 trillion would be sourced from domestic creditors. This is 9 percent higher than the 2009 goal of P2.59 trillion. The remaining P2.011 trillion will be sought from foreign sources, and is 6 percent higher than last year's P1.896 trillion.

Domestic borrowings this year include P110.5 billion through the sale of Treasury bills and bonds in the first quarter. This is 20.1 percent higher than the P92 billion in the first quarter of 2009. T-bills are debt papers that mature in a year or less, while T-bonds have maturities of more than a year.

The first-quarter schedule showed that the government would borrow P51 billion through the sale of T-bills, and P59.5 billion through the sale of the T-bonds. The government has been forced to resort to more borrowings since mid-2009 when it raised its budget ceiling to P250 billion from an earlier projection of P199.2 billion because of weak revenues.

As of November last year, the national government incurred a P272.5-billion fiscal gap, which is 308 percent higher than the P66.7 billion in the same period in 2008.

Besides its weekly auction of T-bills and T-bonds, Manila has embarked on its first global bond issuance early this month. The Philippines returned to the international capital markets raising \$1.5 billion from the sale of dual-tranche Republic of the Philippines debt papers (ROPs).

The government's debt rose 5.7 percent year-on-year to P4.424 trillion in October last year. The end-October figure was also 2 percent higher than the previous month.

Over half of the total outstanding amount, or P2.449 trillion, was owed to domestic creditors, while the balance of P1.975 trillion was due to foreign lenders.

- **Philippine coconut oil exports rise 47% in Dec**

Philippine coconut oil exports jumped 47.4% to 115,595 tons in December from a year earlier to put a bright spot on lower-than-expected full year shipments, an industry group said on Tuesday. The volume was the highest registered last year, reflecting improved output and demand from Europe and the United States, the United Coconut Associations of the Philippines said in a report.

The world's biggest exporter of coconut oil, the Philippines shipped 808,007 tons in 2009, down nearly 5% from the prior year and below a forecast of 835,000 tons, mainly because of slower demand in the first half.

The Philippines exports 80% of its coconut oil output but accounts for less than 5% of the global fats and oils market due to a drop in local production in recent years and the rising popularity of other vegetable oils, such as palm.

- **Social Front**

- **Philippine vice president to plead for maid's life in Kuwait**

Philippine vice president Noli de Castro will go to Kuwait to plead for clemency for a Filipina maid sentenced to death in the Gulf state, the government said.

De Castro will ask that the death penalty be commuted for Jakatia Pawa, who was convicted in 2008 for stabbing to death her employer's daughter the previous year, the Foreign Affairs Department said.

"The vice president will carry a letter from President (Gloria) Arroyo addressed to the Emir of Kuwait interceding for the life of Ms. Pawa," the department said in a statement released on Sunday.

Negotiations are also under way with the family of the victim to accept the payment of "blood money" in exchange for lifting the death sentence, the

statement said. It added that Arroyo's office had already approved the government release of this unspecified payment. It has not yet been determined when De Castro, who acts as a special envoy on behalf of the nine million Filipinos working overseas, will depart for Kuwait, the foreign department's statement said. An official at De Castro's office on Monday confirmed the vice president would visit Kuwait, but said no date for his trip had been set. A Filipina nanny who was convicted of murdering her employer's seven-year-old son was last year granted a full pardon by Kuwait's ruler after heavy lobbying from the Philippine government. Government figures last year showed there were about 73,000 Filipinos -- 60,000 of them women employed mostly as maids earning less than 200 dollars a month - in oil-rich Kuwait. Human Rights Watch released a report on Sunday criticizing Kuwait for abuses against foreign female domestic workers.

The remittances of the millions of its nationals working overseas are a major pillar of the Philippine economy and the fate of these workers has often become a heated political issue. The hanging of Filipina maid Flor Contemplacion in Singapore in 1995 for two murder convictions triggered massive protests here and strained relations between Manila and Singapore.

- **New chief for peacekeeping force**

A Filipino general will assume command of the 1,050-strong United Nations force enforcing a ceasefire between Syria and Israel in the Golan Heights next month, Department of Foreign Affairs (DFA) Secretary Alberto Romulo announced. Romulo said Marine Major General Natalio Ecarma III will assume his duties next month as chief of the UN Disengagement Observer Force (UNDOF) in the Golan Heights, a strategic high ground straddling both Syria and Israel.

Ecarma was formally appointed last Monday by UN Secretary General Ban Ki-moon.

"The Philippines is honoured to have been given the responsibility of helping oversee the peace in that part of the Middle East," Romulo said after he was informed by Ambassador Hilario Davide, Philippine Permanent Representative to the United Nations, of Ecarma's appointment. Ecarma will take over from Major General Wolfgang Jilke of Austria and will head what is considered to be one of the more established UN peacekeeping operations, composed of 1,050 troops from Austria, Canada, Croatia, India, Japan and the Philippines.

Aside from the multi-national troops, Ecarma will have under his command 75 military observers, 39 international staff and 105 local civilians.

Established by the Security Council at the end of the Arab-Israeli War in 1973, UNDOF was tasked to maintain a ceasefire and supervise the disengagement of Israeli and Syrian forces and the so-called Areas of Separation and Limitation between the two parties. The announcement that a Filipino will assume the command of the multi-national peacekeeping force in Golan Heights came three months after the Philippines deployed a 336-member infantry battalion to the disputed area.

- **Environmental front**

### **Thailand**

- **Political Front**

- **Assets case a stability risk, ex-PM warns**

The outcome of the asset seizure trial next month is expected to affect the intensity of red shirt protests in the future, former premier Somchai Wongsawat says. He said the verdict would have a direct impact on the political situation.



The case is filed in the Supreme Court's Criminal Division for Holders of Political Positions against ousted prime minister Thaksin Shinawatra, Mr Somchai's brother-in-law. The court will deliver its verdict on Feb 26.

Mr Somchai, a former judge, said political stability depended on how the red shirt United Front for Democracy against Dictatorship supporters react to the Verdict. Many red shirts are loyal supporters of Thaksin.

Mr Somchai also warned against speculation on partial or total seizure of the 76 billion baht in assets at the heart of the trial. Any speculation could be construed as contempt of court.

Public prosecutors have accused Thaksin, who fled from a two-year jail term for abuse of authority in the Ratchadaphisek land case, of accumulating wealth illegally while he was prime minister. They have asked the Supreme Court to seize 76 billion baht, claiming it was illegally acquired. In another development, four community radio hosts in Chiang Mai reported to local police yesterday and were charged with threatening others. Kanyapak Maneejak, Phumchai Chaiya, Apichart Inson and Itthipol Sukpaen have been accused of leading other demonstrators to lay siege to a house in Ban Pong Kum village in Doi Saket district.

They surrounded the house where they thought Thaksin critic Chirmsak Pinthong was staying. Mr Chirmsak was not in the house when they fired sling shots into the premises, causing damage. Wirat Buachum, a kamnan of tambon Choeng Doi in Doi Saket, used his position to bail out the four.

- **Economic Front**
- **Cabinet gives the nod to B420bn draft deficit**

The cabinet has approved a draft budget deficit of 420 billion baht for the next fiscal year.

The budget deficit in fiscal 2011, which starts on Oct 1 this year, will increase by about 180 billion baht over the expected deficit for fiscal 2010.

The surge is due to proposed expenditures of 2.07 trillion baht, up 21% from this year's projected 1.7 trillion baht.

Finance Minister Korn Chatikavanij yesterday said the government expected to collect higher revenues this year than earlier estimated because of an improved economy.

The government has forecast net income for fiscal 2011 at 1.65 trillion baht, a rise from 1.35 trillion expected for fiscal 2010.

The projections are based on economic growth of 3.5% to 4% and inflation of 2% to 3% this year. The increased revenue would be used for developing infrastructure projects, which would help reduce the need to use off-budget spending, Mr Korn said.

Off-budget spending is normally in the form of state bank loans and state enterprise expenditures, a ministry source said.

The government's investment budget is expected to rise by about 100 billion baht from 2010 to 340 billion baht. It would constitute 16.5% of the entire budget.

In addition, half of the 400 billion baht for investment approved under an executive decree for the Finance Ministry to seek loans for the Thai Khem Khaeng

economic stimulus scheme would be spent this fiscal year, with the other half spent in fiscal 2011. Mr Korn said the government would also rely on private-sector investment, especially in transport and rail systems. However, he said the government might not need to borrow the full 400 billion baht allowed by the decree if the country's economy recovered fully in 2011.

Deputy Prime Minister Trairong Suwannakhiri suggested the government should spend the 400 billion baht allowed under the decree to invest in long-term development, especially megaprojects to upgrade competitiveness.

He also warned the government to take into account other risk factors such as higher interest rates and rising oil prices which might emerge in the second half of this year and the first half of 2011. Such rising costs could affect the government's corporate tax collection.

Meanwhile, Sathit Limpongpan, the permanent secretary for finance, said his ministry had reassessed the government revenue during the 2010 fiscal year and expected it to rise by 12.7% from the earlier target.

Mr Sathit said earlier the Finance Ministry expected the 2010 revenue to total 1.35 trillion baht.

Based on this reassessment, the total revenue is expected to be 1.52 trillion baht, which is 172 billion baht or 12.7% above the previous target.

With the revenue rise and the estimated spending of 1.7 trillion baht during the fiscal year, the 2010 budget deficit was expected to drop to 178 billion baht from 350 billion, he said.

- **Thailand Cancels Sale of 375,000 Tons of Rice From Stockpiles**

Thailand, the biggest rice exporter, canceled a plan to sell 375,000 metric tons from state reserves because of low offer prices,

Commerce Minister Porntiva Nakasai said today in Bangkok.

The ministry received bids from 22 companies to buy 1.02 million tons, the Department of Foreign Trade said last week.

The government had planned to sell 300,000 tons of white rice and 75,000 tons of glutinous rice.

- **PM to champion Thailand at forum**

The prime minister has left for the World Economic Forum in Davos, Switzerland, hoping to convince delegates to join a regional economic forum in Thailand next year.

The regional forum would give Thailand a good opportunity to promote investment before thousands of high-profile businessmen, members of Prime Minister Abhisit Vejjajiva's delegation said as they left yesterday. Mr Abhisit will attend the 40th World Economic Forum 2010 until Sunday. "Our intention is to confirm that Thailand is ready to host the regional economic forum, which is part of the World Economic Forum, next year," said Kiat Sittheeamorn, president of the Thailand Trade Representative. Mr Kiat, who is accompanying Mr Abhisit to Davos, said he expected many delegates to ask the prime minister about the impasse concerning the suspended projects at the Map Ta Phut industrial estate in Rayong.

He said he was not worried about the impact of the Map Ta Phut dispute on Thailand's reputation with investors, or that continuing political strife might

undermine the country's investment worthiness. Mr Abhisit would be able to assure investors he can find a solution.

This year's World Economic Forum will be attended by 2,500 people from 90 countries including monarchs and national leaders, plus leaders of international organisations and the business and private sectors.

The theme of the meeting is "Improve the State of the World: Rethink, Redesign, Rebuild", with an emphasis on creating networks of cooperation for economic recovery and welfare.

The forum will discuss world food security, nutrition, sustainable agriculture and the fight against corruption.

Acting government spokesman Panitan Wattanayagorn, who will also be in Davos, said the prime minister would talk about Thailand's role as a responsible food producer.

He would also present ways to solve food security problems by focusing on international cooperation, and ways to tackle corruption in emerging countries.

He would discuss Thailand's progress in fighting corruption by emphasising the role of the private and civic sectors.

- **GM Thailand signs B13.5bn loan deal**

General Motors Thailand signed agreements on Friday for 13.5 billion baht worth of seven-year loans with three local banks to help finance three new plants in Rayong.

Celebrating the signing of the agreement, from left: Bangkok Bank president Chartsiri Sophonpanich; Steve Carlisle, president of GMTH/ Asean and Chevrolet Sales Thailand; SCB president Kannikar Chalitaporn; Suthas Ruangmanamongkol, president of Tisco Bank. APICHIT JINAKUL

Bangkok Bank and Siam Commercial Bank will provide loans of 6 billion baht each to the US auto giant, with another 1.5 billion arranged by Tisco Bank.

General Motors Thailand (GMTH) will use the funds to finance three projects: a plant for its next-generation pickup trucks, a plant to assemble pickup-derived sport utility vehicles (SUVs) and a new diesel engine manufacturing plant.

The investments will be carried out from 2011 to 2012, with the three facilities to be located at the company's 440-rai complex in Rayong.

US parent General Motors will provide \$118 million in equity funding to help finance the projects, which have a total cost of 15 billion baht. Some of the money from the parent will also be used for working capital.

Steve Carlisle, the president of GMTH/Asean and Chevrolet Sales Thailand, said the proceeds would facilitate further growth of the GM and Chevrolet brands in Thailand and Asean.

The company aims to raise its total market share in car sales in Thailand to 3-4% by the end of 2010 from about 2.9% last year. Total car sales in 2009 were 530,000 units.

GM had been seeking the loans since last year, but local banks balked at offering new financing because of the global financial crisis. GM filed for bankruptcy protection last June after car sales plummeted in the US due to the crisis.

Chartsiri Sophonpanich, the president of Bangkok Bank, said the GM debt restructuring plan and strong support from the US government helped reassure the bank

of the carmaker's financial status.

He said the new investment by GM in Thailand would also help convince foreign investors in the potential of the Thai economy and auto industry.

GM, under its new shareholding structure, is now 60% held by the US government. The government eventually will look to float GM's shares in the market through a public offering.

- **Thai finance minister backs capital outflow plan**

THAI Finance Minister Korn Chatikavanij said yesterday that he backed a central bank plan to allow more capital outflows, which is aimed at easing upward pressure on the baht.

MR KORN

Has thrown in his weight behind helping the export sector

'We will do anything within our capacity to help the export sector, to prevent any disadvantage in relation to neighbouring countries,' he told reporters.

On Thursday, Thailand's central bank signalled plans to further relax capital controls next week in a move that could ease upward pressure on the strong baht and make it easier for Thai companies to invest abroad. Details of the plan are expected on Monday.

Bank of Thailand governor Tarisa Watanagase said that the steps would follow other recent efforts to liberalise outflows, part of a broad effort to build a more robust regulatory framework after an army-appointed government imposed controls on inflows in 2006.

In December 2007, the Bank of Thailand took a step in this direction by allowing greater foreign currency holdings and encouraging capital outflows, in part by scrapping the US\$100 million limit on overseas investments by Thai listed companies. Last August, the central bank relaxed controls further by allowing large Thai companies with a minimum five billion baht (\$212 million) in assets to invest directly in foreign securities without going through mutual or private funds.

It also imposed at that time a US\$50 million ceiling on outstanding investment in foreign securities that can be made by a Thai corporate entity engaging in non-speculative business.

'We are preparing to relax from next week further foreign exchange controls along the line of what we have done earlier, aiming at facilitating the use of hedging instruments as a tool for companies to manage currency risks,' the governor said.

'There will be more liberalisation of capital outflows to make the movement of cross-border capital more balanced,' she said in an annual policy speech.

The Thai baht has appreciated about 0.8 per cent this year after gaining 4.6 per cent in 2009.

In December 2006, shortly after Ms Tarisa rose to the top of the central bank, she shocked financial markets by imposing harsh capital control measures to try to rein in a surging baht and protect exports.

The initial measures triggered a nearly 15 per cent drop in Thai stocks, the biggest-ever one-day fall.

The 2006 measures, gradually lifted later, required that 30 per cent of all currency inflows without underlying business deals be deposited with the central bank, interest free, for a year.

'We now have much more updated daily information to help us follow flows of funds. Moreover, we have since substantially eased inflow and outflow regulations,' Ms Tarisa said.

Both corporate and retail investors are already allowed to invest in foreign assets through locally registered mutual and money market funds.

These funds could invest in additional foreign market instruments and derivatives.

- **Social Front**
- **Minister rejects findings of human rights report**

PM's Office Minister Sathit Wongnongtoey yesterday slammed Human Rights Watch's (HRW) annual report as a distortion, and questioned its sources of information. Mr Sathit claimed that the report, released last week, contained inaccuracies, especially concerning the government's handling of street protests in Pattaya and Bangkok in April last year.

He said allegations that the government's handling of the situation was responsible for fatalities was absolutely untrue. "It contradicts the facts. The US government even complimented the Thai government for maintaining law and order and avoiding loss of life. Foreign press correspondents were also there [covering the protests] and their reports did not match HRW's," he said. Mr Sathit called into question HRW's sources of information, and suggested that the pro-Thaksin United Front for Democracy against Dictatorship (UDD) may

have been the source. In its report, the New York-based organisation said that the human rights situation in Thailand under Prime Minister Abhisit Vejjajiva had worsened over the past year. It said Mr Abhisit merely paid lip service to human rights issues, while the government continued to undermine human rights and due process of law.

Mr Sathit said he was not questioning the independence of HRW.

"My observation is that its statement uses similar wording [to the UDD's]. I'm not saying the agency lacks independence but it needs to have sources of information and it may stick to one source," he said. He said the government would address the claims made in the HRW report even though its explanation surrounding events at the April riot were well accepted.

"The government has constantly been open on the issue [handling of red shirt protests] and there is a better understanding," Mr Sathit said.

"In the light of this report the government sees a need to make things clear," he added.

Meanwhile, Mr Abhisit said yesterday that he had not read the full report but the government would have to again clarify matters.

"The government will follow protocol. We will address these accusations," Mr Abhisit said.

Foreign Minister Kasit Piromya dismissed the HRW report, saying it did not differ from last year's.

"Some parts of the report were picked up by the foreign press and reported. That's all. We will clarify all if needs be," Mr Kasit said.

## **Cambodia**

- **Political Front**
- **Foreign Relations**
- **Geo-Strategic Front**

- **Thai army chief: Situation on Thai-Cambodian border normal**

The Thai-Cambodian border's situation is now back to normal after the brief exchange of gunfire on early Sunday morning, Thailand's army chief General Anupong Paochinda said on Monday.

Everything is now fine after senior military officials from the two countries discussed following the clash, Thai News Agency quoted General Anupong as saying. The border clash between military patrols of the two countries occurred on an undemarcated area next to Thailand's northeastern province of Srisaged near ancient Preah Vihear temple, which is claimed by both countries. After the clash, Col. Thanet Wongchaum, chief of staff of the commander for the Suranaree Task Force and Col. Thawatchai Changprachak, commander of a special unit from Thailand's Ranger Forces Regiment 23, met with Maj-Ben Srey Doek, commander of Cambodia's 3rd Reinforcement Division at an operation base in Kantharalak district of Srisaged.

It was discovered during an hour of the meeting between the senior officials from the two countries that the clash was caused by misunderstanding. Both countries have historically laid claim to the temple, which now sits on Cambodian soil following the action of the International Court of Justice which awarded the ancient temple to Cambodia in 1962. However, the temple can practicably only be accessed from Thailand.

- **Economic Front**

- **Costello's \$600 million Cambodian crusade**

Peter Costello's first major private sector venture is a \$US600m investment fund aiming to bring agricultural technology to Cambodia, one of the world's most corrupt countries. Last year, Costello retired from federal politics and became managing director and partner at corporate advisory outfit BKK Partners, founded and run by ex-Goldman Sachs and NAB execs and chaired by Alistair Walton, a long-time Costello mate from his days in student politics.

But Costello's massive private equity foray will struggle to avoid the corrupt taxes and charges attached to nearly all commercial deals in the mostly-peasant nation, according to sources familiar with the region. Last Thursday, in a development ignored by the Australian media still in holiday mode, the Phnom Penh Post reported that Costello was advising Indochina Gateway Capital in developing an investment fund focusing on "rice bananas and sugar" by taking advantage of government "land concessions".

The massive investment will be greater than the total foreign investment Cambodia attracted in 2009, and will far exceed any previous investment in agriculture in one of the world's poorest nations. Cambodian Government approval will be required both for the investment fund and its projects, which, according to BKK chairman Alistair Walton (who is also chair of Indochina Gateway Capital) will be over 100,000 hectares in size.

But the issue of graft or "special taxes" in Cambodia remain a factor, with the nation coming in at a lowly 158 in Transparency International's anti corruption rankings last year, alongside other luminaries like the Central African Republic and Yemen.

BKK's as yet negotiated land deals will no-doubt draw the most scrutiny. The firm is currently seeking investors to take advantage of land "concessions" on 70 and 99 year leases.

One Cambodian insider told Crikey: “Land grabbing and dodgy forced evictions have been a massive issue in agricultural and city areas for a few years.

Usually the company does a deal with the government so the government ends up kicking the residents off the land.”

The recent cases of Group 78, located next to the Australian Embassy in Phnom Penh and the nearby Dey Kraham, show just how punitive the authorities can be when locals get in the way of progress.

According to the Global Witness report “Country for Sale”, Cambodia is run by a “...kleptocratic elite that generates much of its wealth via the seizure of public assets, particularly natural resources.” The report prompted this Photoshopped response from Cambodia’s Ambassador to the UK, who is also the foreign minister’s son.

The clique that controls Cambodia was also detailed by this article that appeared in the Fairfax press towards the end of last year. The article looked at a state-within-a-state dominated by guns, cash and Cadillac Escalades. BKK’s Phnom Penh headquarters is located in a ritzy part of the capital full of international businesses and foreign NGOs, whose offices are tucked behind barbed wire. The area is frequented by wealthy expats and Cambodian business people.

Asked whether BKK has formulated an approach for dealing with corruption, Managing Director John Anderson told Crikey that his official policy was “no corruption”.

“In any developing country in the world with corruption issues you go in with your eyes wide open. We’ve told the government that if bribes were part of the deal we can’t abide by it.”

Anderson cited record commodity prices and Cambodia’s swathes of unoccupied land wiped out by the Khmer Rouge as a major incentive behind the project.

“Commodity prices spiked in 2008 and in many developing countries there’s limited land available, limited water. In Cambodia there’s an abundance of land and water because the Khmer Rouge wiped out 40% of the people. Thailand and Vietnam are the largest agricultural hubs in South East Asia, while Cambodia exports next to nothing...,” said Anderson.

Anderson said that the main reason to pursue the project was the “profit motive through the private equity fund” and also cited a “social development angle”, that would “transport western technology and skills” into the country’s fields. Five per cent of the investment would go towards a charitable foundation, Anderson said.

BKK would set up a corporate governance committee that would assess displacement issues before the funds were raised.

“Village displacement issues are important to us but we’ve got to focus on the development benefits for the Cambodian people in raising up the agricultural sector to where it should be. The agricultural sector should be the main contributor to GDP. If you raise the standards and raise the yields the benefit for the Cambodian people will be huge.”

It is Costello’s post-political role, rather than his status as former Australian Treasurer, that makes him a key figure for BKK and Indochina Gateway

Capital. Costello has been a member of the World Bank's 4-person anti-corruption Independent Advisory Board since 2008. Corruption in Cambodia has been a particular problem for the World Bank, which has been repeatedly criticised, including by the Wall Street Journal for turning a blind eye to corruption in the country. In 2006, the World Bank suspended Cambodia's right to draw Bank project funds and cancelled several projects until the Cambodian Government repaid funds and put in place a series of anti-corruption measures. But there continue to be claims that foreign access to Cambodia's natural resources depends on bribing key officials.

On Friday, Costello spoke off the cuff at a breakfast at the Intercontinental Hotel in downtown Phnom Penh with a Crikey source reporting that he cheerfully signed a large photograph from the former Australian Embassy featuring a very young looking Paul Keating sitting at a table with Cambodia's King Sihanouk. Costello reportedly drew an arrow next to Keating's head and wrote "Not the world's greatest treasurer!"

- **Cambodia Gold & Ruby Exploration Project Moves to Second Phase -- Terra Energy & Resource Technologies Increases Royalty Rights**

Terra Energy & Resource Technologies Inc (TEGR) Stock Quote, Chart, News, Add to Watchlist

All Market Wire news

Terra Energy & Resource Technologies, Inc. (OTCBB: TEGR), a natural resources exploration services technology company, announces that the Company has signed a phase two contract for gold and ruby exploration in Cambodia, increasing its royalty rights in the overall project.

The exploration services contract engages Terra in its proprietary satellite-based STeP® analysis of gold and ruby mineralization in Cambodia, which is the second phase contracting of exploration after it successfully completed the first phase of the project. As requested by the client, in addition to STeP®,

Terra is to perform other traditional geological and management services, in order to further define and locate resources after presenting the client with good indications of mineral prospectivity and priority zones as a result of Terra's phase one survey.

Terra previously signed a working agreement with the Millennium International Group, which serves as a frame work of the relationship between the companies and outlines the pricing, royalty as well as co-investment rights, among other provisions, Terra Energy & Resource Technologies obtains as consideration for its services. In connection with the phase two contract, Terra has an increased royalty interest in the acreage and co-investment rights contingent upon the advancement of the exploration license in Cambodia. "We have had several service contracts with the Millennium International Group over the past six months. This relationship is dear to us, and we are encouraged that this client is also our market partner in Asia," said Dmitry Vilbaum, Chief Executive Officer of Terra Energy & Resource Technologies.

"The synergy is in Terra performing the services for cash, royalty, and non-promoted co-investment rights, effectively creating a joint venture with the client," said Dr. Alexandre Agaian, Terra Energy & Resource Technologies' President. "Terra is encouraged and incentivized to perform its innovative



technology work and help our JV shorten the exploration cycle and expense to a minimum, so that Terra can start receiving the royalty cash flow and potentially co-invest on the same terms as the Millennium International Group."

About Terra Energy & Resource Technologies, Inc. Terra Energy & Resource Technologies, Inc., through its subsidiary Terra Insight Services, Inc., provides mapping and analysis services for exploration, drilling, and mining companies related to natural resources found beneath the surface of the Earth. The Company uses a suite of innovative and efficient technologies, which facilitate the prediction and location of commercially viable deposits of hydrocarbons, gold, diamonds, and other natural resources, and assesses them for any given geographic area -- on or offshore. For more information, visit <http://www.terrainsight.com>.

- **Cambodian ship hijacked**

A Cambodian cargo ship, MV Layla S, was hijacked off the Somalian port of Berbera in the Gulf of Aden, a top maritime authority said in Mumbai on Wednesday.

The crew members are said to be a mix of Indian, Pakistani, Sri Lankan, Somalian and possibly Syrian nationals.

The details of the crew members are still awaited, said the Directorate-General of Shipping (DGS). The vessel is believed to be owned and managed by Al Hufoof, an agency based in either Syria or the United Arab Emirates.

The DGS said the ship was overpowered after the cargo was offloaded at Berbera Port.

Moreover, the DGS said the crew has reportedly been abandoned by the owner so they may have been already held in captivity since the past few days. Such incidents are common in this region but come to light only much later.

The DGS has informed the authorities, including the Coast Guard and Indian Navy, of the developments.

### **Social Front**

- **Cambodian PM advises military to focus on human resource development**

Cambodian Prime Minister Hun Sen Thursday urged his military men at all levels, especially the leaders and commanders of the army, to focus on human resource development.

"We are aware that in early 21st century, technology has promoted infrastructure development at all sectors for humanity. However, compared to regional countries, Cambodia still has a big gap of human resource shortage that needs to be addressed," he said at the closing of the stocktaking workshop on the 5-Year Military Reform (2005-2009) and 5-Year Direction Setting (2010- 2014).

"Therefore, the Ministry of Defense and Commander-in-chief should continue to carry out 5-year armed forces reform by focusing on human resource development and promoting their capacity, so that our armed forces could stand equally with others in the region and in other developed countries," he said.

He said Cambodia has experienced many difficulties and enormous sacrifice, but has also successfully implemented "win-win policy" that brings to people and country peace, national conciliation, certain and full national unity.

While urging a continued strengthening on real human resources within the armed forces leadership, he also called for research studies to enhance the defense knowledge and other skills such as information technology as well as strengthening the international cooperation on military sector in both regional and

global framework, aiming to develop and modernize the defense sector of Cambodia to be more competent and consistent with evolving situation and development of the nation and the world.

In his speech, Hun Sen also warned his military men to perform good deeds for the sake of the nation and the people.

- **Cambodia opposition leader is sentenced**

Sam Rainsy, the leader of Cambodia's largest opposition party, has been sentenced to two years in jail after a closed court found him guilty of pulling up posts used to demarcate the border between Cambodia and Vietnam.

A court found Sam Rainsy guilty of pulling up posts used to demarcate the border between Cambodia and Vietnam. Mr Rainsy, currently in Paris, said the conviction was politically motivated. He had led a protest last October to highlight what he said was land encroachment by Vietnam. "I don't care about this sentence," Mr Rainsy said. "I will continue to fight for justice for Cambodians who are victimised by land grabbing, including border encroachment."

Parliament, which is dominated by the Cambodian People's party of Hun Sen, prime minister, lifted Mr Rainsy's parliamentary immunity so he could be tried on charges of destruction of public property and inciting a criminal act.

Two villagers who accompanied Mr Rainsy on the protest were sentenced to a year in prison each. Human rights groups say the CPP uses its control over parliament and politicised courts to intimidate the opposition. "Hun Sen was looking for an excuse to have Sam Rainsy removed from parliament and marginalised," said Brad Adams, Asia director for Human Rights Watch.

The government said the courts made decisions independent of any outside influence.

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- **Opinion: The long road to justice in Cambodia**

During the Khmer Rouge period from April 17, 1975, to Jan. 7, 1979, Cambodians walked constantly. They walked from the cities to the countryside, from their villages to distant provinces, and from the rice fields to the battlefields. After Jan. 7, 1979, the survivors of our country's genocide walked again; this time back to their homes.

In 1997, Cambodians began another journey: the journey to seek justice for crimes committed by the Khmer Rouge. And today, 31 years after the Khmer Rouge regime fell, we are taking a giant step along the road to justice. On Feb. 6, 2006, the Extraordinary Chambers in the Courts of Cambodia (ECCC) — commonly referred to as the Khmer Rouge Tribunal (KRT) — officially began setting up offices at the military barracks outside of Phnom Penh. The first trial, Case 001, began on March 30, 2009, two years behind schedule. The case opened with the defendant, former head of S-21 prison Duch (Kaing Guek Eav), apologizing to victims and accepting responsibility, but ended shockingly however on Nov. 27, 2009, with Duch rejecting responsibility on jurisdictional grounds because he was not a "senior Khmer Rouge leader or those most responsible" as stated in the Khmer Rouge Tribunal Law. The judgment of Duch will be delivered this March.

In late 2010 or early 2011, the most important Khmer Rouge trial will begin. Case 002 will try the highest level Khmer Rouge leaders still alive today: Noun

Chea, Khieu Samphan, Ieng Sary and Ieng Thirith. This trial will be a crucial moment in Cambodia's road to justice because the evidences and analyses brought forth will provide answers to many fundamental questions about the Khmer Rouge regime that survivors had wondered for more than three decades.

The United Nations, Cambodia and several other countries have worked for many years to help us see justice delivered. The United Nations and national governments raised much of the initial \$56 million budget for the KRT and stepped in during budgetary shortfalls in late 2008. These governments have also generously funded many Cambodian human rights and international NGOs that support and monitor the trial process by helping victims file complaints of Khmer Rouge atrocities to the court, observing and reporting on the activities of the Cambodian government and United Nations, providing counseling to those who suffered during Democratic Kampuchea and other activities.

Perhaps the most important way that NGOs can help is to work with the Extraordinary Chambers and each other to ensure that the public is informed about the trials and involved in them

- **Vietnam offers 120 scholarships to Cambodian students**

Vietnam will provide 120 scholarships each year to Cambodian students majoring in agriculture, healthcare, and information technology.

The announcement was made by Vietnam's Deputy Prime Minister Nguyen Thien Nhan during talks with Cambodia's Minister of Education, Im Sethi, in Phnom Penh on Friday. The scheme which comes into effect immediately will end in 2015.

Vietnam will also build a senior secondary school in Phnom Penh as a token of its friendship with Cambodia.

Minister Im Sethi thanked Vietnam for its generosity and assistance especially with the construction of boarding schools in Cambodia's north-eastern provinces.

Approximately 100 Cambodian students travel to Vietnam to study tertiary and postgraduate levels each year.

- **Cambodian PM warns his military men not to engage in illegal acts**

Cambodian Prime Minister Hun Sen warned his military men on Thursday not to engage in illegal acts that will damage the country.

Giving speech at the wrap-up of two-day annual conference of the Ministry of National Defense, Hun Sen warned the military commanders and high ranking military officials not to engage in illegal logging or running business or making corruption. "The selling land of the military bases and the unlawful protecting of businesses are to be blamed for weakening the defense field," said Hun Sen. "They must not use their powerful positions as military to protect businesses."

"All the military commanders must stop their support any forms of illegal businesses," Hun Sen said.

Prime Minister Hun Sen also said that there are some reports on the corruption of Cambodian military, adding that the government can not tolerate the illegal acts. He warned that if any of such repeated illegal acts are discovered, regardless of four or five star generals, they will be "removed or demoted."

He said that anti-corruption law will be adopted in the near future.

Also, on Thursday, Hun Sen said his country will not be permitted to be used by any military or political organizations who intend to use it as a base to fight the neighboring countries.

## **Singapore**

- **Political Front**
- **PM Lee Lists Three Priorities For Singapore**

Singapore Prime Minister Lee Hsien Loong on Monday said restructuring of the economy, dealing with population shortfall and updating the political system were the three priorities for the city-state.

Speaking at the annual conference of the Institute of Policy Studies entitled Singapore Perspectives 2010, he said updating the political system would be the most difficult one to achieve.

Economic restructuring was necessary to maximise Singapore's growth capacity and it had been made more urgent by the global crisis, he said at the meeting attended by close to 900 participants from academia, business, civil society and government sectors.

He added that the way forward lay in qualitative growth and that Singapore must improve its productivity growth from the current 1.0 per cent to two to three per cent.

Lee also cautioned that the 5.0 per cent growth rate average over the past decade would be difficult to sustain in the future.

He said the Economic Strategies Committee would recommend a more realistic growth rate next week and the government would respond to it in the forthcoming budget.

Pointing out that despite the government's best efforts to boost birth rates the total fertility rate in Singapore has not improved, Lee said topping up the population with immigration was necessary.

However, because immigration had become a sensitive issue to Singaporeans, the immigration would be done in a "measured and calibrated manner," he said.

Lee pointed out that the most important factor in managing all the changes that Singapore was undergoing was a good political system.

Acknowledging that updating the political system would be the most difficult challenge, he said the government was making changes to the system in good time for the general election which was due within the next two years.

- **Singapore Prime Minister to visit Vietnam**

Singaporean Prime Minister Lee Hsien Loong will pay an official visit to Vietnam from January 12 to 15.

The visit, made on the invitation of Vietnamese Prime Minister Nguyen Tan Dung, aims to boost trade and investment and tighten relations between the two countries.

Lee has visited Vietnam twice before, in 2000 and 2004.

According to the Singapore Business Federation, Singapore was Vietnam's fifth largest foreign investor as of August 2009, with cumulative investment pledges reaching US\$17 billion.

- **Economic Front**

- **Singapore expects up to R54 billion investment**

The Singapore government on Monday said it expected new capital investment in the city-state to reach between 10 Singapore dollars (R54 billion) and 12 billion Singapore dollars this year, little changed from 2009.

Last year, companies from around the world invested total fixed assets of 11.8 billion Singapore dollars in facilities, equipment and machinery in Singapore, the state investment promotion agency said in a statement.

"We have yet to see a firm pick-up in major expansions of manufacturing capacity around the world due to continued weakness of consumer demand," the Economic Development Board said.

Singapore was well positioned to ride on Asia's growth, it added.

In 2008, fixed asset investments in Singapore had reached 18 billion Singapore dollars, but the number was blown up by large projects in the chemicals sector

- **Singapore shares drop 2.54 per cent**

Singapore - Singapore shares dropped 2.54 per cent Tuesday as stock markets around Asia posted losses.

The key Straits Times index fell 71,38 points to 2,740.33.

Losers led winners by 602 to 43.

[http://www.monstersandcritics.com/news/business/news/article\\_1528463.php/Singapore-shares-drop-2-54-per-cent?#ixzz0eBKWDLru](http://www.monstersandcritics.com/news/business/news/article_1528463.php/Singapore-shares-drop-2-54-per-cent?#ixzz0eBKWDLru)

- **Singapore PM says 5 pct growth a stretch-report**

Singaporean Prime Minister Lee Hsien Loong said the economy will struggle to achieve 5 percent average annual growth over the next decade because it has become more developed, a local newspaper reported on Tuesday.

"There will be good years when we should go faster. There will be other years which are tough, where we will do more poorly," the Straits Times newspaper quoted Lee as telling a seminar on Monday.

"But overall, if you take it over the next decade, I think 5 percent will be a stretch."

The government expects growth this year of between 3 percent to 5 percent, compared with an estimated contraction of 2.1 percent in 2009, preliminary gross domestic product data showed earlier this month.

The government is due to unveil its 2010/11 budget in parliament on Feb. 22, which will include a new strategy to respond to double the country's productivity to 2-3 percent a year from the present 1 percent, the daily reported.

"Then, even if our total gross domestic product grows more slowly, our workers can become more productive and our income per capita can continue to rise,"

Lee told the seminar.

- **social Front**

- **Singapore launches police unit against casino crime**

Singapore on Wednesday launched a dedicated police unit to investigate crimes related to the city-state's first two casinos, which are due to open soon.

Superintendent Michael Ang, former director of security at The Venetian in Macau, was named head of the Casino Crime Investigation Branch (CCIB) of the police's Criminal Investigation Department.

"In preparation for the opening of the integrated resorts in Singapore, CCIB has been training its officers and formulating internal procedures and protocols in the area of casino crime investigation," a police statement said.

It said the unit's officers have been sent overseas, including to Macau and Las Vegas, for training and to attend conferences.

Singapore, one of Asia's safest cities, has been taking steps to allay public concerns over potential social ills related to casino gambling.

Resorts World Sentosa, which has been built by Malaysian gaming giant Genting at a former British military outpost, opened four premium hotels last week to prepare for the launch of a casino and a Universal Studios theme park.

Marina Bay Sands, which is being built by Las Vegas Sands, is expected to start operations in April.

Singapore gave the go ahead for casino gambling in 2005, setting off a flurry of construction that went ahead despite last year's recession.

The government hopes the casinos will boost the country's overseas appeal and draw more visitors as it relies mainly on man-made attractions to entice tourists.

The number of tourists visiting Singapore rose in November after slumping during the recession, but overall 2009 arrivals are expected to fall to 9.5 million from 10.1 million in 2008.

- **Environmental Front**

## **Vietnam**

- **Political Front**
- **Economic Front**
- **Vietnam Sells \$1 Billion of Bonds in 2nd Global Issue**

Vietnam raised \$1 billion from its second global bond sale, offering higher yields than lower-rated Philippines and Indonesia, amid the busiest start to a year for global borrowing by developing nations since 2005.

The Southeast Asian nation's government sold 10-year bonds to yield 6.95 percent, or 3.33 percentage points more than Treasuries, according to Bloomberg data. Barclays Plc, Citigroup Inc. and Deutsche Bank AG managed the sale. Indonesia paid 2.28 percentage points more and the Philippines gave an extra yield of 1.84 percentage points in sales earlier this month.

Vietnam's sale raised money for energy and infrastructure projects that will support growth in an economy suffering a shortage of foreign exchange, accelerating inflation and a widening trade deficit. The central bank set a 7 percent limit on the yield, the minimum amount investors AllianceBernstein L.P. and Western Asset Management Co. estimated would be required to attract sufficient orders.

"I like the country and see continuing inflows into emerging markets," said Francesca di Cesare, a bond manager who helps oversee the equivalent of \$10 billion at Aletti Gestielle SGR SpA in Milan and bought the notes. "Vietnam is not a frequent issuer and thus offers a diversification factor."

Twice Subscribed

Demand for the notes reached \$2.4 billion, more than double the amount on offer, said a person close to the transaction who declined to be identified because

he's not allowed to speak publicly. Indonesia's \$2 billion sale this month drew orders for more than twice debt on offer and the \$1.5 billion issue by the Philippines was subscribed more than six times. Investors in the U.S. bought 56 percent of the Vietnam notes, while Asian buyers accounted for 28 percent and Europe funds 16 percent.

The 2020 notes were bid at a yield of 6.837 percent, according to prices provided by the Royal Bank of Scotland Group Plc. The benchmark VN Index of shares rallied 3.5 percent to 497.90, the biggest gain in three weeks.

Developing nations from Turkey to Slovenia sold more than \$14 billion in overseas bonds so far this year, compared with \$24.7 billion at the start of 2005, according to Bloomberg data. Greece yesterday sold 8 billion euros (\$11.3 billion) of five-year bonds at premium yields, the first sales since the nation's debt was downgraded last month by Standard & Poor's, Moody's Investors Service and Fitch Ratings.

#### Increased Volatility

The JPMorgan Chase & Co. EMBI Global Spread was 3.15 percentage points as of 9:20 a.m. in London, up from 2.94 points at the end of last year. Vietnam has a 0.23 percent weight in the index, which tracks the dollar-denominated bonds of 37 emerging-market countries.

Vietnam delayed its debt issue on Jan. 22 because of increased market volatility as global stocks slumped after President Barack Obama unveiled measures to curb risk-taking by U.S. banks. The sale was completed yesterday in New York to yield about a percentage point more than was paid this month by the Philippines and Indonesia, which carry lower debt ratings from S&P.

The bond sale outcome was "important and successful," opening an international funding channel for the government and businesses, Vietnam's finance ministry said in an e-mailed statement today.

"The outlook for Vietnam remains constrained by questions around the government's ability to rein in the fiscal deficit, reduce the trade imbalance and moderate inflation," analysts at debt-research firm CreditSight Inc. wrote in a report.

#### Policy Balance

Vietnam is struggling to balance policies that spur growth with efforts to ensure its economy remains stable, said Jan. 15. The nation is rated Ba3 by Moody's, three levels below investment grade, with a negative outlook. The ranking is on par with the Philippines and one grade weaker than Indonesia. S&P rates Vietnam BB, one level higher than the BB- ranking for Indonesia and the Philippines.

The government sold \$750 million of 10-year bonds to yield 7.125 percent at its inaugural sale in October 2005, a premium of 2.56 percentage points over similar-maturity Treasuries. The 2016 notes yielded 6.13 percent yesterday or an equivalent of 3.35 points spread, according to Bloomberg data.

"Investors got nothing" for the additional four years of maturity in the new bonds, said Tim Condon, head of Asia research at ING Groep NV in Singapore. "Nor was there a new issue premium."

- **Vietnam ministry moots 4.9 percent power price hike**

The Ministry of Industry and Trade has submitted to the government a proposal to raise retail power prices by at least 4.9 percent, the Tuoi Tre newspaper reported Saturday.

Three different price hike options have been proposed by the ministry, but it recommended the government considers an increase of only 4.9 percent to VND1,019 per kilowatt-hour. The proposed increase is smaller than the rise sought by owned Electricity of Vietnam (EVN), the national power utility.

In its own proposal submitted to the government earlier this week, the power monopoly requested government consent for increases of between 6.2 and nearly 14

percent in the retail price of electricity due to higher production costs, particularly coal prices. EVN's proposal followed one made last month by the national coal monopoly, Vinacomin, to raise coal prices supplied to the power sector by as much as 149

percent this year. Industry and Trade Minister Vu Huy Hoang said in mid January that as both coal and electricity are strategic products that have direct effects on consumers and businesses, the government would have to make sure the hikes would not cause "shocks" to the economy.

An expert told Tuoi Tre the proposed electricity price increase of 4.39 percent by the ministry would slow economic growth by only 0.2 percent and an increase of only 0.16 percent in inflation.

- **Vietnam oil reserves good for 30 years**

Vietnam's current level of recoverable reserves of crude oil and gas are enough for another three decades of production, a local newspaper said Monday.

Vietnam has not been able to explore all its oil resources to come up with precise data on recoverable reserves, the Tien Phong (Vanguard) newspaper said, quoting chairman Dinh La Thang of state oil and gas group PetroVietnam.

"Counting the reserves we have discovered so far, production can last another 30 years," Thang said in the interview, adding PetroVietnam was expanding exploration to boost reserves.

PetroVietnam has said that, excluding reserves at foreign oil fields, it added 34 million tons of crude oil and gas equivalent last year to recoverable reserves, which stood at 127 million tons at the start of 2009.

The group said it projected adding between 35 million and 40 million tons of crude oil equivalent to its reserves this year, stepping up exploration abroad to meet rising domestic energy demand.

PetroVietnam has forecast crude output this year would fall about 6 per cent to 15 million tons, or 301,000 barrels per day, due to ageing oilfields.

- **Phillips Carbon to set up \$50 mln plant in Vietnam**

Phillips Carbon Black Ltd said Thursday it plans to invest \$50 million to set up a 50,000 metric ton per annum plant in Vietnam, in a joint venture with three Vietnamese state-run firms. Phillips Carbon Black will hold 80 percent in the plant, which will be commissioned in 2011, the company said in a statement.

"We have signed a joint-venture agreement with three Vietnamese government-owned tire companies - Casumina, Da Nang Rubber and Sao Rubber for setting up the first carbon black plant in Vietnam," Sanjiv Goenka, chairman told reporters Thursday.

This is Phillips Carbon's first overseas venture and the firm will have 80 percent of the stake in the joint venture, he said.



The proposed plant will have a carbon black capacity 50,000 metric tons and a 12 MW co-generation power plant initially, he said.

"We already have the land in possession and currently, environment impact assessment is in progress. In the second phase, the capacity will be scaled up to

100,000 metric tons carbon black and 16 MW power plant," Goenka added.

The Kolkata-based company is planning to invest 5 billion rupees over the next 18 months to fund its expansion, including the Vietnam plant, he said.

"In addition to the Vietnam project, we are also increasing our carbon black capacity in Mudra by 50,000 metric tons, and adding power capacity at Cochin,"

Goenka said. Post expansion, the total capacity from its 4 domestic plants would go up to 400,000 metric tons of carbon black and 90 MW of power, he said.

The fund raising would be at a debt/equity ratio of 1.5:1. Details are yet to be worked out, he said. "Our board will be meeting in six weeks to decide on the timing and size of the issue. We would definitely like to tap the market in three months time,"

Goenka said. Earlier in the day, Phillips Carbon reported an Oct-Dec net profit of 336.3 million rupees as against a net loss of 459.8 million rupees in the corresponding period last year, the company said in a release.

In the same period, its net sales were up by 32 percent to 3.47 billion rupees.

- **PTA delegation to visit Vietnam, Indonesia**

A trade delegation consisting of 14 tanners will visit Vietnam and Indonesia from January 31 to explore new avenues for leather and leather products in those markets.

According to PTA on Friday, its chairman Gulzar Firoz will lead the delegation, which is sponsored by the Trade Development Authority of Pakistan.

The delegation will hold negotiations with Vietnamese and Indonesian businessmen involved in leather business for establishing bilateral business relations and promotion of exports.

Firoz said great potential existed in those countries to increase volume of exports of leather and leather products.

During the year 2008-09, leather industry exported leather and leather products to Vietnam and Indonesia worth \$14.412 million and \$0.262 million, respectively, which are quite insignificant.

He said Vietnam was a fast growing economy having good resource potential including large human resource base. staff report

- **Vietnam logistics feat exceeds income level: World Bank**

Vietnam as a developing economy performs trade logistics better than its income level would suggest, according to a World Bank survey.

The survey found that Vietnam, along with China, India, Thailand, Uganda, the Philippines and South Africa were among the "most significant performers" among developing economies.

The country is ranked 53rd out of 155 economies in the Logistics Performance Indicators (LPI).

"Among developing economies logistics performance transcends the level of per capita income," said the WB report titled "Connecting to Compete 2010: Trade Logistics in the Global Economy."

Brazil, China, Bangladesh and Uganda improved their rankings while Germany emerged as the top performer, according to the study based on a broad survey of international freight forwarders and express carriers.

“Following our first survey in 2007, many developing countries have improved their capacity to connect to international markets, which is a key ingredient for competitiveness and economic growth,” said Otaviano Canuto, WB Vice President for Poverty Reduction and Economic Management.

“But if developing countries want to come out of the crisis in a stronger and more competitive position, they need to invest in better trade logistics.”

WB president Robert B. Zoellick, who visited Berlin last week to discuss global development and economic issues, said “Economic competitiveness is relentlessly driving countries to strengthen performance, and improving trade logistics is a smart way to deliver more efficiencies, lower costs and added economic growth.

“Streamlining the connections among markets, manufacturers, farmers and consumers offers tremendous growth and investment opportunities and should be a top focus for developing country growth strategies.”

Bernard Hoekman, director of WB’s Trade Department, said the research found increasing logistics performance in low income countries to the middle-income average level could boost trade by around 15 percent.

This would “benefit all firms and consumers through lower prices and better quality services,” he was cited in the report as saying.

According to the second edition of WB logistics survey, high income economies dominate the top logistics rankings while almost all the ten lowest performing countries are from low income groups.

Although the study showed a “logistics gap” between rich countries and most developing countries, it found positive trends such as modernization of customs, the use of information technology, and development of private logistics services.

Colombia, Brazil, and Tunisia, which made significant improvement between the two surveys, are also those that carried out reforms in the field earlier, the report said.

The study pointed out that logistics performance is heavily affected by the quality of public sector institutions, especially customs, and the coordination of border management agencies in border clearance.

- **Vietnam needs \$39.6 bln for social welfare programs by 2020**

Vietnam plans to spend some VND732 trillion (US\$39.6 billion) on a social welfare plan between 2011-2020, said Nguyen Lan Huong, who is in charge of making the plan, said in a recent interview.

The plan targeted different objectives, including developing social insurance system and having 100 percent of population get health insurance by 2014, according to Huong, head of the Institute of Labors and Society Science under the Ministry of Labors, War Invalids and Social Affairs.

Assuring all people have an access to social services like health, legal supports and clean water, and decreasing poverty were other targets, Huong said, adding that nearly half of the investment would come from the state budget.

The project also aimed to strengthen equality in the labor market, supporting disadvantaged laborers join the market, she noted.

According to Huong, a large part of Vietnamese laborers, mainly those who come from countryside and work without signing contract, were yet to enjoy the same social welfare policies as contracted ones.

“Our labor market at the moment is yet to bring benefits to all laborers,” so the project wanted to guarantee that all people would enjoy the same policies and get the minimum living standards, she said.

The institute may propose the government launch preferential credit programs specific for uncontracted laborers so they could have better income, Huong added.

“Good income is the base for all social welfare programs,” she noted.

Building better infrastructure for the services and increasing people’s awareness about social welfares’ benefits were also significant to make the project successful, Huong said.

However, the official admitted that the 2011-2020 project was just an immediate solution and that Vietnam should help increase the number of employees working under contract as a long-term way out.

- **Chinese bank ICBC starts business in Vietnam**

The Industrial and Commercial Bank of China (ICBC) expects its Hanoi branch to be a financial bridge connecting businesses in China, Vietnam and other Southeast Asian countries, said ICBC chairman Jiang Jianqing here on Tuesday.

ICBC, the world's largest bank by market capitalization, started its business in Vietnamese capital city of Hanoi on Tuesday. It is the first foreign lender from the Chinese mainland to receive a banking permit in Vietnam in 14 years.

"The intensifying two-way economic and trade between Vietnam and China has called for the establishment of an ICBC branch in Vietnam, a fast-growing nation in Southeast Asia," said Jiang.

"Growing businesses demand a safe, convenient and clear channel for capital settlement and strong financial support," he said.

Chinese official statistics showed that China has been Vietnam's largest trade partner for six consecutive years. Two-way trade exceeded \$20 billion last year. By the end of 2009, Chinese companies had invested an accumulative \$3 billion in Vietnam.

Related readings:

ICBC wants some forex pie for banks

ICBC gets approval to set up Hanoi branch

ICBC eyeing Taiwan's Cathay Financial

ICBC reports 19% rise in Q3 net profit

Jiang said ICBC appreciates Vietnam's huge economic potential and stable political environment. Vietnamese economy has been expanding at a fast pace of seven to eight percent in the past decade. In 2009, despite the negative impact from the global economy, Vietnam registered a growth rate of 5.3 percent, one of the fastest in the region.

Jiang said in the global expansion strategy of ICBC, the Chinese bank has attached great importance to the market of Association of Southeast Asian Nations

(ASEAN).

The recently-established China-ASEAN Free Trade Area creates huge trade and investment potential for businesses and big opportunities for commercial banks, said Jiang. ICBC has set up branches or extended business operation into five ASEAN countries including Singapore, Indonesia, Thailand, Malaysia and Vietnam, forging a strong service network, according to Jiang.

The aggregated Gross Domestic Product (GDP) of these five countries account for more than 80 percent of the total economic output in ASEAN, said Jiang.

Jiang said ICBC Hanoi branch will be committed to supporting bilateral trade between Vietnam and China and making contribution to the development of Vietnamese economy.

- **Environmental Front**
- **At social Front**
- **Vietnam water resources need protection to stave off shortage**

The agriculture ministry aims to supply clean water to 85 percent of population this year but an official is worried the country will face water shortage if the government does not protect the resource.

The Ministry of Agriculture and Rural Development said it would try to ensure that 70 percent of houses in rural areas have hygienic toilets and 70 percent of breeding farmers have hygienic breeding facilities this year.

Schools, including kindergartens, medical stations, markets and other public facilities in rural areas are also foci of the ministry plan.

In 2009, 79 percent of Vietnam population had access to clean water, 59 percent of households had clean toilets and 75 percent of schools had clean water and proper toilets, according to statistics from the ministry.

The ministry said it would now encourage private firms to build water plants and pipelines at all localities.

But Deputy Prime Minister Hoang Trung Hai said the problem wasn't just access to water, it was dwindling supplies of the resource.

"Vietnam is short of water," Hai said at a Hanoi conference on water resource and sustainable development Tuesday.

The deputy PM cited industrialization, modernization, the population boom and climate change as the causes, arguing that protecting water resources was "an extremely important mission for Vietnam."

Nguyen Thai Lai, deputy minister of Natural Resources and Environment, said the ministry had asked the government to seek for support from residents and international partners to develop water sources.

A Vietnamese resident is supplied an average of 11,000 cubic meters of water a year, which is around the world average.

Yet 85 percent of that water is supplied during the rainy season and people still receive little during dry spells, Lai said.

Koos Neefjies, climate change adviser of United Nations Development Program, told the conference that Vietnam needed urgent measures to ensure that water resources were protected and used properly.

A study release by the Hanoi University of Mining and Geology at the conference rang alarm bells over the vast reduction of groundwater, both in amount and

quality, occurring in the country.

“We will face severe water shortages in a short time unless we have really effective measures (to protect water sources),” Lai said.

## **Laos**

- **Foreign Relations**
- **Cambodia, Laos, Myanmar and Vietnam vow to maintain cultural connectivity**

Ministers of Culture and Fine Arts of Cambodia, Laos, Myanmar and Vietnam (CLMV) have vowed in a declaration to maintain cultural connectivity among member countries of CLMV at the end of a roundtable held in Nay Pyi Taw last week.

According to the Sunday ♦s Nay Pyi Taw Declaration-2010, the CLMV countries called for preservation of cultural heritage in the member countries, prevention against illegal trading of cultural heritage through borders, establishment of sister cities among the member countries and promotion of tourism industry. Taking part in the roundtable were Cambodian Minister of Culture and Arts Him Chhem, Laotian Minister of Culture and Information Mounkeo Oraboun, Myanmar Minister of Culture Major- General Khin Aung Myint and Vietnamese Minister of Culture, Sports and Tourism Hoang Tuan Anh representing respective countries.

The meeting was aimed at strengthening friendship among CLMV countries, uplifting good neighboring spirit, ensuring cooperation among member countries, holding culture exchange, enhancing cultural preservation and boosting tourism sector through cultural cooperation.

The ministerial roundtable followed a coordination meeting of CLMV senior officials in Myanmar ♦s ancient city of Bagan on last Wednesday

- **Economic Front**
- **Singaporean company invests in coffee plantation in Laos**

A Singaporean company, Outspan Bolovens Limited on Monday, in Vientiane Capital signed a contract with the Lao government on the coffee plantation project in Champassak province.

A contract on coffee plantation project was signed between the General Director of the Outspan Bolovens Limited, Mr. Sanjeet Khurava and the Deputy Minister of Planning and Investment, Mr. Thongmy Phommisay.

Speaking at the ceremony, Mr. Khurava said that this contract was designed to develop coffee cultivation through the promotion campaign of local people for growing and producing for export.

The project is carrying out in Kongtoun, Lak 12 (KM 12) and Lak 15 (KM 15) villages in Parksong district of Champassak province.

Mr. Khurava continued that we planned to grow coffee plants on 3,000 hectares in Parksong district till 2011, which expected its yield of 7,500 tonnes of coffee beans yearly.

Last year, we invested around US\$4 million to grow coffee plants on 560 hectares in Kongtoun, KM 12 and KM 15 villages in Paksong district, which has been

completed, he said. ♦ This year, we plan to grow coffee plants on 1,200 hectares and 1,240 hectares in 2011, ♦ said Mr. Khurava. ♦ Three years coffee plantation projects costs US\$40 million ♦.

♦ The project activities of Outspan Bolovens Limited would also include the sustainable plantation management, out grower programme, value addition, trading / exports and local infrastructure development, ♦ added Mr. Khurava. Under the contract, the Lao government has granted 30 years of the concession for conducting of the coffee plantation in Laos to the Outspan Bolovens Limited. If the period of concession ends, the concessionaire can expand the concession. The Outspan Bolovens Limited incorporated in February 2009 as a subsidiary of Olam International Limited, Singapore

- **Investment Minister receives Russian businessman**

Dr Sinlavong Khoutphaythoune, Minister of Planning and Investment, received here a courtesy visit of Head of the International Economic Relations of Russia Mr. Sergey Shmakov on 27 January.

Mr. Sergey and his delegation are on a working visit in Laos on 26-29 January.

Dr Sinlavong warmly welcomed and highly valued the visit to Laos of Mr Sergey and his group and said that his visit contributed to the enhancement of cooperation and solidarity between the two countries, Laos and Russia.

Mr Sergey informed the Lao minister that his visit was to study the cooperation and investment opportunities in Laos, especially the investment in road construction projects and the transfer of technology for production from Russia to the Lao PDR.

- **Social Front**

- **Laos, India boost cooperation on tourism development**

Representatives of eight tour operators and the Lao Star Channel are visiting India on a Buddhist circuit tour and Buddhist conclave on 29 Jan-8 Feb.

The Lao delegation left Vientiane yesterday.

The group will join tour operators from other South East Asian countries and those from other parts of the world.

The Lao representatives are from the Lao National Tourism Administration (LNTA), Diethelm Travel Laos, Green Discovery Laos Travel, Lao Youth Travel, Inter

Lao Travel, Travel group, FA Travel, and the Lao Star Channel ♦ a TV programme producer.

The visit comes in the wake of rigorous efforts made by the two countries to develop cooperation on tourism between Laos and India.

That Buddhism originated in India and has spread to several countries in South East Asia. Buddhist related travel to India has gained increasing popularity over the last decade and Bodh Gaya has become a popular destination for Buddhists as well as tourists from all over the world.

Several countries have constructed their temples in the complex. Lao President Choummaly Sayasone had also visited Bodh Gaya in August 2008 during his visit

to India. The visit will take the group of tour operators from the Lao PDR to Taj Mahal and other tourist attractions near Delhi. They will also join tour operators

from other countries on ◆Mahaparinirvana◆ train which will leave Delhi on 30 January for Nalanda. The train will take the tour operators to several places of Buddhist interests like Bodh Gaya, Varanasi, Saranath, Gorakpur, Kushinagar, Lumbini and Patna before finally arriving in Nalanda on 6 February where Buddhist conclave will be organised on 6-7 February. Nalanda has been chosen as the venue for Buddhist conclave because it was internationally well known centre for Buddhist learning around 2,000 years ago. The

revival of Nalanda as an international university is now a project under ASEAN

- **Over 308 billion kip invested in PRF projects**

Over the last seven years, the Poverty Reduction Fund has implemented 2,885 poverty reduction projects, totally worth over 308 billion kip.

PRF has contributed to the poverty reduction of people in 28 districts, totally covering 309 village clusters of 2,185 villages of 910,000 people.

The Executive Broad of the Poverty Reduction Fund organized its 14th meeting in Champassak province on January 21, 2010 to review the implementation of PRF over the last seven years.

The event was chaired by Standing Deputy Prime Minister Somsavat Lengsavad, who is also Chairman of Executive Broad of the Poverty Reduction Fund. Champassak Governor, Mr. Sonesay Siphandone, and relevant officials were present at the event.

Around 17 per cent of the investment in the projects is the contribution from concerned communities. Most of PRF projects are infrastructure development and are designed to promote the participation of community in reducing their poverty.

## **Brunei**

- **Economic Front**

- **Brunei to join 3 SEA nations for the project**

Brunei Darussalam will be embarking on a new project that will highlight the Islamic side in this region by offering tourism packages, which will also impart knowledge on the spread of Islam and its significance.

Pehin Orang Kaya Seri Utama Dato Seri Setia Awang Haji Yahya, Minister of Industry and Primary Resources, said, "We should promote the Islamic theme" considering that we are an Islamic nation.

According to Sheikh Jamaluddin, CEO of Brunei Tourism, it is hoped that the project will be ready by next year to be presented to other tourism ministers who will be in Cambodia for the 2011 Asean Tourism Forum (ATF).

The Malaysia Tourism Board and Brunei Tourism have verbally agreed to discuss the framework of the project and hope to follow the footsteps of the Buddhism Trail that started in Myanmar.

The Islamic Trail project will also be discussed with Indonesia and Thailand where each country, including Brunei Darussalam and Malaysia, will identify their own products and

will engage the private sector to make the Islamic Trail package work in terms of logistics.

For Brunei Darussalam, Sheikh Jamaluddin said the nation is not short of Islamic interests. "We have some of the most beautiful mosques in the world," he said and added that His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam's Islamic collection on display at the museum will also be one of the attractions on offer, as well as the collection at the Mufti's office.

The Islamic Trail package will also be combined with shopping experiences and is hoped to attract Muslims around the region.

Meanwhile, the Minister of Tourism, Malaysia Datuk Seri Dr Ng Yen Yen launched the Unesco World Heritage 1-2-3 Package during the ATF at Bridex, Jerudong yesterday.

The package aims to promote Unesco World Heritage sites namely Borobudur, Melacca and Penang. It is targeted at outbound cultural and heritage lovers from China, Japan, Hong Kong and so on.

A press release stated, "For the price of one package, a tourist gets to experience three different cultural mixes from three Unesco heritage cities located in two countries."

The 7-day, 6-night package comprises two nights in Penang, one night in Melacca, one night in Kuala Lumpur and two nights in Jogjakarta.

Part of the package will also include either 5-star or 4-star hotel stays such as in Renaissance KL in Kuala Lumpur and Jogjakarta Plaza in Jogjakarta.

- **Brunei Can Be Data Hub For Malaysia, Singapore**

Bandar Seri Begawan - Brunei could be on its way to becoming a data/information storage hub for countries such as Malaysia and Singapore, said Graeme Kemlo from Senatas, an internationally recognised and accredited company for its high-speed network encryption technology.

The general manager of marketing communications said that this information was disclosed to him by a government agency which could not be disclosed during press time.

"I am only telling you what we were told but there is apparently a plan afoot to establish a series of data centres which will effectively allow organisations, governments and businesses, among others to send their data to Brunei to be backed up," he said.

Typically, data centres sell data storage space and other specialised IT services to customers, usually companies which handle large amounts of customer data like banks. The facility is used to house data using computer systems and associated components, such as telecommunications and storage systems.

Kemlo said that such back-up systems are usually in place in major western countries such as Australia to prevent complete loss of data during unforeseen circumstances.

"We have a city data centre (in Australia) but we make sure that it is 60 to 70 kilometres away, earthquake distance, in case something happens," he said.

"This area is surrounded by a lot of oceans so I think this is a great idea for Brunei," added the general manager.

Asked how the Sultanate could achieve this, Kemlo said Brunei had to first demonstrate the security of its own information technology infrastructure.

"This does not only mean protecting data but also power grids and submarine cables that you have to protect so these are the sort of things that encryption can protect because it



stops people from extracting and injecting information into the network to turn it down or speed it up," he said.

Last month, the Brunei Economic Development Board (BEDB) said it was pressing ahead with a plan to set up a data centre worth an estimated US\$50 million-\$100 million (\$70 million-\$139 million) in the Sultanate.

The data centre is among the priority projects the BEDB had identified under the information and communication technology sector as a means to shift the economy away from the oil and gas sector.

Kemlo, along with Senatas Chief Executive Officer John DuBois, is currently in the Sultanate to debunk the myth that fibre optic networks are "inherently secure". The officials also announced the appointment of Teleconsult Sdn Bhd as its Bruneian partner.

Teleconsult is an information communications technology consulting company with Operations in Singapore, Malaysia and Brunei Darussalam. DuBois used the opportunity to demonstrate how a "fibre tap", a coupling device readily available over the Internet, can be used to tap into a single strand of optical fibre to extract information.

He explained that many organisations have done quite a bit to protect the internal database of their systems by means of firewalls and desktop encryption but fail to realise that these information become vulnerable when sent through fibre optic cables or copper.

"Using this device (fibre tap), someone with mischief or malicious intent can read what is being sent between offices, yet remain virtually undetectable to either the original sender or intended recipient," he said.

"Many businesses were sold on the belief that optical fibre is inherently secure because it employed light beams to carry data rather than the usual electrical signals.

"With over 500 million kilometres of fibre deployed around the world over the past 25 years, and enterprises pumping data along these fibres at up to 10 gigabits per second, there is a lot at stake," said DuBois.

Information that could be extracted may include personal details, private health records, banking information, social security numbers, company sensitive data and financial transactions.

"We have situations where people have lost their identities ... I can then reproduce your driving license and go to a bank to apply for a loan," quoted the chief executive officer as an example, adding there is therefore a need to encrypt such information that is to be sent via fibres.

He said that with the global use of metro networks using fibre backbones estimated to triple, the need to secure data-in-motion has never been clearer, adding that it was also stated that most corporations also run both production and backup systems connected by high-speed fibre, so all corporate information is potentially at risk.

- **Taiwan Eyes Surge In Trade With Brunei**

Taiwan is aiming for a 10-fold increase in trade with Brunei in the next two to three years, the new Taipei Economic and Cultural Office representative told The Brunei Times in an exclusive interview yesterday.

Terry Ting said that the current bilateral trade between Brunei and Taiwan is at US\$27 million (\$38 million), and that Taiwan hopes to increase it to more than US\$200 million during his term in the Sultanate. "There are several areas that both Brunei and Taiwan can explore in trade, such as agriculture, fish farming, tourism and technology," Ting said.

"Taiwan is renowned in the world for its agriculture and technology, and I believe (that) on these aspects we can help Brunei develop further."

The 56-year-old senior diplomat arrived in Brunei early this month, taking over from former representative Yu Shao-Wu. Ting studied international law and served as Taipei's representative to Israel and Palestine.

Yesterday, he spoke of the comfort of not having to deal with political issues in his current appointment, and stressed that trade and culture would be his emphasis during his time in Brunei. Another issue that Ting wants to tackle is the suspended direct flights between Brunei and Taiwan.

"Direct flights were suspended back in 2003 due to the outbreak of Sars, and now that this issue is long gone, I believe we should work to resume the flights.

"Once direct flights resume, we will be able to kick start many things, especially tourism and trade," Ting commented.

He said that the Taiwanese are avid travellers, and Southeast Asia is a region that is highly frequented by them. However, Brunei is still a mystery to many Taiwanese, as most have never travelled to the Sultanate.

"I believe by resuming direct flights, Brunei can attract tourists from Taiwan all year round, instead of just a few chartered flights during the Chinese New Year festive period," Ting said. "Taiwanese are very interested in eco-tourism, and most think that tropical rainforests can only be found in South America's Amazon. We should let them know that they can find it in Brunei as well."

"With direct flights, Brunei is only four hours away from Taiwan. We can be considered neighbours in that sense, and how strange is it that neighbours can be so unfamiliar with each other. We should try to change that," he added.

Ting further suggested that one area that Taiwan can help Brunei is in environmentally friendly technology. The Green Silicon Valley in Taiwan is known for developing green products, including solar panels such similarities, there will be a lot of common technologies developed by Taiwan that can be used by Brunei, so I hope we can look into this area of cooperation," Ting said.

The Taiwanese representative said he also believed that there could be cultural exchanges between Taiwan and Brunei. He said he planned to support a youth exchange programme to bring Brunei youths to Taiwan, and vice versa, for youngsters to better understand each other's countries.

Asked about his experience in Israel and Palestine, Ting stressed the importance of peace. "Islam practised in Brunei epitomises what this religion is about. You can feel the peace and tranquility when you step into this country," he said.

During his time in Israel and Palestine, Ting oversaw various human aid programmes for Palestine from Taiwan.

"Brunei is known as the Abode of Peace', and this is the very experience that makes Brunei feel like utopia to the rest of the world.

"I believe Brunei should really share this experience and let people know that peace is what moves the world, not war," he added.

- **Brunei Passes ATF Plaque To Cambodia**

The Minister of Industry and Primary Resources Pehin Orang Kaya Seri Utama Dato Seri Setia Awang Haji Yahya yesterday handed over the Asean Tourism Forum (ATF) Commemorative Plaque to Cambodia, who will be hosting it next year.

On hand to receive the plaque was Mr Pak Sokhani, Under Secretary of State, Ministry of Tourism Cambodia, representing the Minister of Tourism Cambodia, and accompanied by Mr Nansy, the Ambassador of Cambodia to Brunei Darussalam.

Also, ATF delegates will embark on a three-day, two-night post-tour of the country starting today and are scheduled to visit Ulu-Ulu National Park, Tasek Merimbun, Oil and Gas Discovery Centre in the Belait District and others.

- **Sabah Welcomes Foreign Investors To Undertake Commercial Scale Fruit Farming**

The State government welcomes foreign investors to undertake commercial scale farming of local fruits for export as well as the domestic market.

Deputy Chief Minister Datuk Yahya Hussin, who is also the state Minister of Agriculture & Food Industry, said the farming of high quality tropical fruits on a large scale can yield a food supply to meet local needs and for export.

He said fresh, local fruits of high quality, can also be processed to become other products such as juices and jam, helping at the same time to reduce related food imports.

"Sabah has strong potential as a state to produce tropical fruits of quality in Malaysia." However, Sabah still has no large scale producer or exporter of fruits," he added, following a visit by Exotic Star Sdn Bhd director Jeffrey Choong Wong Thiam, at his office here yesterday.

According to Yahya, to date fruits produced in Sabah, are for local needs with only selected fruits being exported to Brunei. Meanwhile, Choong said his company plans to cooperate with the State government through the Sabah Agriculture Department, to undertake fruit farming on a commercial scale for the domestic as well as export market.

The company, he said, has identified an area for this purpose in Sandakan. Exotic Star Sdn Bhd is a producer and exporter of local fruits in the Peninsula with vast experience in farming and farm management as well as marketing.

The company has farms in Negeri Sembilan, Kedah and Pahang while exporting tropical fruits, especially papayas and jackfruit, to Hong Kong, Singapore and China.

Also present yesterday were the ministry's permanent secretary Datuk Ujang Salani, State agriculture director M.C. Ismail Salam and his deputy Idrus Shafie, political secretary Victor Ng and senior officials.