

## **Report # 119**

### **Business and Politics in Muslim World**

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**Tatheer Zahra Sherazi**

**7 May to 14 May**

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## Indonesia

- **Powerful quake hits Indonesia's Aceh region NURDIN HASAN**

A powerful quake with a magnitude of at least 7.2 hit the Indonesian province of Aceh on Sunday, causing panic in an area that was devastated by the killer waves of the 2004 tsunami.

Coastal residents fled from their homes and headed inland fearing a destructive tsunami but officials said no casualties were reported, although one official said part of a school under construction collapsed.

The quake hit at 12:59pm (3.59pm AEST) 66 kilometres southwest of Meulaboh on the Aceh coast on the island of Sumatra, according to the local Meteorological and Geophysics Agency.

Advertisement: Story continues belowThe US Geological Survey put the magnitude at 7.4.

A local tsunami alert was issued by the Indonesian government but lifted about 90 minutes later.

The people of Aceh are still traumatised by memories of December 26, 2004, when the Indian Ocean smashed into the northern tip of Sumatra after a 9.3-magnitude quake split the seabed to the island's west.

An AFP correspondent in the provincial capital Banda Aceh said the ground shook for about three minutes on Sunday, sending people rushing from their homes and heading inland on motorcycles, cars and trishaws.

"This quake turned out not to be destructive. There's no report of damage to buildings, anyone injured or killed so far," Disaster Management Agency spokesman Priyadi Kardono told AFP.

"There were many people who panicked and fled their homes. They were just so afraid that a tsunami would happen again."

Part of a school building which was under construction on the tiny island of Simeulue south of Meulaboh has collapsed, local chief Darmili said, adding that there were no reports of damage elsewhere.

Indonesia was the nation hardest hit in the 2004 tsunami, one of the world's deadliest natural disasters, with at least 168,000 people killed out of more than 220,000 who lost their lives across the region.

Indonesia sits on the Pacific "Ring of Fire," where the meeting of continental plates causes high volcanic and seismic activity, and is frequently rattled by quakes.

Sunday's quake off Meulaboh, which lies on the northwestern tip of the island of Sumatra, struck at a depth of 30 kilometres, the local agency said, while the USGS put the depth at 61 kilometres.

Meulaboh was near the epicentre of the 2004 quake and one of the hardest hit areas, with thousands of people killed and many homes destroyed.

But there were no reports of casualties or damage in the area, West Aceh district deputy head Fuadri told AFP.

"Although there's no tsunami, Meulaboh residents had panicked and would stay alert. They're still outside, scared to return to their homes," he added.

In neighbouring Malaysia, the Meteorological Department said there was no threat of a tsunami in the country which lies to the north of Sumatra.

However, it said tremors were felt in the west coast of Peninsular Malaysia including in the northern resort island of Penang.

A 7.8-magnitude earthquake hit Sumatra in early April, leaving about 17 people injured when some houses collapsed.

In September last year, a 7.6-magnitude quake killed about 1000 people in the port of Padang, western Sumatra, in September last year.

<http://www.brisbanetimes.com.au/world/powerful-quake-hits-indonesias-aceh-region-20100510-um0m.html>

- **Indonesian Human Rights Body Plans Probe of Attacks on Religious Buildings**

The National Commission on Human Rights will conduct a special investigation into the recent spate of vandalism targeting places of religious activities, including schools and churches, an official announced on Sunday. "We will launch an investigation into these regrettable incidents once we finish the report on the Koja riot that's due on Tuesday," Nurcholis, deputy chairman of the commission known as Komnas HAM, told the Jakarta Globe. "We're going to record all incidents, locations, causes, estimated losses, casualties if any, and then we're going to look into how administrative problems, such as acquiring licenses and related policies, fit in. "The investigation will also involve the Ministry of Religious Affairs, the Ministry of Home Affairs and the police." Komnas HAM also urged the Ministry of Religious Affairs to initiate a dialogue with community organizations. "These organizations play a very important role, since grass-roots miscommunication can easily lead to mob violence," Nurcholis said. Weeks after the attack on an unfinished retreat for a Christian education foundation in Cisarua, Bogor, a Catholic school in Jatibening, Bekasi, was vandalized by a mob on Thursday night. "The mob was allegedly incensed by a Web blog disparaging Islam on behalf of the St. Bellar-minus Catholic school," Bekasi Police Chief Sr. Comr. Imam Su-gianto said. The blog was discovered by the school's foundation two weeks ago and reported to the police soon after. The case was taken over by the Jakarta Police cybercrimes unit, and is still under investigation. "It's difficult for us to look into because the blog has been removed," said the head of the unit, Adjutant Sr. Comr. Tommy Winston Watuliu.

- **The attack took place at midnight, Imam said.**

"About 12 people, armed with sticks, stormed the school and destroyed the building and some of its facilities," he said. The three security guards at the scene said the attackers came on foot, and most wore shorts.

“They were also heard cursing,” Imam said. Also in Bekasi, the congregation of the HKBP Filadelfia Church had to hold Sunday services on the roadside yet again after their church was sealed two months ago. “We have been praying beneath the sky for almost five months now,” Father Palti Panjaitan said. The congregation has 500 members and was formed 10 years ago, he said. “We used to hold prayers at members’ homes, but the local residents objected to it.” They then bought a shop-house for their services, but again met with protests. “In 2007 we built a makeshift church on land we bought in Jejalen Jaya village,” Palti said. “The former landowner approved and we had the consent of the neighborhood to build a church there.” However, the request for a building permit was never processed by the Bekasi administration, Palti said. “Last December, we got a letter from the administration forbidding us from building a church there, citing a 1996 bylaw on permanent structures. “All we had was a church made of plywood and tarpaulin. It wasn’t a permanent structure,” Palti said. “Plus they cited the law covering homes and other structures, not on religious activities.” Church members continue to be terrorized by a group calling itself the National Muslim Communication Forum. “After they [Bekasi authorities] sealed off our church, we held our services on the sidewalk, but nobody protested, which was weird,” Palti said. The congregation is suing the Bekasi administration for negligence. “We had our second hearing on Friday, and will have another this week,” Palti said. <http://www.thejakartaglobe.com/home/indonesian-human-rights-body-plans-probe-of-attacks-on-religious-buildings/374122>

- **Bali Nine's Scott Rush circumcised in jail 'for Islam' By Cindy Wockner From**

BALI Nine death row prisoner Scott Rush has been circumcised in a secret jail ceremony in Bali and has told authorities he is learning about Islam. Authorities at Kerobokan Jail confirmed that Rush had undergone a circumcision on Friday in the jail's Muslim prayer area. The jail's doctor and other officials were not even aware the circumcision had taken place until the weekend and were angered that such a procedure had been conducted by someone who was not authorised by the jail. They have since questioned Rush's motives and whether he had really converted to Islam. Rush is a Catholic and his parents are staunchly religious. As recently as a week ago Rush attending Christian church services at the jail.

The jail's head of education and rehabilitation, Anang, said that Rush had told him he was still learning about Islam. "His answers were complicated," Anang said about his discussion with Rush, whom he has told to provide him with more answers today. And the jail's doctor, Agung Hartawan, who was only aware of the circumcision on the weekend said luckily it was a good job and not bleeding too much. Dr Hartawan said he had asked Rush if he converted to Islam and that he said: "I want to learn Islam." And he said when he further questioned Rush about the secretive procedure and whether his parents were even aware of it, that Rush had told him: "This is my right and I just want to know about Islam, I want to learn about Islam." Rush is one of three members of the Bali Nine on death row for their role in the heroin trafficking gang. He is due to lodge his final appeal very soon.

<http://www.couriermail.com.au/news/national/bali-nines-scott-rush-circumcised-in-jail-for-islam/story-e6fre000-1225864831204>

- **Indonesian growth rate rises**

Indonesia's economic growth accelerated in the first quarter to its fastest pace since the third quarter of 2008, as households continued to spend amid benign inflation and companies invested more on rising confidence in the economy, the government said Monday. The official statistics agency said Southeast Asia's largest economy expanded 5.7% year-to-year in the quarter ended March, accelerating from 5.4% in the fourth quarter of 2009. Meanwhile, nonseasonally adjusted quarter-to-quarter economic growth was 1.9%, a reversal of the previous quarter's 2.4% contraction.

The data showed that the domestic economy's recovery remains on track, even if growth came in slightly slower than expected.

The median forecast of 12 regional economist polled by Dow Jones Newswires was for gross domestic product to have expanded 5.78% in the first quarter from a year earlier. Meanwhile, the median projection of 10 economists who provided quarter-to-quarter forecasts was for GDP to have risen 2.1% compared with the preceding period. Bank Indonesia isn't expected to start tightening monetary policy soon as inflationary pressures aren't yet seen as a threat, analysts said. Last week, Bank Indonesia kept its benchmark overnight rate at 6.50%, where it has been since August. Household consumption, the pillar of the country's economy, rose 3.9% year-to-year in the first quarter; investment gained 7.9% and exports gained 19.6%, the statistics agency data showed. A 8.8% decline in the government spending, however, weighed on growth. "We are still of the opinion that the underlying sentiment has ticked up in Indonesia, and the momentum should be maintained going forward," said OCBC economist Gundy Cahyadi. The government has set a 5.8% growth target for this year, compared with 4.5% expansion last year. Analysts said accelerating economic growth, stable inflation, and a more temperate political atmosphere—after parliament in March concluded its probe into a controversial bank bailout—should foster a more conducive environment for investment. "At the same time, investors are likely to be reassured by the country's consistent current-account surplus, relatively low levels of private, external and government debt as well as its subdued fiscal deficit," said HSBC economist Robert Prior-Wandesforde. "Twelve years on from the Asian crisis and Indonesia is looking like a significantly better economy."

The statistics agency also said its quarterly surveys showed that companies and consumers are confident the economy will continue to improve in the second quarter of the year.

The agency added that the unemployment rate dropped to 7.4% as of February from 7.9% in August, and 8.1% in February 2008

<http://online.wsj.com/article/SB30001424052748703880304575235642058891262.html>

- **Beyond the economy at the G-20**

Ambassador wants food, water security on summit agenda

Indonesia welcomes the Group of 20 as the premier forum for international economic cooperation but hopes to see the world's largest economies address other important global issues such as climate change and food and energy security at the summit in Seoul later this year, Jakarta's top envoy to South Korea said in a recent interview.

Indonesian Ambassador to Korea Nicholas T. Dammen said his government appreciates that the group will become the premier forum for resolution of global economic and financial issues, because the Group of Eight and Group of Seven were too small to represent the current global economy.

"In the G-7 and G-8, the only Asian country included is Japan," he said. "Korea, Indonesia, India and China are not in those groups, and that's not an accurate representation of the global economic landscape."

"The G-20 represents the world better," he said, adding that Indonesia, in cooperation with Korea, will also try to represent the voices of developing countries that are not members of the group.

He said that he and ambassadors to Korea from the G-20 member countries have had several meetings at the National Assembly to talk about the agenda for the June summit in Canada and the November summit in Seoul.

"I understand that we will talk about exit strategies during the summit in Canada, if things go smoothly," he said. "And in Korea, we will talk more about mid-term policy and long-term strategy."

“I also want to say that the summit should address non-financial issues that are important to the international community,” he said. “Food security, energy security, water security and climate change are some of the topics that should also be addressed.”

Indonesia’s top priorities are forestry and climate change, he said.

While many G-20 member economies were severely hit by the latest financial crisis, Indonesia remained relatively stable, Dammen said.

“We were lucky” he said, emphasizing that the country has learned from past crises.

Along with reinforced banking and financial regulations, the government also launched stimulus measures and created jobs with infrastructure development programs, he said.

“We also have a very strong domestic market,” Dammen said. “If we cannot export our products, then we can consume them, thanks to our more than 200 million population.”

Dammen also expressed hope for the future of the bilateral relationship between Korea and Indonesia.

“Indonesia is very rich in natural as well as human resources,” he said. “Korea has capital, skills, management, finance, funding and technology. We can complement each other,” he said. “This is a very important point that makes the prospect of our relationship extremely bright.”

Indonesia’s major exports to Korea include energy resources such as coal, oil and gas. Agricultural and textile products are also main export items to Korea, according to the ambassador.

Dammen said that political and security ties between Seoul and Jakarta have developed steadily since the two governments established diplomatic ties in 1944. And Korea’s support for Indonesia’s unity as one nation was greatly appreciated by his government, Dammen said, adding that Indonesia also supports unification of the two Koreas.

Noting that Indonesia has imported weapons systems from Korea, Dammen said he hopes to see deeper exchanges between the two countries in that field.

“We would like to see more military equipment and high-tech systems produced in Indonesia,” he said. “We don’t want to be just a buyer, but would like to become a partner for procurement projects with Korea.”

Dammen said Indonesia hopes to see military technology transferred from Korea through their defense cooperation programs.

“Korea can use Indonesia’s workers and materials,” he said, stressing that such a method of cooperation will be more cost-effective and beneficial to both countries.

He also said Indonesia would like to see more investment from Korea.

There are about 3,000 Korean enterprises operating in Indonesia, the largest number for a single foreign country, Dammen said.

The Korean population in Indonesia is about 30,000, making it the largest foreign community in the country, he added.



“However, Korea is the seventh biggest investor in Indonesia,” he said. “In the future, we would like to see that increase to match Korea’s presence in our country.”

Labor exchanges between Indonesia and Korea have also grown steadily, the Indonesian ambassador said.

“About 28,000 Indonesian workers are in Korea, working in various industries ranging from manufacturing and construction to agriculture and shipping,” he said, adding that he would like to see more opportunities for Indonesian workers in Korea.

Commenting on the development of bilateral ties between the two nations, the ambassador stressed his government’s support for Korea as the host of the G-20 Summit in November. He said he was amazed to see the activities that have taken place in Korea since the decision to hold the summit here was made last year.

“You can see the whole community - schools, experts, lawmakers, the government and the preparatory committee - is focusing its attention on how to make this G-20 Summit a success,” he said. “That’s the beauty of Korea.”

<http://joongangdaily.joins.com/article/view.asp?aid=2920250>

- **Govt to modernize textile & leather industry**

In the 2010 budget, government of Indonesia has allocated Rp 9 billion for modernization of old textile and leather machineries in Small and Medium Enterprises (SMEs), informed a government official.

Textile and leather products manufactured in SMEs fail to strongly compete in the market due to their aging machineries, which are the biggest obstacle in the development of these SMEs.

Aging machinery reduces the efficiency as well as the productivity of these enterprises, which affects the overall quality of their products. Moreover, small and medium scale textile and leather industries are finding it difficult to access financial institutions and source funds to purchase new machinery.

Modernization of machineries in these industries comes at a time when there is tough competition in the local market due to entry of cheaper textile and leather products from foreign countries.

The textile and leather industries are supposed to modernise machineries of about 80 to 100 factories per year, under a six-year restructuring program that was implemented in 2009 for the first time. This program was to help modernize at least 50 percent of the plants by the year 2014. The government, under this six-year program, will offer 25 percent funds to the industries to import new machineries and 30 percent funds will be offered for acquiring new machines from the local machine manufacturers, in the price range of Rp 40 million to 2 billion each. [http://www.fibre2fashion.com/news/textile-news/newsdetails.aspx?News\\_id=85945](http://www.fibre2fashion.com/news/textile-news/newsdetails.aspx?News_id=85945)

- **Indonesia militants planned coup**

Indonesia’s National Police chief Bambang Hendarso Danuri holds a paper showing terrorist suspects during a press conference at the police headquarters in Jakarta yesterday

Indonesian militants captured in recent police raids were planning a series of attacks including a Mumbai-style hotel siege targeting foreigners and an assault on the president at an independence day ceremony, police said yesterday.

The men also planned to target US President Barack Obama, who is scheduled to visit the country later this year, and plotted the attacks to instal sharia law in the world's most populous Muslim nation, officials said.

Police have arrested and killed several suspected jihadists during a series of raids across Indonesia since February when they discovered a militant training camp in the Sumatran province of Aceh.

National Police Chief Bambang Hendarso Danuri told reporters that an Aceh-based militant group had planned to attack President Susilo Bambang Yudhoyono, government officials, and state guests attending an independence day event in August, and would then declare Indonesia an Islamic state ruled by sharia law.

"They planned to attack and murder state officials at the August 17 celebrations. There, they saw all of the state officials as assassination targets, including the state guests attending the ceremony," Danuri said.

A security source involved in the investigation said that the attackers had planned to lay siege to the palace on Independence Day, staging a coup.

The militants also planned to attack and occupy hotels used by certain communities, understood to mean foreigners, copying the hotel sieges in Mumbai. The targets included US citizens in the capital Jakarta and Java island.

A map of Singapore was found among the militants' possessions, Danuri said.

The plan to launch the Independence Day attack "confirms they were more interested in targeted assassinations than bombings," said Sidney Jones, a Jakarta-based expert on Islamist militancy.

"But it's actually very, very hard to pull off something like that so I don't know how far these operations would have succeeded," she added.

Southeast Asian Islamic militant group Jemaah Islamiah and its offshoots have pulled off several bomb attacks in Indonesia over nearly a decade.

Several of the leaders and key bomb-makers have been killed or imprisoned, while Indonesia's anti-terror unit has captured hundreds of militants, reducing their effectiveness.

But recent intelligence shows the groups are forging closer links and adopting new strategies.

Earlier yesterday, an expert on militants said that US President Barack Obama, who is due to visit Indonesia in June, was one of several suspected targets of the militants.

Intelligence expert Mardigu Wowi Prasantyo, who is close to the police investigation, said books and documents found in the raids suggested the militants planned an attack on Obama, possibly during his visit to Indonesia.

"They did not say it, but this was evident in their books and documents, that the leader of America was their enemy and should be attacked whenever possible," he said by phone.

Obama, who spent part of his childhood in Jakarta, was expected to visit Indonesia in March but delayed his trip until mid-June so he could oversee the passage of the US health bill. Another intelligence expert said last year that militants planned to use snipers to attack Obama's convoy during his visit. Reuters

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=361574&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=361574&version=1&template_id=45&parent_id=25)

- **Trade pact with Asean may boost Indian investments in Indonesia**

The Indo-Indonesian trade has expanded by over 20 per cent in the first two months of 2010.

India is set to strengthen its ties with the Association of South-east Asian Nations (Asean) as well as Indonesia.

According to the Indian envoy in Indonesia, Mr Biren Nanda, the Free Trade Agreement (FTA) with Asean on investment and services may be through within a year.

The treaty is expected to boost Indian investments in the natural resource-rich Indonesia substantially.

In an interview to Business Line recently, Mr Nanda said the discussion on the Indo-Asean FTA on services and investment had been initiated.

“It will, we hope, will conclude soon, may be in a year or less than a year. I do not think it will be a very complicated issue, as there is a general keenness to get it done,” he said.

India recently entered into an FTA on goods with the Asean and is targeting \$70 billion trade with the Asean countries in the next two-three years, currently increasing at an annual rate of 28 per cent.

Reiterating India's nearly two-decade-old 'Look-East' policy, Mr Nanda said that Indian trade was consistently being redirected to the East Asian countries during the last two decades.

The FTA with Asean on goods has opened the doors for Indian companies to expand their reach in the South-East Asian markets.

Indian automotive sector is a major beneficiary of the treaty.

#### Resource-based trade

Indonesia has already emerged as the second largest trading partner of India in the Asean (after Singapore), registering a growth of trade volume from \$4 billion in 2005 to \$10 billion in 2008. After remaining flat in the recession-hit 2009, the Indo-Indonesian trade has expanded by over 20 per cent in the first two months of 2010.

What is more important is, the share of the resource-based trade, mostly import of coal and palm oil, has come down from 50 per cent to 40 per cent of the total trade volume, indicating a faster growth in the non-resource based trade.

“In an emerging trend, Indian companies are taking increasing interest in not merely leveraging the energy resource of Indonesia but also value addition in the country.

This is further increasing the export of engineering goods from India,” he said.

A case in point in this direction is the recent proposal by Nalco (National Aluminium Company) to set up a 0.5 million tonnes smelter and 1,250 MW power plant at the coal resource-rich Kalimantan in Borneo islands using imported alumina from India.

Essar and Jindal Steel have already set up facilities in the country.

Indian investments are also expected to shoot up in the coal mining sector, as a result of the recent opening up of the sector for FDI by the Indonesian Government. Foreign companies were previously not allowed to own mining assets in Indonesia.

(The writer was in Jakarta recently on a Jefferson Fellowship)

<http://www.thehindubusinessline.com/2010/05/15/stories/2010051551431800.htm>

- **Indonesia reform in doubt with minister's departure**

The departure of Indonesian Finance Minister Sri Mulyani Indrawati to take up a top job at the World Bank has cast doubt on the direction of the country's reform drive, analysts said.

To the surprise of many in Indonesia, the World Bank announced on May 4 that Indrawati had been appointed as one of three executive directors at the institution's headquarters in Washington.

Indrawati confirmed the appointment the next day in an announcement that contributed to sharp falls in the stock market and the rupiah.

Despite controversy at home over her role in the 2008 bailout of a small lender, Bank Century, Indrawati is known for her efforts to clean up the notoriously corrupt bureaucracy and her tough stance on tax evaders.

Local media reported that the Golkar Party, a powerful member of the coalition that makes up the government of President Susilo Bambang Yudhoyono, had lobbied for the dismissal of Indrawati and the World Bank job was seen as a win-win solution.

'Sri Mulyani is considered a reform icon and is needed at home,' said Fauzi Ichsan, chief economist at Standard Chartered Bank in Jakarta.

'The question remains why she decided to quit,' he said. 'Was she assigned by the president to work at the World Bank or was it related to the Bank Century case?'

Ichsan said the direction of reform hinged on Indrawati's replacement, expected to be announced on Thursday.

'If her replacement is a figure with a clean reputation, there won't be a significant impact,' he said.

Analysts said Sri Mulyani's vigorous tax collection drive by targeting tax evaders among the country's political and business elite had ruffled some feathers, leading to pressure to remove her.

Golkar, the country's second-largest party, led by tycoon Aburizal Bakrie, was at the forefront of a parliamentary inquiry into the bank bailout.

The inquiry team concluded that the bailout was unwarranted and requested police to launch a criminal investigation into Indrawati and Vice President Boediono, who was governor of the central bank at the time.

The government said the bailout had prevented a wider crisis in the banking system.

Bakrie's business group had been a subject of a Finance Ministry probe over suspected tax evasion.

'If the president believes that Sri Mulyani is a valuable asset for the nation, why did he not say no when she tendered her resignation?' economist Faizal Basri wrote in the Kompas daily.

'Approving her resignation could be a sign of a lack of determination to resist political pressure from groups who are being threatened by the reform drive,' he said.

Golkar denied that it had struck a deal with Yudhoyono to arrange Indrawati's exit.

'It was purely her own decision,' said Priyo Budisantoso, a Golkar deputy chairman. 'We don't want to ruin the party's reputation with such deals.'

A spokesman for Yudhoyono also denied that the president had struck a deal with the World Bank to pave the way for Indrawati's exit from the cabinet.

Indrawati has tried to allay concerns over her departure, saying that reform would continue at the ministry.

'Whoever is in charge of the Finance Ministry, reform has become the spirit and the soul,' she was quoted as saying by the state Antara news agency.

'If we are consistent, there's no need to worry because we have a road map.'

The ministry was recently hit by a graft scandal in which a mid-level tax official was found to have stashed 25 billion rupiah (2.75 million dollars) in his bank account.

Many see the case as a tip of the corruption iceberg in the bureaucracy.

An economist with the Institute for Development of Economics and Finance backed Indrawati's comments.

'Internal reform should continue, whoever is the minister,' said Aviliani, who like many Indonesians goes by one name. 'Having said that, it's hard to find a figure as good as Sri Mulyani.'

'For the next two years, the economy won't likely hinge on domestic factors,' she said.

[http://www.monstersandcritics.com/news/asiapacific/news/article\\_1555910.php/ANALYSIS-Indonesia-reform-in-doubt-with-minister-s-departure](http://www.monstersandcritics.com/news/asiapacific/news/article_1555910.php/ANALYSIS-Indonesia-reform-in-doubt-with-minister-s-departure)

- **Improve product quality ahead of FTA: Govt**

To strengthen the country's industrial competitiveness and protect the domestic market from the impacts of the ASEAN-India Free Trade Agreement (AIFTA), the Indonesian government is committed to developing infrastructure, increasing energy supply and improving the country's investment climate, an official said Friday.

"We have to overcome the challenges of the AIFTA by improving our competitiveness to avoid losses that could come with the implementation of the agreement," Deputy Trade Minister Mahendra Siregar told The Jakarta Post.

"We should benefit from the AIFTA, and that cannot be achieved if we isolate ourselves."

Mahendra was referring to concerns raised about a potential influx of cheap imported goods once the AIFTA becomes effective on June 1.

He said the crude palm oil (CPO) industry had suffered US\$600 million annually from export losses due to an absence of a trade agreement with Pakistan, which has a trade agreement with Malaysia.

"Hopefully such losses will not happen with India as we would suffer some \$3 billion of losses from CPO exports per year. Combined with other products, we could suffer some \$8 billion in losses," he said.

Bambang Setiady, who is from the National Standardization Body, said one way to approach the new FTAs was to increase the quality of domestic goods through the implementation of the Indonesian National Standard (SNI).

"All producers have to implement the SNI to ensure the quality of their products which in the end will increase national competitiveness," he said over the phone.

Bambang said the government had learned from the implementation of the ASEAN-China FTA (ACFTA) by launching the National Movement for the Implementation of SNI (Genap-SNI) prior to the implementation of ACFTA on Jan. 1.

Acting chairman of the Indonesian Chamber of Commerce and Industry (Kadin) Adi Putra Taher told the Post that the government still had to strengthen domestic industries to increase their competitiveness before implementing any FTAs.

"We are not ready to implement any FTAs because there are still many existing problems such as a lack of infrastructure and electricity supply," he said.

He added that he was dissatisfied with the government's reluctance to discuss the AIFTA with his institution. (ebf)

<http://www.thejakartapost.com/news/2010/05/15/improve-product-quality-ahead-fta-govt.html>

- **Indonesian businesses ask for delaying FTA with India**

Indonesia's business associations asked the government to delay the implementation of ASEAN-India Free Trade Agreement (AIFTA) in the country scheduled to take in to effect on June 1 this year due to various reasons, local media reported on Wednesday.

Indonesian Employers Association (Apindo) Chairman Sofyan Wanandi said that all trade cooperation, including the AIFTA, should be delayed so as to give national industry chance to develop and improve its condition amid the uncompetitive restraints in some of its sectors.

Even realizing that the AIFTA would benefit some sectors, Sofyan pointed out the need to scrutinize the agreement schemes and undertake further study in a bid to avoid losses that would possibly be suffered by domestic industry.

"We should be talking about the long term, not only the short term goals. So we have to be really careful in scrutinizing all the FTA we are about to set up with," Sofyan was quoted by the Bisnis Indonesia daily as saying.

Meanwhile, Indonesia plastic and olefin producer association ( Inaplas) deputy chairman Budi Susanto Sadiman said that the implementation of AIFTA may threaten domestic petrochemical industry since production of India's petrochemical industry has reached 10 million ton per annum, while Indonesia is at 2 million ton per annum.

Indonesia Exporters Association (GPEI) Secretary General Toto Dirgantoro said that FTA with India should not be merely considered on the terms of payment surplus in Indonesia-India trade.

He said that it should also be considered on the production competitiveness of commodities included in the FTA's import tariff deletion scheme.

According to the data issued by the trade ministry, Indonesia saw a 2.68 billion U.S. dollars of surplus in its trade with India in the first half last year. That figure was 67.27 percent higher than it was in the corresponding period in 2008.

International Trade Cooperation Director General at the Indonesian Foreign Affairs Ministry Gusmardi Bustami said that Indonesia would settle the AIFTA ratification in the near future so as to make Indonesia ready to implement the AIFTA along with other ASEAN members on June 1.

Malaysia, Brunei Darussalam, Thailand and India have already implemented the AIFTA earlier on January this year.

ASEAN Economic Community Secretary General Pushpanathan said earlier that AIFTA market would constitute 1.8 billion people in the two economies with combined Gross Domestic Product (GDP) at 2.75 trillion U.S. dollars

<http://english.people.com.cn/90001/90778/90858/90863/6982638.html>

## **Malaysia**

- **Campaign for election starts in Malaysia**

Campaigning began yesterday for a Malaysian by-election in a government stronghold state whose outcome could boost Prime Minister Najib Razak's confidence to call snap national polls as early as next year.

The race for the mainly urban and ethnic Chinese parliament seat of Sibu in the timber and resource rich Borneo state of Sarawak pits a party in Najib's National Front coalition against the opposition Democratic Action Party (DAP).

The May 16 vote will not alter the balance of power but Najib's ability to reverse the coalition's record losses in the last general election in 2008 will require strong support in Sarawak, which provides it with 30 of its 137 seats in parliament.

Analysts say a strong government win in Sibu could embolden Najib to call for state-wide elections in Sarawak by the end of this year followed soon after by general elections, which do not have to be held until 2013.

An opposition win in Sibu would help the People's Alliance grouping, of which the DAP is a member, remain on track as a contender to wrest federal power after a series of recent setbacks including the resignation of four of its MPs.

"Sibu will be an indicator of the voting trend in the upcoming Sarawak state election. If the opposition wins the seat by a big margin it will be a big worry for Najib going ahead," said James Chin, a politics professor at Monash University in Kuala Lumpur.

Najib took office in April last year pledging economic and political reforms to woo lagging investment and turn back his ailing coalition from the 2008 polls losses.

The National Front, which has ruled the Southeast Asian country uninterrupted for 52 years since Independence from Britain in 1957, lost control in five of Malaysia's 13 states and its once iron clad two-thirds control of parliament.

The uncertainties have helped dent foreign investment, with net portfolio and direct investment outflows reaching \$61bn in 2008 and 2009 according to official data.

Retention improved this year, mainly into a bond market fuelled by a Malaysian interest rate hike and the use of the ringgit as a proxy for a possible Chinese yuan revaluation, although Malaysian assets have been hit by risk aversion due to investor fears that Greece may default.

Political tensions in Malaysia are also being fueled by opposition leader Anwar Ibrahim's ongoing trial for sodomy that resumes next week and which he says is a political conspiracy.

A contentious verdict in the trial that ends late August could anger his supporters and lead to a repeat of the street demonstrations that rocked the capital following Anwar's sacking as Deputy Prime Minister in 1998, political analysts have said. Reuters

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=360327&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=360327&version=1&template_id=45&parent_id=25)

- **Mahathir calls for overhaul of financial system**

Governments worldwide that are reeling from the aftershocks of the global financial crisis should admit that their present monetary, financial and banking systems are faulty and open to abuse and manipulation and must therefore be reviewed and modified or abolished to prevent abuse, former Prime Minister of Malaysia Dr Mahathir Mohammad said here in a lecture.

Speaking at the Emirates Centre for Strategic Studies and Research (ECSSR), Mahathir said: "The way forward is to restore the role of governments in overseeing and regulating the markets."

He said that governments of countries which are experiencing the crisis seem to have learnt no lessons.

"The evidence seems to indicate that they are in denial. They still refuse to believe that this is a systemic failure. There is also a reluctance to admit that the free market should not be too free, that the markets are incapable of regulating themselves, that the governments should resume their roles of overseeing and regulating the market," said Mahathir.

Huge losses

He said leveraging contributed towards the bursting of the financial bubble.

"True, leveraging can give huge returns to the investors, the hedge funds as well as currency traders, but when losses are incurred, the magnitude of the losses would also be very big, as big as the extent of the leverage."

Mahathir said the lack of transparency is another factor which leads to abuses remaining hidden until it is too late.

He added that the idea that certain banks are too big to be allowed to fail has also led to abuses and imprudent lending.



"The banks were also financing hedge funds and their derivatives. They lent 20 to 30 times the funds invested with the hedge funds, but when their investments failed, the losses were also 20 to 30 times as big," said Mahathir.

"The financial market must seek government approval before introducing new get rich quick schemes and products," said Mahathir. "We have to accept that restrictions of financial markets will slow down economic growth as represented by GDP [gross domestic product] and per capita income, but the lower growth would represent real wealth of a country."

<http://gulfnews.com/business/economy/mahathir-calls-for-overhaul-of-financial-system-1.624340>

- **Najib to witness six MoUs in Cambodia**

Prime Minister Datuk Seri Najib Tun Razak is expected to witness the signing of six business agreements worth US\$1bil during his three-day official visit to Cambodia beginning Sunday.

The five business agreements will be between the private sectors of both countries while another agreement will be signed between a Malaysian company and a Cambodian government agency.

Cambodian Prime Minister Hun Sen will join the visiting premier on Monday to witness the inking of all agreements covering education, ICT security, halal industry, agriculture, training and retail sectors.

Foreign Minister Datuk Seri Anifah Aman told Malaysian journalists here that Najib's first official visit to the country, after assuming office April last year, was very significant in further cementing bilateral ties between both countries.

Malaysian Ambassador to Cambodia Datuk Pengiran Mohd Hussein Pengiran Mohd Tahir Nasruddin disclosed that total trade volume between the two countries amounted to US\$150mil last year.

About 90% of the trade involved Malaysian exports of textile, palm oil, food and beverage while the remaining 10% constituted Malaysian imports of rubber, textile and rice, he said.

Mohd Hussein said there were vast opportunities for Malaysians to explore Cambodia's services sector such as education, healthcare, construction, halal industry, tourism and, oil and gas.

Malaysia, with an investment of US\$1.8bil, is currently the fourth largest investor in Cambodia after China, Korea and Vietnam.

The ambassador said Malaysian investment in Cambodia included the manufacture of sports apparel, hotels, education, banking and fast food chains.

"Trade and investment between both countries are expected to be intensified as the region moves towards becoming an Asean Economic Community by 2015 which allows the free movement of goods, capital and people," he added.

Mohd Hussein called on Malaysian businessmen to consider Cambodia seriously as it was also located in the Mekong basin comprising Myanmar, Laos and Vietnam with a population of 100 million people.

Najib and his wife Datin Seri Rosmah Mansor are scheduled to arrive at the Phnom Penh International Airport, here, at 7.05pm (Malaysian time: 8.05pm) on Sunday.

A total 117 Malaysian businessmen will join the Malaysian delegation during the official visit.

On Monday, the prime minister is expected to attend the wreath laying ceremony at the Independence Monument, call on Hun Sen and later hold bilateral talks at the Council of Ministers, here.

Najib will then hold a dialogue with Malaysian investors and businessmen in Cambodia before he is joined by Hun Sen at the Malaysia-Cambodia Business Forum and Luncheon. Both leaders will then witness the signing of the six business agreements.

Najib is also scheduled to visit Hello Axiata Operations Centre here, a Malaysian-Cambodian telecommunication joint venture, and later visit the construction site of the new complex which will house the Embassy of Malaysia.

Meanwhile, Rosmah will have a separate function on Monday by visiting the Kantha Bopha IV Hospital and the Bun Rany Hun Sen High School.

Najib and Rosmah will conclude their second-day visit by attending the official dinner hosted by Hun Sen and wife Bun Rany.

On the final day, Najib will have an audience with King Norodom Sihamoni at the Royal Palace. The visiting premier will also call on the President of the National Assembly Heng Samrin and President of the Senate Chea Sim.

Najib and Rosmah are scheduled to depart Phnom Penh International Airport for home at 11.30am (Malaysian time:12.30pm) on Wednesday.

<http://thestar.com.my/news/story.asp?file=/2010/5/8/nation/20100508204556&sec=nation>

- **Anwar's sodomy accuser met Malaysian PM earlier**

The young man who claims opposition leader Anwar Ibrahim sodomized him acknowledged in court Monday that he had met with Malaysia's prime minister four days before making a police complaint against Anwar.

The defense hopes that Saiful Bukhari Azlan's testimony under cross-examination will bolster its contention that the sodomy trial against Anwar is a political conspiracy masterminded by Prime Minister Najib Razak and his wife.

Saiful's admission that he met with Najib proves "the issue of conspiracy by Najib and higher-ups in the government," Anwar told reporters after the hearing.

Sodomy, even between consenting adults, is a crime in this Muslim-majority nation. If convicted, Anwar faces 20 years in prison that could end the career of the veteran politician who has aspirations to become the prime minister.

The trial, which resumed Monday after a three-month break, has attracted international attention. Amnesty International has called it a sham.

"When a country like Malaysia uses this (sodomy accusation) against the leader of its political opposition, it smacks of political persecution as well," said Lance Lattig, an Amnesty researcher.

Saiful, 24, claims he was sodomized several times by Anwar in 2008 but did not go to police. Instead, he discussed it with Najib, who was then the deputy prime minister, on June 24, 2008.

"I went to him (Najib) to complain about my problem, my dilemma," Saiful testified.

He claims he was sodomized again by Anwar on June 26, 2008 and that he made a police complaint on June 28.

Anwar, a 62-year-old married father of six children, is on trial for the alleged incident on June 26 only.

Najib acknowledges meeting Saiful at his home but says he offered no advice. Saiful knew one of his officers, who arranged the meeting. Saiful came as an "ordinary citizen who wanted to tell me something," Najib told reporters in 2008.

Anwar challenged Najib to appear in court to explain the details of the meeting. Few details of the meeting are known, and questions remains as to how a common citizen like Saiful managed to meet a powerful politician like Najib at his home.

"It will be a futile trial if he chooses to use his influence ... not to appear in court with (wife) Rosmah," Anwar said. He added his lawyers will also show that Rosmah had met Saiful previously, a claim that the first lady and Saiful have denied.

It is the second time that Anwar has been accused of sodomy. In 1998, he lost his post as deputy prime minister and spent six years in jail for sodomy and abuse of power. He was freed in 2004 when a court overturned the sodomy conviction. Two years ago, Anwar led a three-party opposition alliance to major gains in elections.

Najib denies Anwar's claim that he is a victim of a government conspiracy to undermine the opposition alliance, which hopes to win power in national elections scheduled to be held by 2013.

Anwar's lawyers point to some contradictions in Saiful's testimony. One medical report says Saiful initially told a doctor a plastic object had been inserted in his anus.

On Monday, Saiful said the doctor was lying and had fabricated the report.

[http://news.findlaw.com/ap/i/1104/05-10-2010/20100510002010\\_08.html](http://news.findlaw.com/ap/i/1104/05-10-2010/20100510002010_08.html)

- **Malaysia's Q1 economy may expand most since 2000**

Acceleration may convince central bank to up interest rates: economists

(SINGAPORE) Malaysia's economy probably grew the most since 2000 in the first quarter, an acceleration that may convince the central bank to raise interest rates even in the aftermath of Europe's debt crisis, surveys of economists showed.

Improving consumption: Customers browsing at a clothing shop in Kuala Lumpur. Bank Negara may raise its 2010 economic growth forecast from as much as 5.5 per cent as exports and industrial production strengthen

Bank Negara Malaysia will increase its benchmark overnight policy rate to 2.5 per cent from 2.25 per cent today, according to all 20 economists surveyed by Bloomberg News.

The economy grew 9.4 per cent in the three months ended March 31 from a year earlier, the median forecast of economists showed before the central bank's report at 6 pm today.

Asian central banks are pulling back monetary stimulus as the region's growth outpaces the rest of the world.

The impact of Europe's sovereign debt crisis, which led the euro area to prepare an almost US\$1 trillion bailout package this week, may be muted on Malaysia, Goldman Sachs Group Inc said this week and recommended buying the ringgit.

'Malaysia, and the rest of Asia too, is well-positioned to avoid large and sustained contagion from what looks set to be a prolonged adjustment in Europe,' said Kevin Grice, an economist at Capital Economics Ltd in London.

'Bank Negara needs to be forward looking and low inflation now just means that it can move gradually, rather than not having to move at all.'

The Malaysian ringgit is Asia's best performing currency this year and has gained 6.6 per cent against the US dollar.

Malaysia's FTSE Bursa Malaysia KLCI Index rose for a third day yesterday and has added 5.3 per cent this year.

Malaysian businesses can adjust to further interest-rate increases as the nation's recovery gathers speed, International Trade and Industry Minister Mustapa Mohamed said on Tuesday.

Bank Negara raised interest rates in March for the first time in almost four years.

Governor Zeti Akhtar Aziz said last month that the central bank may raise its 2010 economic growth forecast from as much as 5.5 per cent as exports and industrial production strengthen.

In March, overseas sales doubled while industrial output beat economists' estimate on growing consumer demand for Sime Darby Bhd's palm oil and Unisem (M) Bhd's semiconductors.

Malaysia's economy expanded 4.5 per cent in the final quarter of 2009, rebounding from nine months of contraction.

'Our exports are doing well, many industries are hiring new people, private consumption is improving despite the global economy picking up slowly,' Mr Mustapa said.

'I have confidence that whatever decision is made by the central bank, the entrepreneurs will make the necessary changes and adjustments.'

Malaysia has led most of its Asian counterparts in withdrawing monetary stimulus, calling it 'normalisation' of interest rates and not 'tightening'.

India and Vietnam have also raised rates to contain inflation, while China ordered banks to set aside more reserves three times this year.

Some Asian central banks may still be reluctant to increase borrowing costs on concern the indebtedness of European nations such as Greece may thwart a global economic recovery.

Bank of Korea policy makers met yesterday and economists expect them to leave rates unchanged for a 15th month.

Bank Indonesia has refrained from raising borrowing costs even as its economy expanded at the fastest pace in more than a year last quarter.

'Judging from the complexity and difficulty of the issues in Europe, it would not be surprising if Bank Negara decides to take a pause in its monetary tightening for now, at least till a resolution in Europe is reached and clarity resumes,' said Irvin Seah, an economist at DBS Bank Ltd in Singapore.

Among South-east Asian nations, Malaysia's export-dependent economy means that it will be worst hit after Singapore by any slowdown in European growth and demand, economists at Morgan Stanley said in a May 10 report.

Malaysia may increase interest rates further to avert asset bubbles and discourage risky investments, even as inflation will likely remain 'modest' this year, Ms Zeti said in a March 12 Bloomberg Television interview.

Consumer prices rose 1.3 per cent in March.

'Pre-empting financial imbalances remains a concern,' said Kit Wei Zheng, an economist at Citigroup Inc in Singapore.

'Monthly indicators signal that recovery is broadening, led by manufacturing and services, consistent with recovery in exports and consumer spending.' - Bloomberg

<http://www.businesstimes.com.sg/sub/news/story/0,4574,385594,00.html?>

- **Malaysian Islamic party protests betting, rap concert**

Hundreds of activists from Malaysia's Islamic party on Friday protested against the legalisation of sports betting and a weekend rap concert, criticising both as "immoral".

Mainly Muslim Malaysia has granted a sports betting licence to a company owned by influential tycoon Vincent Tan, the firm said Wednesday, in a move it said would curb illegal gambling and boost government coffers.

Gambling is forbidden in Islam and the legalisation proposal had been resisted until now.

"This approval will encourage our youth to gamble. This will make our country worse," Kamarulzaman Mohamad, secretary of the Pan-Malaysia Islamic Party (PAS) youth wing, told a crowd of 300 people in Kuala Lumpur.

"It will only enrich the rich, the gambling boss, while the people suffer," he said, as angry protesters who gathered at a mosque chanted "God is great" and "destroy gambling".

Scuffles broke out briefly when police moved in and tried to seize placards which urged the government to revoke the gambling licence.

The conservative Islamic party also urged the government to stop a concert to be held on Saturday where US rapper Pitbull -- known for hits like "Hotel room service" and "I know you want me" -- will make his Malaysian debut.

"His performance and the lyrics in his songs will erode the moral values of our youths, they will be exposed to negative culture, socialising freely and drugs," Kamarulzaman said.

Performances by foreign bands frequently come under fire in Malaysia with PAS -- a member of the three-party opposition alliance -- typically leading the charge.

The party has protested against concerts by the Black Eyed Peas, Avril Lavigne and Gwen Stefan

<http://nz.entertainment.yahoo.com/100514/8/iyh9.html>

- **Qatar and Malaysia sign MoU on \$5bn investment**

HE Sheikh Hamad bin Jassim with Datuk Seri Najib Tun Razak in Putrajaya yesterday

Qatar's sovereign wealth fund plans to invest \$5bn on projects including energy and real estate in Malaysia, according to a memorandum of understanding (MoU) signed yesterday by both countries.

A joint committee will be set up between the Qatar Investment Authority (QIA) and Malaysia Development Bhd (1MDB), a Kuala Lumpur-based wealth fund, to explore potential ventures, a joint statement said.

HE Sheikh Hamad bin Jassim and Datuk Seri Najib Tun Razak witnessing the signing of MoU in Putrajaya

"The MoU will include investing in the energy sector and a strategic real estate development in the Klang Valley," the joint statement said.

A second MoU was signed between Qatari Diar Company and Malaysian KLCC Holdings SDN Bhd.

The two memorandums were signed for the Qatar side by Qatari Diar managing director Ghanem bin Saad al-Saad and board member of Qatar Investment Authority Dr Hussain Ali al-Abdullah. For the Malaysian side, the agreement was signed by chief executive director of Urban Development Al-Haj Hashim bin Wahid.

The signing was witnessed by HE the Prime Minister and Minister of Foreign Affairs Sheikh Hamad bin Jassim bin Jabor al-Thani and his Malaysian counterpart Datuk Seri Najib Tun Razak.

"Malaysia is an attractive investment destination with plenty of opportunities to consider and explore," said Sheikh Hamad bin Jassim, who is also chief executive officer of Qatar Investment Authority.

Sheikh Hamad bin Jassim is on a visit to Malaysia as part of an Asian tour.

"We are keen to explore investment opportunities in strategic real estate, commodities and other sectors which can generate very good returns and allow us to further diversify our portfolio of international investments," said Hussain al-Abdullah.

"We welcome the partnership between Malaysia and Qatar based on the mutual long-term vision for sustainable economic development," said the Malaysian prime minister.

"It comes at an opportune time when we are looking out for new sources of growth with high multiplier effects on the economy," said Najib Tun Razak, who is also the chairman of 1MDB.

Malaysia is looking to boost foreign investment after emerging from its first recession in a decade. Southeast Asia's third-largest economy reported a net outflow of 17.8bn ringgit (\$5.6bn) in direct investment in the six months through September 2009, according to statistics department data.

"It comes at an opportune time when we are looking out for new sources of growth with high multiplier effects on the economy," Najib Tun Razak said.

The \$195bn economy grew 10.1% in the first quarter and growth may accelerate to 6% in 2010, Najib Tun Razak said.

The Malaysian prime minister hosted a luncheon banquet in honour of HE Sheikh Hamad bin Jassim.

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=361629&version=1&template\\_id=36&parent\\_id=16](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=361629&version=1&template_id=36&parent_id=16)

- **High priority for economic pact with India: Malaysia**

Malaysia is placing “high priority” on signing a comprehensive economic pact with India before the end of this year.

Malaysia's International Trade and Industry Minister Mustapa Mohamed said in Singapore on Friday he was “directed” by his Prime Minister, Najib Tun Razak, to get the pact done in 2010 itself. A similar directive was issued by Prime Minister Manmohan Singh to Commerce and Industry Minister Anand Sharma. Mr. Mustapa said the two countries were right now “on track” for this target. If he and Mr. Sharma were to fail, though, “both our heads will roll,” said the Malaysian Minister in response to questions at a meeting with the Foreign Correspondents Association here.

The current exercise was aimed at concluding the negotiations by August, so that the comprehensive economic cooperation agreement could be signed during Dr. Singh's planned visit to Kuala Lumpur before the end of the year, Mr. Mustapa said. “This [pact] is important to us. We already have one with China. And, India is one of the very important trading partners for Malaysia.”

On Malaysia's plans to settle its trade with China in the Chinese currency, Mr. Mustapa said the U.S. dollar was still being used by many Malaysian traders.

Under Malaysia's New Economic Model now being blueprinted, merit would be emphasised to make the country's economy more competitive and resilient at home and abroad. However, “affirmative action is still our policy,” with the focus being shifted to help those belonging to “the bottom 40-per-cent of the income bracket, irrespective of race,” said Mr. Mustapa.

The original affirmative policy, launched in 1971, was designed to favour the country's Malay-Muslim majority so as to redress its historical economic backwardness. Under the new policy now, affirmative action would apply to those in need among not only the Malays but also the minority groups of ethnic Chinese and the people of Indian origin.

<http://www.hindu.com/2010/05/15/stories/2010051558092200.htm>

## philipine

- **Voters in the Philippines go to the polls on 10 May to select a new president and legislature. More than 50 million people are registered to vote.**

As well as a new president and vice president, they will choose half the 24 members of the Senate, members of the House of Representatives and all local government leaders.

More than 85,000 candidates are contesting about 17,000 positions.

Front-runner for president is Noynoy Aquino, the son of Benigno "Ninoy" and Corazon "Cory" Aquino.

His father was shot and killed on his return to the Philippines from political exile in 1983.

Cory Aquino became president after a "people power" revolution in 1986 against Ferdinand Marcos.

Noynoy, 50, has served as a legislator for the past 12 years. His mother Cory died last year.

The other main candidate is Senator Manny Villar, 60, one of the richest men in the Philippines. However, his polling figures have slipped in recent weeks.

Another presidential hopeful is Joseph Estrada, 73: the former film star has been president before, but was ousted in a popular revolt after two years in power.

Imelda Marcos, 80, the widow of former President Marcos, is running for a post in congress in the north of the country.

The BBC reports many election wins in the past have been soured by accusations of cheating, including the last poll in 2004, which was narrowly won by current President, Gloria Arroyo.

Claims of vote-rigging and corruption have dogged Mrs Arroyo throughout her presidency.

Factional warfare

The democratic process is overshadowed by strong factional alliances.

Conflict between clans led to a massacre at the end of last year. In November, the bodies of 57 people were found in a shallow grave in the southern province of Maguindanao.

CNN reports they had been on their way to register a local election candidate.

Their killers are thought to have been part of a group linked to a rival candidate from one of the most influential family clans in the area, the Ampatuans.

<http://www.radionz.co.nz/news/stories/2010/05/09/124803b42461>

- **A dangerous passion for many Filipinos**

Long before May 10, candidates and voters have made these elections seem like the most awaited and holiest day for all Filipinos.

For Filipinos, voting has become a dangerous passion, to a degree that is now incomparable worldwide. When the people vote, they risk their lives. They go to the polls not as disinterested parties, but as passionate individuals or groups ready to die for their candidates and to uphold the integrity of their ballots as if this were their only chance to experience democracy. They hold vigils before, during and after elections.

Expect these things to happen again across Luzon, Visayas and Mindanao before the May 10 polls when 50 million voters will choose a president, vice president, almost 300 lawmakers and more than 17,600 local government officials in the country's — and Southeast Asia's — first automated polls.

Day of reckoning

Long before May 10, candidates and voters have made these elections seem like the most awaited and holiest day for all Filipinos. Among dedicated voters in this Catholic country, voting is like going to church and taking communion on a Sunday. Candidates and voters have transformed elections into a day of reckoning or truth-telling. The ballots must truthfully reflect the people's votes. Candidates must remain truthful to their promises to remain as servants of the people, not of their pockets. These are the



strident cries of every Filipino involved in the elections. No wonder then that in each election in the Philippines — every four years — Catholic and other religious leaders have endorsed candidates. They have used the pulpit to reconcile rather than separate church and state.

Election time for Filipinos is like a festival in which candidates spend money as if no one is poverty stricken in the Philippines. They entertain to the point of insanity, as if by making fun of themselves they will connect with the masses. They make promises against Philippine reality.

Filipinos are the most serious voters in the world and also the most confused. When they choose leaders, it is almost like falling in love with them. This is why candidates have tried to look young and also like actors, actresses and rock stars. Despite their supposed experience in governance, they have learned how to sing and dance on stage. They have learned how to identify qualities that make leaders more human and accessible, even if the exercise on stage is a public relations (PR) strategy and has nothing to do with work ethics and vision.

During the campaign period, candidates recruit scantily clad performers, famous TV hosts and comedians who, despite their gifts, natural intelligence, and talent, know the value of mediocrity. Marketing strategies and image enhancement of candidates help to close the great divide between the rich and the poor, the innocent and the guilty, the high- and the low-brow.

These polarities meet and mix during elections. The wall between them speaks of loneliness. But during elections, that wall is breached and the leaders and the masses mingle. The euphoria is so strong that voters want to die for their chosen leaders, who in turn honestly start to believe their own PR. During the curious osmosis of voters and candidates, many forget that leaders in the Philippines belong to the ruling elite, to political dynasties that have become, even in the modern era, twice removed from the pain and struggles of 60 per cent of poor Filipinos.

Significant cost

When the party is over, when the lights go dim at the carnival, alas, May 10 is predicted to end like a funeral. Bodies will be dismembered and heads decapitated during the people's exercise of democracy and free choice. This could be the country's bloodiest election, with almost 100 killed as of May 7. This is not unusual in the Philippines. Some 57 people, including 32 journalists, were massacred because of political rivalry in Maguindanao in the south last November. In 2004, 189 died and 261 were wounded in election-related incidents.

<http://gulfnews.com/opinions/columnists/polls-a-dangerous-passion-for-many-filipinos-1.624136>

- **Who will 4 million Muslims vote for?**

Each election, candidates for national office make a beeline for the doors of the temples of the Iglesia ni Cristo. Recently, they have also been knocking at the doors to the Kingdom of Jesus Christ, led by the Appointed Son of God, Pastor Apollo Quiboloy. The INC say they have eight million voters. Pastor Quiboloy says his church has six million. That's 14 million Filipino voters. In a country with a population of 97 million of whom 45 million are 18 and above, do the INC and Pastor Quiboloy really control 40 percent of total votes? Wow!!!

Muslims, on the other hand, are around eight million. Unfortunately, our voting population is not too high, due to illiteracy and inability to register in areas of armed conflict. There are probably only around four million Muslim voters nationwide. But four million is nothing to sneeze at: four million can make you win. However, is anyone making a beeline to the guardians of our mosques? Nope. Candidates go to the warlords, entrepreneurial officials of Comelec and some equally entrepreneurial members of the Board of Election Inspectors.

With the likely possibility of the failure of automated elections in the ARMM provinces tomorrow, guess whose phones will be busy? (Hello, Garci?) Which is why we need to guard the election processes in Muslim Mindanao, notorious for controlled votes—as are Abra, Nueva Ecija, Masbate, Western Samar and others. I am actually amazed that these areas have not been given more special attention except to field more policemen.

Muslims of this country have been divided and conquered by their rulers from Manila. The MNLF and the MILF are independent of each other but fighting for the same constituency. The MNLF leadership has been fragmented by the denizens of the Palace, made palatable to the co-opted with the offer of political positions. The Muslim politicians are divided, following whoever controls the release of funds (over the last 9 years, that was Gloria Macapagal Arroyo). Civil society leaders rail against our political marginalization but have not learned the lessons offered by the late Ka Erdie Manalo of INC and Pastor Quiboloy.

Our Muslim religious leaders (ulama), on the other hand, are waking up. In the last two months, the ulama of Marawi City and Maguindanao staged two separate rallies calling on the faithful to reject anti-Muslim candidates. Placards with the names of anti-MOA AD national candidates Mar Roxas and Frank Drilon, local politicians Manny Pinol, Celso Lobregat and Lawrence Cruz have been burned. We may be a minority but in a senatorial or even vice-presidential race, 1,000 votes might spell the difference between winning or losing.

Many ulama are spreading the word thru the mimbar (pulpit) that Muslims should reject anti-Muslim candidates and only support those who have been friendly to our causes. Could this have contributed to Senator Mar Roxas' slide in popularity? Could this actually be one of the reasons Mayor Jojo Binay has caught up in the vice presidential surveys? Hmmm.

The Bangsamoro and the indigenous peoples of this country have to understand what the INC and the Kingdom of Jesus Christ have mastered early on: in a democracy, real or manipulated, the group that delivers the votes gets a key to the palace gates.

The Philippine Council for Islam and Democracy together with the members of the National Ulama Conference of the Philippines and representatives of Muslim civil society gave the Bangsamoro/Muslim Political Agenda to the presidential candidates and their parties. We might as well have burned the paper and sent smoke signals for all the attention we received.

My brothers and sisters from the cultural communities need to realize that everyone will support us if we can deliver the vote. Justice has nothing to do with it. If we can't, our issues will float like smoke in the wind, seen for a fleeting second and then gone. Just for the sake of it, let me list some of the medium to long-term items on our agenda (the full version of the agenda may be viewed at [pcid.org.ph/index.php/archives/440](http://pcid.org.ph/index.php/archives/440)):

1. Put in place a holistic and inclusive peace process.
2. Uphold the primacy of peace, not military objectives.
3. Ensure the full implementation of the 1996 Final Peace Agreement.
4. Strengthen the rule of law.
5. Reform the electoral process.
6. Genuine fiscal autonomy for ARMM.

7. Capacitate the ARMM-Regional Government.

8. Pass laws pertaining to anti-discrimination against any cultural, religious or other groups; equality of opportunities in education, economic pursuits and employment; certification of Halal food and other products.

9. Should there be constitutional change, support amendments to the charter that would be beneficial to Muslims and that would address issues on ancestral domains.

To Yasmin Busran Lao and Adel Tamano, Muslims who are bravely running for a senate seat, knowing that the last Muslim in the senate was elected 15 years ago (Santanina Rasul, 1986 to 1995), may the winds be under your wings.

To our fellow Mindanaoans, may you not forget that we are your neighbors: Neric Acosta, Bebot Bello, TG Guingona, Gwen Pimentel, Rodolfo "Ompong" Plaza, Manny Valdehuesa.

Today, I will be with Namfrel at La Salle Greenhills, to help rally the troops who have volunteered with Bantay ng Bayan Parallel Count. Let us all do our share: take photos with your phone camera when you notice a suspicious move and report it to us at Namfrel: [www.namfrel.com.ph/](http://www.namfrel.com.ph/) [www.namfrel.wordpress.com](http://www.namfrel.wordpress.com) / Facebook: [www.facebook.com/Namfrel](http://www.facebook.com/Namfrel) / Twitter: [www.twitter.com/Namfrel](http://www.twitter.com/Namfrel) / YouTube: [www.youtube.com/NamfrelSecretariat](http://www.youtube.com/NamfrelSecretariat)

<http://www.manilatimes.net/index.php/opinion/16953-who-will-4-million-muslims-vote-for>

- **Ulama council supports polls watchdogs in Basilan**

Isabela City, Basilan: Dr. Aboulkhair Tarason, chairman of the Basilan Ulama Supreme Council (BUSC) and also the vice chairman of the National Ulama Conference of the Philippines, together with his Ulama council members in the province, expresses full support to the campaigns and advocacies of the Parish Pastoral Council for Responsible Voting (PPCRV), Legal Network for Truthful Elections, National Movement for Free Elections and other election watchdogs in the province for an Honest, Orderly, and Peaceful Election (HOPE) and a Clean, Honest, Accurate, Meaningful and Peaceful Election (CHAMP).

BUSC is also expressing full support to the PPCRV Basilan Chapter, headed by Father Santiago Agoo of Isabela City, and Joy Miraviles of the Autonomous Region in Muslim Mindanao area for allowing BUSC volunteers to participate as poll watchers and monitors in the different Barangays and Municipalities in Basilan.

Dr. Tarason expresses hope that through the active involvement of the civil society electoral fraud could be minimized if not totally prevented. He appeals to all concerned election officials as well as the candidates and the voters to be vigilant in safeguarding the integrity of the ballots and the electoral process in general.

Dr. Tarason reminds the public particularly the Muslim ummah that Islam emphasizes the great importance of brotherhood, mutual love, respect and cooperation between the leaders and the constituency. The Holy Qur'an and the Hadith of the Prophet Muhammad decree among leaders the performance of their obligation and duties in order to fulfill the rights of others. Dr. Tarason emphasized during the meeting with the group of asatidz delivering sermons in mosques throughout Basilan that the negligence of one's duties and the violation of other's rights will be questioned and reckoned in the day of judgment.

- **Military says elections in Southern Mindanao peaceful**

Southern Mindanao was generally peaceful during the country's first nationwide automated elections, the military reported on Monday.

According to a report released by the Army's 10th Infantry Division, there was no election-related violent incident in Southern Mindanao.

The Davao region and Socsargen (South Cotabato, Sarangani and Gen Santos City) areas were among the most peaceful places in Southern Mindanao, soldiers and volunteers from the Parish Pastoral Council for Responsible Voting (PPCRV) said.

Minor technical glitches with the Precinct Count Optical Scan (PCOS) machines and long lines of voters at polling centers were noted in the region.

Major General Carlos Holganza, the commander of the 10th Infantry Division, attributed the peaceful election to the solid partnership between soldiers and civilians.

"The peaceful conduct of the election in this part of our country is a good indicator of the future to come. I believe all of us are happy about it and we hope that this good start will prevail all-throughout. The partnership of the people, particularly of PPCRV and its volunteers together with our soldiers paid off as we just had a generally peaceful election," Holganza said

<http://www.abs-cbnnews.com/nation/regions/05/10/10/military-says-elections-southern-mindanao-peaceful>

- **Nine dead in polling day violence**

A soldier atop an armoured personnel carrier stands guard as voters wait for their turn outside a polling centre in Lanao del Norte province in the southern island of Mindanao yesterday. Right: Philippine President Gloria Arroyo places her ballot paper into a vote counting machine as she casts her vote in her hometown of Lubao Pampanga province, north of Manila

Nine people were killed in outbreaks of violence as millions of Filipinos went to the polls in nationwide elections yesterday, local authorities said.

The latest incident took place just outside the capital of Manila where two people were killed and another was seriously wounded in a clash between a congressman's security escorts and police, authorities said.

Two of the escorts were shot dead after they confronted policemen in Bacoor town for detaining some of the congressman's supporters, said provincial police chief Senior Superintendent Primitivo Tabujara.

One policeman was seriously wounded and two other escorts were arrested, he said.

It was unclear who started the shooting with both sides giving conflicting versions.

"This is one case that has to be thoroughly investigated," said national police spokesman Chief Superintendent Leonardo Espina.

Elsewhere, three people were shot dead and 10 others wounded when police clashed with supporters of a mayoral candidate in the southern province of Zamboanga Sibugay before dawn, said a local military spokesman. The cause of the clash was unclear but the police were ordered back to their stations, Captain Arnold Gasalatan said, adding the military had secured the area pending an investigation.

In the strife-torn southern province of Maguindanao, two men were killed as the armed followers of two rival politicians engaged in a gunbattle, according to national military spokesman Lieutenant Colonel Arnulfo Burgos. One of the dead was identified as a member of an armed group, he said.

In another incident in the south, a cousin of the vice governor in North Cotabato province was gunned down while he was riding on a motorcycle before polls opened, regional police said.

He and another man on the motorbike were ambushed by suspected gunmen of a rival candidate in Kidapawan town, according to a police statement. The other man was wounded but his injuries were not life threatening. In Kapai town, also in the south, the son of a candidate shot a man, said provincial police chief Senior Superintendent Panares Adap. On the western island of Palawan, a clash between supporters of two rival mayoral candidates left one person dead and another wounded, a police report said.

Yesterday's killings brought to at least 40 the number of people killed in political violence over the past four months, according to police statistics.

This does not include 57 people massacred in Maguindanao in November, allegedly by a powerful Muslim clan to stop a rival from running for provincial governor. AFP

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=360758&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=360758&version=1&template_id=45&parent_id=25)

- **Smartmatic Carries out Successful Automated Election in the Philippines**

Smartmatic, the company in charge of the automation electoral project and services for the Philippines General Elections, successfully deployed its electoral solution in the Asian country. Of a total of 76,340 voting machines used, only 350 (0.50%) failed as they broke during transportation, which is a number way below of the expected 2% for these cases. Most of the machines that had any problems were replaced right away.

One hour and a half after closing the polls, 40% of results had been transmitted and tallied. It is expected that in less than 24 hours there will be an announcement regarding the winner of the Presidential contest. In the previous General Elections celebrated on May 2004 this took 40 days, causing severe tensions in the country.

“This National Election has been a great experience for all of us in Smartmatic. We are very honored to have worked with the Filipino people. When we began this project, we knew it would be a tall challenge, and now we can humbly say that we made voting automation in the Philippines possible,” commented Antonio Mugica, Smartmatic's CEO.

#### About Smartmatic

Smartmatic is a multinational company that designs and deploys technological solutions aimed at helping governments fulfill, in the most efficient way, their commitments with their citizens. It is one of the largest cutting-edge technology suppliers, with a wide and proven experience in the United States, Asia, Africa, Latin America and the Caribbean.

Smartmatic's competitive strength lies on its cutting-edge technology and expertise in three key areas: Election Solutions, Identity Management Solutions and Public Safety Solutions.

[http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news\\_view&newsId=20100510006685&newsLang=en](http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news_view&newsId=20100510006685&newsLang=en)

- **Arroyo appoints new chief justice**

Outgoing Philippine President Gloria Macapagal Arroyo appointed an ally as Supreme Court chief justice yesterday, a move critics said was aimed at shielding her from graft investigations promised by her likely successor.

“Her appointment of a chief-justice-in-waiting is at the very least inappropriate,” said Senator Benigno Aquino, set to succeed Arroyo after a runaway victory in national elections on Monday which he fought on an anti-corruption platform.

“Is it too much to ask President Arroyo to not add another problem for the next administration to inherit?”

Aquino is the son of two pro-democracy icons who challenged the kleptocratic regime of Ferdinand Marcos. He shares the same reputation for probity as his mother Corazon, whose death last August prompted a wave of support for his presidential bid.

Markets want to see Aquino quickly get to grips with the ballooning budget deficit, which he plans to bring under control by slashing government expenditure and improving tax collection.

Ordinary Filipinos want to see swift action to clean up politics and end a pervasive culture of corruption analysts say has played a key role in stifling foreign investment.

Aquino sees the issues of corruption and budgetary prudence as linked -- his fiscal strategy involves eliminating pork-barrel spending and cracking down on smuggling and tax evasion, which he hopes will allow him to avoid an unpopular increase in taxes.

“We will start prosecuting the evaders. We will start picking the low-lying fruit, the easiest to pick,” Aquino said in an interview on Tuesday.

“Before we start imposing new taxes, we should be collecting the taxes that are already there.”

During his campaign, Aquino also vowed to investigate the highly unpopular Arroyo and her scandal-tainted administration.

The outgoing president still plans to be a political force. She won a seat in Congress in the election and Philippine media say she hopes to become house speaker and use that position to challenge the power of the presidency.

Arroyo has said she will ensure a trouble-free transition before her term ends on June 30. But her appointment of Renato Corona to head the Supreme Court sparked renewed accusations she is trying to put allies in key positions before leaving office.

Corona was her chief of staff when Arroyo was vice president and for a year after she became president in 2001.

Of 15 Supreme Court judges, 14 will be Arroyo appointees when Corona replaces current Chief Justice Reynato Puno, who retires on May 17, with one position remaining vacant.

“Chief Justice Puno’s term has not ended. There is no vacancy to be filled,” Aquino said in a statement, calling on Arroyo to allow the next administration to appoint the next chief justice.

“There is still time for Mrs Arroyo to reconsider her decision. We hope she will choose not to add another burden on top of everything else she will be leaving behind. She should instead concentrate on ensuring a smooth transition.”

When the decision to allow Arroyo to appoint a chief justice was announced, after judges ruled it did not violate an election ban on political appointments, it sparked protests that she was trying to protect herself from investigation.

“Because she will still be in public office, because she will be held to account, at worst there is some measure of confidence that the decision that will be made in her cases will not be outrightly against her,” said Marvic Leonen, dean of the College of Law at the University of the Philippines.

Aquino says he will set up a committee that will investigate graft accusations against the Arroyo regime, including scandals over the diversion of funds for fertiliser. “We need to have closure on all items like the fertiliser scam,” he said. “We lost 720mn pesos. Who is responsible for this? ... There is no reason why you cannot expedite the solution of these cases.” He also wants legal reform.

“There is a necessity also for reforming our judicial system so we are not locked in a battle in the courts in the next two decades,” Aquino said.

Election commission Comelec has stopped updating its unofficial tallies, having said Aquino had more than 40% of votes, leading former president Joseph Estrada by 15 percentage points, with nearly 80% of ballots counted.

Estrada has said he won't concede based on unofficial results but does not plan any protest of the outcome.

In his interview, Aquino dismissed the prospect of Arroyo becoming speaker in the lower house, saying it was unheard of for an opposition candidate to secure the position.

But Arroyo's brother-in-law said she stands a good chance.

“If you look at the numbers, many of those who won (seats in Congress) are loyal to her,” Ignacio Arroyo Jr said. “If she will run, I will vote for her.”

Meanwhile, world boxing champion Manny Pacquiao announced yesterday that he was ready to fight Floyd Mayweather for his last professional bout after securing a seat in the Philippine Congress.

Pacquiao was among dozens of celebrities who ran for positions, ranging from president to town councillor, in national elections across the boxing-mad Philippines, one of Asia's most boisterous democracies. Reuters

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=361216&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=361216&version=1&template_id=45&parent_id=25)

- **Aquino promises lean, graft-free Philippine gov't**

The Philippine president-apparent and nominees to what he pledged would be a lean, graft-free Cabinet promised Wednesday to travel overseas less, investigate corruption and renew peace talks on ending decades-long insurgencies.

With the vote count nearly complete, Benigno Aquino III began assembling his Cabinet from the ranks of defectors from outgoing President Gloria Macapagal Arroyo's administration. One ministerial nominee said bloated contracts, especially from Arroyo's last six months in office, would be investigated before being honored.

Yahoo! BuzzDespite lackluster terms as a congressman and senator, Aquino is set to become president after winning wide support in Monday's election, largely due to the political legacy of his democracy icon

parents. He has 41.81 percent of votes in the nine-way race, with votes from 88.78 percent of precincts counted by Wednesday evening, according to a government-accredited watchdog.

Aquino's closest rival, former President Joseph Estrada, had 26.49 percent of the tally so far.

Aquino - whose father was assassinated while opposing Ferdinand Marcos' dictatorship and whose mother led the 1986 "people power" revolt that restored democracy - will inherit a Southeast Asian nation grappling with poverty and debilitated by decades-long Marxist and Muslim insurgencies, military unrest, corruption, violent crimes and political strife.

"Our country badly needs this shot in the arm," said Corazon Soliman, the first to accept a Cabinet post from Aquino. "We have been given a second chance to do this right."

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Post a CommentSoliman defected, along with several other Cabinet members, from Arroyo's administration in July 2005 amid a vote-rigging scandal that nearly forced her from power. Soliman and her colleagues had called for Arroyo's resignation and backed Aquino.

A committee will help Aquino form a Cabinet before he takes his oath June 30, selecting people "with integrity, honesty and no track record of corrupt practices," Soliman told The Associated Press.

Aquino announced Tuesday that Soliman accepted his offer to return to the Department of Social Welfare and Development. He repeated a campaign promise to use his first days in the presidency to wage a battle against corruption.

"I will not only not steal, but I'll focus on combating smuggling and cleaning up the notoriously corrupt Bureau of Customs and other revenue-generating agencies.

Teresita Deles, who also defected from Arroyo in 2005, said Aquino will immediately reconstitute a peace talks panel negotiating with communist New People's Army rebels, who have been waging a rural-based Marxist rebellion since the late 1960s, and the Moro Islamic Liberation Front, which is fighting for Muslim self-rule in the southern Philippines.

- **Both sets of negotiations stalled under Arroyo.**

Aquino also told the AP last week that he will create a commission to look into allegations against Arroyo, his former economics professor.



Arroyo was accused of vote-rigging in 2004 and implicated in several scandals that led to coup attempts and moves to impeach her. Calls for her prosecution have been an important campaign issue. Nevertheless, she ran for a House seat on Monday and was declared victorious in a landslide in her home province of Pampanga.

It was only after former President Corazon Aquino died of cancer last August that her son, a quiet lawmaker and bachelor, decided to run, spurred by the massive outpouring of national grief for the leader who helped oust Marcos in 1986. She had inherited the mantle of her husband, Benigno Aquino Jr., an opposition senator gunned down by soldiers at Manila's airport in 1983 upon return from U.S. exile to challenge Marcos.

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- **Aquino already facing problems which he may not be able to solve**

Analysts say ending corruption could extend well beyond his tenure

Presidential race frontrunner Benigno Aquino said was ready to succeed the scandal-tainted administration of President Gloria Arroyo as his lead widened over his rivals in the presidential race. Image Credit: EPAManila: Senator Benigno 'Noynoy' Aquino III — the frontrunner in the nine-cornered fight for Philippine presidency — may face major problems, which he may not be able to solve within his six-year term, political analysts said.

They added that one term is too short for a Philippine president to satisfy the people's expectations.

He cannot change too much too soon, an analyst said.

Aquino is also lucky the Philippines has good economic indicators which Alfredo Crespo said was due to the policies and measures drawn up by outgoing President Gloria Arroyo's economic team.

"That takes away a big problem from his plate," said Alfredo Crespo, a political analyst.

Bound to fail

"[He is] "very lucky to have inherited some of the best economic advisers of President Gloria Arroyo."

Dr Prospero de Vera, a public administration professor at the University of the Philippines and adviser of presidential candidate Manuel Villar, said Aquino has raised the people's expectations too much that he is bound to fail.

"The truth is, he is surrounded by people who were 'recycled' cabinet members of President Arroyo. He cannot radically depart from the economic policy of President Arroyo

"He has raised the people's expectation for change framed on anti-corruption and not on economic development. He has set himself up for failure. That cannot be done in six years," said de Vera.

Aquino's mother, former President Corazon Aquino and the other presidents who succeeded her, failed to make a comprehensive effort to recover the alleged ill-gotten wealth of former dictator Ferdinand Marcos, said De Vera.

Aquino's anti-corruption stance is widely believed to target Arroyo whose administration was rocked by corruption scandals such as the 728 million peso (Dh59 million) fertiliser fund scam which was believed to have been diverted to the president's political campaign kitty in 2004 and the botched \$329 million (Dh1.2 billion) National Broadband Network deal in 2007.

It could also hit Villar, a property magnate who turned to politics, who was implicated in the diversion of a major road project in Manila. and was accused of using his influence to benefit his business interests.

A special Senate committee had recommended that the former Senate president should be censured for failing to divulge that his real estate companies would benefit from the road extension projects.

For Aquino to resurrect charges against Arroyo and Villar will be too "tedious" and "non-productive", said other observers.

<http://gulfnews.com/news/world/philippines/aquino-already-facing-problems-which-he-may-not-be-able-to-solve-1.625999>

- **Philippine Democracy: Alive, but is it well?**

The 2010 campaign has drawn to a close, and it's time to distill my experiences after registering hundreds of miles by land, sea, and air crisscrossing the country as a party-list candidate.

On the purely physical side, my shaking thousands of hands—I estimated some 3,500 in one two-hour period in the public market in Angeles, Pampanga—has apparently given my right arm a life of its own, like that of Dr. Strangelove or one of Jim Carrey's characters. It twitches uncontrollably when not in action, as if waiting impatiently to be fed.

There is no doubt in my mind that Philippine democracy is alive. Everywhere I went, there was intense interest in the candidates, particularly the presidential candidates, with many pausing from their labors to inquire which presidential nominee I favored and what program my party Akbayan had to offer. Everywhere the courtship of the voter was intense. Gone are the days when the "command vote" for a candidate could be considered sufficient to deliver victory. Except in the remotest places, the "market vote" has increased in both size and decisiveness. The market vote is no statistical abstraction for candidates: In almost every municipality and city, it has become de rigueur for candidates to present and sell themselves in the public market, trying to shake every hand within reach, even the wet hands of fish and meat vendors embarrassed to extend them.

Most of the time, the cynics say, the people are at the mercy of the politicians. Maybe, but for at least three months every three years, the politicians are at the mercy of the voters.

Philippine democracy is alive, but is it well?

It is difficult to answer in the affirmative. The reason for this goes beyond the fact that come election day, scores will have been gunned down and huge sums will have been passed out to buy votes.

What worries me, more than the violence and the vote-buying, of which we will always have a good dosage of, is the skyrocketing cost of elections. P9 billion is now said to be a conservative estimate for a presidential run, and P1.1 billion for somebody running for the Senate is said to be a low figure. For a candidate for Congress, P450 million is definitely on the low side. Most of these sums are spent on media outreach, particularly television. One is tempted to say the media is king. It might be more appropriate to say that the market is king, since it is the demand for advertising space, in a system where there are few legal constraints on electoral spending on media exposure, that raises its price many times over in the course of the 12-week election period.

The need to raise enormous sums to have some impact on an expanding electorate has, of course, naturally strengthened the influence of the rich and those organizations favored by the rich over the electoral system. In this respect, Philippine electoral democracy is a spitting image of its parent, American democracy. In both, the influence of moneyed elites in shaping electoral outcomes is enormous. Candidates fit themselves to the interests of the rich and powerful when they do not themselves come from the ranks of the rich and powerful. In a very real sense, in both countries, elections function not so much as a means through which people choose their leaders but a mechanism whereby rival factions of the elite compete for possession of the state apparatus.

### The Political Class on a Treadmill

There is a strong correlation between wealth and political power, but it is not perfect. There is a distinct political class, and in this campaign I truly learned the meaning of the saying that politics is a profession. While it usually does have other sources of wealth, like land, this class is extraordinarily dependent on the control and maintenance of political office to maintain and expand its wealth and power.

For competing factions of this class, the positions of mayor, governor, and district congressman are critical offices to gain, and once one reaches the limit of three consecutive terms for each office, one feels compelled to run for another position or return to a previously held position. One cannot just vacate a position for which one can no longer run but ensure that a relative, preferably one's spouse or offspring, fills it. Politics is truly a family affair in the worst sense of the term. The consequences of losing the hold of one's family on a political office can be the beginning of decline, and eventually marginalization. The prospect of this loss of power, fortune, and prestige is what motivates families not to be satisfied with just having one position but to monopolize all the key positions—mayor, district congressman, party-list congressman, and governor. The best defense is offense, and family monopoly is best since political alliances based on short-term interests tend also to be short-term.

With almost no exception, this dynamics of dynastic succession repeated itself in almost every city and province I campaigned in. We are accustomed to condemning politicians seeking to keep everything in the family, but, in a sense, they are just as much trapped in a system as the rest of us in a system that encourages destructive dynastic politics.

### Non-existent: the Policy Debate

The Villar camp made poverty the issue. But it was the Noynoy-Mar camp that hit the right note with the voters by claiming that corruption caused poverty. After nine years of unbridled corruption in Malacanang and deepening poverty among the masses, the popularity of the kung walang kurap, walang mahirap slogan was understandable.

The only problem is that while indeed corruption contributes to poverty, it is not the main cause of poverty, and the hegemony of the corruption discourse during the campaign meant the avoidance of any substantive discussion of the key issues behind poverty and economic stagnation—among them, uncontrolled population growth, a debt service policy that has radically reduced funds for capital expenditures, trade liberalization that has devastated industry and agriculture, and the completion of the land reform program. Sure, some policy issues were discussed during the presidential debates, but these were often those, like education policy, that elicited the usual motherhood statements. And when a controversial policy issue could not be avoided, like the issue of reproductive health, most candidates threw principled but unpopular positions out the window.

One can, of course, understand the necessities of campaign rhetoric, but the danger is that campaign rhetoric might substitute for policy initiatives when the new administration comes to power. This would

be a disaster since poverty will not be eliminated or reduced by moral crusades against corruption but by reversal of the anti-growth, anti-equity policies such as the debt service policy and trade liberalization.

### Religious Diktat Subverts Democracy

During one of the meetings I had with community leaders, I asked a member of the Iglesia ni Cristo (INC) if the rank and file had influence on the selection of candidates to support. His response was curt: that was the prerogative of the Church leaders.

This was one of the incidents that revealed to me just how fragile the principle of the separation of church and state is in our democracy. All the presidential candidates fawned on the INC, with its five million votes and paid several visits to Pastor Quiboloy in Davao, who is said to command three million votes. Whoever Church patriarch Eduardo Manalo tells his sect to vote for is law, and the same is said to be true of Quiboloy. The danger to democracy becomes very apparent when elections are closely contested, which is the case for the current race for vice president. The dictatorial bloc voting of the INC and Quiboloy could end up determining who wins the vice presidency and who enters the Magic 12 in the Senate race, thus subverting electoral democracy, which rests on the principle of choice of the individual sovereign citizen.

As in every dictatorship, authoritarian control spawns collateral abuses. For instance, in one Bulacan municipality, residents allege that local Iglesia leaders sold the promise of bloc votes to local candidates, something that is said to be prohibited by the Church leadership but which occurs nevertheless since the penalties are relatively light.

But it is not only the INC and Quiboloy's Kingdom Nation that pose a threat to the principle of the separation of Church and State. The Catholic Bishops' Conference of the Philippines encouraged voters to vote against proponents of the Reproductive Health Bill, wrongly and maliciously accusing them of promoting abortion. The question is not so much the people, which surveys reveal to be in favor of artificial contraceptives like condoms for fertility control, but the politicians, who pander to the Church hierarchy, thinking they still exert strong influence over the opinions of the laity. This is a big myth, and the sooner the politicians see the hollow threat behind the bishops' pronouncements on matters of individual choice, the better for all of us. With its veto over reproductive rights, the Catholic hierarchy has now become one of the biggest blocks to women's health, poverty alleviation, and environmental protection.

### The Party-List Fiasco

When I mentioned during our innumerable sorties in public markets that I was running for the House of Representatives under the party-list system, I would often be met with a quizzical look. So I can confirm first hand what the surveys have consistently shown: that up to 75 per cent of voters are not aware of the party-list system or how it works.

This dismal state of affairs is not surprising since so few resources have been spent educating the voters about the party-list system that the chairman of the Comelec, Jose Melo, himself has admitted that he did not understand it.

Yet the Comelec is not the only institution responsible.

The framers of the 1987 Constitution appeared to have two related ideas when coming up with the party-list system. One was to give an avenue for the articulation of the voices of marginalized groups that could not prosper under the money-intensive elections for district congressman. The other was to encourage the formation of such parties for the politically marginalized on a nationwide basis. So for 20 per cent of the

seats in the House, elections were to be held not on the basis of the first-past-the-post, plurality- winner-take-all system, but on proportional representation.

The idea was excellent, except that a clear definition of a marginalized group was never really made by the framers of the Constitution or by the party-list law. Many party-list groups that formed indeed represented marginalized groups, but the political class saw in the ambiguity of the concept of marginalized group a new avenue to get to the House. From the very beginning, the number of participating parties claiming to represent all sorts of “marginalized groups” was large: 123 in the 1998 elections and 162 in 2001. This election, the size of the ballot—25 inches—was determined by the need to accommodate 187 competing groups.

Malacanang also saw the system as a way of ensuring its control of the House, so in the last few years, it has informally sponsored and funded all sorts of parties claiming to represent marginalized groups, from balut vendors, tricycle drivers, and security guards, to ethnic minorities, and regional ethnic groups. It has been conservatively estimated that at least 45 of this year’s participating groups are “pakawala” or agents of Malacanang, their purpose being to ensure that the president, who is running for the second district of Pampanga, becomes the Speaker of the 15th Congress.

Perhaps the nadir of the party list system was reached two days before the May 10 elections when the Comelec ruled that presidential son Mikey Arroyo could run as a representative of security guards under the party Ang Galing Pinoy even with overwhelming evidence that he had no historic links to the sector whatsoever.

In Sum...

These considerations could lead to the conclusion that the balance of trends in Philippine democracy is negative. However, if one factors in the fact that the Automated Election System (AES) has worked, despite many glitches, the balance, in my view, is positive. Perfected in elections to come, the AES will hopefully reduce poll irregularities significantly.

Yet the disturbing trends we have pointed out cast their long shadow on our democracy. If unchecked, they will definitely destabilize further an already gravely flawed system of governance

<http://boston.indymedia.org/feature/display/210600/index.php>

- **Aquino says if elected he will not take oath as Philippine president before new chief justice**

The Philippines' president-apparent Benigno Aquino III refused Friday to take an oath of office before the new chief justice, alleging impropriety in the appoint..

printemailshare recommend MANILA, Philippines (AP) — The Philippines' president-apparent Benigno Aquino III refused Friday to take an oath of office before the new chief justice, alleging impropriety in the appointment by the outgoing president in the dying days of her term.

The move would be a symbolic first blow against the scandal-tainted President Gloria Macapagal Arroyo if Aquino takes office.

The son of Philippine democracy icons questioned Arroyo's appointment on Wednesday of Supreme Court Chief Justice Renato Corona, who was her chief of staff and spokesman. Aquino cited constitutional prohibitions on appointments two months before the end of a president's term, but a majority of Supreme Court judges ruled in March the two-month ban does not apply to the position of chief justice.

"I do not want my own oath-taking, if I do it, to be before a questioned entity," he told reporters in his northern home province of Tarlac.

He said instead he may be sworn in by a village chief in Tarlac on June 30 at the end of Arroyo's term.

Aquino has 41.85 percent of Monday's vote with results from 90 percent of precincts counted by Friday afternoon, a government-accredited election watchdog said. His closest rival, ousted President Joseph Estrada, had 26.47 percent.

Aquino appealed to Arroyo to reconsider her decision and called on her "to recognize the new government's right to appoint the next chief justice." He warned other judges on the bench he would not recognize the move, adding they risked being ousted from the bench for supporting it.

Presidential spokeswoman Charito Planas warned the refusal of the incoming president to recognize the chief justice appointed by Arroyo could lead to a constitutional crisis.

"All of us, including the president, must follow and respect the law," Planas said. "Let's give respect to a co-equal office for a smooth management of the country."

Aquino has said if elected he would form a commission to investigate allegations of corruption and other wrongdoing during Arroyo's nine-year rule.

He said Arroyo made the chief justice appointment because "she probably assumes she'll be facing a whole ton of cases, a whole lot of them, (and) she is looking for a sympathetic or friendly faces from those who will (try) her case."

Arroyo was accused of vote-rigging in 2004 and implicated in several scandals that led to coup attempts and moves to impeach her. She denies any wrongdoing and ran for a House seat in Monday's vote, winning with more than 90 percent of the vote.

Aquino's promise to wage war against rampant corruption that has plagued the Philippines has raised hopes, especially among the young who made up almost half the voters.

A 50-year-old lawmaker, Aquino campaigned largely on a family name and promised to follow the legacy of his parents, who are regarded as heroes in the country's democratic struggle against the dictatorship of Ferdinand Marcos.

It was only after his mother, former President Corazon Aquino, died of cancer last August that he decided to run, spurred by the massive outpouring of national grief for the leader who helped oust Marcos in 1986. She had inherited the mantle of her husband, Benigno Aquino Jr., an opposition senator gunned down by soldiers at Manila's airport in 1983 upon return from U.S. exile to challenge Marcos.

<http://www.foxnews.com/world/2010/05/14/aquino-says-elected-oath-philippine-president-new-chief-justice/>

- **Philippine massacre victim's husband wins election**

The Philippine deputy mayor whose wife, two sisters and four other relatives were among 57 people killed in an election-related massacre last year was declared winner of the governorship of his troubled province on Friday.

Esmael "Toto" Mangudadatu, deputy mayor of the lakeside town of Buluan, was proclaimed Maguindanao governor by the elections commission, beating two rivals with links to Andal Ampatuan Sr, patriarch of a clan that ruled the province for nearly a decade.

"This is a victory for the victims of the massacre and for the people of Maguindanao who have been suffering under oppressive rule," Mangudadatu told a crowd of supporters gathered at the capital building in Shariff Aguak town.

"But the battle is not over yet. The culprits have to pay first. Our battle against poverty has also just started."

Escorted by heavily-armed soldiers and combat-trained police officers, Mangudadatu rode in an armored vehicle to the local election agency office to be proclaimed winner.

The convoy passed through the town where his wife and relatives were murdered along with 30 journalists and 20 other civilians last November. They had been on their way to witness the filing of nomination papers for Mangudadatu to stand against Andal Ampatuan Jr in the elections.

Political violence is common in the southern island of Mindanao, which includes Maguindanao. Muslim and Communist insurgencies have simmered there for decades. But in a country that has long grown accustomed to election-related advice, the killings last year were still shocking.

Ampatuan Sr, his four sons and a brother are being held in a maximum detention facility in Manila, awaiting trial on 57 murder charges. Two family members nearly escaped prosecution after the justice department dropped them from the list of accused last month. But the decision was reversed on May 5.

(Reporting by Manny Mogato; Editing by Andrew Marshall)

[http://news.yahoo.com/s/nm/20100514/wl\\_nm/us\\_philippines\\_elections\\_massacre](http://news.yahoo.com/s/nm/20100514/wl_nm/us_philippines_elections_massacre)

- **More Filipinos optimistic about quality of life, economy - poll**

With a new administration promising to wage war against endemic corruption, more Filipinos are optimistic that economic growth will trickle down to their personal lives, according to Social Weather Stations (SWS).

The exit poll conducted by SWS and sponsored by TV 5 shows that 49% of Filipinos are optimistic that their quality of life will be better in the coming 12 months. Meanwhile, only 2% expect life to be worse.

The poll targeted a national sample of over 35,000 voters from 731 out of 802 voting centers. Unlike the previous SWS polls in 1995, 1998, 2001 and 2004 -- which were conducted in the homes of the respondents -- this year's exit poll was conducted 50 meters away from polling centers.

As for economic outlook this year, 52% of survey respondents are optimistic, while 2% are pessimistic.

The Philippines conducted its first ever automated elections on Monday, with about 75% of the country's more than 50 million eligible voters casting their ballots.

Sen. Benigno "Noynoy" Aquino, the son of democracy heroes late former president Corazon Aquino and her husband Benigno Aquino, led the presidential race on a reformist platform of fighting corruption, reinvigorating the economy, and reducing the grinding poverty that afflicts a third of the country's 90 million people.

While prospects for the economy remain good, according to international rating agencies, the new government would be facing several challenges such as dearth in investment spending, and a parlous fiscal position

<http://www.abs-cbnnews.com/business/05/14/10/more-filipinos-optimistic-about-quality-life-economy-poll>

## Thailand

- **Tension rises as Thai protests turn violent**

Two Thai policeman were killed and 13 people wounded in gun and grenade attacks overnight, threatening efforts to forge a deal on ending

nearly two months of anti-government protests that have undermined the economy. Prime Minister Abhisit Vejjajiva has put forward a plan to end the rallies that have crippled Bangkok and scared off tourists, but it remains in limbo as talks drag on over the details, including a proposed early election in mid-November.

Police and an official at the state-run Erawan Medical Centre said the first policeman was killed by a gunman on a motorcycle in a drive-by shooting just before midnight, and the second in a series of suspected grenade blasts around two hours later.

The attacks took place in the Silom Road area of the capital guarded by soldiers and packed with hotels and bars popular with tourists. The area is close to the entrance to a fortified encampment held by 'red shirt' protesters since early April.

Protest leaders were quick to condemn the violence, which could add to pressure on Abhisit from the Bangkok middle classes and traditional elite to take a tougher line with the red shirts.

"We were not involved in what happened last night," Weng Tojirakarn, a top red shirt, told supporters on Saturday from the stage set up at the protest site. "We are very sorry and we want to condemn the ones who were behind the attacks."

Abhisit ordered a tightening of security in the area after a meeting on Saturday with Deputy Prime Minister Suthep Thaugsuban and the government's crisis control group, the Centre for the Resolution of the Emergency Situation (CRES).

"CRES believe there are a group of people who don't want the protest to stop," government spokesman Panitan Wattanayagorn told reporters.

The stand-off has paralysed the commercial heart of the capital for nearly two months, but its roots stretch back to the prime ministership of Thaksin Shinawatra — a populist tycoon ousted in a 2006 military coup — and the deep social divisions it exposed between Thailand's traditional elite and rural masses.

<http://economictimes.indiatimes.com/features/the-sunday-et/world-update/Tension-rises-as-Thai-protests-turn-violent/articleshow/5908389.cms>

- **Thai protesters accept Nov 14 for new election**

Anti-government protesters said Monday they will accept Prime Minister Abhisit Vejjajiva's national reconciliation plan, including an early general election Nov 14. But, they added, they will continue their sit-in protest in Bangkok's prime shopping and commercial streets until the government allows their satellite television to go back on the air and until key government leaders face charges related to bloody April 10 clashes in which 25 people were killed and more than 800 others wounded.



Natthawut Saikua, a prominent leader of the United Front for Democracy against Dictatorship or the Red Shirts, called on Abhisit and his deputy Suthep Thaugsuban, who is in charge of security affairs and head of the government's the Center for the Resolution of Emergency Situation, to be held responsible for the failed attempts to disperse protesters in the old quarter of Bangkok on April 10.

The protesters noted the premier still has parliamentary immunity during the session that will end later this month, but they urged Suthep, who is no longer a member of parliament, to accept legal proceeding as 24 UDD leaders are wanted by the court on criminal charges relating to the marathon street campaigns that began March 12.

“The day Suthep surrenders himself to the police will be the day the Red Shirts go home. The UDD will declare the end of protest on the day the People Channel return to the air and we will walk into the election on Nov. 14,” Natthawut said.

The authorities have blacked out the People Channel, which broadcast the round-the-clock protests, and blocked Internet access to web-based broadcasts since April 8, five days after the protesters expanded their protests by occupying shopping streets in central Bangkok.

<http://www.japantoday.com/category/world/view/thai-protesters-accept-nov-14-for-new-election>

- **Politics 'the top worry of Thais'**

The economy and the people's health have improved significantly, but most Thais are seriously disturbed by politics, Thailand's 2009 Human Development report says.

Bend in the roadmap

Red shirt leader Natthawut Saikua announces the group's decision to accept Prime Minister Abhisit Vejjajiva's proposal to dissolve the House and hold general elections on the condition that Deputy Prime Minister Suthep Thaugsuban surrenders to authorities to face allegations over the April 10 crackdown.  
APICHIT JINAKUL

The report was completed by the Social Development and Human Security Ministry in collaboration with the United Nations Development Programme (UNDP).

According to the report, poverty and disease have decreased significantly, but people are still at risk from crime, road accidents, food safety, pollution, human trafficking, drugs, domestic and sexual violence, the destruction of natural resources, and political disorder.

While major diseases such as HIV/Aids have been on the decline, people are suffering from stress and the political rift was giving rise to conflict and polarisation in society.

Human security in Thailand overall was deemed more than moderately secure, according to the report.

Some of the issues facing Thailand in coming years include addressing the needs of small farmers, non-citizens, social inequality, issues surrounding the ageing population, climate change, and water supply management, the report said.

Social Development and Human Security Minister Issara Somchai said the political conflict topped the concerns of Thais.

Gwi-Yeop Son, the UNDP resident representative in Thailand, said that the report covered today's risks and tomorrow's uncertainties in Thailand in order to draw attention to these issues.

<http://www.bangkokpost.com/news/local/37119/politics-the-top-worry-of-thais>

- **Thai govt plans to cut water, power in protest zone**

Reuters, BangkokThai authorities plan to cut water, electricity and food supplies to thousands of protesters occupying Bangkok's main shopping district for nearly six weeks and said they might resort to force if they fail to disperse.

The threats follow the unravelling of a peace plan proposed last week by Prime Minister Abhisit Vejjajiva to end a political crisis that has killed 29 people, paralysed parts of Bangkok and slowed growth in Southeast Asia's second-biggest economy.

Leaders of the mostly rural and urban poor protesters remained defiant on Wednesday, refusing to leave their 3 sq km (1.2 sq mile) encampment in Bangkok's main shopping district and challenging the government from behind medieval-like walls built of tires, sharpened bamboo staves and large trucks.

"Whatever measure you use, we are not scared," Weng Tojirakarn, a protest leader, told Reuters.

At midnight, authorities will shut off power, cut supplies and seal entrances to the protest site, said army spokesman Sansern Kaewkamnerd at the government's crisis control centre

<http://www.thedailystar.net/newDesign/news-details.php?nid=138262>

- **Thai protesters vow to fight to the death From**

Add to DiggAdd to del.icio.usAdd to FacebookAdd to KwoffAdd to MyspaceAdd to NewsvineWhat are these?THAILAND'S "Red Shirt" opposition protesters vowed overnight to "fight to the death" as authorities threatened to lay siege to their sprawling encampment in the capital after peace efforts broke down.

The government announced it would cut off food, water and power supplies to the vast rally site in central Bangkok and urged local residents to leave as it prepared to seal off the area to prevent reinforcements arriving.

The mainly poor and working class Red Shirts shrugged off the tough new measures, saying they had their own generators and that it would be impossible to cut their power without also affecting hospitals in the area.

They rejected a demand by embattled Prime Minister Abhisit Vejjajiva for the protests to end today, putting a proposal for mid-November elections in jeopardy.

"If you want to crack down, you're welcome at any time," said one protest leader, Jatupron Prompan. "We will fight to the death."

Start of sidebar. Skip to end of sidebar.

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Red Shirt leader shot in the head The Australian, 2 days ago

.End of sidebar. Return to start of sidebar.

The Red Shirts have said they will continue their rally until Deputy Prime Minister Suthep Thaugsuban is charged for his role in overseeing a deadly April 10 crackdown in which soldiers attempted to clear part of the capital.

As Abhisit's fragile peace process stalled, the authorities announced they would cut off vital supplies, as well as telephone and transport links, to the site.

"This is the beginning of measures to fully impose the law," said Sunsern Kaewkumnerd, a spokesman for the government unit set up to deal with the crisis, warning the authorities were ready to use force if necessary.

"The army is ready, but at this moment I don't want to talk about a crackdown as we want to use measures to put pressure on them.

"To the residents in the area: please leave. After midnight (local time), authorities will not allow anyone to come in," Mr Sunsern said, noting that some homes and foreign embassies would suffer disruption to water and power supplies.

But electricity was not cut in the protest site after midnight, after officials met to discuss practicalities of the plan that could plunge a large part of the capital into darkness.

Officials later said they had not ruled out cutting power and water, but would begin action by introducing measures less intrusive to the public.

Twenty-nine people have been killed and almost 1000 injured in Bangkok in a series of confrontations and attacks since the protests began in mid-March, in Thailand's worst political violence in almost two decades.

<http://www.couriermail.com.au/news/breaking-news/thai-protesters-vow-to-fight-to-the-death/story-e6freonf-1225865782995>

- **Thai poll plan scrapped as tensions rise**

The Thai government yesterday cancelled plans for a November election and scrapped talks with protesters occupying Bangkok's commercial district for nearly six weeks, but softened its line on an earlier crackdown threat.

Hours after announcing they would shut off power and cut water supplies from midnight to thousands of anti-government protesters, authorities postponed the plan, saying it would hurt residents in the ritzy district more than the demonstrators.

But the government said it would take other measures to seal off the central Bangkok area packed with hotels, embassies, businesses, high-end apartments and two public hospitals.

"Tonight, we will start preventing taxis and cars delivering protesters into the area and tomorrow, we will divert some public transportation into the area as well," army spokesman Sansern Kaewkamnerd told reporters. "Details are still being worked out."

The threats follow the unravelling of a peace plan proposed last week by Prime Minister Abhisit Vejjajiva to end a political crisis that has killed 29 people, paralysed parts of Bangkok and slowed growth in Southeast Asia's second-biggest economy.

Leaders of the mostly rural and urban poor protesters remained defiant, refusing to leave their 3 sq km encampment and challenging the government from behind medieval-like walls built of tyres and sharpened bamboo staves.

“We will die here if we must. Your threat will not work,” Nattawut Saikua, a protest leader, told cheering supporters after the government said it may use force to disperse them if other measures failed.

The decision to postpone cutting off water and power followed outcry by residents, thousands of whom were urged by their landlords to leave and find temporary accommodation.

Several diplomats, meeting with Thai Foreign Minister Kasit Piromya, expressed concern over how the hastily announced measures would affect their embassies, according to an Asian diplomatic source present at the meeting.

Severing supplies would have presented a huge logistical challenge and may not have even worked. The protesters said they would survive with their own power generators and food sources.

Attempts to intercept their supplies also risked clashes on the fringes of the area or inside their sprawling tented camp, where women and children were among about 6,000 protesters.

“I don’t see how cutting supplies could be effective,” said Karn Yuenyong, director of independent think-tank Siam Intelligence Unit. “It’s not an easy task and may not be worth it, especially if protesters can bypass it.”

He said it could also spark violence following a series of clashes, grenade attacks and shootings since April 10, when a failed attempt to disperse protesters in another area of Bangkok led to a night of fighting that killed 25 people.

“A resolution without a clash is becoming increasingly unlikely,” he added.

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=361204&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=361204&version=1&template_id=45&parent_id=25)

- **Seven dead, 100 injured in Bangkok violence**

The protesters, who are trying to bring down the government of Prime Minister Abhisit Vejjajiva, threw stones, used slingshots and launched fireworks at the troops

A Red Shirt anti-government protester confronts soldiers on a highway bridge in a standoff at a barricade with burning tyres on a main road in the middle of Bangkok as Thai soldiers prevented the protesters from

entering the area and joining the main Ratchaprasong protest site yesterday

Thai troops opened fire on protesters yesterday after a military lockdown of their vast rally site in the heart of the capital sparked fierce clashes that left seven people dead and more than 100 wounded.

Security forces moved to regain control of a road close to the Suan Lum night bazaar, a popular spot with tourists, after “Red Shirt” demonstrators spilled out of their fortified rally base, which was under siege by troops.

The protesters, who are trying to bring down the government of Prime Minister Abhisit Vejjajiva, threw stones, used slingshots and launched fireworks at the troops as the two-month standoff descended into more violence.

As night fell, gunfire continued to ring out close to the protest site, which was still occupied by thousands of demonstrators. Several blasts were heard in the nearby financial district but the cause was unclear. Six men and one woman, all civilians, were killed in the violence, which also left 101 people injured, including three foreigners, according to the official Erawan emergency centre.

Three journalists, one of them a Canadian with the France 24 television channel, were shot and wounded while covering the unrest. Government spokesman Panitan Wattanayagorn said security troops had come under attack as they moved to seal off the rally area late Thursday to prevent more Red Shirts from entering.

“The soldiers... had no choice but to respond to these attacks,” Panitan told a news conference, adding that troops were authorised to use live ammunition in self-defence, for warning shots or against armed gunmen.

Troops would step up security measures in the coming days to search for weapons and reduce the number of people entering the area, he said, warning of the risk of more instability in the capital. Soldiers used teargas yesterday against the demonstrators, who set fire to piles of tyres in the road, torched an empty police bus and vandalised army vehicles in their efforts to disrupt the lockdown.

At one point troops fired directly at protesters and then advanced up a road, shooting into the air, according to a reporter.

Nelson Rand, a reporter who was covering fighting between troops and protesters for France 24, was hit by three bullets from a military assault rifle and “gravely wounded”, his network reported.

At least 37 people have been killed and about 1,000 injured in Bangkok in a series of confrontations and attacks since the protests began in mid-March.

The mood was tense inside the demonstrators’ encampment, which has been fortified with razor wire, truck tyres doused with kerosene and sharpened bamboo poles.

“Abhisit has already started civil war,” top Red Shirt Nattawut Saikuar told reporters.

“We urgently demand the government withdraw the military and stop all violence,” he said. “I don’t know how we can survive tonight if Abhisit does not agree to a ceasefire. We hope that Abhisit does not want war.”

The Reds consider Abhisit’s government illegitimate because it came to power in a 2008 parliamentary vote after a court ruling ousted elected allies of their hero, former premier Thaksin Shinawatra, who was unseated in a 2006 coup.

Thaksin, who lives in self-imposed exile to avoid a jail term at home for corruption, called on the government to pull back troops and restart negotiations with the demonstrators.

“The government’s actions clearly constitute grave infringement of human rights and criminal offences,” Thaksin said in a statement.

Defence Minister General Prawit Wongsuwon said the military operation was meant to force the movement’s leaders back to talks with the government. A renegade general allied with the Reds was fighting for his life after being shot late Thursday close to the protest site. His supporters said he was targeted by a sniper.

The army, which had warned Thursday it would deploy snipers around the Reds' protest site, denied any involvement in the shooting of Major-General Khattiya Sawasdipol, better known by his nickname "Seh Daeng".

Khattiya, who had been accused of trying to block government moves to reconcile with the protesters, was unconscious in the intensive care unit of Vahira hospital with a head wound.

He had a "low" chance of survival, said Chaiwan Charoenchokethavee, the hospital director. The violence came after Abhisit scrapped a plan to hold November elections as peace efforts broke down, with the Reds demanding the deputy premier be charged for his role in overseeing an April 10 crackdown in which 25 people died.

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=361573&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=361573&version=1&template_id=45&parent_id=25)

- **Thailand king and I: Why the protests in Bangkok put a spotlight on the monarchy**

The Thailand protests reveal an open split in the kingdom over the role of the monarchy in a democracy. Is it time for the king to acknowledge it?

A pro-government, pro-monarchy demonstrator holds a picture of King Bhumibol Adulyadej during a rally in Bangkok, Thailand, on May 6, 2010.

Keeping my head below that of the king of Thailand is difficult when he is shorter than I am. But crouch I did, like a Neanderthal, during a day I spent with King Bhumibol Adulyadej while he traveled in his kingdom up north, visiting dirt-poor farmers and inspecting agricultural projects.

.Even more difficult, however, was censoring my words about the king's role in Thai society while talking to his aides. Under Thailand's strict lese majeste laws, I could have been jailed for up to 15 years if I uttered even the slightest criticism of His Majesty.

Fortunately, this king is easy to like. After six decades on the throne, he still genuinely cares about the Thai people – and most of them revere him. I saw peasants with their faces to the dusty ground as he passed by, as if he were a god. And yet, he would stop and chat with this farmer or that about their troubles. Later, back at the palace, he would write up orders to bureaucrats on what needed fixing in the farmers' villages.

That reverence toward the king, or at least the monarchy in general, appears to be cracking, however, with each passing day of violence on Bangkok's streets. Pro-monarchy and anti-monarchy feelings have been coming out in the open since March, when the struggle for power began between the so-called red shirts and the government of Prime Minister Abhisit Vejjajeva.

The whispered debate over the future of Thailand's constitutional monarchy is represented in the stark lines that divide the urban elite and the rural poor.

The elite are the ones who have benefited most from the conservative nature of a monarchy in Thailand's troubled democracy. The peasants, while still largely respectful of the king, have been stirred into protest by the populous politics – and money – of former prime minister Thaksin Shinawatra.

The businessman-cum-politician was forced out by the military and elite four years ago, but he still supports the red-shirts' protests from his self-exile in the Middle East.

The king is ailing, and doesn't seem to be intervening as directly in this violent, political standoff as he did during past crises. It is almost as if the monarchy itself is being slowly replaced in the peasants' minds by another powerful figure – Mr. Thaksin – an exchange of one unifier and savior for another.

This is the problem with trying to keep a monarchy in a democracy. People look to a person to save them and not to their collective voice through the ballot box. Thailand has a schizophrenic political identity: Do the people hold the ultimate political authority or is one person and one family imbued with power by tradition? Can Thailand have it both ways without the monarchy or democracy suffering?

The issue is made even more timely because the king is ailing and because the crown prince is not widely admired.

It is heartening to hear that some of the “elite” are delicately speaking about the need for a national discussion about the monarchy.

Foreign Minister Kasit Piromya recently called for Thailand to become “a more open and democratic society,” which means discussing the taboo topic of the king's role.

Thailand is not some sleepy Asian backwater nation. It is home to huge foreign investments, and its financial crisis in 1997 sent shock waves across Asian markets.

The king and I had a good time together – he took my picture with his Canon camera. And I will always keep my head below his in his presence.

But even he, I suspect, knows it is time to set his people free to embrace democracy fully and let the monarchy fade away.

[http://www.csmonitor.com/Commentary/Editorial-Board-Blog/2010/0514/Thailand-king-and-I-Why-the-protests-in-Bangkok-put-a-spotlight-on-the-monarchy?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+feeds%2Fcommentary+%28Christian+Science+Monitor+%7C+Commentary%29](http://www.csmonitor.com/Commentary/Editorial-Board-Blog/2010/0514/Thailand-king-and-I-Why-the-protests-in-Bangkok-put-a-spotlight-on-the-monarchy?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+feeds%2Fcommentary+%28Christian+Science+Monitor+%7C+Commentary%29)

Thailand's unrest may unsettle region Without international help to reconcile the warring redshirts and Bangkok establishment, there is a wider security risk

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Simon Tisdall guardian.co.uk, Friday 14 May 2010 14.00 BST Article history

Red Shirt protesters carry a man, who was shot during clashes with army soldiers, to safety near Bangkok's Lumpini park. Photograph: Adrees Latif/Reuters

If the clashes in Bangkok were transposed to central Paris, international commentators would be talking excitedly about revolution, class warfare, the future of the social contract, looming economic catastrophe and the end of democracy. Outside pressure to calm the situation would be immense.

Thailand's latest tumults, which began in March, have failed to attract that level of interest, nor have they been afforded much importance in the wider world. But that may be changing as the country visibly struggles to avoid a descent into uncontrolled violence, even civil war.

Despite a long history of military interference – the army has mounted 18 actual or attempted coups since 1933 – Thailand remains a democratic country with a parliamentary system and a constitutional monarch. It was the 2006 army coup ousting the elected prime minister, Thaksin Shinawatra, that initially triggered the present crisis.

Thailand's continuing democratic example matters to Malaysia, to the south, where tensions over ethnic, civil and human rights sometimes produce autocratic responses, and even more so in Burma, to the north, where pro-democracy forces oppose a brutal military dictatorship. But sustaining Thai democracy also matters to Britain and other western countries, which look at a region increasingly influenced by the Chinese communist hegemony and wonder how long key states such as Indonesia, the world's most populous Muslim country, will uphold western democratic values and standards if neighbours discard them.

The political, as well as physical, collision between the redshirts – a pro-Thaksin movement ostensibly representing the urban and rural poor – and establishment forces comprising the political and military elites, royalists and Thailand's newly wealthy bourgeoisie also has a significance reaching beyond Bangkok. The rich versus poor theme can be overplayed. The reality is more complicated.

The billionaire Thaksin is no Robin Hood, and his time in power was marked by a violent war on drugs, high-level corruption and harsh military measures in the south. That said, both sides have a responsibility to the mass of Thais who have not shared much, or at all, in the country's growing prosperity.

Thailand's Eton-educated prime minister, Abhisit Vejjajiva, who, Gordon Brown-like, gained office without first winning an election, lacks the legitimacy an endorsement at the polls would give him. If he cannot end the confrontation without more bloodshed, which he has repeatedly failed to do so far, it seems clear he will have to stand down.

Perhaps he should do so, anyway. Wiser heads in Bangkok say that what's needed is a national dialogue and early elections, for the world already has too many old Etonians exercising power with questionable mandates. A general amnesty, embracing the exiled Thaksin, might facilitate such a process, help end the fighting and get the bloodstained generals off the hook on which the redshirts would hang them. The alternative – another army takeover – could potentially tip the country into Burmese-style junta-dom.

The impact of the crisis on Thailand's economy has serious international implications, not least for the British and other European tourists who have lately stopped coming. Growth rates and consumer and investor confidence are all down sharply in what was, until recently, one of world's few thriving economies. As usual, it will be the poorest in Thai society who will suffer most from any downturn, thereby intensifying the social divide.

If rising social inequality, abuse of civil and human rights and the damage being done to democratic institutions by warring elites are not enough to spark increased international engagement, then selfish security considerations might do the trick.

Southern Thailand is home to a long-running separatist insurgency involving ethnic Malay Muslims who reject direct rule from Bangkok. There is evidence that al-Qaida-related activists in Indonesia and Malaysia have tried to fan and exploit this conflict in the past.

A collapse, or prolonged paralysis, of the central civil authority would be an invitation to further polarising unrest. And the last thing world needs is another battlefield with militant Islam.

<http://www.guardian.co.uk/commentisfree/2010/may/14/thailands-unrest-may-unsettle-region>

- **Thai finance minister: Thailand benefits from China's economic development**

"Thanks to China's dramatic economic development, Thailand is expected to meet its 5 percent economic growth target for 2010," said Thailand's Finance Minister Korn Chatikavanij on May 12 in an interview with Chinese reporters during his visit to China.



He added that since the fourth quarter of 2009, Thailand has achieved positive growth after the international financial crisis. In the first quarter of 2010, Thailand's economy surged with a growth rate of 9 percent. "This was primarily attributed to China's rapid economic development," he said. China has driven the recovery of the world economy and Thailand and China have maintained a stable strategic partnership with the bilateral trade value hitting almost 33.2 billion U.S dollars in 2009.

<http://english.people.com.cn/90001/90776/90883/6985855.html>

- **Bilateral economic links shore up Thailand's economy**

Sino-Thai economic links have helped shore up Thailand's export-oriented economy, Thailand's finance minister stressed Wednesday, highlighting the importance of a strategic partnership.

"China's sustained economic growth facilitates Thailand's economic recovery. The Thai government and economy have maintained normal operations, despite the current internal situation," H.E. Korn Chatikavanij said Wednesday as he wrapped up a three-day trip to China, - his first official visit.

In an unexpected move last month, the Industrial and Commercial Bank of China (ICBC) purchased a 97.24 percent stake in the Bangkok-based ACL Bank, Thailand's largest lender by asset, which operates 17 branches across the country.

"This is the first time the Thai government has sold over 50 percent of its domestic bank's stake to a foreign financial institution," Chatikavanij said. "ICBC's entry into Thailand contributes to boosting the overall competitiveness of the Thai banking sector."

"The Thai banking industry's asset quality is generally weaker than its Asian rivals," He Fan, an expert on world economics at the Chinese Academy of Social Sciences, told the Global Times. "A host of challenges, including a credit crunch, lower quality debt and excess liquidity, have eroded its profitability. Its governing body, recognizing the flaws, also plans to ease its control to allow the access of foreign banking operations ... Thailand gaining benefits from the financial partnership illustrates the importance of Sino-Thai cooperation."

According to official statistics, Sino- Thai bilateral trade soared to a record \$33.15 billion in 2009, with substantial growth expected after the January's formal launch of the China-ASEAN Free Trade Area.

"China's national priority on stimulating consumption facilitates the increase of Thailand's exports to China. The expected sustained growth momentum helps to promote growth in multiple sectors, thereby driving the overall economy," Zhai Kun, head of the Southeast Asia Research Institute at the China Institutes of Contemporary International Relations, told the Global Times.

"The Thai finance minister's visit - at a critical moment when its national economy is being battered by the red shirts' weeks-long protests - underscores China's role in hoisting Thailand's inflected economy," Zhai added.

<http://english.people.com.cn/90001/90778/90858/90863/6985164.html>

- **Thai confidence suffers record drop, hit by politics**

Consumer confidence in Thailand suffered a record drop in April, hit by political turmoil as weeks of protests turned deadly, data showed yesterday, pointing to trouble ahead for a nascent economic rebound.

The University of the Thai Chamber of Commerce said its consumer confidence index fell by a record 2.6 points to 67.2 in April, the lowest since July 2009. It is down sharply from a 21-month high of 71.9 struck in January.

Confidence has fallen for three straight months after rising steadily since the middle of 2009 thanks to a recovery in the economy after a brief recession.

"Consumer confidence is very fragile at the moment, signalling a downward trend," university economist Thanavath Phonvichai told a news conference.

"Spending is expected to fall towards early in the third quarter," he said. Private consumption makes up about half the \$264 billion economy — Southeast Asia's second largest.

The drop in confidence was and bigger than a 2.3 point fall in January 2007, a month after a military-appointed government imposed capital controls to rein in a surging baht.

"If the political problem is resolved, confidence would return," said Pimonwan Mahujchariyawong, economist of Kasikorn Research Center.

### Protests

Confidence hit 64.3 last May, its lowest in over seven years, a month after violent anti-government protests. The protesters started a mass rally in Bangkok in March to seek new elections. They are now demanding deputy prime minister face charges over a clash with troops in April that killed 25 people, the country's deadliest political violence in 18 years.

They have occupied since early April a Bangkok district full of upmarket shopping malls and five-star hotels, such as the Grand Hyatt, operated by Erawan Group.

<http://gulfnews.com/business/economy/thai-confidence-suffers-record-drop-hit-by-politics-1.626352>

- **Political unrest may shave 1-1.5 percentage points off Thai's growth**

'Red Shirt' government protestors stand at their fortified camp in Bangkok

The current political unrest in Thailand may shave 1 to 1.5 percentage points off the country's economic growth this year, according to DBS, at an event organised by the Singapore Business Federation on Friday.

But DBS said Thailand is still expected to see a 6 per cent growth this year due to a low base and a strong first quarter.

Red shirt protestors have put parts of central Bangkok in limbo for some two months now.

Many businesses in the main shopping and commercial district have been closed, and hotels are functioning at extremely low capacity.

According to DBS, with the unrest, Thailand's economy may now grow around 6 per cent this year, where previously it could have expanded 7.5 per cent.

"Consumption growth has halved to say about 2.5 percent on average, from the 5, 6 per cent that it could be otherwise. On the other hand, exports, because it's driven by demand from other countries, has managed about 7, 8 per cent growth average," said Ramya Suryanarayanan, an economist with DBS.

DBS said Thai consumption in the second quarter could even be negative, making it one of the worst-hit sectors of the economy.

However, headline inflation is expected to be tame, although it may be exaggerated by the removal of government subsidies for things like water, electricity and public transport.

As a result, there are no real fears of excessive tightening of monetary policy in Thailand.

DBS expects the Thai baht to appreciate to around the 31.50 level against the US dollar by the end of the year, up from about 32.30 baht currently.

As for foreign direct investment, DBS said while this area has underperformed due to the political situation, it could pick up in the next two years.

Suryanarayanan said: "Investment cycle depends also on capacity - how tight capacities are in industries. Right now, it's not tight, but perhaps 18 months from now, especially in select export sectors, where export growth is strong, capacity will be tighter.

"At that point, investment could do a little better. But generally, the political instability clouds the investment outlook."

Overall, analysts believe that the Thai economy will continue to underperform the rest of Asia due to politics, but will still churn a long term growth rate of 4 to 4.5 per cent. - CNA /ls

<http://www.channelnewsasia.com/stories/economicnews/view/1055079/1/.html>

- **Thailand Sees 2010 Economic Growth at 4.5-5%**

Thailand's finance minister offered a slightly improved outlook for 2010 GDP on Wednesday - projecting growth of 4.5 to 5 percent -- but noted the ongoing political crisis could shave 0.3 percentage point off that target.

During a visit to Beijing to meet Chinese officials, Korn Chatikavanij also said he expected first quarter GDP to have grown by 9 percent from a year ago.

Thailand's gross domestic product is about \$260 billion, making it southeast Asia's second-largest economy.

The Finance Ministry had previously forecast the export-driven economy will grow 4.5 percent this year, but Korn told Reuters on Wednesday: "I always thought it was a little conservative. So if we can find a resolution (to political problems), and it looks like we will in a reasonable timeframe, we should have no problems in achieving that (target)."

"Red shirt" anti-government protesters showed no sign on Wednesday of giving up their campaign, however, and analysts said Thai stocks could extend their slide.

Thai 'Red shirts' Stay Put Despite Abhisit's Ultimatum Thailand's \$264 Billion Economy At Stake Great Recovery an 'Illusion': Economist Top Asian Business News

The government has warned protesters to end a rally that has closed a Bangkok commercial district for more than a month.

Korn said that once the political crisis is resolved, he expected the central bank to raise interest rates. He did not offer a timeframe, but the next rate setting meeting is scheduled

for June 2.

"The trend definitely is for a move towards tightening, but it's still from a very low base and they haven't started it yet, certainly partly because of the uncertainties caused by the political crisis," Korn said.

"So once there is a resolution on the political front, I would be surprised if they didn't begin to tighten rates."

Korn added that he thought the European debt crisis should have little impact on the Thai economy.

<http://www.cnn.com/ID/37098568>

## Vietnam

- **Vietnam island economies, national defense to get \$8.6 bln boost**

Foreign tourists arrive on Phu Quoc Island in Kien Giang Province.

Vietnam will invest around US\$8.6 billion in island infrastructure to boost national defense and economic development on its remote ocean outposts.

Nearly 60 percent of the program's total cost – VND162.5 trillion (\$8.6 billion) – will be paid by the government with the rest sourced from the private sector and foreign official development assistance, according to a government decision released recently.

The first stage will be carried out from 2010 to 2015 at a cost of VND51.8 trillion (\$2.74 billion), said the decision, which aims to build major sea-related economies on the islands and connect them with both inland and foreign centers of trade and commerce.

The decision also implies that improved infrastructure and development on the islands will go hand in hand with stronger national defense facilities.

"Island economic development will be tightly connected with improving national defense and security," the document said.

The program targets an annual economic growth on Vietnam's islands of 14-15 percent, increasing the island economies' share of the country's total economic growth from the current 0.2 percent to 0.5 percent by 2020.

Major ports will be constructed for ships of around 1,000 tons on many islands while the ports on Con Dao and Phu Quoc islands will be expanded.

Con Dao Island's Con Son Airport will be upgraded and the construction of Duong To International Airport on Phu Quoc Island will be expedited to welcome an estimated three million travelers a year. Airports will also be constructed on other islands that could help boost the tourism industry.

More roads will be constructed on major islands, all of which are expected to have “complete” road systems by 2020.

Electricity generation will be another major investment on the islands, including alternative sources like wind, solar, tidal and bio-fuel energy. Groundwater research will be conducted to better manage the source while projects to transform sea water into freshwater will also be implemented.

Information infrastructure will be improved on inhabited islands to ensure the best possible communication in all weather conditions.

The program also aims to increase off-shore fishing and fish farming, to be carried out in programs that both protect and recreate the resources. The aim is to increase the industries to pull in a total of between 300,000 tons and 350,000 tons by 2020, of which 280,000-300,000 tons would be from fishing.

The government and private enterprises will also invest in heavy-capacity fishing ships to increase catch sizes and also to protect the country’s sovereignty at sea.

Phu Quoc and Van Don islands will be developed into major ecotourism destinations of “regional and international scale,” said the decision. Under the program, the country’s islands are expected to attract between 2.7 million and 2.8 million tourists per year, including 700,000-850,000 international tourists, with a 12.5 percent annual growth rate through 2020.

The program also aims to develop sea rescue services and better education and healthcare on the islands.

Military facilities will also be established and/or strengthened on Bach Long Vy, Co To, Cat Ba, Con Co, Ly Son, Phu Quy, Con Dao, Phu Quoc and Tho Chu islands, and the Truong Sa (Spratly) Archipelago.

<http://www.thanhniennews.com/2010/Pages/20100508164550.aspx>

- **Vietnamese economy may expand 7.2 pct, exceeding target: HSBC**

Vietnam’s economy may expand 7.2 percent this year, the fastest pace since 2007 and more than the government’s target, according to HSBC Holdings Plc.

Gross domestic product in the Southeast Asian nation gained 5.8 percent in the first quarter. The government is targeting growth of 6.5 percent in 2010, which compares with a decade-low 5.3 percent in 2009.

Vietnam’s first-quarter growth rate has been “significantly weaker” than other quarters over the past decade, with the historical tendency for the economy’s pace of expansion to accelerate through the year, Wellian Wiranto, a Singapore-based economist at HSBC, said in a research note received Monday.

“Growth is most likely to head up for the remainder of the year,” Wiranto wrote. “The regional trade recovery should bode well for the strength of Vietnam’s industry sector.”

Industry and construction accounted for 43 percent of Vietnam’s economy in the first quarter, while services made up 42 percent. Retail sales have been growing at an “unceasingly strong” pace, Wiranto wrote.

“With wage increases scheduled for government employees as well as those in private sectors such as textile manufacturing, consumption should stay supported,” he wrote.

In addition to exceeding the government's target, a 7.2 percent pace of growth would also be faster than the 6 percent forecast from the International Monetary Fund and the 6.5 percent expected by the World Bank.

#### Navigation skills

"Vietnam navigated the global financial crisis better than could have been anticipated," the World Bank said last month.

The growth pace may be driving Vietnamese trade deficits, with imports of consumption goods "ballooning" in recent months, wrote Wiranto, citing an increase in electronic-product imports. Vietnam's monthly trade deficit widened 8 percent in April to US\$1.25 billion, based on preliminary General Statistics Office figures.

The "spillover impact" of government stimulus in 2009 may also be contributing to the trade deficit, even as the measures buoy economic growth, HSBC said.

"Vietnam has continued to experience obstinate trade deficits in recent months," Wiranto wrote. "Recent figures have yet to show a significant improvement."

The inflation rate – which was 9.2 percent in April – also "remains high," though abundant food supplies may curb price growth in coming months, he said.

"However, there are other items within the basket which are worth watching closely down the road," Wiranto wrote, citing construction-material prices that rose 17.3 percent last month from a year earlier.

<http://www.thanhniennews.com/2010/Pages/20100507174658.aspx>

- **Vietnam bans use of 'China Beach' nickname amid tensions with China over disputed islands**

Vietnamese authorities have banned a resort located on the country's most famous strip of white sand from using the nickname given by American servicemen who frolicked there on leave during the Vietnam War. The order comes amid tensions with neighboring China over disputed territory in the South China Sea.

The four-star Sandy Beach resort has already destroyed about 4,000 brochures promoting "China Beach," and removed the name from its website. It is being asked to refer to the beach by its local name, Non Nuoc, which means mountain and water, a resort executive said on condition of anonymity citing sensitivity involving the matter.

"It's only a technical mistake," the resort executive said. "We had no intention of getting involved in politics."

Nguyen Phuc Linh, deputy director of the Culture, Sports and Tourism Department in central Danang City, said authorities banned the use of the name many years ago.

"City government stipulates that the name of the beach is Non Nuoc and we have to abide by their regulations," Linh said.

Linh refused to comment whether the use of "China Beach" may evoke passion among Vietnamese in their territorial dispute with China over the Paracel and Spratly islands.

<http://www.foxnews.com/world/2010/05/14/vietnam-bans-use-china-beach-nickname-amid-tensions-china-disputed-islands/>

- **Jailing of democracy activists upheld**

A Ho Chi Minh City court yesterday upheld verdicts against three Vietnamese activists convicted in February of trying to “overthrow the government”.

The court upheld the sentences of lawyer Le Cong Dinh and internet entrepreneur Tran Huynh Thuc, who received 5 and 16 years in prison, respectively. Internet entrepreneur Le Thang Long’s sentence was reduced from 5 to 3.5 years. Dinh, a US-educated lawyer, was convicted in part for attending a seminar on activism in Thailand, organised by a Vietnamese emigre pro-democracy group. Thuc and Long organised discussion groups on democracy, and Thuc was accused of having joined a US-based political party, which he denied.

[http://www.gulf-times.com/site/topics/article.asp?cu\\_no=2&item\\_no=360982&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=360982&version=1&template_id=45&parent_id=25)

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<http://www.thanhniennnews.com/2010/Pages/20100507174658.aspx>

- **Vietnam tells companies to curb iPhone imports to trim deficit**

Vietnam’s Ministry of Information and Communications told companies not to import “too many” of Apple Inc.’s iPhone as the government tries to cut purchases of luxury items to narrow the trade deficit.

“Phone companies should carefully consider their import plans of iPhones as well as other related 3G equipment,” said Nguyen Thanh Hung, vice minister of information and communication. “We need to economize, and we shouldn’t waste our money on luxury items” as Vietnam struggles with a widening shortfall, Hung said in a telephone interview Wednesday from Hanoi.

The Southeast Asian nation’s deficit grew 8 percent in April to \$1.25 billion from the previous month, as an expanding economy drove an increase in import costs. Imports of consumption goods have been “ballooning” in recent months, HSBC Holdings Plc. wrote in a research note after the figures were released last week.

For the four months through April, Vietnam posted a \$4.65 billion trade shortfall, compared with a surplus reported at the same time a year ago. For the year to date, imports surged 36 percent to \$24.81 billion.

Telephone operators and service providers need to carefully work on import plans to avoid “massive” purchases of iPhones, according to an instruction from Ministry of Information and Communication.

<http://www.thanhniennnews.com/2010/Pages/20100507180250.aspx>

- **ASEAN vents concerns over Thai crisis**

Southeast Asian leaders have raised concerns about regional stability in the wake of Thailand's political crisis, in what observers say is the latest sign the ASEAN regional bloc is slowly easing its policy of non-interference in the affairs of member states.

Weeks of mass rallies by "Red Shirt" anti-government protesters have paralysed parts of Bangkok, and erupted into bouts of violence that left 29 people dead and 1,000 injured, the deadliest civil unrest in two decades.

Vietnam, which currently chairs the Association of Southeast Asian Nations (ASEAN), told Thai Foreign Minister Kasit Piromya last week that stability in the kingdom was also in the "common interest" of its neighbours.

As chair Vietnam had to say something about the crisis, but critics might argue it could have gone further, said Pavin Chachavalongpun, a fellow at the Institute of Southeast Asian Studies in Singapore (ISEAS).



"Vietnam could have called an urgent meeting to deal with the situation in Thailand," said Pavin, a former Thai diplomat.

But he said the act of speaking out represents a further easing of ASEAN's traditional policy of non-interference in the affairs of its 10 member states.

"This process is gradual, and I think it's opening up a little bit."

Yap Swee Seng, executive director of Forum-Asia, an umbrella for regional rights groups, also said the bloc seems more willing to speak out but that it could do more.

He said ASEAN should be able to play a role when its members are in turmoil but the principle of non-interference limits their options, as there is no mechanism to deal with internal crises.

"So I think the situation in Thailand, and of course much earlier the issue of Burma (Myanmar), already indicates there is a need for such a mechanism," he said.

ASEAN could then "at least play a mediation role in assisting member states to overcome some of these problems."

But Rodolfo Severino, head of the ASEAN Studies Centre at ISEAS, said he did not see a role for the regional bloc in such disputes.

While official statements are important, Severino said, "I don't think ASEAN can go beyond these, and it's up to the Thais to resolve their internal differences."

He noted that in 1986 fellow ASEAN members called for the peaceful resolution of political turmoil in the Philippines.

More recently ASEAN's non-interference principle has been tested over military-ruled Myanmar. Three years ago ASEAN ministers expressed "revulsion" and said they were "appalled" at a deadly government crackdown on protests there.

But despite the sometimes harsh words, ASEAN has never formally censured Myanmar, which is under US and EU sanctions.

Christopher Roberts, from the University of Canberra in Australia, said the principle of non-interference has in practice been weakening for several years, most notably over Myanmar.

ASEAN's comments on Thailand are "significant in that it's no longer just Myanmar" sparking relatively strong language, said Roberts, a lecturer in Asian politics and security.

After 25 people died in a Bangkok clash last month, ASEAN's secretary general Surin Pitsuwan warned that the crisis was rattling confidence in the region as a whole.

Singapore, a key ASEAN member, has also spoken out, saying last month that a peaceful solution was crucial not only for Thailand -- the region's second largest economy -- but for the entire bloc.

Focused on economic issues for most of its four-decade existence, ASEAN in 2008 adopted a charter committing it to tighter links. It aims to form by 2015 a "community" based on free trade, common democratic ideals, and shared social goals including a common identity.

ASEAN's comments on Thailand show that "more countries are seeing a lot of issues are inter-related", Yap said.

"So I think ASEAN member states are slowly moving away from the non-interference perspective but it is still not moving fast enough and it is still confined to a lot of issues that are non-political," he said.

Roberts said ASEAN "might be able to muster some bark sometimes," but without an institutional mechanism to act on those words, "for the foreseeable future they'll lack bite."

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## Cambodia

- **Cambodia's parliament approves consular treaty with China**

Cambodia's National Assembly approved Friday a consular treaty between Kingdom of Cambodia and China to boost cooperation between the two nations.

The approval of the treaty was made unanimously by all 89 out of 123 parliamentarians who were present at the session.

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The Cambodian government signed the treaty with China on February 25, 2010 in Phnom Penh.

The treaty was based on the norm of the 1963 Vienna Convention to which Cambodia is a party since 2005.

Hor Namhong, deputy prime minister and minister of foreign affairs told the parliamentarians that the treaty was significant to promote further cooperation between Cambodia and China.

The treaty allows consular officials to make direct contacts with their own citizens who run businesses or work in the country where consular office is located.

It also allows consular officials to work as facilitators or mediators for the citizens or the people of the country where the office is located; as well the officials will help process with visa paperwork and applications for citizenship.

Cambodia and China has had long-term relations, and this treaty will help boost more cooperation in the fields of trade, investment, tourism, culture, science and education among others.

At present, Cambodia has established six Consulate Generals in China, including China's Hong Kong, Guangzhou, Shanghai, Kunming, Chongqing and Nanning, while China has not yet set up the consulate in Cambodia.

[http://www.chinadaily.com.cn/world/2010-05/07/content\\_9823507.htm](http://www.chinadaily.com.cn/world/2010-05/07/content_9823507.htm)

- **Cambodia wins Chinese military aid**

Cambodia's foreign minister says China will donate equipment to the country's military.

The announcement comes after the United States cancelled a shipment of military vehicles when Phnom Penh expelled Uighur asylum-seekers at China's request.

Twenty people were expelled last December.

Foreign Minister Hor Namhong has announced that China will donate more than 250 trucks and 50,000 uniforms to the Cambodian military.

At the time of the expulsions, Washington said Cambodia had failed in its international obligations by sending the Uighurs back to an uncertain fate in China, and it threatened punishment.

Pleased

But where Washington was annoyed, Beijing was clearly pleased.

Within days of the expulsions, China had awarded Cambodia more than \$1 billion in economic aid, although both countries denied any link to the Uighur expulsions.

China is a key investor in Cambodia, particularly in infrastructure.

Acceptance of China's latest donation is a less than subtle message that Cambodia is prepared to play off one big power against another.

Minister Hor Namhong says China's President Hu Jintao has promised more military assistance in the future.

<http://www.radioaustralianews.net.au/stories/201005/2889172.htm>

- **5 killed, 9 injured by anti-tank mine blast in Cambodia**

Five plantation workers were killed and nine others injured by an anti-tank mine that exploded when their vehicle drove over it Saturday afternoon in Palin province's Sala Krao district, a government mine official confirmed on Monday.

Leng Sochea, deputy secretary general of Mine Action Authority, told Xinhua by phone that three people died instantly at the scene while another two died in the hospital.

Huot Satha, director of the government's Mine Action Planning Unit in Pailin province, was quoted by the Phnom Penh Post as saying that 13 plantation workers were in the vehicle when it hit the mine, and one passenger escaped with only minor injuries.

"The driver and two women died instantly at the scene after their homemade vehicle ran over the mine on their way home from work," he was quoted as saying.

Last year Cambodia saw 243 land-mine and explosive remnants of war casualties, down from 271 in 2008.

<http://en.trend.az/regions/world/ocountries/1680287.html>

- **Malaysian investors commit US\$1b to Cambodia**

Malaysian investors on Monday signed several deals worth about one billion dollars to invest in Cambodian businesses, officials said.

The private sector agreements covered education, information communication technology security, produce deemed halal, coffee growing, and a poultry farm, said Nguon Meng Tech, secretary general of Cambodian Chamber of Commerce.

The names of companies involved were not disclosed by officials.

The investors agreements coincided with a three-day visit of Malaysian Prime Minister Najib Razak, who pledged to encourage more investment from his country to help develop Cambodia during a meeting with premier Hun Sen.

At a Cambodia-Malaysia business forum held in Phnom Penh earlier Monday, Hun Sen also called on Malaysian business people to invest in many areas, including agriculture, infrastructure as well as oil, gas and mining.

"These sectors have not been fully capitalised and still offer many opportunities," he said.

Malaysia was ranked fourth among foreign investors to Cambodia in 2009 with a total investment of 1.8 billion dollars, officials said. -

[http://www.channelnewsasia.com/stories/afp\\_asiapacific\\_business/view/1055730/1/.html](http://www.channelnewsasia.com/stories/afp_asiapacific_business/view/1055730/1/.html)

- **Japanese company given right for oil and gas exploration in Cambodia**

The Cambodian government on Tuesday granted the right to explore oil and gas in the Great Lake area in central Cambodia to a Japanese company. The oil and gas deal was signed by Sok An, Cambodian deputy prime minister and minister in charge of the Office of the Council of Ministers, and Akira Suzuki, executive director of Japan Oil, Gas and Metals National Corp, which is known as JOGMEC.

The deal involves exploration for petroleum and gas in Block XVII in Tonle Sap Lake (Great Lake) through geological and geophysical survey over a two-year period.

<http://www.japantoday.com/category/business/view/japanese-company-given-right-for-oil-and-gas-exploration-in-cambodia>

- **Malaysian PM encourages more investors to Cambodia**

Malaysian Prime Minister has pledged to encourage more investors to Cambodia to help develop this country, a government official said Monday.

Eang Sophalett, spokesman of Prime Minister Hun Sen said that during the bilateral talk that lasted more than one hour, between the visiting Malaysian Prime Minister Najib Razak and Hun Sen, Najib had

pledged to encourage more investors to this country and to broaden the number of goods traded between the two countries.

In particular, Eang Sopheatt said, during his first visit to Cambodia since he came to office last year, Najib has brought along with many investors and they were to sign some business agreements with Cambodian counterparts.

Eang Sopheatt, said he was informed of some business documents to be signed between the two private sectors, but not fully aware of the details.

Malaysia is ranked fourth among foreign investors to Cambodia in 2009 with a total investment of 1.8 billion U.S dollars.

In the meeting, Hun Sen had asked Malaysia to invest in agricultural sector so as to boost rice exports from Cambodia, and he had thanked Malaysia for assistance that included the railway link inside the country, and Najib had expressed his moods over the positive change in the country, according to Eang Sopheatt.

During his three-day visit that began Sunday, Najib has met with his Cambodian counterpart Hun Sen, and will follow by more meetings with Malaysian community and business people in Cambodia and to pay courtesy calls on other leaders as well as to be granted an audience by King Norodom Sihamoni.

Several documents are expected to be signed later today between the private sectors of both countries that will cover on education, ICT security, halal industry, agriculture, training and retail sectors.

Najib is planned to leave Cambodia on Tuesday.

<http://english.people.com.cn/90001/90778/90858/90863/6979579.html>

- **Concerns software piracy deterring Cambodian investment**

Microsoft's Cambodian country director says widespread software piracy is deterring foreign companies from working with the kingdom.

Pily Wong says the sale of counterfeit computer software - which includes programs such as Windows and the Adobe Creative Suite - is considered prevalent throughout Cambodia.

A report from Washington-based Business Software Alliance and market researcher IDC says the value of unlicensed software worldwide has hit \$US51.4 billion.

It says piracy rates increased 2 percent worldwide last year, from 41 percent to 43 percent.

Although Cambodia was not included in the report, Vietnam was reported to have an 85 per cent piracy rate, and Thailand a 75 per cent piracy rate.

Microsoft says continuing concerns over the poor enforcement of intellectual property rights has led many international software firms to avoid entering Cambodia.

<http://www.radioaustralianews.net.au/stories/201005/2899423.htm>

- **Cambodia destroying coastal ecology by sand exports to Singapore**

Cambodia is devastating its coast by dredging vast quantities of sand to sell to tiny Singapore for expansion projects, with multimillion-dollar profits going to tycoons close to the Cambodian prime minister, a watchdog group said Tuesday.

Impoverished Cambodia has become the new prime source of the masses of sand used for projects to artificially enlarge Singapore's island territory now that several other Southeast Asian nations — including Malaysia, Indonesia and Vietnam — have banned sand exports because of environmental concerns.

Singapore has increased its surface area by 20 percent in recent decades by filling in coastal seabeds to create new, valuable waterfront ground, a process known as "land reclamation."

London-based environmental watchdog Global Witness criticized Singapore for the practice, pointing out that the wealthy island city-state at the same time "presents itself as a regional leader on environmental issues."

"The country's failure to mitigate the social and ecological cost of sand dredging represents hypocrisy on a grand scale," Global Witness said in a report released Tuesday.

Cambodian Prime Minister Hun Sen last year announced a blanket ban on sand exports following local protests, but the Global Witness investigation said the country continues to supply Singapore with tens of thousands of tons of sand dredged up from rivers and estuaries along the fragile coastline.

Operations from just one Cambodian province were estimated to be worth \$248 million annually in retail value in Singapore, the group said.

Cambodia's law on sand actually banned only river sand from export, but Global Witness said its investigators found that both river and sea sand have been exported since the law was passed.

Global Witness said the government has been "failing to ensure compliance with Cambodia's other environmental and socio-economic legal framework," though a Cambodian government spokesman said that dredging is confined to areas where the environment would not be degraded.

Singapore's National Development Ministry said sand import is carried out by private enterprises, which must by law "not breach any of the source countries' environment rules and other relevant laws."

The Cambodian sand trade, Global Witness said, is monopolized by two senators with close ties to Hun Sen "with no evidence of any revenues (from the exports) reaching Cambodia's state coffers."

One of the senators, Mong Rethy, refused to comment when reached by telephone, while the other, Ly Yong Phat, could not be reached despite several attempts.

Global Witness has over the past decade published several reports chronicling the stranglehold of what it calls Cambodia's "kleptocratic elite" on the country's forests, minerals and other natural resources through corruption and cronyism, often accompanied by abuses of human rights.

The government has denied such charges, but Cambodia's international donors, including the United States and the European Union, have leveled similar criticism.

Global Witness' latest report said Cambodia's sand-dredging industry "poses a huge risk to its coastal environment, threatening endangered species, fish stocks and local livelihoods. There is no evidence that basic environmental safeguards have been applied."

It said that concessions had been allocated inside protected areas and that on one day alone, nine dredging vessels were spotted inside such a zone. Extraction has actually increased since last year, it said.

The report quotes a government website as estimating that up to 60,000 tons of sand are mined each month from the water of Koh Kong province in the country's southwest.

Cambodian government spokesman Khieu Kanharith said a total ban was in place on sand dredging near islands and eco-tourism areas, deep water regions and in zones with large number of fish stocks.

However, he said some dredging is permitted to serve local demand and allow passage of ships in silted-over areas. Surplus sand could be exported, he said.

Singapore's government denied any wrongdoing and disputed the Global Witness report's allegations.

"The report suggests that the Singapore government seeks to import sand without due regard to the law or environmental impact of the source country. This is not true," a statement from National Development Ministry said.

Associated Press writer Sopheng Cheang in Phnom Penh and Alex Kennedy in Singapore contributed to this report.

<http://www.baltimoresun.com/news/nationworld/world/wire/sns-ap-as-cambodia-sand-for-singapore,0,5927196.story>

- **More than 50,000 Cambodian laborers working abroad**

Cambodia has reported that it had sent more than 50,000 Cambodians to work abroad, all of them in Asian countries.

The report filed by Ministry of Labor, a copy of which seen Monday, showed that by the end of March as many as 51,647 Cambodians were working in Thailand, Malaysia, South Korea and Japan.

Among them, 27,152 were working in Malaysia and followed by 16, 197 in Thailand, 8,201 in South Korea and 97 in Japan.

According to the report, majority of the Cambodian laborers are women and are working in factories, housemaids or in restaurants.

Some local non-governmental organizations have expressed their enthusiasm to the employment opportunities for Cambodian people and suggested the government to work harder to push more employment in the country and as well in foreign countries.

Cambodia has permitted more than two dozens of private companies and several non-governmental organizations to help facilitate Cambodian laborers to work abroad.

<http://english.people.com.cn/90001/90778/90858/90863/6979815.html>



# Singapore

- **Investors willing to pay premium for good governance: SM Goh**

High standards of corporate governance are a collective responsibility for firms if Singapore is to continue as a centre for business and finance.

Senior Minister Goh Chok Tong said investors will be willing to pay a premium for companies with good governance standards.

According to Senior Minister Goh, boards and senior management will have to internalise the values, spirit and purpose behind the rules and reporting requirements.

And boards will have to set the tone and develop the right skills to make governance a success.

Senior Minister and Chairman of the Monetary Authority of Singapore Goh Chok Tong, said: "Good governance is central to Singapore's competitiveness as a business hub. Our hard-earned reputation for political stability, integrity, rule of law, sound accounting frameworks and a strong commitment to efficiency and effectiveness has made Singapore an attractive place for global businesses."

Mr Goh was speaking at the Singapore Corporate Awards on Monday now into its fourth year.

Keppel walked away with awards for best managed board, annual report and CEO of the Year for large caps.

Keppel said the achievement comes after years of work.

Choo Chiau Beng, CEO, Keppel Corporation, said: "We have a very strong chairman and that helps to set the tone for good corporate governance. Keppel has been an independent company since 1968, so we have 42 years of work."

Keppel shared the top spot for best managed board with SingTel.

And smaller companies were not left out with ornamental fish firm, Qian Hu, and offshore company Baker Tech both taking home accolades for well managed boards, while Eu Yan Sang took home the CEO of the Year award for the small caps. -

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1055664/1/.html>

- **S'pore, India to conduct second review of economic cooperation agreement**

Singapore and India will conduct their second review of the Comprehensive Economic Cooperation Agreement (CECA).

Trade and Industry Minister Lim Hng Kiang will be in New Delhi on Tuesday to launch the review with his Indian counterpart Anand Sharma.

The first review of CECA was completed in 2007 and focused largely on implementation issues.

A statement from the Trade and Industry Ministry said the second review is intended to be more comprehensive with a view to improve the goods, services and investment chapters.

The ministers will also exchange letters on the special medicinal product registration scheme, an outcome from the first CECA review in 2007.

While in India, Mr Lim will also meet key business leaders.

The CECA was signed in 2005 to facilitate trade and investment between the two countries.

Since then, total trade with India has increased by 20 per cent annually, peaking at S\$28.8 billion in 2008.

India is Singapore's 11th largest trading partner in 2009.

Although bilateral trade took a dip due to the economic crisis last year, it quickly rebounded to \$7 billion in the first quarter of 2010, up 38 per cent from the same period in 2009.

India is Singapore's 7th largest investor, while Singapore ranked second in terms of foreign direct investment inflows into India. -

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1055640/1.html>

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<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1055640/1.html>

- **Singapore shares governance, infrastructure experience with Indonesia**

Singapore will share its experience in corporate governance and developing infrastructure projects through the public-private partnership model with Indonesia.

This will be done through a newly set-up state-owned company under Indonesia's Finance Ministry.

A Memorandum of Understanding was signed on Tuesday between the World Bank, the Indonesia Infrastructure Guarantee Fund and the Singapore Cooperation Enterprise to formalise the cooperation.

The Temasek Foundation is supporting the programme with a \$474,000 grant.

Infrastructure development is a priority for the Indonesian government in sustaining economic growth and improving people's standards of living. -

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1055844/1.html>

- **Singapore to release final Q1 GDP data on May 20**

Singapore will release final gross domestic product (GDP) data for the first quarter next Thursday, May 20.

Preliminary GDP data, released in April, showed the economy grew a record high of 32.1 per cent quarter-on-quarter.

From a year ago, Singapore's GDP expanded by 13.1 per cent.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1056300/1/.html>