

Report # 99**Business and Politics in Muslim World**

South East Asia
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Summary

At Political Front

- Indonesia

Indonesian Army Commander General George Toisutta reminded troops under the Jakarta Military Command to improve alertness following the heightening political tension in the capital city lately, local media reported here on Thursday.

In his written remarks statement to commemorate the 60th anniversary of Jakarta Military Command, the army commander said that the freedom of expression in the country has been misused by some parties that could endanger national security, reported China's Xinhua news agency, citing the local media. "Democracy is not implemented in the right way in our lives as a nation," George was quoted by the Jakarta Post as saying.

Prime Minister Yukio Hatoyama of Japan recently visited Indonesia to participate in the Bali Democracy Forum (BDF) and co-chaired the meeting with President Susilo Bambang Yudhoyono.

The BDF was established under the initiative of the Indonesian government as an open and inclusive forum for countries around the world to share experiences and best practices in fostering and promoting democracy. Its aim is to promote regional and international cooperation in the area of democracy.

- Cambodia

CAMBODIAN Prime Minister Hun Sen today accused neighbouring Thailand of preparing a coup against his government as the war of words between the neighbouring nations worsened. Hun Sen said he had seen a secret Thai government document outlining the plan to mount a coup, which he said he had passed to Cambodia's King Norodom Sihamoni to show the "bad character of our neighbouring leaders".

Geo-Strategic Front

- Thailand

A somewhat amateurish attempt to clandestinely transport a large consignment of weapons from North Korea to an as yet unknown destination has ended in the consignment, the aircraft transporting it and its crew falling into the hands of security officials from the US and Thailand, who are presently interrogating the crew and examining the consignment and its documentation. Five men charged with illegal arms possession insisted their plane was headed for Sri Lanka and not Iran when it was seized in the Thai capital with a cache of North Korean weapons, their lawyer said Wednesday.

At Economic Front

- Indonesia

Indonesia's foreign direct investment is set to rebound 15 percent in 2010 on a global economic recovery after dropping 28 percent this year to just below \$10 billion, the state investment agency (BKPM) said.

Policy makers in Southeast Asia's biggest economy are struggling to attract more foreign investment to speed up economic growth and make inroads into unemployment and poverty. "The drop in (realised) foreign direct investment was mostly due to the fallout of the global economic downturn," BKPM chairman Gita Wirjawan said.

The Chinese Diaspora — or the bamboo networks as they are called — have always been very powerful groups and intrinsic to China's growth as a super-power. These networks — which remain mainly concentrated in Southeast Asia, including Singapore, Malaysia, Thailand and Indonesia — have worked towards attracting foreign investment into China in a big way. During the 1980s, as the winds of liberalisation swept through PRC and it opened its doors to foreign investors, the Chinese diaspora in Singapore, Hong Kong and Taipei supported the country in pitching itself as one of the most successful exporters of manufactured goods globally.

- Thailand

Local pig farmers complain that imports of pork from Thailand are reducing prices. Surging pig imports from Thailand have pushed down prices and led to the closure of hundreds of pig farms, sector representatives said Friday as they called for the government to slash import quotas, according to Phnom Penh Post

- Philippine

The government's fiscal position continues to deteriorate but analysts at some of the biggest banking institutions believe the country is not in a worrisome situation yet, if the budget deficit is to be viewed in the context of the current global economic crisis.

The large budget deficit this year and in 2010, according to Metropolitan Bank & Trust Co. (Metrobank), should not be viewed as a "market-destabilizing event," because the country's debt as a portion of the gross domestic product should remain relatively stable.

The numbers, Metrobank head of research Marc Bautista said, "will look absolutely horrible when viewed in isolation." But the Philippines is not alone in spending beyond its revenue-generating capacity, he noted.

Three people were killed and 24 missing Thursday after two boats collided in darkness near Manila during the Christmas holiday rush, the latest disaster to hit the Philippines in a year of tragedy. Three bodies, including that of a woman in a life vest, were retrieved from the waters of Manila Bay following the early-hours collision between a flimsy

passenger boat and a deep-sea fishing vessel, the coastguard said.

- Malaysia

Datuk Seri Najib Tun Razak said on Wednesday Malaysia must make a creative impact in a competitive global economy by favouring innovation.

The prime minister said countries which favoured innovation, such as Japan, Finland and the United States, developed more advanced economies as a result.

"Innovation creates jobs and boosts national competitiveness. This is why we, too, must make a creative impact in a competitive global economy. We must not allow ourselves to be left behind," he said in his blog www.1malaysia.com.my

With the global economy slowly recovering, the Asian Development Bank (ADB) expects Malaysia's economy to return to growth in 2010.

In its special assessment of the region released yesterday, the international development finance institution has forecast Malaysia's gross domestic product (GDP) to grow by 4.5% next year.

It said Malaysia was expected to contract 2.5% in 2009 after registering minus 5.1% in the first half of the year and minus 1.2% in the third quarter. In a separate Asian Economic Monitor report for December 2009, the Manila-based institution said all the Asean-4 economies were pummeled by the precipitous drop in external demand but in terms of overall economic impact, Thailand and Malaysia were hurt the most.

The new Malaysian economy must address the issue of wealth distribution as pursuit of high income alone will not be acceptable in future Malaysia, according to Tan Sri Rafidah Aziz.

The former international trade and industry minister, who managed the ministry for over 20 years, said the new growth model for the Malaysian economy needed to give a lot of emphasis to the important aspect of equality.

- Vietnam

Vietnam's garment and textile industry kept growing despite the global crisis, an official said Wednesday. 'We will certainly meet the annual target by the end of this year because companies are exporting big orders this month,' Le Quoc An, chairman of the Vietnam Textile and Apparel Association, said. 'We expect to grow at least 1 per cent compared with last year.'

The hunt for oil and gas resources is taking the exploration and production industry to all parts of the globe, as higher-risk exploration is needed to satisfy world demand for these resources. This need for newly discovered resources may become acute as the emerging economies industrialize and bring higher living standards to their citizens.

- Singapore

Singapore's economy is expected to revert to positive growth next year, thanks to the global recovery. According to some economists, growth could even surpass the government's estimates for 2010. They are looking at GDP growth of more than 5 per cent, compared to the government's current forecast of a 3 to 5 per cent growth.

This follows 2009's roller coaster ride, where the economy took a beating in the early part of the year before recovering in the second half.

At Social Front

- Indonesia

In Indonesia, Muslim groups burn down a mosque belonging to the minority Ahmadiyya. In Singapore, the government refuses to recognize Jehovah's Witnesses. In Belgium, 68 religion-based hate crimes are reported in 2007 alone.

People living in a third of all countries are restricted from practicing religion freely, either because of government policies and laws or hostile acts by individuals or groups, according to a report released this week by the Pew Research Center, "Global Restrictions on Religion."

The report found that the percentage of the world's countries with high or very high government restrictions is at about 20 percent, which amounts to 57 percent of the world's population. These countries include Saudi Arabia, Iran and former communist countries, such as Russia, Belarus and Bulgaria, where state atheism has been replaced by favored religions that are accorded special protections or privileges.

With the spirit of UNESCO's 2003 Convention for the Safeguarding of the Intangible Cultural Heritage in mind, and after a long and complex process, batik will finally be listed by the world cultural body as Indonesian cultural heritage.

The killing of Papuan rebel commander Kelly Kwalik may only fuel anti-Indonesian sentiment in the restive territory, underlining the need for talks with separatist leaders, analysts say. Indonesia has succeeded in resolving separatist violence in Aceh and the Maluku since the fall of the Suharto dictatorship, but the resource-rich region of Papua remains an embarrassing thorn in Jakarta's side.

Analysts say Kwalik's shooting by police on Wednesday would not prove fatal to the poorly armed Free Papua Movement (OPM) guerrillas, and could even strengthen separatist sentiment among Papua's ethnic Melanesian majority.

In Southeast Asia, people know well the risks that extreme weather can bring, and they worry that a warmer climate will increase those risks. When Typhoon Ketsana hit Manila this year, the crowded city's planners were stunned at the amount of rain that poured down in a short time. Houses here sit close to the ground, even though the land is lower than a lake nearby.

- Malaysia

The 1Malaysia Foundation (Yayasan 1Malaysia) has proposed five measures to achieve balance between ethnicity and economic prosperity in tandem with the 1Malaysia concept. Its board of trustees chairman Dr Chandra Muzaffar said how the issue of ethnic interests were addressed in the nation's economic and social development would be a major determinant of the success or failure of 1Malaysia

Lim Cheng Kee was so desperate to be recognised as a Malay-sian citizen that he converted to Islam, thinking that it would make it easier for him to get an identity card.

Twenty-three years after becoming Omar Lim Abdullah, the much sought-after document still eludes the 57-year-old. Stuck in limbo: Lim showing his red Malaysian identity card and his religion conversion document during a press conference on Thursday

- Thailand

Thai Prime Minister Abhisit Vejjajiva on Thursday said the government has set a plan to deal with impacts on Thai economy after ASEAN Free Trade Area (AFTA) is effective in 2010. In 2009, Thailand's total export to ASEAN countries was US\$40 billion while import value amounted to US\$30 billion. The country's trade surplus was US\$10 billion. Alongkorn said a combined ASEAN population of 580 million and US\$1.5 trillion Gross Domestic Product (GDP) will be a key factor for Thailand to enhance its trade and investment.

Thailand's prime minister sought Thursday to quiet international concerns about the possible expulsion of 4,000 ethnic Hmong to Laos, amid objections by U.S. senators and human rights groups who fear they could face persecution. Prime Minister Abhisit Vejjajiva declined to say when the Hmong would be deported but indicated it could happen soon. The Hmong, an ethnic minority group from Laos' rugged mountains, are being held at a camp in northern Phetchabun province.

- Cambodia

The United States Sunday denounced Cambodia's deportation to China of 20 Uighur asylum seekers, saying it appeared to violate Cambodia's international obligations and would have long-term consequences for bilateral ties.

The United States was 'deeply concerned' about the welfare of the individuals who had been deported, said Gordon Duguid, acting spokesman of the US State Department in a statement. 'We are also deeply disturbed that the Cambodian government decided to forcibly remove the group without the benefit of a credible process for determining refugee status and without appropriate participation by the Office of the UN High Commissioner for Refugees,' Duguid said.

Detailed News Monitoring Report

Indonesia

- **Political front:**
- **Indonesian Army Troops Reminded To Increase Alertness Amid Political Tension**

Indonesian Army Commander General George Toisutta reminded troops under the Jakarta Military Command to improve alertness following the heightening political tension in the capital city lately, local media reported here on Thursday.

In his written remarks statement to commemorate the 60th anniversary of Jakarta Military Command, the army commander said that the freedom of expression in the country has been misused by some parties that could endanger national security, reported China's Xinhua news agency, citing the local media. "Democracy is not implemented in the right way in our lives as a nation," George was quoted by the Jakarta Post as saying.

In his statement, George said that certain groups had been using democracy for their political interests.

The statement was issued amid the heightening political tension following the current political investigation into an alleged bank bailout scandal worth 6.7 trillion rupiah (about US\$707.4 million). Several protests across the country targeting the resignations of Vice President Boediono and Finance Minister Sri Mulyani, who were allegedly held responsible for the scandal, were staged by many parties.

The two senior officials were the central bank governor and finance minister when the scandal occurred in November last year.

Indonesian President Susilo Bambang Yudhoyono had rejected the call issued by the parliament's investigating team to sack the two officials while investigation into the case is still underway.

<http://www.bernama.com/bernama/v5/newsworld.php?id=464360>

- **Indonesia-Japan cooperation through democracy**

Prime Minister Yukio Hatoyama of Japan recently visited Indonesia to participate in the Bali Democracy Forum (BDF) and co-chaired the meeting with President Susilo Bambang Yudhoyono.

The BDF was established under the initiative of the Indonesian government as an open and inclusive forum for countries around the world to share experiences and best practices in fostering and promoting democracy. Its aim is to promote regional and international cooperation in the area of democracy.

President Yudhoyono argued that the BDF's goal is to promote voluntary development of democracy in the region, without the intention to pressure other countries into doing things, but by starting from learning each other's experiences. This approach to democratization is a manifestation of the wisdom and vision of Indonesia's diplomacy. To this, I express my most heartfelt respect.

Indonesia and Japan celebrated the 50th anniversary of diplomatic relations last year. Our relations have entered a new era in which we must further deepen our relationship under a new sense of mission.

Our relations in this new era should not be limited to bilateral realm alone. In this sense, when Indonesia expressed its willingness to contribute to stability and prosperity of the region through promotion of democracy, Japan, through Prime Minister Hatoyama's co-chairmanship, expressed its clear intention to support such efforts, making a gesture to contribute to the international community hand in hand with Indonesia. This is indeed symbolic of the new relationship in a new era between Indonesia and Japan.

Indonesia's initiatives towards promotion of democracy in the region will stimulate the process of democratization in the region, and provide strong support to the voluntary efforts of respective countries. Japan strongly supports such efforts by Indonesia, and expresses its will to cooperate. The recent BDF issued a Chairman's Statement requesting the Institute of Peace and Democracy in Bali to organize activities such as seminars, election visits, workshops and training, in order to promote democratization in the region. What is important in the future is how we can maintain this momentum, so as to yield concrete results.

As Foreign Minister Marty Natalegawa has said, voluntary efforts towards democratization, which the BDF aims for, is not likely to show results overnight. But we must not stop just because we do not see quick results. From this point of view, we want to stress the importance of the role to be played by the Institute of Peace and Democracy as agreed in the BDF. We will not spare our support to the Institute, and will pursue avenues of cooperation in the future.

The bilateral relationship and partnership between Indonesia and Japan are becoming more and more strategic in nature and more multi-faceted than ever. Indonesia's diplomacy, under the leadership of President Yudhoyono, is making a leap forward, as seen in the hosting of the 50th Anniversary Meeting of the Asia Africa Conference in Bandung and the COP 13 Meeting in Bali, its participation in the Toyako Hokkaido G8 Summit Meeting, and becoming a member of the G20.

And the noble ideal and policies that support such diplomacy provides a valuable clue in looking towards the future of our relationship. It means that Indonesia has far surpassed

its position as a geopolitical anchor of Asia, and that Indonesia and Japan have become true strategic partners with shared values.

During the recent visit by Prime Minister Hatoyama, the two leaders agreed to elevate our relationship to a new level. It is a matter of course that Japan continues to aspire for a stable and developing bilateral relationship. On the other hand, Japan does not see our relationship today in the bilateral context alone.

We have a strong will and desire to cooperate with Indonesia in promoting peace and stability in the region and beyond. A wide range of areas, such as climate change, counter-terrorism, infectious diseases, disaster prevention, maritime security, the Middle East and international economy, will be included in such cooperation. I firmly believe that our bilateral relationship has the will and strength to work together to help resolve the various issues that the world is faced with.

<http://www.thejakartapost.com/news/2009/12/24/indonesiajapan-cooperation-through-democracy.html?>

- **Geo-Strategic**
- **Economic Front**
- **Indonesia sees foreign investment up 15 pct in 2010**

Indonesia's foreign direct investment is set to rebound 15 percent in 2010 on a global economic recovery after dropping 28 percent this year to just below \$10 billion, the state investment agency (BKPM) said.

Policy makers in Southeast Asia's biggest economy are struggling to attract more foreign investment to speed up economic growth and make inroads into unemployment and poverty. "The drop in (realised) foreign direct investment was mostly due to the fallout of the global economic downturn," BKPM chairman Gita Wirjawan said.

Domestic investment in 2010 was also expected to rise 15 percent in 2010 on top of an estimated 120 percent jump this year, he added. "As for realised domestic investment, it was more than 30 trillion rupiah (\$3.16 billion) this year," said Wirjawan adding that domestic investors were more upbeat on Indonesia's economic outlook than their foreign counterparts. Indonesia has failed to match the levels of direct foreign investment attracted into regional powerhouses such as China and India. Foreign investors are often put off directly investing in Indonesia because of factors such as red tape, rampant corruption and a shaky legal system.

Wirjawan, a former investment banker with JP Morgan and Goldman Sachs, said that moves to streamline permitting for investors would boost inflows.

"With the introduction of these integrated services in one office, I am optimistic of the 15 percent growth for both foreign and domestic investment next year," he said.

The investment agency plans to introduce the pilot project for such offices in the free trade zone of Batam near Singapore early next year, with more offices due to be introduced later in the year.

<http://www.iii.co.uk/news/?type=afxnews&articleid=7684400&subject=economic&action=article>

- **India, China diaspora: Winning the world's factory and tech lab race**

The Chinese Diaspora — or the bamboo networks as they are called — have always been very powerful groups and intrinsic to China’s growth as a super-power. These networks — which remain mainly concentrated in Southeast Asia, including Singapore, Malaysia, Thailand and Indonesia — have worked towards attracting foreign investment into China in a big way. During the 1980s, as the winds of liberalisation swept through PRC and it opened its doors to foreign investors, the Chinese diaspora in Singapore, Hong Kong and Taipei supported the country in pitching itself as one of the most successful exporters of manufactured goods globally.

A decade ago, the economic output of the overseas Chinese amounted to about \$450 billion a year, according to a study by the East Asia Analytical Unit in Australia. More recently, Murray Weidenbaum, a former economic adviser to US president Ronald Reagan, has put the figure at \$500 billion.

This number is based on a survey of 5,000 companies managed by overseas Chinese in various forms of crossholdings. It excludes the private companies of overseas Chinese families in Southeast Asia, which could significantly add to this figure.

And even though in terms of FDI, India cannot yet think of matching up to China, where entrepreneurship is concerned, Indians have made a significant impact globally and are in many cases ahead of the Chinese. In his book *Billions of Entrepreneurs*, Harvard Business School professor Tarun Khanna dedicates a complete chapter to the overseas Indians and Chinese who have been very successful entrepreneurs.

“The Silicon Valley Indians have forced India to come to terms with its diaspora and engage with it. The annual Pravasi Bharatiya Divas also reflects a huge change in mindset of the Indian government in reaching out to overseas Indians,” Mr Khanna says. For him, ‘diaspora dividends’ is about issues such as the importance of global Indians for India’s IT industry, and Indian entrepreneurs in the UK .

“Historically, immigration from China has been different from Indian immigration in terms of the push and pull factors. China has a much bigger diaspora and a longer history of immigration. However, now the Chinese government is going all out to woo back overseas Chinese in a wide range of sectors, including scholars and professionals,” Mr Khanna feels.

He adds that the Indian government has lots to learn from China's policy of wooing back the diaspora with a combination of economic incentives and patriotic rhetoric.

In an earlier study — Business: Can India Overtake China? — Mr Khanna along with Yasheng Huang, associate professor at Sloan School of Management, had delved into the topic of the Indian and Chinese diaspora and the influence that they have captured globally.

“The Indian diaspora has famously distinguished itself in knowledge-based industries, nowhere more so than in Silicon Valley. Now, India's brightening prospects, as well as the changing attitude vis-a-vis those who have gone abroad, are luring many non-resident Indian engineers and scientists home and are enticing many expatriate business people to open their wallets. With the help of its diaspora, China has won the race to be the world's factory. With the help of its diaspora, India could become the world's technology lab,” they said. The decade ahead is being largely seen as the decade of India and China — no surprise that the Chinese diaspora and the global Indians have come of age in helping gain the maximum benefits for their countries of origin.

<http://economictimes.indiatimes.com/features/the-sunday-et/special-report/India-China-diaspora-Winning-the-worlds-factory-and-tech-lab-race/articleshow/5357604.cms>

- **Indonesia targets to reap \$105 mln from Shanghai Expo**

The Indonesian government aims to reap 1 trillion rupiah (some 105 million U.S. dollars) from Shanghai Expo which will run from May to October next year, a local newspaper said here Tuesday. Edy Putra Irawadi, deputy to the Coordinating Economic Minister in charge of industry and trade was quoted by the Jakarta Post as saying that Indonesia needs 104 billion rupiah (over 10.92 million U.S. dollars) to participate in the expo.

"Our target includes export goods, investment and tourism ... There will be business missions, trade missions, business forums, product and cultural promotions during the six months," he said. Industry Minister Hidayat said the government would make international-standard preparations for the expo, hiring professional event organizers.

http://news.xinhuanet.com/english/2009-12/22/content_12688960.htm

- **Social front**
- **70% lack freedom of religion**

In Indonesia, Muslim groups burn down a mosque belonging to the minority Ahmadiyya. In Singapore, the government refuses to recognize Jehovah's Witnesses. In Belgium, 68 religion-based hate crimes are reported in 2007 alone.

People living in a third of all countries are restricted from practicing religion freely, either because of government policies and laws or hostile acts by individuals or groups, according to a report released this week by the Pew Research Center, “Global

Restrictions on Religion.”

That amounts to 70 percent of the globe’s population, since some of the most restrictive countries are very populous.

Of the world’s 25 most populous countries, citizens in Iran, Egypt, Indonesia, Pakistan and India live with the most restrictions when both measures are taken into account, the study indicated.

“Where those two come together is where it’s most intense,” said Brian Grim, senior researcher at the Pew Research Center’s Forum on Religion and Public Life.

The United States, Brazil, Japan, Italy, South Africa and the United Kingdom have the fewest restrictions on religious practices when measured by both government infringement and religion-based violence or harassment, according to the study.

Timothy Shah, a senior research scholar at Boston University who is familiar with the study, said he was struck by the fact that more than 30 countries have high levels of both government and social restrictions on religion.

Shah pointed to Nigeria, where 12 majority-Muslim states adopted the Islamic Shariah criminal code after returning to civilian rule in 1999, resulting in hostilities against religious minorities.

The report found that the percentage of the world’s countries with high or very high government restrictions is at about 20 percent, which amounts to 57 percent of the world’s population. These countries include Saudi Arabia, Iran and former communist countries, such as Russia, Belarus and Bulgaria, where state atheism has been replaced by favored religions that are accorded special protections or privileges.

<http://www.omaha.com/article/20091219/LIVING/712199927>

- **Indonesia: Health, education and sanitation improve post-tsunami**

The distinctive voices of Misrina and Bunga can be heard singing above the din of other young children at the Psyandu Plus Centre. Now approaching their fifth birthdays, both were born within a few weeks of the tsunami. Misrina was delivered by a Russian doctor in a hospital tent.

Posyandu Plus is an integrated health and early childhood development centre. It is one of many built with support from UNICEF in the tsunami-affected areas of Indonesia. Health workers monitor growth and nutrition, administer vaccinations, and provide ante-natal care.

Supporting mothers

For Ainul Mardiah, the centre has proved vital. Born without arms, Ms. Mardiah overcame a severe disability. With the centre's help, she was able to give birth to Zaidah – now a healthy and active 18-month-old baby girl."Before this place was built, I

wouldn't have been able to have a baby," explains Ms. Mardiah.

'Building back better'

Additional projects are underway using the 'build back better' approach, including a major sewage treatment plant at Jawa on the outskirts of Aceh. Much work is being done at schools throughout the area to improve water supply and sanitation. The schools being built today will be healthier than those destroyed by the Tsunami. At the Mata Ie Elementary School, contractors working in partnership with UNICEF are finishing a bore-well to solve its shortage of fresh water. UNICEF Drilling Consultant, Teuku Reza, oversees the work in the area.

"They never got fresh water, that's why we're involved," explains Mr. Reza. He adds that the new water supply will enable the children to learn good personal hygiene. For the children born since the tsunami, these improvements will lead to a healthier community, and a better start in life.

<http://www.reliefweb.int/rw/rwb.nsf/db900SID/EGUA-7YYULG?OpenDocument>

- **Batik: Indonesia's cultural heritage UNESCO to protect batik as Indonesia's cultural heritage**

With the spirit of UNESCO's 2003 Convention for the Safeguarding of the Intangible Cultural Heritage in mind, and after a long and complex process, batik will finally be listed by the world cultural body as Indonesian cultural heritage.

UNESCO is to announce its recognition of batik as a unique hallmark of Indonesian heritage at a meeting of the Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage, held this week in Abu Dhabi. This recognition is expected to be declared today, Oct. 2, and President Susilo Yudhoyono of Indonesia has long prepared a warm welcome for this, appealing to Indonesia's 235 million-strong population to wear batik today as a sign of support for Indonesian culture.

Larasati Suliantoro, a leading batik activist, told an Indonesian newspaper in June, "It's our responsibility to encourage a reawakening to real batik." Another activist, Gaura Mancacaritadipura, underlined the Indonesian sense of batik culture's belonging by saying that it has been part of Indonesian people's lives for centuries. "As an example, for hundreds of years, batik has been a part of the labuhan ritual, the tradition of throwing one's troubles into the sea in materials that sail away," he said.

In their evaluation, UNESCO put a similarly significant importance on documentation from both experts and communities. The final decision on a nominee's inclusion on the list is the exclusive privilege of UNESCO's Intergovernmental Committee, which will announce its decision at its session in Abu Dhabi this week. The original decision to advance batik's candidacy for inclusion on UNESCO's list of intangible cultural heritage,

however, was made by UNESCO's subsidiary body, comprised of Kenya, South Korea, the United Arab Emirates, Turkey, Mexico and Estonia.

An matter of preservation

Dindin Wahyudin, the Indonesian deputy ambassador to UNESCO, told reporters that the effort to put batik on the list was not about property or copyright. "This is about safeguarding culture in certain regions. It is about preservation," he said.

According to Dindin, no other country has registered a request for batik to be considered their own cultural heritage instead of Indonesia's, which makes Indonesia justifiably optimistic that batik will be included on UNESCO's list as an intangible piece of Indonesian cultural heritage. A majority of Indonesia's 33 provinces have their own unique patterns of batik, made by hand in a process quite different from the industrialized mass-printing process. Indonesia has high hopes that grassroots economic benefits will be seen from batik's inclusion on the list, as UNESCO's support in promoting batik's role in cultural tourism, capacity-building activities and other related assistance will go directly to the people and not through any government agencies. Indonesia experienced these assistance schemes when wayang, a Javanese leather puppet, was added to the list in 2005 and when keris, a Javanese traditional dagger, was added in 2003.

According to Wikipedia and other online sources, Batik is a wax-resist dyeing technique used on textiles. Wikipedia noted, "Due to modern advances in the textile industry, the term has come to be used for fabrics which incorporate traditional batik patterns through modern printing methods, and not necessarily for fabrics produced using the handmade batik techniques."

Batik itself is a cultural artifact with a wide spectrum of meanings. The Javanese traditional batiks, Wikipedia says, have designs meant to depict the three major Hindu gods (Brahma, Vishnu and Shiva) in the traditional colors of indigo, dark brown and white. The patterns of batiks not only signify religious meaning, but sometimes indicate rank, as certain nobility are classified by certain batik designs. As a general rule, wider stripes or wavy lines of greater width indicated higher rank. This is why, during Javanese ceremonies, it's never difficult to tell the royal lineage of a person simply by observing the batik cloth he or she wears.

While Java was deeply influenced by the Hindu culture, other regions of Indonesia have unique patterns of batik from different influences. Some popular patterns are inspired by flowers, nature, animals, folklore or people. Wikipedia cites examples of batik or fabrics with traditional patterns similar to Indonesian batik found in countries such as Nigeria, Ghana, Cameroon, Uganda and Mali in Africa, the islands of Saint Kitts and Nevis and

Saint Lucia and in Asia countries including India, Sri Lanka, Bangladesh, Iran, the Philippines, Malaysia, Thailand and Burma. Batik's charm comes from the patience and creativity of Javanese woman, who attentively labor through the tedious and detailed work of “dotting” -- thus the name “batik,” which in Indonesian means “to dot” -- the fabric with wax to create various patterns on the clothes. Of course, the role of the men who prepare the cloth and handle the dyeing and finishing process is also invaluable.

Though the art of batik is spread widely throughout the Hindu and Malay world, it is easy to see that Indonesia is the center of batik. The sophisticated painting, coloring and excellent textile patterns can be traced back hundreds of years, to when people traded these clothes extensively to the other islands of the archipelago and to the Malay Peninsula. The influence of batik spread and later became one of the principal means of expression of spiritual and cultural values in Southeast Asia.

History of Batik

The center of batik artistry is in cities on the island of Java, including Solo, Jogjakarta, Pekalongan or Cirebon. Finely detailed designs are first drawn freehand with a pencil on the fabric. Then hot liquid wax is applied to the designs, to protect the fabric underneath from dyes and create a multi-hued final product.

A Javanese woman applies wax in intricate patterns with a “canting,” a small copper container with a long slender spout. From time to time, she must blow on the tip of the canting to secure the easy flow of the wax.

Areas not slated for coloring are covered with wax. The fabric is then put in a vat of dye. After the fabric is dyed and dried, the wax is removed with hot water, scraped from the portions of the dried material still to be dyed. Next, other areas are waxed over; this is repeated during each phase of the coloring process, up to four or more times, until the overall pattern and effect are achieved.

The Indonesian Batik Foundation (YBI)

In 1995, I set up the Indonesian Batik Foundation, which is called Yayasan Batik Indonesia (YBI) in Indonesian, in collaboration with Yultin Ginandjar Kartasmita (the chairwoman of the YBI). Through the YBI, we seek to preserve the original culture of batik as Indonesian cultural heritage and also to create new batik designs and develop them in all provinces of Indonesia.

The YBI also works in the socio-economic spectrum of batik, where YBI has outreach programs for women batik crafters to maintain their skills and have their products appreciated as the works of painters are.

The YBI performs an annual batik exhibition where we invite several hundred batik

producers and introduce new designs. Hopefully, within the very near future, Turkish arts lovers will have the opportunity to see an exhibition of authentic batik from Indonesia, both for dresses and home interior design.

<http://www.todayszaman.com/tz-web/news-188624-116-batik-indonesias-cultural-heritage-unesco-to-protect-batik-as-indonesias-cultural-heritage.html>

- **Violent conflict between East Timorese refugees and local Indonesians in Nusa Tenggara Timur**

Kupang. Police in the East Nusa Tenggara provincial capital of Kupang on Monday set up checkpoints and searched vehicles for weapons a day after two groups clashed in the village of Oebelo.

Dozens of police officers stopped and conducted checks on passing vehicles and passersby in Tarus, located on the outskirts of Kupang.

Kupang Police Chief Adj. Sr. Comr. Heri Sulistiano said officers were also patrolling Oebelo and the surrounding area, as well as Noelbaki village, following the violence, which pitted former East Timorese refugees against local residents.

We are still on alert to prevent anything undesirable happening," Heri said. He said that at the behest of leaders of the former East Timorese refugees, police had organized a meeting between the two sides in the clash. He added, however, that he had yet to receive a report on the results of the meeting.

The violence reportedly started when a businessman slapped an employee of the Oebelo village chief. As word of the incident spread, the unrest grew, resulting in injuries to several people but no fatalities. Police have questioned several people over the violence but have yet to make any arrests.

- **Time for Indonesia to start dialogue with Papuan rebels**

The killing of Papuan rebel commander Kelly Kwalik may only fuel anti-Indonesian sentiment in the restive territory, underlining the need for talks with separatist leaders, analysts say. Indonesia has succeeded in resolving separatist violence in Aceh and the Malukus since the fall of the Suharto dictatorship, but the resource-rich region of Papua remains an embarrassing thorn in Jakarta's side.

Analysts say Kwalik's shooting by police on Wednesday would not prove fatal to the poorly armed Free Papua Movement (OPM) guerrillas, and could even strengthen separatist sentiment among Papua's ethnic Melanesian majority.

"There will be growing distrust among Papuans towards the central government. This is a strong reason why a peaceful dialogue becomes an urgent need."

He said that although Kwalik was one of the most active OPM commanders and was the backbone of the insurgency around the strategic town of Timika, which serves a massive

US-owned gold mine, other militants could take his place. Another six OPM leaders are still at large across Indonesia's easternmost region. They could increase attacks on security forces and other symbols of Indonesian rule in revenge for Kwalik's death, Widjojo warned.

"In this case, there's no other way but to hold peaceful dialogue with the rebels in order to prevent a possible backlash," Widjojo said, adding that Kwalik's death was a blow to tentative, informal talks that had already taken place. Analysts said Kwalik had been promoting dialogue through the West Papua National Coalition for Liberation, an umbrella organization of independence groups, which have been seeking talks with Jakarta. But police said he was wanted over a string of ambushes near Timika over the past six months targeting the operations of US miner Freeport McMoRan.

Freeport's giant Grasberg mine, which sits on one of the world's biggest gold and copper reserves to the north of Timika, has long been linked to human rights abuses involving Indonesian troops who secure the facility.

Australian mine technician Drew Grant was killed in one of the mysterious ambushes in July.

Kwalik, who was 60 when he died, denied responsibility for the shootings and some analysts believe the ambushes could be the work of rogue Indonesian police or soldiers seeking more money from Freeport. Kwalik was also accused over the killing of two American mine workers in 2002, and eight Javanese students in 1986. He also allegedly kidnapped a team of European scientists in 1996 and two Belgian journalists in 2001.

Papuan human rights advocate Theo Hese gem condemned the shooting of Kwalik and said his death would only disrupt efforts to promote dialogue.

Australian academic Damien Kingsbury, of Deakin University, was involved in the negotiations that clinched a peace deal in Aceh in 2005 and believes Kwalik's death has created "new opportunities" for a settlement in Papua.

<http://www.manilatimes.net/index.php/opinion/8330-time-for-indonesia-to-start-dialogue-with-papuan-rebels>

- **Environmental Front**
- **Southeast Asia Faces Rising Risks From Severe Weather**

In Southeast Asia, people know well the risks that extreme weather can bring, and they worry that a warmer climate will increase those risks. When Typhoon Ketsana hit Manila this year, the crowded city's planners were stunned at the amount of rain that poured down in a short time. Houses here sit close to the ground, even though the land is lower than a lake nearby.

"The most concerned extreme events in Southeast Asia is probably storm - typhoon and tropical storm," said climate scientist Anond Snidvongs. Dr. Anond Snidvongs, who has studied climate change for more than a decade, has analyzed storm data over the past 60 years. Storm frequency, he says, comes in cycles of 30 years. But, he warns, warmer global temperatures could bring more, and bigger, storms.

"We are going on the rise again, but that's due to normal cycles," he added. "But if you look into the Mekong delta, for example in Vietnam, it has shown the 30-year cycle, but the phase and amplitude is going up and then going up like that." This means, he says, that the Philippines, the southern part of Vietnam and Cambodia will be hit with more storms than experienced in recent decades.

Here in Can Tho, in southern Vietnam, boats carrying goods converge on the Mekong River to trade. Cuong is a trader from the nearby coastal province of Ben Tre. His job, he says, is vulnerable to weather changes. "In the past, everything was fine, but in the last 10 years, there were so many storms," he said. A storm destroyed his house in 2007, he says. And worse, storm surges have tainted the water supply with salt. "We already have water shortage before. Now the water shortage is worse," he added. In Southeast Asia, where millions of people are vulnerable to the effects of climate change, such as drought or unusually heavy rains, there are growing concerns for the future.

Hassan Moinuddin of the Asian Development Bank's Mekong Sub-Region Program says a warmer climate could cut almost seven percent off the region's gross domestic product by the end of this century, by reducing crops or forcing the relocation of communities.

"It not only will affect the growth and the economic development, but it will have a severe consequence especially on the disaster emergency relief funding that will be required," he explained. As governments debate who is to shoulder greater responsibility for slowing climate change and paying for the damage, profound change, says Dr. Anond, should come from individuals. For instance, houses should be built, taking into account their environment.

He hopes people will adapt their lifestyles according to the nature of their environment, and help them lessen the effects of climate change.

<http://www1.voanews.com/english/news/environment/Southeast-Asia-Faces-Rising-Risks-From-Severe-Weather-79717757.html>

Malaysia

- **Political Front**
- **Court to hear Anwar's dismissal appeal in March**

The Federal Court here has fixed March 1 next year to hear Datuk Seri Anwar Ibrahim's motion for leave to appeal against the dismissal of his RM100mil defamation suit against

former prime minister Tun Dr Mahathir Mohamad. Deputy Registrar Jumirah Marjuki fixed the date in chambers yesterday.

On Oct 10, this year, Court of Appeal judge Datuk Abdul Malik Ishak, who sat with Justices Datuk Azhar Ma'ah and Datuk Syed Ahmad Helmy Syed Ahmad, dismissed Anwar's suit on the grounds that the memorandum of appeal filed by Anwar in the English language was defective, invalid and an abuse of the process of the court.

- **Foreign Relations**
- **Economic Front**
- **Malaysia Must Favour Innovation - Najib**

Datuk Seri Najib Tun Razak said on Wednesday Malaysia must make a creative impact in a competitive global economy by favouring innovation.

The prime minister said countries which favoured innovation, such as Japan, Finland and the United States, developed more advanced economies as a result.

"Innovation creates jobs and boosts national competitiveness. This is why we, too, must make a creative impact in a competitive global economy. We must not allow ourselves to be left behind," he said in his blog www.1malaysia.com.my

Since 2000, Najib said, highly innovative products had emerged such as the iPhone, BlackBerry, Twitter, Facebook and YouTube as well as the unstoppable rise of Google, which had changed the way people consume media, share information and communicate with one another.

He said that when he announced the Budget 2010 recently, he had said that a new economic model, based on innovation, creativity and high value-added activities, would more than double the per capita income of the rakyat over the next 10 years. "In support of this is the 1Malaysia concept or the need to tap into the creative abilities of all Malaysians. As an international expert recognised recently, 1Malaysia fits nicely with innovation. Talent is just not in one culture, it is distributed," he said.

In line with 2010 being the Year of Creativity and Innovation, a National Innovation Centre (MyNIC) supported by a network of innovation excellence centre would be launched in the first quarter next year, he said.

Najib said the purpose of the MyNIC was simple -- to advance the people's scientific and technological capabilities.

With the arrival of a 4G Innovation Network by the end of next year, bringing high-speed broadband to all parts of Malaysia, there would be further opportunities to innovate.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=464063>

- **ADB predicts Malaysia's GDP to grow 4.5% in 2010**

With the global economy slowly recovering, the Asian Development Bank (ADB)

expects Malaysia's economy to return to growth in 2010.

In its special assessment of the region released yesterday, the international development finance institution has forecast Malaysia's gross domestic product (GDP) to grow by 4.5% next year.

It said Malaysia was expected to contract 2.5% in 2009 after registering minus 5.1% in the first half of the year and minus 1.2% in the third quarter. In a separate Asian Economic Monitor report for December 2009, the Manila-based institution said all the Asean-4 economies were pummeled by the precipitous drop in external demand but in terms of overall economic impact, Thailand and Malaysia were hurt the most.

Thailand is expected to bounce back to a 3.5% growth in 2010 while Indonesia and the Philippines – less reliant on exports – fared better in 2009. Indonesia's robust growth is expected to continue in 2010 with GDP growth rising to 5.4% and the Philippines at 3.3%.

Vietnam, one of the fastest growing economies in the region before the current financial crisis which started in the United States, is recovering after bottoming out in the first quarter of 2009. Vietnam is forecast to grow 6.5%, up from the 5% expansion expected in 2009. Singapore's GDP is expected to reach 4.5%, recovering from the projected minus 2% this year. Meanwhile, Brunei is expected to contract by 1.2% in 2009 before recovering in 2010, growing 2.3% fuelled by higher global energy demand and petroleum prices. ADB said it had upgraded its economic forecast for developing Asia after third-quarter data showed a better-than-expected performance by many countries in the region. It is now expecting developing Asia to grow by 4.5% in 2009 and 6.6% in 2010, which marks an increase from the 3.9% and 6.4% it predicted in its Asian Development Outlook (ADO) 2009 Update published in September.

The forecast for China remains unchanged from September's ADO 2009 Update at 8.2% in 2009 and 8.9% in 2010.

Meanwhile, India's growth could be 7% this year, one percentage point higher than previously expected, but ADB has kept the 2010 forecast unchanged at 7%.

<http://biz.thestar.com.my/news/story.asp?file=/2009/12/16/business/5310802&sec=business>

- **New Malaysian Economy Must Address Wealth Distribution, Says Rafidah**

The new Malaysian economy must address the issue of wealth distribution as pursuit of high income alone will not be acceptable in future Malaysia, according to Tan Sri Rafidah Aziz.

The former international trade and industry minister, who managed the ministry for over 20 years, said the new growth model for the Malaysian economy needed to give a lot of

emphasis to the important aspect of equality.

Rafidah said this when she delivered the keynote address at the two-day Investment Forum 2009 which was held in Langkawi recently, said organiser MIDF Amanah Investment Bank Bhd in a statement on Thursday. Another speaker, Datuk Dr Zainal Aznam Yusof, said while Vision 2020 and the high income economy were the end-objectives of growth, the main objective was to achieve developed country status which included other social standards and achievements.

Zainal Aznam, who is a member of the National Economic Advisory Council, also said that the World Bank had identified 13 countries which managed to sustain growth and per capita income from 1971 to 1997.

"Malaysia is one of the countries in this group, registering a growth rate of seven per cent per annum. Only six countries, excluding Malaysia, managed to lift themselves into the high income economy group," he said.

He added that while knowledge and technology were key inputs to the new growth model, other factors such as human capital accumulation, intangible capital, innovation, and research and development were crucial elements.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=464321>

- **Malaysia's Central Bank Sees 'Manageable' Inflation, CIMB Says**

Malaysia's central bank expects inflation to remain "manageable" and any changes in interest rates will be small, CIMB Investment Bank Bhd. said, citing a roundtable meeting with Governor Zeti Akhtar Aziz.

"Bank Negara Malaysia's governor indicated that the conduct of monetary policy will take into consideration the following two key barometers: that the economic recovery is fundamentally in place, and the sustained revival of private investment," CIMB, part of Malaysia's second-largest banking group, said in a report today.

Malaysia's consumer prices fell the least in six months in November as food costs rose and the Southeast Asian nation began to emerge from its recession, a report yesterday showed. Inflation is returning to Asia as commodity prices rise amid a global economic recovery, prompting Australia and Vietnam to raise borrowing costs.

"With the underlying price pressures and inflation expectations contained in the near-term, we do not expect Bank Negara to move rates in the first half of 2010," economists including Lee Heng Guie said in the CIMB report. The central bank's assessment is that "though inflation would rise in the near-term, it still remains manageable," CIMB said.

The government's efforts to revamp subsidies on fuel and sugar should only lead to a gradual adjustment in prices, the central bank was cited by CIMB as saying in a Dec. 21 report.

The central bank, which expects the \$195 billion economy to expand this quarter after contracting for nine months, kept its overnight policy rate at 2 percent last month, saying that would support growth. CIMB forecasts that Zeti will keep the rate unchanged for “the greater part of 2010.”

‘Small Steps’

“Should there be any rates adjustment, it will be in small steps without significant impact on growth,” CIMB said, citing the central bank’s view.

The central bank made the comments during a Dec. 17 meeting with eleven economists in Kuala Lumpur, CIMB said.

According to CIMB’s Dec. 21 report, the central bank said it now has greater capacity to manage capital flows without having to rely on capital controls. Bank Negara also said it will rely more on market-based instruments to influence lenders’ liquidity and may adjust the amount of money banks need to set aside as reserves if there is a large inflow of liquidity, according to CIMB.

<http://www.bloomberg.com/apps/news?pid=20601068&sid=a49qyXJ9KQ1U>

- **Social Front**
- **1Malaysia's Success Depends On How Ethnic Interests Are Addressed, Says Chandra**

The 1Malaysia Foundation (Yayasan 1Malaysia) has proposed five measures to achieve balance between ethnicity and economic prosperity in tandem with the 1Malaysia concept. Its board of trustees chairman Dr Chandra Muzaffar said how the issue of ethnic interests were addressed in the nation's economic and social development would be a major determinant of the success or failure of 1Malaysia.

"This is why in our quest for 1Malaysia, there is a critical need to ameliorate the adverse impact of the ethnic approach," he said in a statement on Thursday.

The first proposal is to faithfully observe the equilibrium established in the Federal Constitution between "special position" and "the legitimate interests of other communities" in promulgation of policies and implementation.

The next is that the concept behind the first prong of the New Economic Policy (NEP) to eradicate poverty irrespective of ethnicity should be expanded to embrace the needy and the disadvantaged from all racial and religious backgrounds.

"In other words, need -- not ethnicity, should be the guiding principle in providing assistance in areas such as education and housing," he explained.

Thirdly, the second prong of the NEP to reduce the identification of economic function with ethnicity should apply to both private and public sectors and implemented with regard to ability and excellence. On the fourth proposal, Chandra said there should be

concerted effort to curb corruption, abuse of power and greed at all levels of society.

"Lastly, media practitioners, politicians, bureaucrats, business people, and indeed the influential stratum of society should be encouraged to view issues of ethnicity in relation to the economy from a more holistic perspective that takes into consideration the interests and feeling of others," he said. Chandra said the elements of the five proposals were already part of the agenda of Prime Minister Datuk Seri Najib Tun Razak. "The challenge before us is to make de-ethnicising the economy and enhancing justice for all, the agenda of each and every Malaysian," he added.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=463085>

- **Convert still not a Malaysian**

Lim Cheng Kee was so desperate to be recognised as a Malay-sian citizen that he converted to Islam, thinking that it would make it easier for him to get an identity card.

Twenty-three years after becoming Omar Lim Abdullah, the much sought-after document still eludes the 57-year-old. Stuck in limbo: Lim showing his red Malaysian identity card and his religion conversion document during a press conference on Thursday.

Lim said that in 1986, he met a man who told him that it would be easier to get his blue identity card should he become a Muslim. "I did not have anything to lose and so I thought I would give it a try. But then, there was no reply from the National Registration Department until last month.

"They said my application had been rejected. The letter did not say why," said Lim, previously an odd-job worker but is unemployed now. Lim said he sat and passed the language test twice. He also reaffirmed that he was born in then Malaya and even had a birth certificate.

"Being illiterate, my parents were unable to provide information about my birth when applying for my identification card and I have been in a limbo ever since," he said.

"It pains me to read about others getting their citizenship in the newspapers. What about me?" Simpang Pulai assemblyman Chan Ming Kai, from whom Lim has sought help, told reporters that the Home Ministry should come up with proper guidelines on the requirements for gaining citizenship

- **Environmental**
- **Beginning of a global solidarity**

As hopes are crushed in Copenhagen, the People's Climate Summit vowed to find just and equitable solutions to the crisis.

HEAPS of backpacks occupied every other corner of the two-storey sports complex, a stone's throw away from the Central Station in Copenhagen. This was where thousands of socio-environmental activists stayed for the two-week duration of the recently

concluded United Nations climate talks in the Danish capital.

Mainly young and financially-strapped, some of the activists also spent their nights on the floor of the basketball courts that had been turned into conference halls.

While negotiators from developing countries resisted attempts by their better-staffed counterparts from rich nations to undermine the global climate treaty at the Bella Centre, the venue of the UN meet, Klimaforum09, The Peoples' Climate Summit, debated sustainable and socially just solutions to climate change with 190 inspiring talks and 50 exhibitions along with music and theatre performances and climate-related film screenings. Non-violent: German climate activists cutting their hair in protest at the Bella Centre, venue of the summit in Copenhagen, on Friday. — AP

As political celebrities like Al Gore and Arnold Schwarzenegger graced the hall of Bella Centre, prominent British green commentator George Monbiot was the star speaker at Klimaforum, drawing huge applause for his suggestion to “leave fossil fuel where it is” as the key solution to climate change.

It also started the day with an open morning meditation to reflect on the role of spirituality in times of transition and change. The Klimaforum talks covered a wide range of topics including the radical promotions of a zero-carbon world, tackling capitalism as the root cause of climate change, and calling for a climate refugees' rights charter.

The alternative summit mirrors similar civil societies' resistance against what they saw as increasing corporate control over societies like the World Social Forum, which shadows the World Economic Summit. It was the first such summit targeting the United Nations Framework Convention on Climate Change (UNFCCC) meet.

The organisers comprise a broad coalition of Danish and international environmental movements and civil society organisations including Climate Justice Now! (CJN!) and Climate Justice Action (CJA).

These two networks together represent a diverse group of social movements with thousands of grassroots members globally.

At the weekend of the first week, CJN! and CJA marched under the banner “System Change, Not climate Change”. The groups were protesting against the 15 years of failed climate negotiations with mass non-violent civil disobedience in the Global Day of Action, which was estimated to have attracted 60,000 supporters.

On Dec 16, these activists were among the 200-odd that were arrested as they tried to overcome the security perimeter that had cordoned off Bella Centre when the head of states from various nations descended on Copenhagen to try to break the deadlock in the negotiation process.

They were trying to hold a Peoples' Summit to highlight the urgency of the climate crisis

and, more importantly, they felt the UNFCCC process was undemocratic, unjust and inadequate to deal with the problem. “Over the last 15 years, the COP (Conference of Parties) process has been corrupted by corporate money and the refusal of the rich countries of the world to take responsibility for the problems they have created. At a very fundamental level, we need to talk about how we leave fossil fuels in the ground, but no one is talking about that inside the talks in Copenhagen,” said Ivonne Yanez of Accion Ecological, a member of CJN!

The group is also against carbon offsetting and carbon trading, denouncing these as yet another techno-fix and false solution.

Dissenting views

Friends of the Earth International (FOEI), a founding member of CJN!, believes that carbon offsets, which currently form part of the international climate regime, will not lead to any overall reduction in greenhouse gas emissions.

They also demanded that international financial institutions like the World Bank, Asian Development Bank and the International Monetary Fund stay out of the climate solutions. The World Bank is promoting its Forest Carbon Partnership Facility to fund the Reducing Emission for Deforestation and Forest Degradation in Developing Countries (REDD), a mitigation mechanism that is expected to be finalised in Copenhagen.

He said that if approved, the loan would be more than double the bank’s global lending for renewable energy and the largest single loan ever made by the bank to any African country.

On Wednesday, Klimaforum also produced a People’s Declaration outlining the challenges for a just and sustainable transition from a high carbon development model and a promise to carry the struggle forward after Copenhagen.

The integrity of the UNFCCC process was questioned not just by activists but also by delegates especially from the developing world.

In the hall on Wednesday morning, as the negotiation entered its crucial leg, negotiators from developing countries – Brazil, China, India, Bolivia, South Africa and Ecuador – again had to oppose a new text introduced by Danish Prime Minister Lars Lokke Rasmussen.

This move was made despite the fact that they had worked into the early morning to prepare the draft agreement under the two tracks – what is referred to as the Convention text, which outlines the long-term cooperative agreement; and the Kyoto Protocol text, which focuses on further commitment of the developed countries notwithstanding that they contained many unresolved differences as reflected by options and square brackets in the texts. China corrected Rasmussen, saying: “This negotiation is a party-driven

process. China cannot accept a text that is parachuted from the sky. Such a process is illegitimate, undemocratic and non-transparent.”

The matter was temporarily resolved after Rasmussen assured the parties that the conference would move forward with texts adopted by the negotiators.

Participation curtailed

Into the second week of the negotiation, the number of NGO representatives in the venue was significantly reduced to 20% of the total 22,574.

Explaining the reduction, UNFCCC executive secretary Yvo de Boer said the number of participants had exceeded the Bella Centre’s capacity of 15,000 people. The UN and Danish Government, as president of the conference, further announced that only about 1,000 NGO observers would be allowed into the Bella Centre on Thursday and only 90 observers would be allowed in on Friday. They were issued secondary cards instead, invalidating the initial passes.

The move drew a joint letter of protest from a wide range of civil groups both from the North and the South, like ActionAid, CAFOD (UK), Climate Action Network (CAN) China, CAN Europe, Christian Aid, Focus on the Global South, FOEI, Global Witness, Rainforest Action Network and Third World Network.

Kumi Naidoo, the newly-appointed executive director of Greenpeace, complained that the restriction had shrunk the NGO presence to the absolute bare minimum.

He blamed the UNFCCC for barring effective civil society participation in the most important climate meet. “The UN has to take responsibility. This is a UN function, not a Denmark function. They have to remind themselves that it was the civil societies that raised the issue of the environment, resulting in many international conventions to address the problems.

“The last 48-hour restriction is not acceptable as NGOs want to contribute to the process of a legitimate outcome,” he said in response to the UNFCCC’s decision to ban all the FOEI participants from the venue on Wednesday.

Citing security reports indicating that FOEI was a security threat, the decision came a day after FOEI held a flash protest in support of African delegates who had staged a walkout after the negotiation reached a deadlock on key issues like emission reduction targets and funding from developed countries.

FOEI is the world’s largest grassroots environmental network with 77 national member groups and some 5,000 local groups in every inhabited continent.

On the last day, as US President Barack Obama and other top leaders delivered their speeches, one subway stop away from Bella Centre, the Peoples’ Forum demonstrated against the silencing of civil society both inside and outside the UN negotiations.

“And inside, southern nations are subject to bullying and civil society is not there to cry out. This is the beginning of the global solidarity for Climate Justice. With or without the negotiations, an inclusive movement that brings together the aspirations of communities from both the north and the south is growing to find just and equitable solutions to the climate crisis.”

<http://thestar.com.my/news/story.asp?file=/2009/12/20/focus/5335346&sec=focus>

Philippine

- **Political Front**
- **Economic Front**
- **Experts: Philippine deficit woes not that bad**

The government's fiscal position continues to deteriorate but analysts at some of the biggest banking institutions believe the country is not in a worrisome situation yet, if the budget deficit is to be viewed in the context of the current global economic crisis.

The large budget deficit this year and in 2010, according to Metropolitan Bank & Trust Co. (Metrobank), should not be viewed as a “market-destabilizing event,” because the country’s debt as a portion of the gross domestic product should remain relatively stable.

The numbers, Metrobank head of research Marc Bautista said, “will look absolutely horrible when viewed in isolation.” But the Philippines is not alone in spending beyond its revenue-generating capacity, he noted.

And given the global downturn, he said government spending—even at the point of incurring deficits—is considered a cure to a slump in demand, and there are too many countries out there doing the same thing to support their economies.

Philip Wee, a currency strategist at DBS Bank, said the widening budget gap has not dampened sentiment toward the peso, which on Friday was up almost 2% thus far this year at 46.61 to the dollar from its end-2008 level of 47.52.

Throughout 2009, he said, DBS had been more cautious than optimistic about the peso. “As a long-time observer of the peso, it was not easy to overcome the worries that normally accompanied missed fiscal targets.”

But looking into 2010, he said, “it is probably time to turn more optimistic” about the peso and take into account other factors that point to “stronger Philippines” today, such as its steadily rising external liquidity.

Wee said since 2006 the country’s current- account surpluses have consistently exceeded budget deficits, which also did not add to external debt burden. More important, he said foreign reserves continue to surge to new highs, reaching \$43.7 billion as of end-November.

The positive comments came ahead of the release this week of the January-November

budget deficit report. The cumulative deficit covering the January-October period reached P266 billion, surpassing the full-year target of P250 billion, and the government said the worst-case scenario for 2009 is for the deficit to hit P300 billion, barring more negative surprises on revenue and without the sale of state assets.

According to Bautista, it looks like the markets have already factored in a deficit figure close to the P300-billion level.

“Our own forecast is a number between P320 billion and P330 billion. But at this point, that would not be much of a surprise given the latest official deficit estimates,” he said. The full-year number will come out early next year and by that time, he said there would hardly be any impact at all on investor sentiment.

But he pointed out “the deterioration is pretty obvious, and yes, things have taken a turn for the worse, but they’re not that worrisome yet.” While P300 billion looks large in absolute numbers, he said it has to be viewed in the context of GDP. “Taking a look at the fiscal balance-to-GDP ratios for the Philippines, we see that the 2009 year-end estimate, although bad, is not the worst ever.”

The focus is now shifting to what the deficit number will be in 2010, analysts said. Among highest debt-GDP ratios in Asia

The Philippines has one of the highest debt-to-GDP ratios in Southeast Asia. However, relative to its own performances in the past, Bautista said the ratio should stay around the 60% level next year—“higher than the 57% level we have been doing, but still lower than the 67% level of recent memory.”

Factors that led to bloated budget deficits this year—including weak tax collections and the need to maintain economic-stimulus measures—will still be in play next year not just for the Philippines but for most of the economies severely affected by the crisis, Bautista said. “What we are saying is that there is room for deficit spending in 2010, the markets all but expect it already, and the Philippines is not alone in this predicament,” he said.

Even assuming a budget deficit of P300 billion next year—higher than the official target of P233.4 billion—he believes there are enough funds out there to soak up the debt issues of the national government without crowding out the market.

<http://www.abs-cbnnews.com/business/12/21/09/experts-philippine-deficit-woes-not-bad>

- **Social Front**
- **Three dead, 24 missing after Philippine boat sinks**

Three people were killed and 24 missing Thursday after two boats collided in darkness near Manila during the Christmas holiday rush, the latest disaster to hit the Philippines in a year of tragedy. Three bodies, including that of a woman in a life vest, were retrieved from the waters of Manila Bay following the early-hours collision between a flimsy

passenger boat and a deep-sea fishing vessel, the coastguard said.

The bodies were found floating near the submerged wreck of the Catalyn B, a wooden-hulled passenger vessel that sank after it rammed into the fishing boat at 2:25 am (1825 GMT Wednesday).

An emergency operation in the busy waterway quickly swung into action, saving 46 people. However, the coastguard said 24 others remained missing out of the 73 who were known to be aboard the passenger boat.

The mishap occurred as the Catalyn B was making its way to Lubang island southeast of Manila. It sank to a depth of 67 metres (220 feet), and officials said they were awaiting divers to check its wreckage for any more bodies. The Nathalia was on its way back to a port in northern Manila after an extended fishing trip in the southern Philippines, and sustained no casualties, the officials said. A coastguard statement said an air and naval search was continuing, with other private ships diverting from their course to join the rescue.

Ferries form the backbone of mass transport in the archipelago nation of 92 million people. Officials say bad weather, poor maintenance, overcrowding of vessels and lax enforcement of regulations have contributed to disasters, and water voyages in the busy Christmas period are particularly fraught with danger.

The world's deadliest peacetime maritime disaster occurred south of Manila in 1987 when a ferry laden with Christmas holidaymakers collided with a small oil tanker, killing more than 4,000 people.

In June 2008 another ferry sailed into a typhoon and tipped over off the central island of Sibuyan, leaving almost 800 dead. A series of tragedies have struck the Philippines over recent months.

In September, the first of two powerful tropical storms battered the nation, claiming more than 1,000 lives and wreaking devastation across large swathes of the country. In November, 57 people were slain in an election-linked massacre in a lawless region in the country's south. And more than 47,000 people are facing Christmas in evacuation camps and temporary accommodation around Mount Mayon, south of Manila, as the rumbling volcano threatens a violent eruption.

<http://news.theage.com.au/breaking-news-world/three-dead-24-missing-after-philippine-boat-sinks-20091224-1dxj.html> .

- **Manila in holiday truce with rebels**

Philippine security forces will unilaterally suspend army offensives against Maoist-led rebels for 60-hours over Christmas, but will maintain defences, a senior government official said yesterday.

Manila will also observe a 24-hour ceasefire for New Year, Executive Secretary Eduardo Ermita told reporters. "We're calling on them (rebels) not to take advantage of the situation and spoil the Filipinos' Christmas holidays," Ermita told a press briefing at the presidential palace.

The truce will cover only the 4,000-member communist New People's Army, which has been waging a guerrilla war since the late 1960s. The conflict has killed about 40,000 people and stunted growth in rural economies.

Maoist guerrillas are expected to reciprocate the government gesture and impose a similar truce, but attacks to mark the 41st anniversary of the Communist Party of the Philippines, the rebels' political arm, on December 26 are still possible.

The Philippines is also battling Muslim rebels in the south, and while a bilateral ceasefire with the Moro Islamic Liberation Front has been in place and the two sides resumed formal peace talks on December 8, skirmishes still occur.

Soldiers will continue to pursue an armed group suspected to be behind the massacre of 57 people in the south and the Abu Sayyaf, a small Islamic militant group engaged in kidnapping in the southern Philippines, a military spokesman said.

Since 1986, the government has observed a holiday ceasefire with communist rebels as the nation celebrates one of the world's longest Christmas seasons.

http://www.thepeninsulaqatar.com/Display_news.asp?section=World_News&subsection=Philippines+%26+South+Asia&month=December2009&file=World_News2009122412115.xml

- **Suspected insurgents kill 3 Buddhists in Thai south**

Suspected Muslim insurgents blew up a gas tank near a school in southern Thailand on Saturday, killing three Buddhist villagers and wounding two including a local leader, police said. [Skip related content](#)

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A Thai soldier takes a photo as police officers inspect the site of a bomb attack in ...[More](#)
 Enlarge photoThe blast appeared intended for a senior official of Bajao district in Narathiwat, one of Thailand's three southernmost provinces plagued by insurgent violence as ethnic Malay Muslims fight for autonomy from Thailand's Buddhist majority. "The bomb was planted near a school. The insurgents detonated it to attack the officials," police Colonel Jamlong Ngamnetara told Reuters. The three people killed had volunteered to provide security for the official as he travelled in a pickup truck, he said.

More than 3,700 people have been killed in five years of unrest in the region bordering Malaysia, only a few hours by car from some of Thailand's most famous tourist beaches.

The troubled rubber-rich provinces -- Pattani, Yala and Narathiwat -- were part of a

Muslim sultanate until annexed a century ago by predominantly Buddhist Thailand. About 80 percent of the region is Muslim and its people speak a Malay dialect.

The violence has ranged from drive-by shootings to bombings and beheadings. It often targets Buddhists and Muslims associated with the Thai state, such as police, soldiers, government officials and teachers.

<http://uk.news.yahoo.com/22/20091219/tsc-uk-thailand-south-011ccfa.html>

- **Philippines trains "super maids" for the world (Feature)**

Susan Cambe has not worked overseas before as a domestic helper, but is confident that she won't disappoint the friend who recommended her to an employer in Spain.

Cambe, a 39-year-old mother of two, has just completed a two-and-a-half month training course on household services at the state-run Technical Education and Skills Development Authority (TESDA).

Cambe, who will be leaving for Spain next year, said she applied for TESDA's super maid training programme after she and her husband decided that one of them would go abroad to ensure they can pay for their children's education.

'Tuition is so expensive, so I want to go abroad to earn enough money to put my two boys through college,' she told the German Press Agency dpa.

The super maid programme is just one of hundreds of courses being offered by TESDA for Filipinos looking for work abroad. It is, however, among the most popular courses and can be availed for free under a government scholarship.

Cambe said that in addition to being taught techniques in cleaning, students in the super maid programme learn to bake bread, cakes and cookies, operate appliances such as vacuum cleaners and floor polishers and cook international cuisine.

'Our trainers know that we want to go abroad so they teach us how to cook international food,' she said. 'I now know how to make beef stew, salads and dressings and soups. I even know how to make Mediterranean food such as moussaka.'

TESDA Director General Augusto Syjuco said nearly 24,000 people enrolled in the household services training from January to August this year. In 2008, an estimated 54,000 people joined the super maid programme and found jobs abroad.

'The super maid programme was designed to be a skills-upgrading training for domestic helpers so that they can become not just ordinary maids but super maids receiving higher salaries,' Syjuco said. 'Many of our graduates now work as household service workers in various parts of the globe,' he added. 'In 2008, the top five countries of destination of newly hired household workers were Hong Kong, Singapore, Italy, the United Arab Emirates and Saudi Arabia.'

Other popular training courses at TESDA are computer programming and hardware

servicing, bartending, commercial cooking, massage therapy and dressmaking.

The challenge was to keep track of the 'ever-changing demands of the global economy,' he said, to give the students a better shot at finding work after they graduate.

According to government estimates, there are already between 8-10 million Filipinos who live and work abroad, many as domestic helpers, construction workers, nurses and caregivers. These overseas Filipinos sent home 16.4 billion dollars in remittances last year, accounting for more than 10 per cent of the country's Gross Domestic Product.

Migrante, a global alliance of Filipino migrants and their families, said an average of 3,000 Filipinos leave each day to work abroad, making the Philippines the third top labour exporting country in the world.

While acknowledging the benefits of working abroad, Migrante said that because of the state's labour export policy, the government has failed to develop the local economy and has become too dependent on foreign markets.

'The Philippine state is ever more unlikely to turn inward and develop the national and local economy especially in the face of the global economic crisis,' the group said in a recent report. 'There is no self-sustaining economy to speak of.'

Migrante also noted that the labour migration policy has become necessary to 'defuse social tensions' arising from high unemployment. Celeste Racines, 40, hopes to be among the graduates of the TESDA super maid programme who have found work abroad.

Racines said she has been out of work for the past two years after being retrenched, when the electronics factory that she worked in for nearly 10 years closed shop in 2007.

Racines said she tried to start her own business, but the attempt was unsuccessful 'because people in (her) home town were too impoverished.' 'The TESDA course is a life saver for me,' she said. 'I am proud to be a super maid.'

http://www.monstersandcritics.com/news/asiapacific/features/article_1521034.php/Philippines-trains-super-maids-for-the-world-Feature

- **Environmental front**

Thailand

- **Political Front**
- **Geo-strategic Front**
- **North Korea: Arms smuggling attempt - was it a U.S. trap?**

A somewhat amateurish attempt to clandestinely transport a large consignment of weapons from North Korea to an as yet unknown destination has ended in the consignment, the aircraft transporting it and its crew falling into the hands of security officials from the US and Thailand, who are presently interrogating the crew and examining the consignment and its documentation.

2. The aircraft, which was transporting the consignment, has been identified as an Ilyushin 76 of a dubious background whose operators figured on the black-list of many countries either because of their poor safety standards or because of the suspicion that they were involved in gun-running. The aircraft had a crew of five of whom four were reportedly from Kazakhstan and the fifth was from Belarus.

3. The "Wall Street Journal" has quoted the AeroTransport Data Bank, an Internet service that tracks aircraft, as saying that the plane had recently been seen at airports in Podgorica, Montenegro, and Bujumbura, Burundi. According to the same paper, Russia's Interfax News Agency has cited a senior transport ministry official in Kazakhstan, Radilbek Adimolda, as saying at a news conference that the detained Ilyushin-76 was previously owned by a Kazakh airline, East Wing. The plane was acquired in October by Air West Georgia. The WSJ also says that the East Wing is on the European Union's blacklist of airlines prohibited from flying in the EU because they violate global air-safety rules. According to AeroTransport Data Bank, East Wing is the successor to another Kazakh airline, GST Aero Co., which also is on the EU blacklist. The WSJ has reported that investigators at Amnesty International and other advocacy organizations have linked GST to international arms trafficking. Mr. Adimolda said the four Kazakh members of the crew were listed among East Wing's staff, but were on unpaid leave.

4. The aircraft, without any consignment on board, came to Bangkok from the United Arab Emirates on December 9. It was reportedly allowed by the Thai authorities to refuel at the Don Mueang airport in Bangkok. After refueling, it took off for Pyongyang. When it returned to Don Mueang from Pyongyang with the consignment on December 12 the Thai authorities arrested the crew and took the plane in their custody for examination of its consignment.

5. It has been reported that both during the onward and return journey the aircraft was allowed to land in a Thai military airport for refueling. This is surprising and indicates that US intelligence officials were probably already in touch with the crew before the aircraft left the UAE for Pyongyang and facilitated its refueling at the airport in Bangkok in order to lay a trap for capturing the arms consignment during the return journey. If the crew had not been co-operating with the Americans, they would have got suspicious by the ease with which they were able to get the aircraft refueled during the onward journey and avoided re-touching Bangkok during the return journey.

6. According to media reports in Thailand and South Korea, the plane was carrying about 35 tons of arms and ammunition, including surface-to-air missile parts. Though the crew have reportedly been saying that they were under the impression that the consignment consisted of oil drilling equipment and that they were not aware that it contained

weapons, this is not believable. The Americans, who are closely involved in the investigation and the interrogation of the crew, must be able to find out who had ordered the consignment. The needle of suspicion points to Pakistan or Iran.

7. If it was Iran, by now, the US would have gone to town with their allegations against Teheran. The fact that they have not yet done so indicates that they are not yet certain on this. Pakistan has been clandestinely purchasing missiles and missile parts from North Korea and has been using its own aircraft as well as hired planes to transport them.

8. It is an important success for the US in its efforts to stop gun-running by North Korea, but it is unlikely to have any deterrent effect on North Korea. It will continue to look for opportunities for gun-running in order to earn foreign exchange. (18-12-09)

[http://ionglobaltrends.blogspot.com/2009/12/north-korea-arms-smuggling-attempt-was.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+blogspot%2FzqKG+\(i+On+Global+Trends\)](http://ionglobaltrends.blogspot.com/2009/12/north-korea-arms-smuggling-attempt-was.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+blogspot%2FzqKG+(i+On+Global+Trends))

- **Arms headed for Sri Lanka: crew**

Five men charged with illegal arms possession insisted their plane was headed for Sri Lanka and not Iran when it was seized in the Thai capital with a cache of North Korean weapons, their lawyer said Wednesday.

Defence lawyer Somsak Saithong said shortly after visiting the jailed crew that they also denied any knowledge of accused international weapons trafficker Victor Bout, who is in the same prison battling attempts to be extradited to the US on terrorism charges.

The shipment was seized December 12 when the plane made a refuelling stop in Bangkok, and there has been much speculation since then about where the plane was headed and whether it was linked to Bout.

"They told me they don't know Victor Bout," Somsak said. He quoted the five men — four from Kazakhstan and one from Belarus — as saying that their flight plan called for a refuelling stop in Bangkok before flying on to Sri Lanka.

Police Colonel Supisarn Bhaddinarinath, acting chief of the Crime Suppression Division, said that investigators have so far found no evidence that the aircraft was bound for Iran or any link between Bout and the arms seizure.

Flight plan

But according to a flight plan seen by arms trafficking researchers, the aircraft was chartered by Hong Kong-based Union Top Management Limited, or UTM, to fly oil industry spare parts from Pyongyang to Tehran, Iran, with several other stops, including in Azerbaijan and Ukraine.

Thai authorities, acting on a US tip, impounded the Ilyushin Il-76 cargo plane after uncovering 35 tonnes of weapons, reportedly including explosives, rocket-propelled

grenades and components for surface-to-air missiles. The plane's papers described its cargo as oil-drilling machinery for delivery to Sri Lanka.

"They always deny any involvement with the weapons or any charges they are accused of. They told me that their job was just to fly the cargo plane to its destination. They don't know about or had anything to do with the cargo itself," Somsak quoted his clients as saying.

The UN imposed sanctions in June banning North Korea from exporting any arms after the communist regime conducted a nuclear test and test-fired missiles. Impoverished North Korea is believed to earn hundreds of millions of dollars every year by selling missiles, missile parts and other weapons to countries such as Iran, Syria and Myanmar. The Thai government has been investigating the arms cache and says it will send the results to the United Nations.

<http://gulffnews.com/news/world/sri-lanka/arms-headed-for-sri-lanka-crew-1.557237>

- **Economic Front**
- **Thailand Ready To Cope With AFTA Impacts: PM Abhisit**

Thai Prime Minister Abhisit Vejjajiva on Thursday said the government has set a plan to deal with impacts on Thai economy after ASEAN Free Trade Area (AFTA) is effective in 2010, Thai News Agency (TNA) reported.

In his speech on the AFTA at a Bangkok's hotel, the prime minister said the AFTA agreement will affect Thai economy both negatively and positively but there will be more positive than negative impacts. It is expected that Thailand will enjoy more trade surplus, amounting to US\$10 billion, compared to other ASEAN countries, and Thailand can definitely compete with other countries in the region. Agricultural produce, forest cultivation industry and some entrepreneurs may be affected but the government has mapped out assistance measures through findings in relevant ministries, he said.

He called on entrepreneurs to adjust themselves to become more competitive and lessen the negative impacts. Meanwhile, Deputy Commerce Minister Alongkorn Ponlabutr said ASEAN countries are the core market for Thailand's exports and it is expected that the growth will be continuous. In 2009, Thailand's total export to ASEAN countries was US\$40 billion while import value amounted to US\$30 billion. The country's trade surplus was US\$10 billion. Alongkorn said a combined ASEAN population of 580 million and US\$1.5 trillion Gross Domestic Product (GDP) will be a key factor for Thailand to enhance its trade and investment.

ASEAN comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

<http://www.bernama.com/bernama/v5/newsworld.php?id=464357>

- **Social Front**
- **Thai PM tries to calm protest over Hmong return**

Thailand's prime minister sought Thursday to quiet international concerns about the possible expulsion of 4,000 ethnic Hmong to Laos, amid objections by U.S. senators and human rights groups who fear they could face persecution. Prime Minister Abhisit Vejjajiva declined to say when the Hmong would be deported but indicated it could happen soon. The Hmong, an ethnic minority group from Laos' rugged mountains, are being held at a camp in northern Phetchabun province.

They say they fear political persecution in Laos, where many Hmong fought on the side of a pro-U.S. Lao government in the 1960s and 1970s before the communist takeover of their country in 1975.

Laos in the past has denied the Hmong are Lao citizens, describing them as Thailand's problem. Thai authorities say the group of Hmong in Phetchabun are not legitimate refugees and have entered the country illegally. The two countries reached an agreement earlier this year to repatriate the group. In the past week, the army has sent dozens of large trucks to the camp and thousands of soldiers, according to reports in Thai media and phone interviews with residents in the area who declined to be named because of the sensitivity of the subject.

Nine U.S. senators sent a letter to Abhisit to express concern about the possible repatriation and criticize the government's screening process to determine refugee status, saying it was led by the military and lacked a civilian presence.

The letter was signed by six Democratic senators - Russell Feingold of Wisconsin, Barbara Boxer of California, Patrick Leahy of Vermont, Sheldon Whitehouse of Rhode Island and Minnesota senators Amy Klobuchar and Al Franken - and three Republicans, Richard Lugar of Indiana and Alaska senators Lisa Murkowski and Mark Begich.

Diplomats, rights groups and the U.N. refugee agency, which has been denied access to the camp, say they believe some of the Hmong could qualify as refugees.

Cambodia

- **Political Front**
- **Cambodian PM accuses Thailand of preparing coup**

CAMBODIAN Prime Minister Hun Sen today accused neighbouring Thailand of preparing a coup against his government as the war of words between the neighbouring nations worsened.

Hun Sen said he had seen a secret Thai government document outlining the plan to mount a coup, which he said he had passed to Cambodia's King Norodom Sihamoni to show the "bad character of our neighbouring leaders".

"In your secret document it says that although the (Thai) foreign ministry does not agree to stage a coup in Cambodia... others are working on it," Hun Sen said. "Don't even think about it. I know who is doing this," he added, during a speech at a provincial ceremony.

The Cambodian premier said he had also seen documents that showed Thailand has considered waging war against its neighbour.

- **Geo-Strategic Front**
- **Economic Front**
- **Cambodia's Farmers Call for Cut in Thai Pork Imports**

Local pig farmers complain that imports of pork from Thailand are reducing prices

Surging pig imports from Thailand have pushed down prices and led to the closure of hundreds of pig farms, sector representatives said Friday as they called for the government to slash import quotas, according to Phnom Penh Post.

Curtis Hundley, chief of party for USAID's Cambodia MSME Strengthening Project, told a forum last week that authorised imports had surged over the last two years as importers filled a daily import quota of 800 pigs.

He said: "This surge, from an estimated 2,000 Thai pigs in 2007 to 300,000 in 2008 and 2009 has caused the closure of hundreds of swine businesses in Cambodia.

"These imports cost an estimated \$35 million, which was sent to Thai producers. This is value that leaves Cambodia every year." Estimates did not include unregulated imports from Thailand and Vietnam.

Pig farmers attending the one-day pig-industry forum in Phnom Penh on 18 December called for the government to cut import quotas by up to 50 percent to lower supply and raise pork prices, though the director general of Cambodia's Animal Health and Production Department raised concerns over whether local producers could meet domestic supply.

He also said a lack of competition from abroad could force pig prices beyond the means of ordinary consumers. "Pig raisers want to sell their pigs for a high price, and buyers want low prices. We have to import pigs to keep prices stable on the market," he told Phnom Penh Post.

Kampong Speu province pig farmer, Prak Chandara, called for the government to slash the daily quota in half to 400, saying current prices at market are higher than the costs incurred raising the pigs. He said: "If the government cuts the quota to 400 pigs per day, I think farmers will be happy to increase their production and we will have the ability to meet current demand."

Pork was retailing for 15,400 riels (US\$3.69) per kilo in and around Phnom Penh on 17 December, according to Ministry of Commerce data, down 3.75 per cent from January 1.

Hem Kosal, who has been raising pigs in Kampong Cham province since 1995, acknowledged that imports are needed but said the government needs to develop a flexible quota system and set import limits daily or weekly to meet temporary shortfalls.

He said: "Imports have forced pig prices very low, and some family-run businesses have had to give up because they no longer earn enough to maintain their businesses. If the government does not solve the problem for us, small pig-raisers like me will die. I don't mean that we shouldn't import at all, but we need to consider quotas more carefully."

He acknowledged that imports outside the official quota system are a bigger concern.

Kampong Cham province slaughterhouse trader, Ting Vothy, called for the government to develop a province-by-province system of duties on pig imports that would take into account local supply and demand issues.

He also drew attention to the practice of charging unofficial fees to people transporting pigs at checkpoints set up along the road and called for government action to stamp out the practice.

Phnom Penh Post reports that Kao Phal reminded farmers to keep an eye out for swine flu, adding that the department has 14,329 animal health officers covering more than 13,000 villages nationwide.

<http://www.thepigsite.com/swinenews/22788/cambodias-farmers-call-for-cut-in-thai-pork-imports?>

- **Cambodia To Build Biggest Fertilizer Factory**

Cambodian Prime Minister Hun Sen on Thursday broke the groundwork to build the biggest fertilizer factory in the country with some US\$65 million investment from Vietnam, reports China's Xinhua news agency.

"This is the seventh fertilizer factory but it is the biggest one in the country and the fertilizer from this factory will help to improve other agricultural crops," Hun Sen said at the ground breaking ceremony at Kein Svay district in Kandal province, about 30 km southeastern part of Phnom Penh capital.

Kien Svay is the main place producing the vegetables and other fruit to support Phnom Penh residents. Hun Sen said that this factory has capacity of 350,000 tonnes of agricultural fertilizer product for first step and second step it will produce about 500, 000 tonnes annually.

The six others totally have capacity to produce about 10,000 tonnes of fertilizer only, the premier said.

It needs 24 months to end this construction project, according to the premier, and could offer about 500 job opportunities. "The fertilizer from this factory will also export to foreign markets," he said.

Meanwhile, Hun Sen thanked Vietnam, China, and South Korea for being the three biggest investment in Cambodia, even being hit by the global economic crisis.

<http://www.bernama.com/bernama/v5/newsworld.php?id=464365>

- **Consumer prices fall again**

A vendor grills meat for sale at Phnom Penh's Old Market on Wednesday. Government statistics Wednesday showed falling food prices prompted a second consecutive month of deflation in November.

We don't see people spending too much, as they don't earn like they used to. CAMBODIA experienced a second consecutive month of deflation in November, according to month-on-month consumer price index (CPI) statistics released Wednesday, a sign that demand for goods continues to flag, and that the economy is a long way from recovery, analysts said.

Data published by the National Institute of Statistics (NIS) showed that deflation accelerated as prices fell 0.6 percent last month compared with October, when they dropped 0.3 percent, even if CPI increased on an annualised basis.

Food prices fell 0.9 percent in November, data showed, and restaurants slashed prices 2.2 percent. Clothing and footwear prices fell at the same rate, according to NIS figures.

Nick Owen, a Cambodia specialist at the Economist Intelligence Unit, said the data reflected the generally depressed state of economic activity in the Kingdom. "The Cambodian economy is clearly still some way from recovery, with garment exports, investment approvals and tourist arrivals all weak," he told the Post on Wednesday, adding it was still too early to blame demand-side trends for recent deflation.

Kem Sithan, the government's inflation specialist as undersecretary of state at the Ministry of Commerce, said he was too busy to comment Wednesday. Although prices fell month on month, data showed prices in November were 1.3 percent higher than during the same month last year, when the high food prices of August and September 2008 began to tail off significantly.

Although month-on-month inflation had begun to speed up, November's data showed an end to an annualised deflationary cycle, "mainly due to last year's lower statistical base" at the end of 2008, Owen said.

Cambodia had seen annualised deflation since March on the back of record prices last year before the economic crisis hit the Kingdom.

Though persistent deflationary pressures caused Japan a major economic headache in the 1990s, and more recently since the economic crisis, ANZ Royal CEO Stephen Higgins said Wednesday that Cambodia's less-developed nature makes deflation less of a concern. "In a developing market like Cambodia, the demographics and socioeconomic

changes provide a very strong counterweight,” he said. “That is, the population growth, emerging middle class ... all provide a strong stimulus to demand over time, which makes a deflationary spiral unlikely.”

Both Higgins and Owen said the recent rise in deflationary pressure was not cause for too much concern. Most economists agree that recent deflation will likely be shown to be insignificant, as Cambodia’s economy is expected to record GDP growth of more than 4 percent next year, according to the International Monetary Fund.

The IMF predicted in a December 9 report that Cambodia would experience 5 percent annualised inflation this year and would see price rises remain in the mid-single digits in 2010. In recent weeks, there were signs that food prices may have risen, although this won’t be confirmed until the NIS releases its final report for 2009 at the beginning of the new year.

Phou Puy, president of the Federation of Cambodian Rice Millers Association, said Tuesday that rice prices had risen by between 5 percent and 10 percent since the end of November. This was mainly due to demand-side pressures caused by brokers in neighbouring Vietnam and Thailand looking to buy up supplies for sale on the world market, he added. South Korea has already said it plans to stockpile rice after this year’s harvest due to projected food shortages, and the Philippines has held repeated rice tenders in the past two months that have pushed up prices on global markets.

Deflation goes unnoticed

In Phnom Penh’s markets, vendors and buyers say they have barely noticed recent price decreases, complaining that overall prices are higher than last year. The main problem remains purchasing power due to continued economic weakness

- **Social Front**
- **US: Cambodia's deportation of Uighurs violates obligations**

The United States Sunday denounced Cambodia's deportation to China of 20 Uighur asylum seekers, saying it appeared to violate Cambodia's international obligations and would have long- term consequences for bilateral ties.

The United States was 'deeply concerned' about the welfare of the individuals who had been deported, said Gordon Duguid, acting spokesman of the US State Department in a statement. 'We are also deeply disturbed that the Cambodian government decided to forcibly remove the group without the benefit of a credible process for determining refugee status and without appropriate participation by the Office of the UN High Commissioner for Refugees,' Duguid said.

The State Department said the incident would affect Cambodia's relationship with the US and its international standing. The US urged the government of China to ensure proper

treatment of the asylum seekers and uphold standards of human rights. The 20 Chinese Muslims had arrived in Cambodia last month from the far western Xinjiang region.

Cambodia deported the Uighurs on the eve of the Chinese vice president's arrival in the country Sunday on a state visit, drawing immediate criticism from the United Nations.

'We are a greatly disappointed with this because Cambodia has signed the International Refugee Convention so they are supposed to protect refugees under this law,' Christophe Pescoux, Cambodia representative of the UN Office of the High Commissioner for Human Rights (UNHCR), said.

http://www.monstersandcritics.com/news/asiapacific/news/article_1520453.php/US-Cambodia-s-deportation-of-Uighurs-violates-obligations?

Singapore

- **Political Front**
- **Economic Front**
- **Singapore, China sign MOU on expertise transfers**

Singapore and China have signed a Memorandum of Understanding (MOU) on knowledge and expertise transfers.

Under the MOU, the Singapore Cooperation Enterprise (SCE) will customise training programmes to suit the learning objectives of Chinese civil servants.

The SCE is an agency which responds to foreign requests to tap on Singapore's development experience. China's State Administration of Foreign Experts, which manages overseas training programmes for its government officials, will oversee and approve the exchanges.

The MOU will also enable China to invite relevant Singaporean experts to participate as advisers and speakers for their in-country training programmes.

Training programme topics can include urban planning, e-government and human resource management. In addition, it will let agencies from both countries organise joint training programmes for other nations which are keen to tap on the expertise of Singapore and China.

- **Singapore's economy likely to be buoyed by global recovery in 2010**

Singapore's economy is expected to revert to positive growth next year, thanks to the global recovery. According to some economists, growth could even surpass the government's estimates for 2010. They are looking at GDP growth of more than 5 per cent, compared to the government's current forecast of a 3 to 5 per cent growth.

This follows 2009's roller coaster ride, where the economy took a beating in the early part of the year before recovering in the second half.

Export-dependent Singapore was among the first in Asia to fall into recession towards the

end of 2008. The economy contracted by 14.6 per cent on-quarter in the first quarter of 2009, following a decline of 16.4 per cent in the previous three months. Then it took a sharp turn upwards, catching the markets by surprise.

David Cohen, director of Asian economic forecasting, Action Economics, said: "The rebound has been better than expected. The strong growth in the second and third quarter GDP in Singapore was better, at a double-digit quarter-on-quarter annualised rate.

"It was a reflection of the turnaround. It was more or less in line with the pattern around the region where many of the Asian exporting economies, after the sharp fall-off in their production and exports in the beginning of the year, rebounded as global demand started to recover." Song Seng Wun, CEO & regional economist, CIMB-GK Research, said: "After a fairly weak start to the year in the aftermath of the collapse of global demand, we saw things improving in subsequent quarters...

"Aggressive intervention by the Singapore government and others around the world stabilised an uncertain environment. When you have heavy government intervention in the economy, it gives confidence back to businesses and consumers as well."

While the outlook for 2010 appears to be brightening, some said much depends on the United States and when global central banks will cut liquidity. "Which is why there is much debate on whether governments should withdraw liquidity, withdraw from the economy. It's probably a bit premature. The risk really is that the number one engine, the US, continues to see patchy recovery," said Mr Song.

Sector-wise, manufacturing was the worst hit by the downturn in 2009, but it is looking up. The manufacturing sector, which accounts for about a quarter of the country's GDP, is expected to grow by about 8 per cent in the fourth quarter this year, after a surprise rebound in the third quarter. This performance is expected to continue into 2010.

Mr Cohen said: "Assuming the global economy remains on recovery trajectory, that should support continued recovery in manufacturing sector and this, including the electronics sector globally, should turn around.

"Perhaps Singapore will still be feeling some drag from the closing of some disk drive production sites, but that should be balanced by the continued uptrend in the pharmaceutical area, where Singapore continues to enjoy an expansion in the global industry that is expected to continue into next year."

Meanwhile, all eyes will also be on the much-anticipated opening of Singapore's two integrated resorts. They are expected to add about 0.5 per cent to GDP growth next year, through a boost to tourist arrivals and retail sales.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1026222/1/.html>

- **Massive recovery of employment market not expected next year**

It has been one of the worst recessions Singapore has faced since independence and the nation has taken several approaches to tackle it.

The government, employers and workers have made a collective effort to cut costs and save jobs. And for the first time, Singapore has drawn on its past reserves to fund a major resilience package.

The economic downturn started in the middle of 2008 and the economic situation worsened as it spilled over into the new year. The government responded by bringing the Budget forward to January 2009, announcing a S\$20 billion resilience package.

Liang Eng Hwa, deputy chair, Government Parliamentary Committee (Finance and Trade and Industry), said: "We need to build more resilience in the economy so that in the event there is another downturn of this magnitude, Singapore will not be that badly affected. Secondly, this crisis also drives home the point that we need to maintain high reserves and have a strong fiscal position."

With the use of past reserves, the Jobs Credit scheme was launched to help companies reduce labour costs and save jobs through cash grants. The scheme has been extended for six months till June 2010. More than S\$3.6 billion of Jobs Credit would have been paid out by the government after its fourth payment on December 24. Another two, stepped-down payments in March and June 2010 will cost the government another S\$675 million. "The six months, hopefully, will be helpful to companies as they start to build new orders for the businesses, find new markets and if need be, further restructure the business so that they can stay viable for the long term," said Mr Liang. Minister in the Prime Minister's Office and NTUC's secretary-general, Lim Swee Say, said: "For Singapore, we are already looking beyond Jobs Credit because we know Jobs Credit is not here to stay. So the tripartite partners are now working very closely... asking ourselves how we can be cheaper, better and faster.

"Being cheaper means enhancing our productivity so that every piece of equipment and worker can produce more output, so that we can reduce the costs of doing business and enhance our competitiveness. "The good news is that many countries are thinking along the same way, but in Singapore, we are one step ahead of them. That's because the trust and unity among the tripartite partners during the downturn were not weakened but in fact, further strengthened. As a result, come 2010, the tripartite partners are able to run together, ahead of the competition elsewhere."

The Economic Strategies Committee was formed earlier this year to focus on developing and recommending strategies to grow Singapore's future as a leading global city in the heart of Asia. Its report is expected to be released at the end of January 2010.

Mr Liang said: "I have spoken to many business people and they have told me that they

prefer to have a more steady growth, even though the growth may be at a lower rate, as opposed to high growth where there will be volatility. "Businesses want to have some stability and certainty so that they can plan for the longer term. Excessive volatility tends to attract a risk premium to the business and thereby increasing overall costs.

"I would hope that the next phase of growth would be smart growth. In the last three to four years, we have seen strong growth in our economy. While it is good to have strong growth, it has also caused other problems. We have seen bottlenecks in certain segments of the economy, we have seen costs risen and that has led to inflationary pressures, eroding our competitiveness. Also witnessing its fair share of ups and downs is Singapore's labour market, which has seen some improvements in the past few months.

Even though Singapore's economy appears to be recovering, the Ministry of Manpower said it will take some time before its employment situation stabilises.

Manpower Minister Gan Kim Yong said: "One main reason is that many of the employers have held on to excess workers in the recession because of the various measures we have put in. Therefore, as the economy recovers, many of these employers will tap on the excess manpower and capacity that they have before they start to expand and recruit new workers.

"Recruitment and employment opportunities will typically lag behind economic recovery and therefore it is important for us to take that into account while the economy recovers. Over the next twelve months, we expect the employment market to remain more or less stable, but we do not see a massive recovery of the employment market.

"It is important for us to continue to help workers who are affected as it will take some time for them to get back to the job market. It is important for us to continue to train them and give them skills.

"It is also important to remember that many of the new opportunities that are coming along after the recovery will be new investments and they will have new skill sets. So we have to prepare our workers, train them and upgrade them so that they will be able to tap the new opportunities."

Asked about some of his key concerns for workers as Singapore recovers from the global downturn, Mr Gan explained that he is always worried about the employment of workers. He said: "At the moment, we have some 20,000 jobs which are immediately available on our database. We have 14,000 job-seekers on our register and this has come down significantly from the peak.

"Some of them have not worked in a big company before, so interpersonal skills, how to deal with your superior and peers are important employment skills... We have done much better in this recession than in the previous one because we have paid a lot of attention to

helping the workers prepare themselves for employment rather than just simply job matching." For 2010, Singapore's Trade and Industry Ministry has forecast economic growth of between 3 and 5 per cent.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1026140/1/.html>

- **Singapore and EU to start FTA talks**

Singapore and the European Union (EU) have agreed to start talks for a free trade agreement (FTA). In a statement released on Tuesday, the Ministry of Trade and Industry (MTI) said an FTA with the EU will be a key addition to Singapore's network of FTAs.

The EU is Singapore's largest trading partner. In the first 11 months of this year, Singapore's total trade with the EU stood at S\$78.6 billion, accounting for 11.6 per cent of Singapore's total trade.

The EU is also Singapore's largest investor. As at end-2007, Singapore's overall foreign direct investment from the EU stood at S\$150.8 billion. In 2008, Singapore was the EU's 15th largest trading partner globally. And EU-Singapore trade accounted for a third of all EU-ASEAN trade, making Singapore the EU's largest trading partner amongst ASEAN member states.

MTI said the bilateral FTA will not only promote the flow of goods, services and investment, it is also likely to enhance collaboration in areas such as trade facilitation and technical regulations. It added that the FTA will contribute to regional economic integration by paving the way for an EU-ASEAN FTA.

Negotiations on this region-to-region FTA began in 2007 but due to slow progress, both sides agreed to pause in March this year.

- **Environmental Font**

- **Copenhagen Accord useful in taking climate talks forward: PM Lee**

Singapore's Prime Minister Lee Hsien Loong said on Saturday that he is disappointed with the outcome of the United Nations climate talks, which did not produce a unanimous agreement. But he believes the accord reached by the United States, India, Brazil, South Africa and China serves as a useful basis for countries to take the negotiation process forward.

Speaking to the Singapore media at the end of the climate conference in Copenhagen, Mr Lee said: "I don't think it's a happy outcome. We're disappointed, but it's not the end of the world. The discussions will continue and at some stage, we'll be able to reach a more constructive agreement.

"We think it's a useful basis to take the process forward and we hope that it will not be cast aside. If it's not adopted this time, we can continue discussing, using this in order to try and reach a less imperfect arrangement." For Singapore, it is doing its part by

pledging to reduce emissions growth by 16 per cent below the level projected by 2020 – provided that there is a global agreement, and that other countries announce significant emissions reduction targets.

Even though there is no global deal now, Mr Lee said Singapore will continue to work on measures to cut its emissions growth. He said: "Whether we get there or not depends on whether there will be an agreement. If there's no agreement, we're not obliged to hit the 16 per cent target. But we have a sustainable development blueprint which is 7 to 11 per cent target. So that part, we'll do regardless, but we must make sure that having done that, if there's subsequently a deal, we get credit for our merit.

"To reach 16 per cent, we'll have to take new measures. We have to consider what this will be and there'll be regulations. For example, energy efficiency standards may be necessary. There may be other requirements from building insulation, air-conditioning, green marks, platinum, so on and so forth, there may have to be fiscal measures.

Singapore has an interest in having a good outcome for an international climate agreement because it is a small and vulnerable city-state. But Mr Lee conceded that reaching an agreement will be very difficult and that it is a big challenge to come up with a coherent proposal, with a single set of objectives, to move forward.

Vietnam

- **Political Front**
- **Economic Front**
- **Cambodia, Vietnam open up cross-border river trade**

Cambodia and Vietnam signed Wednesday a treaty that will allow freedom of navigation on Mekong waterways between the two countries and increase access to the river system for foreign vessels. The Treaty on Waterway Transportation legally binds Cambodia and Vietnam to reducing the official restrictions that have existed for cross-border navigation, the Mekong River Commission said.

The move will free-up regional and international trade, help avoid delays and make river-based customs and immigration procedures more efficient and straight-forward, it added.

The agreement also introduces a range of other measures that should improve efficiency and safety for vessels using the more than 65 Cambodian and Vietnamese registered internal ports.

"This agreement, along with the recent development of Cai Mep Port in Viet Nam provide exciting opportunities for economic growth in Cambodia and development of Phnom Penh Port," said Hei Bavy, Delegate of the Royal Government of Cambodia, Chairman and CEO of Phnom Penh Port.

The Mekong River Commission facilitated the agreement by assisting a legal task force in both countries, with funding provided by the governments of Belgium and Australia.

According to the commission, the new treaty will open up Mekong waterways to a range of new possibilities for generating trade revenue.

This will help all vessels, including, river cruise ships by allowing better access to ports in the Mekong Delta, HCMC, Phnom Penh, Siem Reap and many more sites that attract tourists.

The agreement will also put in place a range of measures for ensuring river traffic safety and regulating the transportation of dangerous goods by river. The new regulations cover the Mekong River, the Tonle Sap Lake, Bassac and Vam Nao rivers, as well as a number of canals in Viet Nam. It will apply to all kinds of vessels, including sea-going ships under foreign flags. The commission said that improving river transport infrastructure will also reduce greenhouse gas emissions normally associated with land-based transport. River freight produces on average about one fifth of the greenhouse gas CO₂ per ton per km that is produced by trucking goods on the road.

<http://www.thanhniennews.com/business/?catid=2&newsid=54252>

- **Poverty reduction in Vietnam remains ‘a work in progress’**

Nick Freeman, Senior Advisor to the Vietnam Challenge Fund, tells Thanh Nien Weekly about the role a new US\$3 million co-financing grant instrument will play in poverty alleviation.

Challenge funds originated in the UK. Even though the model has been applied to other countries, how can we be sure it will work in Vietnam’s particular circumstances?

Yes, the origins of the challenge fund model are to be found in the UK; a developed and industrialized country, very unlike Vietnam. But over the last decade the challenge fund model has been adapted and applied in numerous developing countries across the globe. Here in East Asia, there have been virtually no challenge funds until very recently, and this is the first time that a challenge fund has been designed to operate in just a single country, rather than a wider region. So, to be very honest, I cannot claim that we absolutely “know” it will work in Vietnam.

But we do believe that Vietnam’s current economic conditions provide a very promising environment in which to attempt the challenge fund model, and we do have high expectations for the Vietnam Challenge Fund. The ingenuity and innovation already shown by companies and entrepreneurs means that we strongly believe Vietnam is host to many good business ideas, and what we want to do with the Fund is help those ideas become reality. We also recognize that successful businesspeople in Vietnam are often keen to share their good fortune with people that have not been so successful and remain

in poverty. So we feel some of the key ingredients exist for a challenge fund approach to be successfully adopted in Vietnam.

How is the fund different from others available in Vietnam?

I am very glad you asked me this question. The Vietnam Challenge Fund is a very different instrument than virtually all other funds in Vietnam. The first thing to stress is that the Fund is focused on one goal: to help improve the incomes of the poor in Vietnam. Everything we aim to do, and the way we do it, is based on trying to achieve that goal.

Let me be very clear. The Vietnam Challenge Fund does not give out loans. The Fund also does not invest in the shares of enterprises. What we do instead is provide grant funding to innovative business projects that should help improve the incomes of poor people. Those business projects are based on ideas that enterprises have developed, and if we agree that the project has a good chance of success, then we will finance up to 49 percent of the project's anticipated costs. The enterprise proposing the idea must finance the remaining 51 percent or more of the project's costs. It is important that applicants not only submit innovative ideas for projects, but also demonstrate their ability to actually implement the project they propose effectively.

We are also not interested in helping fund business projects that would easily get a bank loan or some other kind of finance from the normal market. Rather, we are looking for projects that are relatively risky, and so would struggle to get normal financing. We want to help share the risk of pursuing a project that is innovative, and if successful will improve the incomes of as many poor people as possible. We are in the market for good ideas, and what we offer is a willingness to share in the financial risk of turning those good ideas into reality. But we do not get involved in the management of projects we support.

Which type of project proposals you are looking for? Should local businesses just focus on agro-processing projects in order to get the grants?

If enterprises go to our website they will see the three challenges that we have set for this first round of applications. Yes, this first set of challenges focuses on the agricultural sector, and getting the poor better integrated into agro-processing value chains. Later rounds will probably see the Vietnam Challenge Fund look at projects relating to labour issues and infrastructure. But for now we are only interested in projects relating to agricultural value chains. This is largely because we think some of the greatest opportunities for helping improve the incomes of the poor are to be found in this sector.

The fund was launched a month ago. Have you received any promising project concepts or proposals?

Yes, the Vietnam Challenge Fund was formally launched in early November. And over

the last few weeks we have been travelling through Vietnam to promote the fund and provide information to interested companies. The ‘window’ for enterprises to submit their initial applications – which must be in the form of a simple, four-page ‘concept note’ – is now open and will stay open until 31st December 2009. Once the window has closed, an Independent Appraisal Panel will then look at the concept notes that have been submitted, and select a short-list of the most promising submissions. The short-listed applicants will then be invited to submit a more detailed project proposal, and we will assist them in doing this.

One of the main reasons why we have this two-stage application process is that we know that enterprise managers and entrepreneurs are very busy people, and don’t have plenty of time to write long applications that may, or may not, be chosen for our funding support. So the four-page concept note is deliberately short, so that not too much time need be invested in making a submission. The aim of the concept note is simply to outline the project idea, so that the fund can get a good sense of whether it is worth taking to the next level of design and analysis.

As this is the first time a challenge fund has been enacted in Vietnam, we really do not know how many submissions we will get. But may I just say that all concept note submissions we receive will be looked at impartially and fairly by the Independent Appraisal Panel.

Are there any initiatives supported by challenge funds in other countries that Vietnamese businesses can learn from?

Yes, there are projects supported by challenge funds in other countries that enterprises here can refer to, if they want to get a better sense of the kinds of things we are looking for. These – along with information on eligibility requirements, and a host of other relevant information – can be found on our website, at: www.markets4poor.org

But can I strongly emphasise that we are not looking for Vietnamese enterprises to try and emulate projects that have been pursued in other countries. We want enterprises to come up with innovative ideas that are appropriate to the specific conditions and opportunities in Vietnam, and will help raise incomes of the poor here.

What are the challenges for poverty reduction in Vietnam now? How should poverty reduction programs in Vietnam change when the nature of poverty changes?

It is widely and rightly understood that Vietnam has done an excellent job in bringing many people out of poverty over the last two decades or so, and much of this can be attributed to the economic growth of the country. But some stubborn pockets of poverty still remain, and the recent global economic downturn has probably pushed some of those who were previously just above the poverty line back down below the line again.

Therefore poverty alleviation remains a work in progress in Vietnam, and we believe the Vietnam Challenge Fund can play a role in this task.

We would certainly not claim that the challenge fund model is the only way to tackle poverty. But it is a new weapon for Vietnam to use in its fight against poverty. In the past, there has been a tendency for anti-poverty projects to focus largely on the efforts of the government, NGOs or donor agencies. But the considerable skills and expertise of the private sector business community is often overlooked. The challenge fund model tries to address this gap by encouraging enterprises to get involved in combating poverty, by providing some financial support to them.

It is important to stress that all the projects the fund supports should aim to be profitable, because only profitable projects can be sustainable in the long-term. So we are not looking for enterprises to propose projects that do not make sense from a business point of view. If the project is ultimately profitable, then it will be continued, and hopefully can be scaled up and/or replicated by others. As I mentioned at the beginning, our one and only aim is to help improve the incomes of the poor, and we challenge Vietnamese enterprises to come up with viable business projects that can help the country meet this goal. Because these projects are likely to be innovative, and therefore carry some degree of risk, the fund's job is to help share some of that risk.

<http://www.thanhniennews.com/features/?catid=10&newsid=54292>

- **Vietnamese garment and textile industry grows despite global crisis**

Vietnam's garment and textile industry kept growing despite the global crisis, an official said Wednesday. 'We will certainly meet the annual target by the end of this year because companies are exporting big orders this month,' Le Quoc An, chairman of the Vietnam Textile and Apparel Association, said. 'We expect to grow at least 1 per cent compared with last year.'

An said the country planned to earn 9.1 billion dollars from garment and textile exports this year. The state-run An Ninh Thu Do newspaper said the country's garment exporters faced declining markets and a slump in prices, resulting in a sharp decline in earnings in the early months of the year. Vietnam's garment industry earned 8.2 billion dollars in the first eleven months of 2009.

'Export growth will recover sharply next year so we plan to export [goods worth] about 10.5 billion dollars next year, a 12-per-cent increase compared with this year,' An said.

The biggest importers of Vietnamese garments and textiles are the United States (57 per cent), followed by the European Union (18 per cent) and Japan (9 per cent).

http://www.monstersandcritics.com/news/business/news/article_1521069.php/Vietnamese-garment-and-textile-industry-grows-despite-global-crisis?

- **Vietnam's Inflation Accelerates to Eight-Month High**

Vietnamese inflation accelerated to the fastest pace since April as higher rice prices pushed up food costs while an accelerating economy fueled domestic demand.

Consumer prices rose 6.52 percent this month from a year earlier, according to figures released today by the General Statistics Office in Hanoi. That compares with November's 4.35 percent inflation rate and is the fourth straight month of gains. Prices climbed 1.38 percent in December from November.

Vietnam's central bank announced an interest-rate increase on Nov. 25, becoming the first in Asia to raise borrowing costs after a loan-subsidy program led to what Nomura Holdings Inc. described as an overheating economy. Growth accelerated to 5.8 percent in the third quarter, the fastest pace this year.

The central bank's latest rate increase took effect on Dec. 1, with the benchmark rising to 8 percent from 7 percent. The State Bank of Vietnam had cut the rate to 7 percent in February from as high as 14 percent in October 2008.

'Not Quelled'

The acceleration in inflation last month, from 2.99 percent in October, shows macroeconomic instability in Vietnam, Moody's Investors Service said earlier this week.

Overall food prices rose 5.8 percent in December from a year earlier, compared with a 3.5 percent gain in November. Rice prices in Vietnam, the world's fifth-biggest consumer of the grain, have increased "substantially" since early November, the U.S. Agriculture Department said in a Dec. 11 release. Domestic demand has seen a "full recovery" in Vietnam, Goldman Sachs Group Inc. said this month, helping to drive economic growth that may reach 8.2 percent next year, according to the New York-based bank.

Prices in the category including construction materials rose 12.6 percent in December, compared with an 8.4 percent increase in November.

'Burgeoning Real-Estate'

Vietnam has a "burgeoning real-estate sector," said Don Lam, a director of London-listed property fund VinaLand Ltd., in a Dec. 21 stock-exchange release. Residential projects in the country have "witnessed strong demand and rising prices," Lam said.

Inflation may reach 14.2 percent by the third quarter of 2010, Nomura said in a Dec. 16 report, predicting that the Vietnamese government will shift its focus to fighting price increases from boosting growth.

A weaker currency "is likely to add to inflationary pressures and increase the need for additional rate tightening," said Sonal Varma, a Mumbai-based economist for Nomura, which expects the Vietnamese central bank's benchmark interest rate to reach 11 percent by the fourth quarter of 2010.

http://www.bloomberg.com/apps/news?pid=20601068&sid=a_KGe_qw4ePs

- **Vietnam: A frontier for oil and gas exploration**

The hunt for oil and gas resources is taking the exploration and production industry to all parts of the globe, as higher-risk exploration is needed to satisfy world demand for these resources. This need for newly discovered resources may become acute as the emerging economies industrialize and bring higher living standards to their citizens.

Exploration in Vietnam

Vietnam currently has 4.7 bn barrels of proved oil reserves, and it had 19.7 tcf of gas at the end of 2008. Production is also fairly low at 317,000 barrels of oil per day. This is sure to move higher fairly quickly due to the pace of exploration in Vietnam.

Since this type of exploration is riskier and expensive, the majors are active here. ConocoPhillips has interests in 2.7 mm acres in six blocks offshore. The company currently has only 24,000 barrels of oil equivalent in production, but it is an important future area. The infrastructure is mostly in place for future expansion, as its exploration blocks are located near the Nam Con Son Pipeline, which runs 244 miles from offshore into Southern Vietnam. Conoco Phillips and BP jointly own just under 50 % of the pipeline, with PetroVietnam, the Vietnamese national oil company, owning the balance.

Other southeast Asian countries

Chevron is another major active in Southeast Asia, but mostly in Thailand, Cambodia and next door in China. The company plans to ramp up its exploration in all these areas in future years.

While most independent exploration and production companies have focused on domestic shale plays, Plains Exploration & Production is exploring offshore Vietnam. The Purple Tiger exploration prospect, located on Block 124, started drilling in the third quarter of 2009. Plains Exploration & Production operates the well and has a 100 % working interest. This is not a major area for Plains Exploration & Production as only 3 % of its capital budget in 2009 was allocated here.

Talisman Energy currently has 21 % of its production from Southeast Asia, including Vietnam. The company believes both the operating and the finding and development costs to be lower than average in this region.

Talisman Energy is seeing production from an existing field at Song Doc that it helped develop, and it has several prospective areas to explore.

How much is enough? Vietnam is one of the frontier areas where the industry is exploring for future oil and gas resources, as it desperately tries to keep up with future demand. No one is certain if this will be enough.

<http://www.gasandoil.com/goc/news/nts95065.htm?>

- **Environmental Front**

Laos

- **Foreign Relations**
- **Economic Front**
- **Laos-Thailand customs officers discuss two-way cooperation**

The Customs departments of Laos and Thailand discussed and dialogued on closer cooperation on matters related to customs in Vientiane on 21 December.

The Laos side was led by Mr Adsaphangthong Siphandone, Deputy Director General of the Customs Department, and the Thai side was headed by Mr Somchai Soudchaphongsy, Director of the Customs Department and customs officers from the two countries also attended this meeting.

During the talks, Lao and Thai customs officers briefed one another on their methods of operations or modus operandi in their respective countries.

The two sides also discussed how they should carry out cooperative customs work in 2010, especially on how the two countries should respond to the customs regulations of the World Trade Organisation (WTO), better known as one door service trading and customs cooperation among the countries in the Mekong Sub-region.

The two sides also signed an agreement on customs cooperation during this meeting.

- **Savannakhet: economic growth is constant**

The socio-economic development of Savannakhet province significantly enjoyed a constant growth over the past one year and the public investment amounted to 47 billion kip in 132 projects, said last month Mr. Vilayvanh Phomkhe, Governor of the central province. Last year, the sectors of agriculture and forestry, mining and tourism attracted much attention from investors. This contributed to the reduction in the import of various kinds of goods from neighbouring countries.

Savannakhet has a cement plant with a production capacity of 100,000 tonnes a year, tile and brick factories whose products are for domestic consumption.

The province also has an electric cable factory and sugar mills.

Plantation of industrial crops and trees such as eucalyptus, acacia and rubber trees also attract much investment. For the 2009-2010 period, Savannakhet province aims to lift up 2,393 household in 41 villages over poverty line and increase government investment to 72.56 billion in 171 projects, and rice harvest of 774,984 tonnes.

The province plans to expand monsoon rice farmland by 164,968 ha and dry season rice field by 31.6 ha and expand the electric grids for 72 villages, which house 8,906 households.

<http://www.kpl.net.la/english/news/newsrecord/23.12.09/edn12.htm>

- **Social Front**

- **Singapore gives 580 million kip to help Ketsana victims**

The Singaporean government yesterday gave US\$68,600 (580 million kip) to help the victims of Typhoon Ketsana in three southern provinces.

Most of the donation package will go to two districts of Ta-oy and Samuoy in Saravan province.

Singaporean Ambassador, Mr. Jeyaraj Benjamin William, on behalf of the Singaporean government, presented the donation package to President of the Lao Red Cross, Dr. Snivourast Sramany, at the Lao Red Cross, Vientiane.

The money will be used for purchasing 80 tonnes of rice, medicines and relief items such as insecticidal mosquito nets, household utensils and food items for 1,000 families in the disaster-affected provinces. In recent months, the Singaporean government has given US\$50,000 as a relief package to help the victims of Ketsana in four Southeast Asian countries namely Cambodia, Laos, the Philippines and Vietnam.

<http://www.kpl.net.la/english/news/newsrecord/23.12.09/edn5.htm>

Brunei

- **Economic Front**

- **Brunei Shell Petroleum extends contract with Swiber**

Mainboard-listed offshore oil and gas group Swiber said on Thursday it has received a contract extension from a long-time customer, Brunei Shell Petroleum.

With the extension, Swiber will continue to provide transportation and installation of offshore structures and pipelines. The firm said the extension demonstrates the value proposition in its fully integrated service offerings. Financial details of the contract were not revealed.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1026725/1/.html>

- **Social Front**

- **AED to buy 100 % Nations' Brunei assets**

Outline of Block L. AED Oil Ltd will be acquiring 100 per cent of Nations share and its prospective assets in Brunei through the purchase announced yesterday. Picture: Courtesy of Petroleum News

AED Oil has entered into a binding sale and purchase agreement to acquire 100 per cent of Nations Petroleum Company and its prospective assets in Brunei and hopes to start the drilling programme in March or April next year, a report from Petroleum News said yesterday.

Under the agreement, AED has paid \$US3 million (\$4.2 million) in cash and will issue 24 million fully paid ordinary shares to Nations once the purchase has been completed

which is expected in the second half of January.

In November, AED announced its intention to acquire Nations and its stake in the mostly onshore Block L which spans 20 kilometres covering the whole of Brunei-Muara with some parts of Tutong and Temburong. Block L includes a large production-sharing contract that covers about 2,200 square kilometres.

Most of the block is onshore but a small area is offshore in shallow waters and contains numerous oil and gas discoveries. "Two well locations had been finalised, Lekut-1 and Lempuyang-1, to test significant oil and gas targets identified by recently completed 3D seismic research," AED said.

Last month, AED Oil Ltd said that it has agreed to buy a subsidiary of Brunei-based Nations Petroleum Co, Nations Petroleum (SE Asia) Limited, for a combination of cash and shares. AED said Nations will end up with a 14.5 per cent holding in the company at the deal's completion.

The other 50 per cent of the Brunei Block L consortium is owned by Loon Brunei Ltd (40 per cent) and QAF Brunei are stakeholders of the remaining 10 per cent.

"Brunei has the expertise and capabilities in terms of oil and gas which led the Melbourne-based AED Oil Ltd's signing of a Letter of Intent (LoI) with Nations Petroleum Limited to acquire 100 per cent of the share capital," said AED's company secretary and general manager of marketing Trevor Slater during a previous interview with The Brunei Times.

Slater said they had been looking at a number of areas and decided on Brunei as they felt it was a good country to conduct their business. "We are glad to be part of Brunei's oil and gas sector and we felt that it is a good fit for our small but energetic company," said Slater, over the telephone. The purchase of Nations' share will in turn create more opportunities for Bruneians as AED's drilling programme will require more manpower. AED is an oil exploration and development company which commenced oil production at their Puffin field in the Timor Sea in October, 2007. The Brunei Times

<http://www.bt.com.bn/en/business-national/2009/12/25/aed-buy-100-nations-brunei-assets>

- **Environmental front**
- **China hails Brunei's climate action**

THE Chinese Ambassador to Brunei, Tong Xiaoling, yesterday praised Brunei as an important and responsible member of the international community for contributing its utmost to addressing climate change.

Speaking at a media briefing at her residence yesterday, the ambassador spoke on Brunei's commitment and support as a member of Group of 77 to uphold the principle of

"common but differentiated responsibilities", which will help define what developing countries must do to fulfil their roles as a member of the international community to help combat climate change. She added that positive outcomes from the 2009 United Nations Climate Change Conference held recently in Copenhagen is attributed to the concerted efforts of developing countries, including Brunei.

She also appreciated Brunei's proactive efforts to promote the Heart of Borneo (HOB) project and the Coral Triangle Initiative (CTI), as well as Brunei's resolve to develop renewable energy.

<http://www.bt.com.bn/en/news-national/2009/12/25/china-hails-bruneis-climate-action>

- **Brunei to work with Asean over emergency response**

BRUNEI is currently working with Asean to formulate a work programme for 2010-2015 to realise its Agreement on Disaster Management and Emergency Response (Admer), following the implementation of the agreement after being officially ratified by all 10 Asean member states.

Special Duties Officer Abd Rahim Ismail at the National Disaster Management Centre (NDMC) told The Brunei Times that the Admer agreement, which was signed in July 2005 between Asean member states, was a "significant document".

Abd Rahim explained that with the announcement by the Asean Secretariat of the agreement that came into force two days ago, all Asean member states would now work together to implement components of Admer. He added that each Asean member country had a role to play, now that the agreement has come into force. On welcoming the occasion, Asean Secretary-general Dr Surin Pitsuwan said: "Admer is one of the fastest-negotiated agreements in Asean's history, having gone through a mere four months of negotiations."

He added: "The entry into force of Admer is a remarkable progress for Asean in its joint effort in responding to disasters happening in the region and reducing disaster risks more effectively."

According to a press statement by the Asean Secretariat, it said that Admer is the region's response to the need to establish a regional disaster management framework. "It contains provisions on disaster risk identification, monitoring and early warning, prevention and mitigation, preparedness and response, rehabilitation, technical cooperation and research, mechanisms for coordination, and simplified customs and immigration procedures."

Admer was signed by the Asean Foreign Ministers in July 2005. Under a specialised Asean body called the Asean Committee on Disaster Management (ACDM), standard operating procedures, training and capacity, disaster information sharing and communication networks and a rapid assessment team have been set up, or put into

practice.

During the 14th Asean Summit last year, Dr Surin encouraged Asean partners to extend their assistance and cooperation to the implementation of Admer. "Such support will certainly add to our collective efforts in building a disaster-resilient Asean Community by 2015."The work programme will be adopted by all Asean member states in early March next year.

<http://www.bt.com.bn/en/news-national/2009/12/25/brunei-work-asean-over-emergency-response>