

**Report # 100****Business and Politics in Muslim World**

**South East Asia  
Tatheer Zahra Sherazi**

**26 December to First January**

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## Summary

### At Political Front

- Indonesia

Former Indonesian president Abdurrahman Wahid died in hospital yesterday aged 69, after a long battle with illness, a party official said.

Wahid was Indonesia's fourth president, coming to power in 1999 after the country's first general elections following the fall of military strongman Suharto in 1998. Popularly known as Gus Dur, he was practically blind, diabetic and had suffered strokes. Doctor Aris Wibudi of Cipto Mangunkusumo Hospital in Jakarta said Wahid died at 18:45 (1345 GMT) due to complications arising from diabetes and stroke.

- Cambodia

Thai prime minister Abhisit Vejjajiva has rejected Cambodian Prime Minister Hun Sen's accusation that Thailand was plotting a coup against him.

Hun Sen says he has seen a secret Thai government document outlining the plan to mount a coup. But Mr Abhisit says Thailand has no reason to do such a thing and that his government has a clear policy to maintain good relations.

He says he would not interfere in Cambodia's internal affairs or criticise domestic Cambodian politics. Relations between the countries plunged last month when fugitive former Thai premier Thaksin Shinawatra became an economic adviser to Cambodia.

- Malaysia

Umno members are satisfied with Datuk Seri Najib Tun Razak's performance since taking over the helm as party president as they feel that he is leading the country in the right direction.

A survey conducted by an independent research firm, Merdeka Centre, on 358 delegates to the recent Umno general assembly showed that about 95 per cent of them expressed satisfaction with Najib's performance, largely due to the improvement in leadership qualities. They felt that Najib, who is Prime Minister, had the quality of national leadership and had come up with attractive ideas to gain public favour, such as the "1Malaysia" concept, emphasising solving the people's problems and strengthening the economy.

Tan Sri Mohamed Rahmat's death is a big loss to the country as he had made a lot of contributions to Barisan Nasional (BN) and the government, said Information Communication and Culture Minister Datuk Seri Rais Yatim.

"Umno and the society are indebted to him," he told reporters when he paid the last respect to Mohamed, former information minister, and one-time Umno secretary-general and BN secretary-general at Bukit Damansara here on Friday.

The opposition front has accepted the appointment of a lecturer at the School of Humanities, Universiti Sains Malaysia (USM), Elias Zakaria, as the President of the Penang Islamic Religious Council (MAINPP), which has received the consent of the Yang di-Pertuan Agong.

Opposition leader, Datuk Seri Anwar Ibrahim said Elias's name had been submitted much

earlier before the name of the State Assemblyman for Permatang Pasir, Mohd Salleh Man, was proposed and the final decision was made by the Yang di-Pertuan Agong

- Philippine

A candidate in the 2010 elections was shot and wounded, police reported on Wednesday, in yet another targeted attack on a politician months ahead of the balloting that will choose a new president. Councilor Wilbert Suanco Origenes, who is running for vice mayor in Taganaan town in Surigao del Norte province in southern Mindanao, was in critical condition after a gunman entered his house and shot him in the chest in front of his horrified family on Tuesday, police said.

- Thailand

Thailand's Prime Minister Abhisit Vejjajiva was quoted by local media Thursday as saying an intelligence report showed that some plots are underway to create violence so as to topple his government. According to Bangkok Post online, Abhisit Vejjajiva vowed to try to prevent any unrest from taking place despite the warning signs. The latest military coup the country saw occurred in September, 2006, when the government led by then Prime Minister Thaksin Shinawatra was toppled. Thaksin was sentenced in absentia in 2008 to a two year jail term on charge of conflict of interests. Thailand underwent continuous political conflicts in 2009 as the so-called red-shirts, supporters of the self-exiled Thaksin, held rallies from time to time to push the Democrat-led government to dissolve the parliament, to amend Constitution, and to hold a snap election.

Thailand's Central Administrative Court Wednesday ordered revocation of a resolution passed by the Samak Sundaravej-led government, which approved the Thai-Cambodian joint communique supporting Cambodia's bid to list Preah Vihear temple as a UNESCO World Heritage site, Thai News Agency reported.

The Thai-Cambodian joint communique was issued in May, 2008, and the cabinet under then Prime Minister Samak passed the resolution approving it on June 17. Nitithorn Lamlua, a lawyer of the People's Alliance for Democracy filed a petition with the court against then Foreign Minister Noppadon Pattama for signing the joint communique without a parliamentary approval, which is required by Article 190 of the 2007 constitution. There were some eight other lawyers, who joined the PAD lawyer, Nitithorn, in filing the petition with the court.

### **Geo-Strategic Front**

- Indonesia

A few weeks ago, Indonesia's minister of defense officiated the launching of the new Landing Platform Dock (LPD) built by PT PAL for the Indonesian Navy. It marked a new beginning for PT PAL, the largest Indonesian shipyard located in Surabaya, East Java, after having been successful in developing various non-military ships, such as 50,000 ton cargo vessels, large oil and chemical tankers and passenger ships. In the area of military combat ships, PT PAL has successfully developed various smaller craft such as Fast Patrol Boats in different sizes.

- Cambodia

Cambodia has issued an arrest warrant for the country's main opposition leader Sam Rainsy, who is currently in Paris.

After Mr Rainsy failed to show up to answer charges of uprooting border markings, a warrant was issued by the court. It is alleged that Mr Rainsy damaged markers denoting the international boundary with neighbouring Vietnam. The French-educated former finance minister, the main rival to Prime Minister Hun Sen, was charged with inciting racial discrimination and intentionally damaging property, after saying the markers had been illegally placed by Vietnam.

Prime Minister Abhisit Vejjajiva said the government wanted the Thai-Cambodian diplomatic relations improved but it could not disregard the country's sovereignty and pride. "I admit that the Thai-Cambodian ties have not been smooth but the government must prevent it from troubling public members from the two countries," Mr Abhisit said during his weekly broadcast on Sunday.

In response to criticisms that the government was using diplomatic measures against Cambodia, the prime minister said calling back the Thai ambassador to Phnom Penh was a very light one.

"Taking a diplomatic measure is better than using other methods as they may affect the trade situation and lead to clashes along the border area," he said. "I also feel sorry that some Thai people have laid out more conditions and given certain information to Cambodia, causing the Cambodian leader to continuously criticise the Thai government." He said if the Cambodian government revised different issues surrounding the Thai-Cambodian row, the Thai government was willing to consider sending back its ambassador to Phnom Penh.

### **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.

Indonesia's state oil firm Pertamina has lost its exclusive right to distribute subsidised oil products in 2010 after a unit of Malaysia's Petronas and a local firm won supply tenders, a regulator said yesterday. Petronas has won the right to distribute 20,440 kilolitres (128,547 barrels) of subsidised low-octane gasoline in Medan next year, the head of Indonesia's downstream oil regulator, BPHMIGAS, said. Indonesia's PT Aneka Kimia Raya (AKR) Corporindo would also distribute 56,500 kilolitres (335,328 barrels) of subsidised diesel oil in Lampung province, in south Sumatra and in the cities of Banjarmasin and Pontianak in Kalimantan. lost exclusive Pertamina has lost exclusive right to distribute oil products in Indonesia after a Petronas unit won a supply tender. But Pertamina had up until now retained the exclusive rights to supply subsidised oil products which includes almost all products except for premium motor fuel in the domestic market.

Indonesia aimed to reduce its unemployment rate to about 5 percent in 2014, from the current figure of 7.87 percent, on the back of good economic prospects, the country's President Susilo Bambang Yudhoyono said here Monday. President Yudhoyono, who was re-elected on July 8 for his second term, vowed to decrease poverty rate from 14.5

percent now to over 8 percent at the end of his tenure in 2014. President Yudhoyono said that the government would attempt to boost exports, consumption, technology, and the government spending would be used accurately. Besides, the government would keep maintaining stability and expecting the global economic would be still favorable. Indonesia has unveiled massive infrastructure program to support the economic growth

- Thailand

Thailand Monday revised its economic growth forecast for next year upward to 3.5%, signaling confidence that the recovery spurred by government stimulus spending and a rebound in private consumption is sustainable. Fiscal Policy Office Director-General Satit Rungkasiri said that the ministry also expects gross domestic product to contract 2.8% this year. In September, the ministry had forecast a contraction of 3% this year and growth of 3.3% in 2010.

Thailand's benchmark stock index, set for its biggest annual gain in six years, may tumble in the middle of next year on heightening political instability and accelerating inflation, according to Siam City Securities Co.

The SET Index may slump to as low as 540 in 2010 in the second or third quarter, Sukit Udomsirikul, an investment strategist at Siam City, a brokerage unit of Thailand's seventh- biggest commercial bank, said in a telephone interview today. That would be a 26 percent drop from yesterday's close.

- Cambodia

The lifting of tariff on imports and exports of goods between China and the ten countries of ASEAN will liberalize billions of dollars in investments in the region, and the move is regarded by Cambodian economists and traders as a big boost for the Asian growth. Many analysts said if the plan goes smooth as expected the China-ASEAN Free Trade Area would be translated as rival to the North American Free Trade Area (NAFTA) and European Union.

- Vietnam

Vietnam's economy expanded at the fastest pace in more than a year in the fourth quarter as lending growth fueled construction and consumer sales.

Gross domestic product grew 6.9 percent from a year earlier after a revised 6.04 percent gain in the third quarter, the General Statistics Office said in Hanoi Thursday. For 2009 overall, the economy expanded 5.32 percent, down from 6.18 percent in 2008 and the slowest pace since 1999.

In the past decade, the nation of 86 million people has averaged 7.3 percent economic growth, boosted its per-capita income past \$1,000, opened two stock markets, and joined the World Trade Organization. Thursday's GDP figures demonstrate Vietnam's resilience amid a global recession, said Kevin Snowball, chief executive of PXP Vietnam Asset Management.

- Singapore

. Singapore's gross domestic product climbed by 3.5 per cent in the fourth quarter of 2009, but growth for the full year is still negative at minus 2.1 per cent.

In his New Year message, Singapore Prime Minister Lee Hsien Loong said that next year could see 3 to 5 per cent growth. And observers believe this could result in a move away from manufacturing as the key driver of Singapore's economy.

- Brunei

From today onwards, businesses in Brunei Darussalam will have unencumbered access to almost two billion consumers with the launch of the world's largest free trade area. However, while the elimination of trade barriers may open the doors for innumerable business opportunities, local business leaders remain sceptical of the extent of benefits that SMEs in the Sultanate will be able reap from the new accord.

BEGINNING today, Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand can import and export almost all goods across their borders at zero tariff.

As of Jan 1, 2010, an additional 7,881 tariff lines will come down to zero tariffs in the Asean-6, bringing the total tariff lines traded under the Common Effective Preferential Tariffs for Asean Free Trade Area (CEPT-AFTA) to 54,457 or 99.11 per cent.

### **At Social Front**

- Indonesia

Authorities in Indonesia have detained 17 illegal migrants including 14 Afghan and three Iraqis who wanted to reach Australia, police said on Monday. The men were arrested in East Java province early on Sunday when they were about to take a boat to Bali,

- Malaysia

Malaysia is strongly committed to upholding the true values of all religions, Datuk Seri Najib Tun Razak said.

“Religion teaches us to be tolerant, caring and respectful of the beliefs and practices of others. In our multi-racial society, we must constantly remind ourselves of the values that bind us together,” he said in his speech at a Christmas reception organised by the Christian Federation of Malaysia at the St Thomas Church, here. “We are bound by our common destiny as 1Malaysia. We are bound by our common heritage. We are bound by our need to forge ahead as one nation to face the challenges that lie ahead,” he added. The text of his speech was read out by Minister in the Prime Minister’s Department Datuk Seri Idris Jala.

A Malaysian court has ruled that Christians have the constitutional right to use the word Allah in reference to God. The Kuala Lumpur High Court also said a government ban on non-Muslims using the word was illegal. A Christian group hailed the ruling Thursday as a victory for freedom of religion in the Muslim-majority country, where the issue has become a symbol of religious grievances of minority groups.

The court was ruling on a lawsuit filed by Malaysia's Roman Catholic Church in late 2007 after the government blocked non-Muslims from translating God as Allah in their literature. Authorities have insisted that Allah is an Islamic word that should be used exclusively by Muslims to refer to God, and its use by other religions would be misleading.

The year 2009 was one of the worst for the targeted killing of media workers, with 113 lives lost, a leading watchdog said on Thursday and called on governments to do more to protect reporters. The Brussels-based International Federation of Journalists (IFJ) designated the Philippines, Mexico and Somalia the most dangerous countries for media staff, based on a spate of killings in recent months.

- Thailand.

The United Nations refugee chief today called on the Thai Government not to deport

around 4,000 ethnic Hmong to neighbouring Laos.

António Guterres, UN High Commissioner for Refugees, said a halt to the planned expulsions is needed to explore solutions of voluntary returns to Laos or resettlement in a third country. The Thai Government has said it plans to deport the Hmong -- including at least 150 recognized refugees -- before the end of the month, in line with a bilateral agreement with Laos.

While A rights group saays Thailand will begin repatriating more than 4,000 ethnic Hmong refugees to Laos on Monday. Human Rights Watch says armed forces have been mobilised for the deportation from a camp in northern Phetchabun province where the Hmong are being held. The group's Thailand analyst Sunai Phasuk says that during that period, mobile phone signals will be jammed to prevent the Hmong from contacting outsiders.

Thailand's prime minister sought Thursday to quiet international concerns about the possible expulsion of 4,000 ethnic Hmong to Laos, amid objections from the U.S. 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.

"We will act according to the law, and we will be very careful," Abhisit told reporters. "We have measures to take care of this without human rights violations." National Hmong leaders in Fresno are asking President Barack Obama to intervene on behalf of 4,500 Hmong who were forcibly repatriated from Thailand to Laos this week.

- Laos

The 21st batch of 4,508 Lao Hmong who had illegally immigrated to Thailand, volunteered to go back to their motherland on 29 December. Laos and Thailand share a common border on land and river for 1,835 km. Mr Bouasieng who is also Chairman of the Sub-Committee of the Lao-Thai Security Cooperation, has highlighted the long traditional relations and co-operation between Laos and Thailand. The handover ceremony of the repatriates took place at Paksane Hotel, Borikhamsay province, central Laos.

- Cambodia

Malaria parasites in the Thai-Cambodia area of Pailin, Cambodia have become resistant to artemisinin-based therapies according to Non Governmental Agencies working in the region. If this drug stops working, there's no good replacement to combat a disease that kills 1 million annually. As a result, earlier this year international medical leaders declared resistant malaria here a health emergency.

WHO and Interpol formed a task force three years ago to try to stop counterfeiters, seizing millions of fake malaria, tuberculosis, HIV and other pills in Southeast Asia and Africa. But officials say the work is only as good as the countries' legal systems.

### **At Environmental Front**

- Indonesia

Much of Indonesia, especially the Sumatra coast, was hit by a monstrous tsunami after a 9.2-magnitude earthquake five years ago.

Indonesia and people in Asia and around the world are remembering Saturday the 220 000 people who died in the tsunami caused by the 9,2-magnitude earthquake on December 26, 2004. The disastrous 2004 tsunami left millions of other people on the Indian Ocean coasts stranded in a dire situation.

Exactly five years after the tragedy, Indonesia was hit by a 6,0-magnitude earthquake on the Richter scale, which struck off Indonesia's Tanimbar Islands in the east of the country on Saturday. Fortunately, there have been no tsunami alerts or reports of immediate damage. According to the US Geological Survey, epicenter of the quake at 270 km northwest of Saumlaki in the Tanimbar Islands at a depth of 56 km.

- Philippine

The Mayon volcano in the Philippines is showing signs of becoming clogged with lava and scientists say it could erupt at any time.

The ABC reports the volcano has been oozing lava and emitting huge quantities of ash and toxic gas for weeks, and its activity has increased in recent days. Thousands of people have been evacuated from areas surrounding the volcano.

#### Vietnam

Vietnam, the world second largest rice exporter, needs greater international help to deal with climate change to ensure global food security, Prime Minister Nguyen Tan Dung has told the Copenhagen Climate Change Summit.

When sea levels rise a further 0.75 to 1 meter, Vietnam's river basins and coastal forests will be 19-38 percent under water, which will have direct and severe impacts on livelihood and food security for Vietnam as well as the world, Dung said on Wednesday.

## Detailed News Monitoring Report

### Summary Indonesia

- **Political front:**
- **Indonesia mourns ex-president Wahid**

Former Indonesian president Abdurrahman Wahid died in hospital yesterday aged 69, after a long battle with illness, a party official said.

Wahid was Indonesia's fourth president, coming to power in 1999 after the country's first general elections following the fall of military strongman Suharto in 1998. Popularly known as Gus Dur, he was practically blind, diabetic and had suffered strokes. Doctor Aris Wibudi of Cipto Mangunkusumo Hospital in Jakarta said Wahid died at 18:45 (1345 GMT) due to complications arising from diabetes and stroke. His younger brother, Salahuddin Wahid, said the family was "shocked, sad and grieving". "He was humorous, happy, clever, brave and really cared about the community. He was full of life and his fighting spirit was strong. Even when he was sick, he would fight on," he said. Wahid rose to political prominence through his role as a leader of one of the country's biggest mass Islamic movements, the Nahdlatul Ulama (NU), having been a strong critic of Suharto during the general's three-decade rule. He defeated Megawati Sukarnoputri to scoop the presidency in a parliamentary vote, even though her Democratic Party of Struggle put in the strongest showing in a general election earlier in 1999. His time in government was an exciting period of democratic change under the country's post-Suharto "Reformasi" drive, and Wahid was an enthusiastic advocate of ethnic and religious tolerance. But there were also fears the unwieldy, Muslim-majority archipelago of 234mn people would crumble under the weight of separatist and sectarian conflicts in places like Aceh, Papua and the Maluku. Violent Islamic extremism reared its head with the coordinated Christmas-eve bombings of churches in Jakarta and other cities in 2000, which killed 18 people and were blamed on regional terror network Jemaah Islamiyah. Wahid's response was to crack down on Islamist extremists while seeking dialogue and conciliation with ethnic separatists, the latter strategy putting him at odds both with the military and the Jakarta elite. He also broke a taboo in Indonesian politics by calling for diplomatic relations with Israel, and backed the lifting of a Cold War-era ban on communism. It was the liberal and democratic ideas that had earned him international respect that ironically were often at the core of the steady growth of opposition to his leadership.

A moderate religious scholar, Wahid was also criticised in office for his erratic leadership style and was sacked by the national assembly in 2001 amid unproven allegations of corruption and incompetence. Hailing from a prominent Muslim family in Jombang, East Java, the father of four daughters held a degree in Arabic studies from Cairo University and another in literature from Baghdad University. Despite his obvious ailments, Wahid remained active in public affairs until his death as a senior leader of the 40mn-strong

NU.NU vice-president Maskuri Abdillah said Wahid - who studied English, German, Arabic, French and Russian - would be remembered as a “pluralist” who stood for tolerance in the most populous Muslim-majority country. In September 2007 he announced that he would campaign for the presidency in 2009 if asked by the movement’s top clerics - whom he referred to as the “elders” - but in the end he did not get the call. Wahid’s National Awakening Party won only 4.9% of the vote in general elections earlier this year, less than half its showing in 2004, but it remains strong in its East Java heartland. Indonesia held its first direct presidential elections in 2004, which were won by the incumbent Susilo Bambang Yudhoyono.

[http://www.gulftimes.com/site/topics/article.asp?cu\\_no=2&item\\_no=334679&version=1&template\\_id=45&parent\\_id=25](http://www.gulftimes.com/site/topics/article.asp?cu_no=2&item_no=334679&version=1&template_id=45&parent_id=25)

- **Relations between DPR and government**

It is still fresh in my mind, the gist of a Media Indonesia editorial opinion on the relations between then minister of state enterprises Laksamana Sukardi with one of the House of Representatives’ (DPR) commissions responsible for overseeing that ministry. Its conclusion was that: “It is understandable if the minister Laksamana Sukardi is reluctant to meet the summons from the commission, for its members’ questions on the performance of the ministry are always lack of substance.” Not one of the DPR’s members expressed any objection to the statement.

This phenomenon reflected the imbalanced relationship between the government and the DPR during the era of President Megawati Soe-karnoputri (2001-2004). As well as Megawati’s Indonesian Democratic Party of Struggle (PDI-P) being a dominant force in the parliament, for a certain political reasons, the Golkar Party, the second largest party, supported the government. This made the teeth of the DPR become dull.

However, DPR-government relations during the first term of President Susilo Bambang Yudhoyono (2004-2009) was quite colorful and, to some extent, much more complicated. Partly, this is because of the scenario that the DPR — having long been populated by seasoned politicians — was an old force, while the newly installed government was just a “rookie”. Although Yudhoyono’s government was propped up by several coalition parties, it could not be denied that the pair of Yudhoyono-Kalla’s real and loyal parliamentary support was only 7 percent, solely derived from Yudhoyono’s Democratic Party. The first days of power of Yudhoyono’s government vis-a-vis the DPR were therefore quite fragile.

This feature became much more complicated, for the Golkar chairman, Akbar Tanjung, who had worked closely with Megawati during the second round of the 2004 presidential election, extended his cooperation with the PDI-P in the parliament. Denying the fact that some of its members had been recruited into Yudhoyono’s Cabinet, Golkar did not lessen its oppositional stance, together with the PDI-P, against the government.

It was not the end of the story, surely. But at this point, it could be said that the foundations of the dynamic and conflicting power relations between the DPR and the government during 2004-2009 had been built. It means that, in addition to its strong constitutional rights, the DPR was and is an autonomous political force separated and thus independent from the government authority. In this position, there was no guarantee that both of them would constantly share language and interests in carrying out their respective duties.

At the end of 2004, then vice president Jusuf Kalla was elected chairman of Golkar,

replacing Akbar Tanjung. Theoretically, this was a tectonic shift in the fabric of parliamentary power for the benefit of government. The fall of Tanjung meant that Megawati's PDI-P had lost its closest parliamentary ally.

Now, under the leadership of Kalla, as a major parliament force, together with the Democratic Party, the Golkar Party practically functioned as the bulwark of the government.

In fact, however, this shift precisely created a "morbid" feature of power in the presidential institution.

While President Yudhoyono remained supported by 7 percent of the parliamentary forces, by being the chairman of Golkar, vice president Kalla suddenly appeared as a more influential person within the presidential institution, in terms of DPR-government relations. This meant that Kalla's leverage was overwhelmingly increased vis-a-vis Yudhoyono.

For this power changing transpired on the autonomous status of the DPR, in personal matters, Yudhoyono gained less than Kalla. While within the presidential institution, Yudhoyono had to face a continued bargain with Kalla, in parliament he found no significant increase in real support. The vagaries of Yudhoyono's coalition parties offered less help. This happened, for example, when chief of state intelligence Samsir Siregar publicly voice his anger toward Cabinet members from the coalition parties due to the latter's failure to tame the behavior of their parliament members in the case of the DPR's inquiry in early 2009 against the government's policy to reduce the fuel subsidy.

However, the Golkar-inclined parliament shifting of power also narrowed the PDI-P's position. Without Golkar, the PDI-P suffered lack of political imagination. As a consequence, this party missed many opportunities to make use of national political issues. The Golkar Party, meanwhile, equipped with well-trained members experienced in parliamentary politics, had wider latitude to create political issues, in an attempt to drive Yudhoyono's policies closer to the interests of their own camp. Twice, Cabinet reshuffles that occurred in the first and second year of Yudhoyono's government, undeniably, ended with greater benefits for the Golkar Party.

Only through a focused look at this typical interplay of power relations, can we grasp the qualitative aspect of the DPR's performance, upon which the positions of Yudhoyono and Kalla were influenced. While Kalla gained greater political benefits, due to having weak parliamentary support the political destiny of Yudhoyono was much more obscured.

As a consequence, though personally Yudhoyono was the more popular leader, his government's stability rested on the ability of Kalla to tame the political passion of the Golkar Party in the parliament. This explains why Kalla looked more powerful in making national decisions, especially in the realm of the economy. His real support in the parliament had given a guarantee that those decisions would be politically accepted.

I think, this fact is more meaningful to be looked at than merely the DPR's quantitative achievements that achieved only 58.5 percent of its legal products from its 284 National Legislation Program (Prolegnas) during 2004-2009. By looking at the qualitative aspect of the DPR, it could be understood why Yudhoyono was so obsessed with amassing a greater political coalition in the post 2009 general election, although his Democratic Party won 20 percent of the votes. The past experience between his government and the parliament had been so fragile that it forced him to redress his government position vis-a-

vis the parliament.

Today, the structure of power relations has radically changed. Kalla's successor, Boediono, is a true technocrat and thus has no political power. As a president, Yudhoyono therefore does not have to share power in the presidential institution. However, the course of politics has increasingly shown its genuine disposition: an overwhelming power game calculation and radical reduction of technical and technocratic values. It is in this current political regime, a non-political party status of the vice president becomes less helpful politically – such as precisely being faced by Boediono today.

Unlike his predecessor Kalla, the absence of Vice President Boediono's parliamentary support almost automatically makes him paralyzed to staunch the rise of recent political tides. Although having secured 20 percent of parliamentary forces and being boosted by the coalition parties, the government is overwhelmed by the very parliamentary pressures such as in the case of Bank Century. The government's dilemma becomes darker as Yudhoyono's Democratic Party forcibly succumbs to the demands for a parliamentary inquiry committee to investigate the motives behind the bailout of Bank Century.

All these developments offer a single lesson, that despite a much wider coalition being built by the government, its unification remains potentially weak, for the independence of the DPR is constitutionally guaranteed. The best Yudhoyono's government can do is to create a well-equipped team with diplomatic virtues — as had been the case in the previous government term.

<http://www.thejakartapost.com/news/2009/12/22/relations-between-dpr-and-government.html?>

- **Economic Front**
- **Indonesia sees foreign investment rise 15 percent 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.

[http://www.dailytimes.com.pk/default.asp?page=2009%5C12%5C27%5Cstory\\_27-12-2009\\_pg5\\_31](http://www.dailytimes.com.pk/default.asp?page=2009%5C12%5C27%5Cstory_27-12-2009_pg5_31)

- **Indonesia picks Petronas to end fuel supply monopoly**

Indonesia's state oil firm Pertamina has lost its exclusive right to distribute subsidised oil

products in 2010 after a unit of Malaysia's Petronas and a local firm won supply tenders, a regulator said yesterday. Petronas has won the right to distribute 20,440 kilolitres (128,547 barrels) of subsidised low-octane gasoline in Medan next year, the head of Indonesia's downstream oil regulator, BPHMIGAS, said. Indonesia's PT Aneka Kimia Raya (AKR) Corporindo would also distribute 56,500 kilolitres (335,328 barrels) of subsidised diesel oil in Lampung province, in south Sumatra and in the cities of Banjarmasin and Pontianak in Kalimantan. lost exclusive Pertamina has lost exclusive right to distribute oil products in Indonesia after a Petronas unit won a supply tender

The remaining subsidised fuel would be supplied by Pertamina in 2010. Overall, the government planned to supply of 21.4 million kilolitres (134.5 million barrels) of subsidised gasoline and 11.2 million kilolitre of subsidised diesel oil in 2010, Haryono said. This year, Indonesia expects 19.44 million kilolitres of subsidised low-octane gasoline and 11.6 million kilolitre of diesel to be supplied. BPHMIGAS decides each year on the rights to supply and distribute subsidised oil products such as low octane gasoline, kerosene and diesel.

Royal Dutch Shell Plc had also joined the tender to distribute fuel this year. Separately, the director-general of oil and gas at the energy ministry, Evita Legowo, said the government wanted the supply of subsidised fuel to be cut in the future. The level of consumption of fuel is critical because it helps determine the scale of subsidies the government has to set aside in the budget. Pertamina's monopoly over all sectors of the oil market was ended in 2001, and three years later Indonesia opened up its domestic downstream oil business to foreign firms, paving the way for them to directly import fuel and sell to local customers.

But Pertamina had up until now retained the exclusive rights to supply subsidised oil products which includes almost all products except for premium motor fuel in the domestic market.

<http://biz.thestar.com.my/news/story.asp?file=/2009/12/29/business/5378182&sec=business>

- **Indonesian president says to cut unemployment to 5%, poverty to 8% in 2014**

Indonesia aimed to reduce its unemployment rate to about 5 percent in 2014, from the current figure of 7.87 percent, on the back of good economic prospects, the country's President Susilo Bambang Yudhoyono said here Monday. President Yudhoyono, who was re-elected on July 8 for his second term, vowed to decrease poverty rate from 14.5 percent now to over 8 percent at the end of his tenure in 2014. "We want the unemployment at the end of 2014 to be no more than 5 or 6 percent,..and poverty rate at the range of between 8 to 10 percent," said Yudhoyono at the State Palace. Indonesia has recovered from the fallout of the global financial routs, which has hit the country's industries and exports, causing massive layoffs. With strong economic fundamentals, the country has registered high economic growth in the region during the crisis, while the others suffered from strong contraction. The Southeast Asia's largest economy's exports have started to improve and is predicted to begin to grow at 5 percent next year as the global demands on emerging markets products are predicted to soar along with the global economic recovery. The global investors appetite on the assets at the emerging market has also recovered, which may push capital inflow. President Yudhoyono said that the government would attempt to boost exports, consumption, technology, and the

government spending would be used accurately. Besides, the government would keep maintaining stability and expecting the global economic would be still favorable. Indonesia has unveiled massive infrastructure program to support the economic growth [http://news.xinhuanet.com/english/2009-12/28/content\\_12718071.htm?](http://news.xinhuanet.com/english/2009-12/28/content_12718071.htm?)

- **Indonesia economy may have grown faster as Asia leads recovery**

Workers assemble motorcycles at a production plant of TVS, an Indian motorcycle manufacturer, in Indonesia. Indonesia's economic growth may have accelerated for the first time in more than a year as lower interest rates and a strife-free election stoked spending. Southeast Asia's largest economy expanded 4.2 percent in the three months to Sept. 30 from a year earlier after growing 4 percent in the second quarter, according to the median forecast of 17 economists in a Bloomberg News survey. The figures are due to be released by the government after noon in Jakarta Monday. Economies across Asia are expected to report stronger performances in the third quarter as the region leads the world out of recession. Indonesia has fared better than its neighbors during the worldwide slump as it relies less on exports and consumer confidence has been buoyed by the most stable political climate since the ouster of former dictator Suharto in 1998.

The Jakarta Composite Index has outperformed all other benchmarks in the region this year as investors seek returns in one of the few economies in Southeast Asia to avoid recession. Sumual said Indonesian companies also have confidence in Indonesian President Susilo Bambang Yudhoyono, who began his second five-year term on Oct. 20. The main Jakarta stock index Monday rose 0.5 percent to close at 2,406.43. The gauge has jumped 77.5 percent this year.

'Pro-reform technocrats'

President Yudhoyono's Cabinet includes Vice President Boediono, a former central bank governor, and Finance Minister Sri Mulyani Indrawati, a former executive director at the International Monetary Fund who has held the key economic portfolio since 2005. "The president's economy team is filled with pro-reform technocrats," said James Lord, an economist at Capital Economics Ltd. in London. "There is a good chance Indonesia will deliver on the reforms needed to lift long-run growth to the 7 percent pace the government is aiming to achieve in its new five-year term."

President Yudhoyono last month said his government would seek to remove "bottlenecks" hindering infrastructure projects including new roads and ports. He also pledged to advance the drive to curb graft in a nation which ranked 126 in Transparency International's 2008 corruption-perception index.

"Indonesia has made significant structural progress since the 1997-98 crisis, repairing balance sheets, clamping down on corruption and encouraging greater foreign investment," said Robert Prior-Wandesforde, senior Asia economist at HSBC Holdings Plc in Singapore. "A key test of President Yudhoyono's second and final term will be the extent to which he can extend the change for good."

Vietnam, Singapore

Other Asian economies are also performing better in the third quarter than earlier this year.

The Vietnamese economy expanded 5.8 percent in the third quarter from a year earlier, accelerating from 4.5 percent in the previous three months. Singapore's gross domestic product grew an annualized 14.9 percent last quarter from the previous three months, the second consecutive expansion. "Asian economies are strengthening and forecasts for the

region are moving higher as a result,” said Duncan Wooldridge, chief Asia economist at UBS AG in Hong Kong. “Economies in the region look set to benefit from an upswing in global trade in the second half of 2009 and the first half of 2010.”

Growth in Indonesia’s economy has been supported by rising consumer confidence, which according to a central bank index climbed to a five-year high in July, the month when President Yudhoyono won re-election.

Homes, cars

Lower borrowing costs have also helped increase spending on homes and cars in the \$514 billion economy. Bank Indonesia cut its benchmark interest rate nine times between December 2008 and August this year, for a cumulative easing of 300 basis points.

“The sales of houses has increased in the second half compared with a stagnant first half,” said Harun Hajadi, a director of PT Ciputra Surya, a real estate company that has developed housing complexes in Sumatra, Java and Sulawesi island. “Compared with cars, houses are considered big ticket items. But still, we have seen an increase in sales.”

Car sales in Indonesia may reach 550,000 to 600,000 next year from between 460,000 and 475,000 vehicles in 2009, PT Toyota Astra Motor’s marketing director Joko Trisanyoto said in Bandung on Oct. 22.

“Indonesia should enjoy ongoing growth in domestic demand, which helped sustain expansion in 2009,” said David Cohen, an economist at Action Economics in Singapore. “This is likely to be supported by a continued gradual recovery in global export demand.”

<http://www.thanhniennews.com/worlds/?catid=9&newsid=53583>

- **The rise of the Indonesian strategic industry**

A few weeks ago, Indonesia’s minister of defense officiated the launching of the new Landing Platform Dock (LPD) built by PT PAL for the Indonesian Navy. It marked a new beginning for PT PAL, the largest Indonesian shipyard located in Surabaya, East Java, after having been successful in developing various non-military ships, such as 50,000 ton cargo vessels, large oil and chemical tankers and passenger ships. In the area of military combat ships, PT PAL has successfully developed various smaller craft such as Fast Patrol Boats in different sizes.

The development of the Landing Platform Dock has been done in conjunction with similar production in Dae Sun Shipyard, Busan, South Korea, which developed two out of four LPDs for the Indonesian Ministry of Defense through the export credit extended by the Korean financial institution.

The export finance was later on extended to PT PAL to develop the remaining two LPDs. PT PAL, under the technical assistance from Dae Sun, has succeeded in building the first ship, and in the process of building the second ship.

The development by PT PAL was done with several refinements in its design. The LPD built by the Korean could accommodate three helicopters in its deck, while the LPD built by PT PAL is able to accommodate five helicopters. In addition, the refinement in its shaft enabled the ships to improve the speed from 15 knots to 15.4 knots. The achievement is going to be followed by the development of Sigma Class Corvettes and also Guided Missiles Ships currently on the drawing board.

Currently, the maintenance and overhaul of the Sigma Class Corvettes are also being done by PT PAL. The two types of ships are within the capacity of PT PAL to develop. Another ambition, which is currently enabled by the success in developing the 50,000

tons of cargo ships, is in the form of the building of Helicopter Carriers. In a later stage, PT PAL is also developing submarine building capability.

The rise in the Indonesian shipyard industry is also followed by the rapid development of the Indonesian aerospace industry.

Long time in neglect, the Indonesian aerospace company PT Dirgantara Indonesia (PTDI), a metamorphosis of PT. IPTN, has shown its resilience and in fact has shown significant revival. Recently, the Korean military signed a contract ordering four CN 235-110 MPAs, turboprop aircrafts for the military patrol. The Korean military have acquired these aircraft before, so they have experience using the aircraft. In fact, this purchase was done after a tight tender process which involved American, Spanish and Israeli aircraft manufacturers. In addition, the Indonesian Ministry of Defense has just issued an order of three similar planes for the Indonesian Navy. These planes, as part of a planned bigger squadron, will replace the Nomad patrol aircrafts that have been planned for its retirement. PTDI also produces helicopters, including the Superpumas.

The Indonesian aerospace industry, during its hibernation period, continued its contracts with EADS in developing the wings and other parts of Airbus 380 and other types of Airbus planes. Recently, the company received an award for achieving a high-level quality requirement in supplying the components to Airbus. With such an achievement, PTDI has prepared the ground for further challenges.

Before the monetary crisis in 1998, PTDI, then named IPTN, was in the process of developing its homegrown airplanes called N250. There is a real possibility that such a plane will be revived in anticipation for the upcoming surge in short-haul flights. Further down the road the development of passenger jets are also on the drawing board. The Brazilian aircraft industry, Embraer, has been successful in developing and marketing its ERJ (Embraer Regional Jets) to the competitive markets of the US and Europe. Such an opportunity is certainly available for the kind of aircrafts developed by PTDI. Fifty-passenger aircraft are similar to the size of the famous ERJs.

Meanwhile, the Indonesian defense industry (PT PINDAD) has also succeeded in developing APCs (Armored Personnel Carrier) for the Indonesian Army. The Indonesian Ministry of Defense placed order of 154 Combat APCs that will be used by various Army Units throughout Indonesia. The APCs are similar to the French built Renault APC that has been purchased by the Indonesian Army for the peacekeeping mission in Lebanon.

It can be expected that the new capability in developing such vehicles enables the company to develop more complicated light tanks. Neighboring Malaysia has also placed an order for 40 APCs from PT PINDAD. Such order is a testimony of the quality of the product.

PT PINDAD also supplies high quality automatic rifles, pistols, grenade launchers and munitions to the Indonesian Armed Forces. The weaponry has now become the standard issue for the military and police forces in Indonesia along with the better known AK47 and M16. Recently some of its products have also been exported, including to the United States. The rise of the three companies has emboldened the Government to balance the sourcing of Indonesia's defense suppliers. Having been the target of a prolonged embargo by the United States, it is believed that self-sufficiency in the defense supplies becomes a necessity in the growing complexity of geopolitics. At the same time, the development of such industries will enable them to attract the skilled human resources that nowadays are scattered across the world. What is the way forward? These strategic industries very much

depend on the orders by the foreign shipping and airline companies as well as orders from within the country. In the past, as what happened with the development of the Landing Platform Docks, these companies also depend on the external finance from the Export Finance Agencies like in Korea.

The rise of the Indonesian banking system also enables banks to help extend finance for the purchase of such equipment as long as the Government is responsible for the repayments of the loans. This is basically what has happened now with all the Export Credits, because the Government is fully responsible to repay the debts to these Export Finance Agencies.

With the increasing capacity of the Indonesian Government Finance, it could be expected that 10 years from now the Indonesian budget are in much greater capacity than what we have now.

Therefore, the current government can leverage that capacity by placing orders for the military equipment that can be repaid gradually over time. In addition, the government can encourage Indonesian State Owned Companies to place orders in these industries. Pertamina, the Indonesian Oil Company, has at one time purchased a 30,000 DWT oil tanker. The ship, named the Fastron, was delivered by PT PAL in 2005. Such strategic purchasing could be repeated again in the coming years.

<http://www.thejakartapost.com/news/2009/12/28/the-rise-indonesian-strategic-industry.html>

- **Social front**
- **14 Afghan migrants detained in Indonesia**

Authorities in Indonesia have detained 17 illegal migrants including 14 Afghan and three Iraqis who wanted to reach Australia, police said on Monday. The men were arrested in East Java province early on Sunday when they were about to take a boat to Bali, Ike Edwin, Police Chief in East Java's capital city Surabaya, an Indonesian newspaper quoted him as saying. Meanwhile, Sidoarjo Police Chief Mohammad Iqbal said the arrests were made following information from local residents. "Three of those arrested had no passports or visas," Iqbal said. He added that police investigators faced difficulty in questioning them because none of them spoke English. According to Iqbal, Sidoarjo was a potential safe haven for illegal immigrants as it borders Surabaya. Indonesia has become a major transit point for people to flee war-torn countries such as Afghanistan, Iraq and Sri Lanka and head to Australia.

<http://www.pajhwok.com/viewstory.asp?lng=eng&id=86973>

- **Aceh's Sharia Law Still Controversial in Indonesia**

Lawmakers in Indonesia's Aceh Province recently passed a law that imposes death by stoning on Muslim adulterers. Aceh was granted the right to implement Sharia law under a peace agreement with the national government that ended a long separatist struggle. But the laws and punishments are unpopular and, many argue, at odds with Indonesia's national laws. Banda Aceh's grand mosque is a soaring monument to Islam. It is here, on the northern tip of Sumatra, that Arab traders brought Islam to Southeast Asia. And it is here today that conservative Muslims seek the establishment of full Sharia law. Under an agreement with the Indonesian government to end three decades of separatist fighting, the province received the right to implement Sharia. For instance, caning is used to punish Muslims caught gambling and drinking, and for unwed couples engaging in sexual

activity. In September lawmakers went a step further, passing a law that would punish Muslim adulterers with being stoned to death. Prosperous Justice Party member Moharriadi Syafari was a sponsor of the bill. He explains that it is difficult for people in the West to understand Sharia, but the stoning law has the support of Acehnese people.

He says they do not understand why in America there is death by injection and in China execution by shooting. Syafari says that stoning is what is ordered by God and when they implement Sharia they will receive blessings." Objections have also been raised in Jakarta, where the central government has called for a review of the law.

Professor Nasaruddin Umar heads the Islamic Community Guidance office at the national Ministry of Religion. He refers to the stoning law using the Indonesian word "rajam". "Why do you need the the 'rajam' law? It is very different to the Mohammed period," said Umar. "Mohammed tried to avoid, but why are you looking for the rajam. This is very different. When [in] the Mohammed period there was only one case ..., rajam case." Supporters of the law say it is unlikely that an adulterer will ever be stoned to death. But they say the law is necessary as a deterrent. Muslim Ibrahim is the head of the Aceh Ulema's Council. He explains the requirement of four witnesses will mean convictions are almost impossible. He agrees the punishment is cruel, but it is important that people are overshadowed by the law. If people are afraid they will not commit the crime.

Acehnese people are divided.

Some, like Ade, see it as part of their commitment to Islam. She supports the law since it has been used for a long time, since the era of the Prophet. She says it is not cruel because adultery is a big sin. Anwar is less certain. He says he understands that according to Islam adulterers must be stoned to death, but he is not sure for Aceh and Indonesia if that law is the way it should be. He says, however, in the end they will support it. Others worry that the law will be enforced unfairly, with those with political connections avoiding punishment. And some fear that it not be imposed in true accordance with Islam.

Rights activist Zain says if Muslims like herself speak out against the law, they are labeled unbelievers or against Sharia. She says lawmakers and others are manipulating the law for political ends and should focus instead on developing Aceh. "How to bring justice for the victims during the conflict, that's what we need now. We need education regulation. And then we need regulation on health, where it is easy to access to health [care]," she said. "We need the welfare, where is the economic growth?"

Some of the lawmakers who supported the law were voted out of Aceh's legislature in April. Many in the province hope the new parliament will repeal or revise the law. Acehnese legal groups say if lawmakers fail to do so, they will challenge the stoning law in Jakarta's Supreme Court.

<http://www1.voanews.com/english/news/human-rights/Acehs-Sharia-Law-Still-Controversial-in-Indonesia-80257482.html>

- **Environmental Front**
- **Indonesia Hit by Strong Earthquake 5 Years after Catastrophic Tsunami**

Much of Indonesia, especially the Sumatra coast, was hit by a monstrous tsunami after a 9,2-magnitude earthquake five years ago.

Indonesia and people in Asia and around the world are remembering Saturday the 220

000 people who died in the tsunami caused by the 9.2-magnitude earthquake on December 26, 2004. The disastrous 2004 tsunami left millions of other people on the Indian Ocean coasts stranded in a dire situation.

Exactly five years after the tragedy, Indonesia was hit by a 6.0-magnitude earthquake on the Richter scale, which struck off Indonesia's Tanimbar Islands in the east of the country on Saturday. Fortunately, there have been no tsunami alerts or reports of immediate damage. According to the US Geological Survey, epicenter of the quake at 270 km northwest of Saumlaki in the Tanimbar Islands at a depth of 56 km.

[http://www.novinite.com/view\\_news.php?id=111403](http://www.novinite.com/view_news.php?id=111403)

### **Malaysia**

- **Political Front**
- **Umno Delegates Upbeat With Najib's Leadership**

Umno members are satisfied with Datuk Seri Najib Tun Razak's performance since taking over the helm as party president as they feel that he is leading the country in the right direction.

A survey conducted by an independent research firm, Merdeka Centre, on 358 delegates to the recent Umno general assembly showed that about 95 per cent of them expressed satisfaction with Najib's performance, largely due to the improvement in leadership qualities. They felt that Najib, who is Prime Minister, had the quality of national leadership and had come up with attractive ideas to gain public favour, such as the "1Malaysia" concept, emphasising solving the people's problems and strengthening the economy.

"Satisfaction with the party president among delegates was very high at 95 per cent with 60 per cent of them saying 'very satisfied' with his performance since taking over the leadership of Umno." The main reason for the strong approval stems from the perceived improvement in leadership qualities," the Merdeka Centre said in its summary and highlights of findings of the survey of the 2009 Umno General Assembly delegates. The survey was conducted between Nov 4 and 11, where coverage included at least one individual from each division in the party.

The interviews were conducted via telephone and the sampling frame was based on the General Assembly participants' listing.

The Merdeka Centre also said that the delegates gave high approval to the two measures introduced with 81 per cent in support of the liberalisation of the economy while the 1Malaysia concept received 94 per cent support.

The survey showed that 91 per cent of the delegates surveyed believed that Umno's image with the public was generally positive while 97 per cent believed it was the only party that could take care of the Malay interests.

They were also upbeat about the party's prospects in future elections where 66 per cent felt that Umno had recovered from the problems that led to its poor performance in the last general election.

<http://www.bernama.com/bernama/v5/newspolitic.php?id=465500>

- **Tok Mat's Death A Big Loss To The Country**

Tan Sri Mohamed Rahmat's death is a big loss to the country as he had made a lot of contributions to Barisan Nasional (BN) and the government, said Information Communication and Culture Minister Datuk Seri Rais Yatim.

"Umno and the society are indebted to him," he told reporters when he paid the last respect to Mohamed, former information minister, and one-time Umno secretary-general and BN secretary-general at Bukit Damansara here on Friday.

Tok Mat, as he was popularly known, died in his sleep at his home in Bukit Damansara here at about 8am today, three days short of his 72nd birthday on Monday. Rais said he was shocked when he was informed about Mohamed's death as they last met two days ago at his (Rais') office.

"He was a sincere person and very committed to his work, the traits which enabled him to hold the posts of foreign minister, and Umno and BN secretary-generals for a long time," he added.

Former prime minister Tun Abdullah Ahmad Badawi said as Umno secretary-general, Mohamed had played a key role in resolving Umno crisis. "He had carried out his tasks and fulfil his responsibilities very well... He had carried out campaigns which benefited the party, the people and the country," he told Bernama. Defence Minister Datuk Seri Dr. Ahmad Zahid Hamidi said while Mohamed's loyalty to the leadership was unquestioned, his ideas at times had been misconstrued by certain quarters within and outside the party. Rural and Regional Development Minister Datuk Seri Mohd Shafie Apdal said Mohamed had brought changes in the information and broadcasting fields.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=465623>

- **Opposition Front Accepts Elias Zakaria As MAINPP President**

The opposition front has accepted the appointment of a lecturer at the School of Humanities, Universiti Sains Malaysia (USM), Elias Zakaria, as the President of the Penang Islamic Religious Council (MAINPP), which has received the consent of the Yang di-Pertuan Agong.

Opposition leader, Datuk Seri Anwar Ibrahim said Elias's name had been submitted much earlier before the name of the State Assemblyman for Permatang Pasir, Mohd Salleh Man, was proposed and the final decision was made by the Yang di-Pertuan Agong.

"We accept the appointment and ask the new line-up to work hard to prove that the MAINPP could be well managed under the coalition's (party) administration," he told reporters during his visit to his parliamentary constituency in Permatang Pasir, here on Friday. On Aug 23, Anwar, in the Permatang Pasir by-election campaign then, had announced that the Pas candidate, Mohd Salleh Man, who was contesting in the Permatang Pasir by-election then, would be appointed MAINPP President if he were to win in the by-election.

The Penang state government in a statement yesterday announced the appointment of Elias as MAINPP President while Salleh Man, who was also Penang Pas Commissioner, was only appointed as MAINPP deputy president.

<http://www.bernama.com/bernama/v5/newspolitic.php?id=465622>

- **Greater Democracy And Better MCA In 2010, Says Ong**

Battled by a party crisis during the year, MCA president Datuk Seri Ong Tee Keat vowed to instill greater democracy by implementing direct elections for the top post in 2010.

"Whilst 2009 may be tumultuous for MCA, now that the storm had receded, it is time to unite, cooperate and transform the party. I will continue with the efforts to empower the grassroots by bringing greater democracy within MCA by implementing direct elections for the president," Ong said in his blog [www.ongteekeat.net](http://www.ongteekeat.net) on Thursday.

Ong said that as a major Barisan Nasional (BN) component party, MCA must stand up to injustice, and engage any other like-minded forces to seek redress on issues of public concern.

"We have to be bold and we have to be loud if and when we have to. We need to transform and energise MCA that will be fearless in championing equal opportunities and a level playing field, not only for the Chinese community, but for all Malaysians," he said. "Our struggle for freedom and equality will be easy. I am ready to lead our battle, and I will enforce integrity in our struggle and I will ensure transparency. And above all, I will act."

Ong said the right to be treated as equal Malaysian citizens will be defended by the party at all costs. "We will continue to unshackle the zero-sum mentality where one community gains at the expense of the other. We simply stand for the simple notion that if a person is treated with equal concern and respect as a Malaysian, he shall be accorded the freedom to choose his leaders, earn a living, provide for his family, educate his kids, practise his religion and his merits as a human person," he said. He said MCA was a proactive partner in the struggle to gain independence and, premised on this spirit, our party needs to participate in mainstream politics.

As a major Barisan Nasional component party, Ong said, MCA must stand up to injustice, and engage any other like-minded forces to seek redress on issues of public concern. Ong said many programmes and initiatives in education, health, culture and general welfare would be rolled out to the people under renewed thrusts. "2010 is also the time for all factions within the party to work together for the people and the Chinese community.

"My unwavering focus to do the right things and the commitment to do things right had been our guide on how we can build a better 2010 and beyond," he said.

Ong said the coming year will not be easy for MCA but "the scale of the challenges we face is matched by the strength of my optimism that we Malaysians can and will rise to meet them".

<http://www.bernama.com/bernama/v5/newspolitic.php?id=465508>

- **Memo call a prank, says Selangor PAS**

Selangor PAS has dismissed a claim that there was an attempt to submit a memorandum urging the party to abandon its Pakatan Rakyat allies in Selangor. It said the claim was only a prank. Selangor PAS information chief Roslan Mohd Shahir said they did not receive any request on this matter.

Even Selangor PAS commissioner Datuk Dr Hassan Ali did not receive any request to be present at the state party headquarters today to receive such a memorandum. There had been reports in several online portals regarding an SMS urging a certain ethnic group to throng Selangor PAS headquarters' compound to show support for a call for the party to pull out of the Pakatan government in Selangor.

<http://thestar.com.my/news/story.asp?file=/2009/12/27/nation/5372550&sec=nation>

- **Najib: Uphold values of religions(social,political)**

Malaysia is strongly committed to upholding the true values of all religions, Datuk Seri Najib Tun Razak said.

“Religion teaches us to be tolerant, caring and respectful of the beliefs and practices of others. In our multi-racial society, we must constantly remind ourselves of the values that bind us together,” he said in his speech at a Christmas reception organised by the Christian Federation of Malaysia at the St Thomas Church, here. “We are bound by our common destiny as 1Malaysia. We are bound by our common heritage. We are bound by our need to forge ahead as one nation to face the challenges that lie ahead,” he added. The text of his speech was read out by Minister in the Prime Minister’s Department Datuk Seri Idris Jala.

The Prime Minister said Idris’ presence at the reception represented the strong commitment of the Barisan Nasional Government to the freedom of worship that has been practised in Malaysia since the country’s independence.

Najib said he was happy to see that the people were responding to the many initiatives introduced by the Government to provide a better future for the current and future generations.

Religious festivities had become more meaningful by focusing on helping the disadvantaged and less fortunate in society, said Najib who urged Malaysians to give generously. He said the Government had identified the hardcore poor throughout the country and would redouble its efforts to help every Malaysian get out of the poverty cycle. Among those present at the reception were the supreme head of the Mar Thoma Syrian Church Reverend Dr Joseph Mar Thoma, and Opposition Leader Datuk Seri Anwar Ibrahim.

<http://thestar.com.my/news/story.asp?file=/2009/12/27/nation/5371199&sec=nation>

- **Economic Front**
- **Punjab offers vast investment opportunities, says Shahbaz**

Punjab is rich in natural resources and has vast opportunities for investment in different sectors, Punjab Chief Minister Shahbaz Sharif said on Saturday. According to a press release, the chief minister was chairing a high-level meeting to review the prospects of cooperation between Punjab and the Republic of Turkey at the Chief Minister’s Secretariat. Shahbaz said Turkey and Pakistan share brotherly relations. He said Turkey has made remarkable progress in various sectors and Punjab could benefit from its expertise. The chief minister said the government is providing all available facilities to foreign investors. The public-private partnership model is being practised in the province and the Punjab Investment Board has been established for this purpose. He said the government has already signed investment agreements with China, Malaysia and Iran. The chief minister said huge foreign exchange could be earned by exporting Halal meat to the Middle East. He said investors are shying away due to the poor law and order situation, but the government would provide them foolproof security. He directed the Punjab Investment Board vice chairman to submit recommendations for cooperation between Punjab and Turkey in various sectors. staff report

[http://www.dailytimes.com.pk/default.asp?page=2009%5C12%5C27%5Cstory\\_27-12-2009\\_pg7\\_17](http://www.dailytimes.com.pk/default.asp?page=2009%5C12%5C27%5Cstory_27-12-2009_pg7_17)

- **Social Front**
- **Replace ISA with Anti-Terrorism Act**

I REITERATE that the Internal Security Act (ISA) should be repealed, to be replaced with an Anti-Terrorism Act. The ISA was promulgated in 1960 to fight the Communists,

who laid down their arms in 1989. I note the statement by Home Minister Datuk Seri Hishammuddin Tun Hussein on Dec 25 that the amendments to the ISA would be tabled and debated at the next Dewan Rakyat session in March 2010. It is necessary to study various laws that deal with terrorists. Just as with other countries, Malaysia may be faced with suicide bombings and other violent acts. We have to be vigilant.

For instance, although there are measures to watch over Parliament, these have to be stepped up. There is no room for complacency. Hishammuddin mentioned about the ministry's law review technical committee that has also carried out a comparative study between the ISA and other similar Acts in other countries.

Britain introduced the Emergency Ordinance in Malaya, which was replaced by the ISA. Legally, our country is still under Emergency. Britain been dealing with an Emergency in Northern Ireland for years. Despite efforts at peace settlement, there are occasional outbreaks of violence in that territory.

Hishammuddin said he is providing enough time for all, including Opposition MPs, to discuss issues pertaining to the ISA. It would also allow non-governmental organisations to hold briefing sessions on the proposed changes and gather feedback from the public. The five main issues over the Act are: the powers of the minister; duration of detention; the rights of and treatment given to detainees; public perception that the enforcement of the Act was purely for political purposes; and detention without trial.

The Home Ministry might have had six meetings with representatives of the various groups to discuss the proposed amendments. Hishammuddin should have further discussions with others, including former ISA detainees.

Some of us had been detained under the ISA. But we pose no risk to the security of the country.

It is important that we have adequate laws to prevent terrorists from harming the country. But the ISA has often been abused. We should put a stop to it.

<http://thestar.com.my/news/story.asp?file=/2009/12/29/focus/5373710&sec=focu>

- **Government dragging feet on maid recruitment**

I AM very concerned about the Home Ministry's delay in approving foreign domestic maids from entering Malaysia.

My mother who has a hard time coping because she is handicapped applied for a maid but she has been told by the agency that maids are for the moment not allowed in by the Home Ministry. It's all very well to set a blanket ruling like that, but what about helpless old ladies like her who cannot do much house work or look after themselves? What are they supposed to do? Why is the Home Ministry taking so long to lift the ruling? The agent says it is not other countries that are stopping their workers from coming to Malaysia to work but our ministry that is dragging its feet, causing the back log.

If this is so, then it is extremely shameful and cruel, to say the least. What other legal ways have we got to bring in a domestic worker? If we recruit an illegal maid without papers, we will be fined heavily and even face a jail sentence. But if I can get hold of an illegal worker, I will employ her and when I am hauled to court, I will drag our Home Minister along with me to face charges. I am completely fed up!

<http://thestar.com.my/news/story.asp?file=/2009/12/31/focus/5389025&sec=focu>

- **Malaysian court rules that Christians have right to use the word "Allah"**

A Malaysian court has ruled that Christians have the constitutional right to use the word

Allah in reference to God. The Kuala Lumpur High Court also said a government ban on non-Muslims using the word was illegal. A Christian group hailed the ruling Thursday as a victory for freedom of religion in the Muslim-majority country, where the issue has become a symbol of religious grievances of minority groups.

The court was ruling on a lawsuit filed by Malaysia's Roman Catholic Church in late 2007 after the government blocked non-Muslims from translating God as Allah in their literature. Authorities have insisted that Allah is an Islamic word that should be used exclusively by Muslims to refer to God, and its use by other religions would be misleading.

- <http://www.jpost.com/servlet/Satellite?cid=1261364557507&pagename=JPost%2FJPArticle%2FShowFull>

- **Environmental**

### **Philippine**

- **Political Front**
- **Poll violence strikes again in Surigao (social,political)**

A candidate in the 2010 elections was shot and wounded, police reported on Wednesday, in yet another targeted attack on a politician months ahead of the balloting that will choose a new president. Councilor Wilbert Suanco Origenes, who is running for vice mayor in Taganaan town in Surigao del Norte province in southern Mindanao, was in critical condition after a gunman entered his house and shot him in the chest in front of his horrified family on Tuesday, police said.

The unknown gunman then got on a motorcycle, where an accomplice was waiting, and drove away, said the regional police head, Chief Supt. Lino de Guzman Calingasan.

Police are investigating if the attack was politically motivated, but other reasons such as business conflicts or a personal grudge could not be ruled out, Calingasan said. Origenes is a candidate of the opposition Nacionalista Party (NP) in Taganaan.

He was brought by his family to a nearby hospital. The suspects in the attack remain unknown and police are conducting a probe of the incident.

#### **Second attack**

It was the second attack this week on a member of the Nacionalistas, whose leader, Sen. Manuel "Manny" Villar Jr., is running for president in the national elections to be held in May next year. The party's spokesman, Gilbert Remulla, said that he was "shocked and appalled by the assassination attempt on another candidate of our part." "Only politics can be the motive behind the shooting," he added, although he did not blame any group for the attack.

On Monday, another local Nacionalista politician was killed and six other people wounded when hooded gunmen opened fire on a convoy carrying about 50 people, most of them party candidates and supporters, in the northern province of Ilocos Norte.

The Philippines, which emerged out of dictatorship in the mid 1980s, has a long history of political violence, with dozens of politicians killed every election season.

The worst of such incidents occurred barely a month ago, when 57 people, including 30 journalists, were massacred in the southern province of Maguindanao.

A son of the then-governor of Maguindanao has been charged with murder over the killings, which authorities alleged he organized to prevent a rival politician from

challenging him for the top provincial post in the 2010 elections.

President Gloria Arroyo has vowed to try to stem the violence ahead of the balloting, when positions from local councils to the nation's presidency will be contested.

<http://www.manilatimes.net/index.php/top-stories/8702-poll-violence-strikes-again-in-surigao>

- **Wars, elections main threats to reporters in 2009**

2009 was one of the most dangerous years on record for journalists, especially those covering wars and elections, including the largest massacre of media workers ever killed in one day, watchdog groups say.

Reporters Without Borders said 76 journalists were killed in 2009 - 30 of them in a single incident, covering an election on the Philippines' Mindanao Island.

According to another watchdog group, the Brussels-based International Federation of Journalists, 137 journalists and media personnel were killed in 2009, making the year one of the worst on record for the deliberate killing of reporters and other media staff. Reporters Without Borders counts only journalists and bloggers, while the Brussels-based group also counts other media staff such as interpreters and drivers. "Journalists are being seen as targets," said Sam Trudeau, a New York representative for Reporters Without Borders. "Before, there was an unspoken immunity. Trudeau said covering elections has also gotten more dangerous as information coming out of a country online and through other channels just hours after polls close can lead to increased international pressure over contested elections.

Reporters Without Borders says the 2009 killings represented a 26 percent increase over 2008 when it recorded 60 journalists killed.

The IFJ's 2009 death toll of 137 compares with its tallies of 109 in 2008 and 175 in 2007. "Last year's drop in the murder rate of journalists has been short-lived," IFJ President Jim Boumelha said in the statement. According to Reporters Without Borders, other forms of violence, including physical assaults and threats, rose one-third to 1,456 cases in 2009, up from 929 cases in 2008.

Bloggers were also increasingly targeted in 2009, when social media sites became increasingly important sources of information in countries where traditional media is censured or state-run. According to Reporters Without Borders, arrests of bloggers and so-called cyber-dissidents rose to 141 cases in 2009 from 59 a year ago.

"No one should be surprised that, as bloggers and Web sites continue to flourish, censorship and repression have surged proportionally," the report said. About 44 journalists were imprisoned in Iran after the disputed re-election of President Mahmoud Ahmadinejad, and a number of press photographers fled across the Turkish border to escape arrest, the group said. And journalists in Iran who remain free or were released after arrest are under surveillance, Trudeau said.

Kidnappings continued to rise among journalists, with most cases reported in Afghanistan, Mexico and Somalia. Thirty-three kidnappings of journalists were reported in 2009 compared with 29 the year before. This month, another journalism advocacy group, the Committee to Protect Journalists, reported that at least 68 journalists were killed in 2009, a 60 percent increase over 2008, when 42 deaths were recorded. Reporters Without Borders is a Paris-based non-governmental organization that advocates freedom of the press.

The IFJ represents more 600,000 journalists in 125 countries. Its full report on 2009

media deaths will be published in mid-January.  
<http://www.adn.com/nation/story/1073669.html?>

- **Economic Front**
- **Social Front**
- **2009 among deadliest years for world media**

The year 2009 was one of the worst for the targeted killing of media workers, with 113 lives lost, a leading watchdog said on Thursday and called on governments to do more to protect reporters. The Brussels-based International Federation of Journalists (IFJ) designated the Philippines, Mexico and Somalia the most dangerous countries for media staff, based on a spate of killings in recent months.

“The devastating massacre of 31 journalists and media staff in the Philippines in November and fresh violence against colleagues in Mexico and Somalia have made this a year of terrible bloodshed for media,” IFJ President Jim Boumelha said.

The group said that a total of 137 media personnel were killed in 2009—24 of them in accidents at work—up from 109 in 2008, despite a UN Security Council pledge three years ago to do more to protect people in the industry. “There is no room for complacency and indifference. The crisis facing media threatens innocent lives and democracy itself,” he noted in a statement.

The highest single national toll was 38 in the Philippines. Thirteen fatalities happened in Mexico, nine in Somalia, seven in Pakistan and six in Russia. Killings in Iraq, long the most dangerous country for media staff, fell from 16 last year to five in 2009.

<http://www.manilatimes.net/index.php/top-stories/8796-2009-among-deadliest-years-for-world-media?>

- **1 dead, 230 injured in Philippine New Year revelry**

Hundreds of Filipinos were injured by firecrackers and celebratory gunfire despite a government scare campaign in which doctors displayed surgical saws on TV to warn New Year revelers what awaited them if they were hurt by fireworks, officials said Thursday.

Health Secretary Francisco Duque said 230 people had been injured by early evening and the number was likely to more than double by midnight as superstitious Filipinos bid goodbye to a year of natural disasters and political violence. In northern Munoz city, a man died in a fire that gutted about 25 stalls selling firecrackers late Thursday near the city hall. Investigators were trying to determine what ignited the fire, which also injured a bystander, police said.

More than 50 hospitals nationwide were on full alert, their emergency rooms staffed with trauma doctors for the expected influx of injured revelers.

Many Filipinos, largely influenced by Chinese tradition, believe that noisy New Year's celebrations drive away evil and misfortune. But they have carried that superstition to extremes, exploding huge firecrackers and firing guns to welcome the new year despite threats of arrest. New Year's Eve revelry in the predominantly Roman Catholic country has become among the most violent in the world. Last year, 737 people were injured, mostly by firecrackers.

At least 17 people were hit by gunfire at the height of wild celebrations, including a woman who died, according to the Department of Health. Although the number of injuries has tapered off in recent years, largely due to hard economic times and the government's

scare campaign, the figures remain alarming, Duque said.

The government has gone to extremes to dissuade dangerous celebrations. The health department has shown gory pictures of mangled hands and eyes in posters and on its Web site.

Government doctors have used bone saws and drills to amputate fingers in mock surgeries shown on TV, but the dangerous tradition has continued.

"It's extremely difficult because it's embedded in the mindset of Filipinos that lighting up those firecrackers drives away misfortune," Duque told reporters.

- **Environmental front**
- **Philippine volcano 'ready to erupt'**

The Mayon volcano in the Philippines is showing signs of becoming clogged with lava and scientists say it could erupt at any time.

The ABC reports the volcano has been oozing lava and emitting huge quantities of ash and toxic gas for weeks, and its activity has increased in recent days. Thousands of people have been evacuated from areas surrounding the volcano.

Philippine government vulcanologist Ed Laguerta says a powerful eruption could take place at any time. The official alert level remains at four - one short of a full eruption

<http://www.radionz.co.nz/news/stories/2009/12/27/1245da74aa26?>

#### **Thailand**

- **Political Front**
- **Intelligence report shows unrest plot to topple gov't: Thai PM**

Thailand's Prime Minister Abhisit Vejjajiva was quoted by local media Thursday as saying an intelligence report showed that some plots are underway to create violence so as to topple his government. According to Bangkok Post online, Abhisit Vejjajiva vowed to try to prevent any unrest from taking place despite the warning signs.

He also said his government will try its best not to create any conditions to justify a military coup, responding to a prediction by a fortune teller that the domestic political disputes will be more critical next year and will lead to another round of military coup. The premier said a military coup will hurt the country's economy and is not the solution to the on-going political conflict.

The latest military coup the country saw occurred in September, 2006, when the government led by then Prime Minister Thaksin Shinawatra was toppled. Thaksin was sentenced in absentia in 2008 to a two year jail term on charge of conflict of interests. Thailand underwent continuous political conflicts in 2009 as the so-called red-shirts, supporters of the self-exiled Thaksin, held rallies from time to time to push the Democrat-led government to dissolve the parliament, to amend Constitution, and to hold a snap election. There was also word that lawmakers from opposition Puea Thai Party are planning to collectively quit their parliamentary position so as to force the prime minister to hold a new election.

[http://news.xinhuanet.com/english/2009-12/31/content\\_12736134.htm?](http://news.xinhuanet.com/english/2009-12/31/content_12736134.htm?)

- **Power struggle lies behind stimulus row(eco,political)**

Witthaya Kaewparadai is being congratulated for his decision to quit his post as public health minister to take responsibility for alleged irregularities involving the Thai Khem Khaeng economic stimulus scheme.

Witthaya: No clear evidence

The pressure has now shifted to his deputy, Manit Nopamonrnbodee, who has so far shown no intention of following suit. The two ministers are among 11 people implicated in alleged irregularities and shoddy management of the planned procurement of medical equipment under the government investment programme, according to a panel appointed by the government.

The wording of the report prepared by the panel chaired by Banlu Siripanich, a former deputy permanent secretary for public health, could encourage people to believe the wrongdoings had actually been committed.

But a close and objective look at the findings reveals the findings do not deal with misconduct but alleged flaws in the scheme's implementation.

Rural doctors had someone in mind, while Government Pharmaceutical Organisation board chairman Vichai Chokewiwat, the secretary to the Banlu panel, wrote a personal letter dated Sept 1 to the prime minister recommending Chuchai Suppawong, an adviser to the National Human Rights Commission, as the person best suited to the post. The position went to Pajit Warachit, one of the 11 implicated in the alleged irregularities by the Banlu panel.

The panel found the 11 had behaved suspiciously and were negligent in implementing the ministry's procurement plans.

But the panel was divided over what charges should be brought against Dr Pajit.

The minister was confident nobody would doubt his integrity or fault him for what he had done to implement the ministry's Thai Khem Khaeng scheme.

Most members of the Banlu panel are from the Rural Doctors' Society, which has always insisted on close scrutiny of the ministry's procurement projects. But it was Mr Witthaya who was closely scrutinised by those he recommended to sit on the panel. However, there is no clear evidence in the panel's findings that links Mr Witthaya to the alleged irregularities

<http://www.bangkokpost.com/news/local/30321/power-struggle-lies-behind-stimulus-row?>

- **Thai court cancels cabinet resolution on Preah Vihear temple**

Thailand's Central Administrative Court Wednesday ordered revocation of a resolution passed by the Samak Sundaravej-led government, which approved the Thai-Cambodian joint communique supporting Cambodia's bid to list Preah Vihear temple as a UNESCO World Heritage site, Thai News Agency reported.

The Thai-Cambodian joint communique was issued in May, 2008, and the cabinet under then Prime Minister Samak passed the resolution approving it on June 17. Nitithorn Lamlua, a lawyer of the People's Alliance for Democracy filed a petition with the court against then Foreign Minister Noppadon Pattama for signing the joint communique without a parliamentary approval, which is required by Article 190 of the 2007 constitution. There were some eight other lawyers, who joined the PAD lawyer, Nitithorn, in filing the petition with the court.

Nitithorn said he will forward the court verdict to the National Anti-Corruption Commission asking it to take legal action against Noppadon for malfeasance. The two neighbors have also been engaged in a conflict about their undemocratic border area claimed by both sides adjacent to the ancient Preah Vihear temple.

Both countries have historically laid claim to the temple. The International Court of

Justice ruled in 1962 that the temple belonged to Cambodia, but the temple can practicably only be accessed from Thailand.

[http://news.xinhuanet.com/english/2009-12/30/content\\_12730156.htm?](http://news.xinhuanet.com/english/2009-12/30/content_12730156.htm?)

- **Geo-strategic Front**
- **Economic Front**
- **economic growth forecast**

Thailand Monday revised its economic growth forecast for next year upward to 3.5%, signaling confidence that the recovery spurred by government stimulus spending and a rebound in private consumption is sustainable. Fiscal Policy Office Director-General Satit Rungkasiri said that the ministry also expects gross domestic product to contract 2.8% this year. In September, the ministry had forecast a contraction of 3% this year and growth of 3.3% in 2010.

In a statement, the Ministry of Finance said economic conditions had improved "due mainly to the effect of fiscal stimulus measures and recoveries in private spending as well as global economies."

Many nations are revising their growth forecasts as industrial output improves with rising demand for goods, indicating that the ongoing global recovery is here to stay. Still, risks include the unpredictable pace of the global recovery, higher oil prices, delays in resolving a court-ordered suspension of projects on environmental grounds and domestic political uncertainty, Mr. Satit said.

The updated forecasts have already factored in the effects of the suspension of 65 projects at Thailand's Map Ta Phut industrial estate, the ministry said.

Earlier this month, the Supreme Administrative Court ruled that 65 of 76 projects at Map Ta Phut industrial estate must remain suspended. It followed a government appeal of a lower court's decision in September to issue an injunction to suspend 76 projects worth 400 billion baht (\$12 billion) at the estate. Environmentalists had argued that the permits approved by the government violated the constitution.

The ministry said should the government be able to resolve the Map Ta Phut case quickly, disburse more than 80% of its approved fiscal stimulus package while maintaining economic and political stability, GDP could grow at the high end of its forecast range of 3.0% to 4.0% next year, the statement said.

The ministry said its GDP projections were based on the assumption that the central bank's policy rate will remain in a 1.25% to 1.75% range, while the exchange rate will be between 32.0 baht and 34.0 baht to the U.S. dollar. Currently, its main policy rate is 1.25%.

"There are possibilities that the Bank of Thailand will hike its policy rate by 25 to 50 basis points in the second half of next year, depending on the pace of domestic price pressures," said ministry spokesman Ekniti Nitithanprapas. The ministry forecast core inflation at 1.5% next year and headline inflation at 3.4%. Exports and services are expected to expand 15.5%, imports should rise 27.7%, while private investment is tipped to grow 8.0%.

<http://online.wsj.com/article/SB126198603513307055.html?>

- **Thai Stocks May Slump in Mid-2010 on Politics, Siam City Says**

Thailand's benchmark stock index, set for its biggest annual gain in six years, may tumble in the middle of next year on heightening political instability and accelerating

inflation, according to Siam City Securities Co.

The SET Index may slump to as low as 540 in 2010 in the second or third quarter, Sukit Udomsirikul, an investment strategist at Siam City, a brokerage unit of Thailand's seventh- biggest commercial bank, said in a telephone interview today. That would be a 26 percent drop from yesterday's close.

"There should be a sharp correction of Thai stocks in the middle of next year as political confrontation may reach a critical point," said Sukit, who in 2008 was ranked among the three top strategists in Thailand by the nation's Securities Analysts Association. "Interest rates may begin to rise in the second half on accelerating inflation."

Thai stocks have trailed benchmarks in Indonesia, Malaysia the Philippines and Singapore since a 2006 coup that ousted former Prime Minister Thaksin Shinawatra. Prime Minister Abhisit Vejjajiva, who has held power for about a year, imposed several internal security measures to control demonstrations from Thaksin supporters following a riot in April.

#### Index Rebound

Moody's Investors Service in September kept its negative outlook for Thailand's credit rating, saying "political unrest could erupt again" and further damage confidence. The inflation rate may accelerate to between 3 percent and 4 percent late this year and continue early next year on oil prices, the central bank said on Dec. 25.

The SET Index has gained 63 percent this year, on course for its best performance since 2003 and after a 48 percent slide in 2008, on expectations the economic recovery will boost earnings. Southeast Asia's second-largest economy may expand as much as 4 percent in 2010 on higher government spending and a rebound in exports, the finance ministry said yesterday.

The key stock index may rebound to the 880 level in the fourth quarter of 2010 as government spending stimulates consumption and a global recovery boosts exports, said Sukit.

Abhisit is implementing a 116.7 billion-baht (\$3.5 billion) stimulus package on roads, bridges and other public works to create jobs and spur economic growth.

<http://www.businessweek.com/news/2009-12-29/thai-stocks-may-slump-in-mid-2010-on-politics-siam-city-says.html?>

- **Social Front**
- **Thai Plans To Deport Thousands Of Hmong To Laos**

The United Nations refugee chief today called on the Thai Government not to deport around 4,000 ethnic Hmong to neighbouring Laos.

António Guterres, UN High Commissioner for Refugees, said a halt to the planned expulsions is needed to explore solutions of voluntary returns to Laos or resettlement in a third country. The Thai Government has said it plans to deport the Hmong -- including at least 150 recognized refugees -- before the end of the month, in line with a bilateral agreement with Laos.

But Mr. Guterres stressed the need to uphold the international law principle of non-refoulement, which means refugees and asylum-seekers cannot be forcibly returned to countries or areas where they could face persecution. "In accordance with international law, Thailand has the responsibility and international obligation to ensure that any return of recognized refugees or other persons in need of international protection to their

country of origin is undertaken on a strictly voluntary basis," he said.

Many Hmong living in the highlands of Laos took part in the conflict that engulfed their homeland in the 1960s and 1970s. When the Pathet Lao came to power in 1975, tens of thousands of Hmong fled to Thailand in search of asylum, while others were resettled in Western countries such as the United States.

Mr. Guterres noted that the estimated 4,000 Hmong who would be deported include 158 recognized refugees currently held in detention in Nong Kai in north-eastern Thailand, and a larger group being held at a camp in Petchabun without access to UNHCR staff.

<http://www.scoop.co.nz/stories/WO0912/S00669.htm?>

- **Rights group says Thailand to repatriate Hmong to Laos**

A rights group says Thailand will begin repatriating more than 4,000 ethnic Hmong refugees to Laos on Monday. Human Rights Watch says armed forces have been mobilised for the deportation from a camp in northern Phetchabun province where the Hmong are being held. The group's Thailand analyst Sunai Phasuk says that during that period, mobile phone signals will be jammed to prevent the Hmong from contacting outsiders.

He says more than 100 buses and trucks have been put on standby, and the army are in charge of the operation. The 4,000 Hmong are seeking asylum based on claims that they face persecution in Laos for fighting alongside US forces during the Vietnam War.

Thailand has promised Laos that they will be sent back by the end of the year. Vientiane insists the group will be safe after their return.

<http://www.radioaustralianews.net.au/stories/200912/2781079.htm?>

- **UN experts criticize Thailand over Hmong**

Two UN human rights experts have criticized the Thai government for deporting 4,500 ethnic Hmong refugees to neighboring Laos.

Manfred Nowak and Jorge A. Bustamante say Thailand failed to check whether the Hmong risk torture in their home country before expelling them earlier this week. The experts say some of the Hmong fled Laos decades ago and have since been recognized as refugees by the United Nations. Nowak, the UN's independent torture investigator, told The Associated Press by telephone on Thursday he was "extremely concerned and disappointed" by Thailand's decision to expel the Hmong. He called for the well-being of the Hmong who were deported to be monitored and said he would accept any invitation by the Laos government to visit the country. Geneva AP

<http://www.todayszaman.com/tz-web/news-197200-100-un-experts-criticize-thailand-over-hmong.html?>

- **Laos tells UN it's too soon to visit Hmong**

Laos denied the U.N. immediate access to 4,500 ethnic Hmong who were forcibly repatriated from Thailand, saying Wednesday it would "complicate" matters but that international observers could visit later.

Thailand deported the Hmong on Monday in a massive 24-hour military operation, ignoring pleas by the U.N., the United States and others that fear they could face persecution by the Lao government - particularly a group of 158 Hmong already recognized as refugees by the United Nations.

The repatriation all but ended the Hmong's three-decade search for asylum following

their alliance with the U.S. during the Vietnam War.

Valley Hmong worry over 4,000 refugees' fate

Fresno-area Hmong thought they had additional reason to celebrate this week at the Hmong International New Year -- the U.S. government's decision not to prosecute Gen. Vang Pao, widely considered their leader here. But the celebration, which has drawn tens of thousands to the Fresno fairgrounds, has been tempered by recent news from overseas: More than 4,000 Hmong are being repatriated from Thailand back to Laos. And the Lao government reportedly said Vang Pao faces a death sentence should he try to return to the country.

The Thai government's actions cast the longest shadow Monday. Over the weekend, Thai troops began moving Hmong from Thailand to Laos, and are expected to bring them across the border today, The Associated Press reported.

- **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 from the U.S. 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.

"We will act according to the law, and we will be very careful," Abhisit told reporters. "We have measures to take care of this without human rights violations." National Hmong leaders in Fresno are asking President Barack Obama to intervene on behalf of 4,500 Hmong who were forcibly repatriated from Thailand to Laos this week.

In a letter to Obama, the Fresno-based Lao Veterans of America Institute, which calls itself the nation's largest Hmong and Lao veterans organization, accuses the Thai military of brutalizing refugees who objected to the repatriation.

Laos denied the U.N. immediate access to the refugees, saying Wednesday that it would "complicate" matters but that international observers could visit later, The Associated Press reported.

Thailand deported the Hmong on Monday in a massive 24-hour military operation, ignoring concerns by the U.N., the United States and others that the Hmong could face persecution by the Lao government, the AP reported.

Wangyee Vang, president of the Lao Veterans of America Institute, said refugees have called his organization by cell phone to describe the abuse and ask for help.

Thai and Laotian officials maintain that the refugees have been treated humanely.

The Valley, which has one of the largest Hmong populations in the U.S., is home to a number of Hmong with relatives who once lived in the Thai refugee camps, said Philip Smith, a former congressional staffer serving as the Washington representative for Lao Veterans of America. He said he has repeatedly spoken to refugees during the repatriation. Some of them were able to hide cell phones from the Thai military, he said.

In addition to sending a letter to Obama, Smith said he has also been in contact with representatives of the Valley's congressional delegation, including staffers for Reps. Devin Nunes and Jim Costa. Congressional offices were closed for the holiday vacation Thursday, and the representatives couldn't be reached to comment. In February, Smith and other Hmong activists held a forum at the National Press Club in Washington to raise awareness about the plight of the refugees. Refugees have been treated poorly for some time, Smith said. In May, the humanitarian group Doctors Without Borders pulled out of

a Thai refugee camp because of an earlier forced repatriation of Hmong refugees. This week's repatriation was timed during the Christmas holiday to catch Washington "flat-footed" and to close the refugee camps, Smith said.

<http://www.fresnobee.com/local/story/1766350.html?>

### **Cambodia**

- **Political Front**
- **Thailand denies Cambodian PM's coup allegations**

Thai prime minister Abhisit Vejjajiva has rejected Cambodian Prime Minister Hun Sen's accusation that Thailand was plotting a coup against him.

Hun Sen says he has seen a secret Thai government document outlining the plan to mount a coup.

But Mr Abhisit says Thailand has no reason to do such a thing and that his government has a clear policy to maintain good relations.

He says he would not interfere in Cambodia's internal affairs or criticise domestic Cambodian politics. Relations between the countries plunged last month when fugitive former Thai premier Thaksin Shinawatra became an economic adviser to Cambodia.

IN the wet season, the roads through the northwestern region of Cambodia turn into an undulating sea of muck, with potholes the size of cars and ruts as deep as truck axles. To figure out which routes were least likely to leave me wet, muddy and stranded, I buttonholed a dozen long-distance taxi drivers before settling on the toll road from Dam Dek, which had the added attraction of passing by two out-of-the-way Angkorian temples, Beng Mealea and Koh Ker.

Daniel Robinson

Cambodian soldiers guarding the Thai border are based near Preah Vihear Temple.

My destination was an even more remote Angkor-era complex: Preah Vihear Temple, awesomely perched 1,700 feet above Cambodia's northern plains, near the country's border with Thailand. Designated as a Unesco World Heritage Site in 2008 — not without some international controversy — it makes an adventurous alternative to far-better-known Angkor Wat. While several thousand foreign tourists visit the temples of Angkor on a typical day, Preah Vihear Temple gets, on average, just five.

I was traveling with my friend and driver, Hang Vuthy, in a 1991 Toyota Camry with a surprising New York past: according to a window sticker, it had once belonged to a member of the Yonkers Police Captains, Lieutenants and Sergeants Association. Imagining the car in a mid-Atlantic blizzard, it occurred to me that wet-season driving in outback Cambodia is not entirely unlike navigating unplowed snowy side streets. Indeed, for much of our journey we avoided the most treacherous stretches of mire and snaked around potholes of indeterminate depth by religiously following a single serpentine track rendered navigable by earlier cars and trucks.

Preah Vihear Temple — the name means Mountain of the Sacred Temple — is the most spectacularly situated of all Angkorian monuments. Built from the ninth to the 12th centuries atop a peak of the Dangrek Mountains, it occupies a triangular plateau rising from the Thailand border to a prow-shaped promontory.

An ever-changing architectural, mythological and geological panorama unfolds as visitors progress along the temple's 2,600-foot-long processional axis, up a series of gently sloping causeways and steep staircases through five gopura, or pavilions, each more sacred than the last.

I began my visit at the bottom of the Monumental Staircase, which, according to the Angkor scholar Vittorio Roveda, “symbolizes the laborious path of faith needed to approach the sacred world of the gods.” The 163 gray sandstone steps, partly carved into the living rock, are flanked by statues of lions and, near the top, two magnificent nagas (seven-headed serpents) facing north toward Thailand. Also intently watching Thai territory were several AK-47-toting Cambodian soldiers in camouflage.

The first structure I came to, called Gopura V by generations of archaeologists, was an airy cruciform construction once topped by wood beams and a terra-cotta tile roof. Many of the stones have tumbled over, but the delicately balanced eastern pediment has survived to become Preah Vihear’s most recognizable icon, appearing on publicity posters, patriotic T-shirts and the new 2,000-riel banknote.

In centuries past, this pavilion was where pilgrims from the plains of Cambodia, having just climbed the steep, mile-long Eastern Staircase (mined and inaccessible for decades but soon to reopen), met their counterparts from what is now Thailand, who had completed a rather less-taxing ascent from the Khorat Plateau.

Alongside a group of saffron-robed monks, I continued north on a majestic, sandstone avenue, 800 feet long, to Gopura IV. There, I came upon a particularly vivid bas-relief depicting the Churning of the Ocean of Milk, a Hindu creation myth in which gods and demons churn the primeval waters to extract the ambrosia of immortality.

Although most of the splendid decorative carvings at Preah Vihear, including this one, depict Vishnu, the temple was originally dedicated to the Hindu god Shiva. In later centuries, it was converted to use as a Buddhist sanctuary, and today many of the visitors are Buddhist pilgrims.

As I continued my ascent, I walked under exquisite lintels and tympanums depicting more scenes from Hindu epics like the Mahabharata, and beneath richly carved double pediments adorned with finials and upturned gable ends — calling cards of Cambodian and Thai architecture to this day. Ancient inscriptions in Khmer and Sanskrit, bearing cryptic details about the history of the temple and the Angkorian kings who built it, were hidden here and there under a patina of lichen.

The temple’s culminating point, geographically and symbolically, is Gopura I, whose mandapa (antechamber) and Central Sanctuary, now a jumbled pile of carved sandstone blocks, are surrounded by galleries that call to mind a French Gothic cloister, except that here the windows are rectilinear and the galleries covered by corbelled vaults. (The Khmers, for all their architectural genius, never mastered the keystone arch.)

<http://travel.nytimes.com/2009/12/27/travel/27explorer.html?ref=global-home>

- **Cambodian opposition leader stays away from arrest warrant**

Cambodia has issued an arrest warrant for the country's main opposition leader Sam Rainsy, who is currently in Paris.

After Mr Rainsy failed to show up to answer charges of uprooting border markings, a warrant was issued by the court. It is alleged that Mr Rainsy damaged markers denoting the international boundary with neighbouring Vietnam.

The French-educated former finance minister, the main rival to Prime Minister Hun Sen, was charged with inciting racial discrimination and intentionally damaging property, after saying the markers had been illegally placed by Vietnam.

Cambodia and Vietnam officially began demarcating their contentious border in September 2006, in a bid to end decades of disputes. The border row sparked anti-

Vietnamese sentiment in Cambodia.

<http://story.irishsun.com/index.php/ct/9/cid/2411cd3571b4f088/id/583817/cs/1/>

Cambodia has issued an arrest warrant for the country's main opposition leader after he failed to show up in court to answer charges of uprooting border markings, his lawyer said Thursday.

The move came after Sam Rainsy, who was stripped of his parliamentary immunity in November, failed to appear in court on Monday on charges of damaging markers denoting the international boundary with neighbouring Vietnam. The opposition leader is currently in Paris.

- **Geo-Strategic Front**
- **Thai-Cambodian ties not improving**

Prime Minister Abhisit Vejjajiva said the government wanted the Thai-Cambodian diplomatic relations improved but it could not disregard the country's sovereignty and pride. "I admit that the Thai-Cambodian ties have not been smooth but the government must prevent it from troubling public members from the two countries," Mr Abhisit said during his weekly broadcast on Sunday.

In response to criticisms that the government was using diplomatic measures against Cambodia, the prime minister said calling back the Thai ambassador to Phnom Penh was a very light one.

"Taking a diplomatic measure is better than using other methods as they may affect the trade situation and lead to clashes along the border area," he said. "I also feel sorry that some Thai people have laid out more conditions and given certain information to Cambodia, causing the Cambodian leader to continuously criticise the Thai government." He said if the Cambodian government revised different issues surrounding the Thai-Cambodian row, the Thai government was willing to consider sending back its ambassador to Phnom Penh.

The government has no policy to resort to violence against its neighbouring countries, and also has no policy to intervene in their politics, he said.

<http://www.bangkokpost.com/breakingnews/163721/thai-cambodian-ties-not-improving?>

- **Economic Front**
- **Cambodia sees China-ASEAN FTA to boost regional growth**

The lifting of tariff on imports and exports of goods between China and the ten countries of ASEAN will liberalize billions of dollars in investments in the region, and the move is regarded by Cambodian economists and traders as a big boost for the Asian growth.

The concept of China-ASEAN Free Trade Area, which was formally signed in 2002 in Phnom Penh between the ten Asian countries and China, will become reality on Friday (Jan 1, 2010), providing a greater access to the market of nearly two billion consumers, they said on Thursday.

"This enable trades to flow more freely between China and the ten countries of ASEAN, it is a very good thing," Chan Sophal, President of Cambodian Economic Association, said.

Sophal said the trend would also create more opportunities for the ASEAN countries to increase their intra-trade in the region. "For Cambodia, we can produce more products and export more to China's market," he said.

Under the agreement, China-ASEAN Free Trade Area would allow the members of

ASEAN -- Cambodia, Brunei, Myanmar, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam -- to export their products to China's market at almost no tariff.

Another economist, asked not to be named, stated that under the agreement both sides, which have wide ranges of goods, would be a perfect match that complements each others' demands and that would transform this region to become the world's largest free trade area. China's population is an estimated 1.3 billion, ASEAN has more than 500 million.

Many analysts said if the plan goes smooth as expected the China-ASEAN Free Trade Area would be translated as rival to the North American Free Trade Area (NAFTA) and European Union.

- **Vietnam to boost investment in Cambodia**

Vietnam and Cambodia will facilitate businesses to boost their investment in Cambodia and explore its potentials for home and export markets, said heads of two governments.

Vietnamese Prime Minister Nguyen Tan Dung and his Cambodian counterpart Samdach Hun Sen co-hosted Vietnam's Investment into Cambodia conference Saturday (Dec 26) in Ho Chi Minh City.

Dung said Cambodia was a great potential for trade and investment with Vietnam and encouraging and facilitating local businesses were a measure to boost trade and investment with the neighbor. The prime minister said a big flow worth at least US\$6 billion from Vietnam would come to Cambodia in the next coming years. The investment would be led by private and state-owned businesses for fields that bring competitive advantages for benefits to the two countries.

The advantages would be driven in agricultural and mineral investments like rice and rubber processing, sugar, wood, fertilizer and bauxite, and infrastructure construction according to the head of Vietnamese government.

He said a board of Vietnamese and Cambodian ministries in trade, investment, communications and industries negotiated to seek for measures in terms of procedures and financial supports to boost their trade and investment.

Cambodian Prime Minister Sen said his government opened wide door to welcome investors from Vietnam and other countries and territories. Unlike other countries, Sen said, Cambodian government applied no restrictions in terms of capital and its ratio in sensitive fields like banking, insurance and telecommunications to attract foreign investment.

Dang Huy Dong, Vietnamese deputy minister of Planning and Investment, said bilateral trade and investment in favor of Vietnam increased recent years, with 40 percent surge in their trade to \$1.7 billion last year and \$2 billion estimated next year.

Dong said Cambodia, Vietnam's top three investment destinations including Laos and Russia, attracted \$900 million in 63 projects from Vietnamese businesses so far. Local businesses invested in 50 countries and territories with 457 projects worth \$7.2 billion.

Military telecommunication firm Viettel is the top Vietnamese investor with \$150 million, an alliance between Bank of Investment and Development of Vietnam and Phuong Nam the second and Hoang Anh Gia Lai Corporation the third in Cambodia with a population of 13.4 million people in 2008.

A joint venture between Vietnamese and Cambodian partners was established to implement a mammoth project worth \$6 billion in two stages to explore bauxite and

aluminum in Mondul Kiri Province, Cambodia.

<http://www.thanhniennews.com/business/?catid=2&newsid=54369>

- **Social Front**
- **Malaria and other diseases coming back worldwide in new and more deadly forms**

Malaria parasites in the Thai-Cambodia area of Pailin, Cambodia have become resistant to artemisinin-based therapies according to Non Governmental Agencies working in the region. If this drug stops working, there's no good replacement to combat a disease that kills 1 million annually. As a result, earlier this year international medical leaders declared resistant malaria here a health emergency. Just off a muddy rutted-out road, it is nothing more than a handful of Khmer-style bamboo huts perched crookedly on stilts, tucked among a tangle of cornfields once littered with deadly land mines.

Yet this spot on the Thai-Cambodian border is home to a form of malaria that keeps rendering one powerful drug after another useless. This time, scientists have confirmed the first signs of resistance to the only affordable treatment left in the global medicine cabinet for malaria: Artemisinin.

If this drug stops working, there's no good replacement to combat a disease that kills 1 million annually. As a result, earlier this year international medical leaders declared resistant malaria here a health emergency.

"This is not business as usual. It's something really special and it needs a real concerted effort," said Dr. Nick White, a malaria expert at Mahidol University in Bangkok who has spent decades trying to eradicate the disease from Southeast Asia. "We know that children have been dying in Africa — millions of children have died over the past three decades — and a lot of those deaths have been attributed to drug resistance. And we know that the drug resistance came from the same place."

Malaria is just one of the leading killer infectious diseases battling back in a new and more deadly form, the AP found in a six-month look at the soaring rates of drug resistance worldwide. After decades of the overuse and misuse of antibiotics, diseases like malaria, tuberculosis and staph have started to mutate. The result: The drugs are slowly dying.

Already, The Associated Press found, resistance to malaria has spread faster and wider than previously documented. Dr. White said virtually every case of malaria he sees in western Cambodia is now resistant to drugs. And in the Pailin area, patients given artemisinin take twice as long as those elsewhere to be clear of the parasite — 84 hours instead of the typical 48, and sometimes even 96.

Mosquitoes spread this resistant malaria quickly from shack to shack, village to village — and eventually, country to country.

A recent study out of neighboring Laos found 88 percent of stores selling artemisinin-based drugs, the same ones scientists are desperately trying to preserve, were actually peddling fakes. Worse, nearly 15 percent of the counterfeits were laced with small hints of artemisinin, which could prompt resistance. The researchers found indications that some were made in China, feeding smugglers' routes that snake through Myanmar and into Laos, Thailand, Cambodia and Vietnam.

The counterfeits, along with outdated drugs, are jumping continents. In Africa, where malaria is endemic in 45 countries, the fake drug industry is thriving. A 2003 World Health Organization survey found between 20 percent and 90 percent of antimalarials

randomly purchased in seven African countries failed quality testing, depending on the type of drug.

WHO and Interpol formed a task force three years ago to try to stop counterfeiters, seizing millions of fake malaria, tuberculosis, HIV and other pills in Southeast Asia and Africa. But officials say the work is only as good as the countries' legal systems.

<http://www.mcall.com/news/nationworld/sns-ap-when-drugs-stop-working-malaria-fights-back,0,3228684.story?>

## **Singapore**

- **Political Front**
- **Singapore's relationship with China is changing over time: MM Lee**

Minister Mentor Lee Kuan Yew on Tuesday said China may become an advanced world power in 50 years' time, but it does not mean that Singapore will be squeezed out.

Mr Lee was speaking at a dialogue organised as part of celebrations to mark the second anniversary of Business China, an organisation spearheaded by the Singapore Chinese Chamber of Commerce and Industry to strengthen cultural and economic ties with the Asian powerhouse.

He said Singapore's relationship with China is changing over time and will continue to change, and faced with a more confident China, Singapore can find its role in other ways.

Mr Lee said that for Singapore to be an effective player on the world stage, it must retain its point of view, and not become a satellite of other bigger economies like the US, Japan or China.

Mr Lee said: "We are a little red dot but we are a special red dot. We are connected with the world, we play a special role. And we are not going to be in anybody's pocket. "And if we lose that status, we are meaningless. Because of our status as independent actors, independent observers of situation, when we say something, they say yes that is a Singapore point of view and very often a realistic point of view." Some participants asked how Singapore can continue to retain its competitive edge in China. Replying in Mandarin, Mr Lee said the country can build on its familiarity with Southeast Asia and the West.

Mr Lee said: "What will you bring them? It is not just about language or your bilingualism. That is a small issue. The main point is what speciality do you have that he does not, that he wants to learn? Only then will they want to interact with you."

<http://www.channelnewsasia.com/stories/archives/view/3/8/.html>

- **Economic Front**
- **Labour movement to go on offensive to cut unemployment in 2010**

It has been a tough year on the jobs front as the global recession took its toll on Singapore's economy. But after a year of defensive moves designed to save jobs and prevent mass retrenchments, the labour movement is set to go on the offensive next year.

It aims to reduce unemployment to below three per cent in 2010 and get to full employment as soon as possible. Currently, the unemployment rate in the third quarter of 2009 stands at 3.4 per cent. Labour chief Lim Swee Say said that Singapore has still performed comparably better than other parts of the world as it cut costs to save jobs and introduced schemes like Jobs Credit and SPUR training.

Through the Employment and Employability Institute, about three in five jobseekers, or

about 16,000, were placed in jobs and of these more than 60 per cent moved across industries.

Looking forward to the end of the year, the labour movement is hopeful that retrenchment figures will round up at 20,000, which is lower than the figures for the two previous downturns - 26,000 in 2001 and almost 30,000 in 1998.

Going forward, the labour movement also hopes to focus on three areas to boost employment next year, including among professionals, managers, executives and technicians or PMETs.

Mr Lim said: "At the end of the day, we hope re-employment rate in Singapore can be further increased, the structural employment can be further reduced and under-employment among the middle-aged PMETs can be further avoided through re-skilling, re-training."

One issue next year for firms used to getting help in keeping jobs is the withdrawal of the Jobs Credit Scheme by June. Mr Lim said the scheme is not a sustainable long-term solution and that businesses need to transform themselves to become more productive.

Still, he was hopeful that the Economic Strategies Committee (ESC) report, due next month, would offer targeted help.

The SPUR training scheme, though, will remain in place for the year as Mr Lim said the bottleneck for next year is more likely to be skills development rather than job creation. - CNA/vm

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1027368/1.html>

- **Global construction industry expected to pick up in 2010: survey**

The construction sector around the world is likely to pick up in 2010 in tandem with the recovering global economy. According to KPMG's 2009 Global Construction Survey, 64 per cent of respondents expect to either increase or maintain profits by next year.

The survey sought the views of the top management of more than 100 of the world's leading engineering and construction companies.

The outlook for the construction industry is optimistic despite falling demand and shortage of funding experienced in the wake of the financial crisis.

Construction companies surveyed said they view the financial crisis as an opportunity to get leaner, so that when recovery finally occurs, they will be prepared to succeed.

Meanwhile, 53 per cent of global survey respondents stated that their backlog volume of jobs has either gone up or stayed the same in the past year.

The survey also said that government stimulus packages will further help the industry. Of those surveyed, 82 per cent of contractors in the Asia Pacific expect at least a moderate or significant increase in opportunities over the next two years.

Another indicator of the industry's optimism is its ability to retain its workforce despite the economic crisis. Some 35 per cent of global respondents have not reduced their workforce at all, and 28 per cent have taken no action with regards to their workforce numbers.

When it comes to competing in a tougher marketplace, the majority of respondents said that a focus on sustainability is a "must-have" to satisfy clients and regulators. 56 per cent of respondents said that sustainability helps position their companies as being innovative and environmentally aware.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1027344/1.html>

- **Singapore's economy seen as growing between 3 and 5% next year**

Singapore's gross domestic product climbed by 3.5 per cent in the fourth quarter of 2009, but growth for the full year is still negative at minus 2.1 per cent.

In his New Year message, Singapore Prime Minister Lee Hsien Loong said that next year could see 3 to 5 per cent growth. And observers believe this could result in a move away from manufacturing as the key driver of Singapore's economy.

Alvin Liew, economist, Standard Chartered Bank, said: "If we look at current trends themselves, and what happens in developed economies in the West, this is clearly not a sustainable picture. To keep a manufacturing base that high... But at the same time, as we move towards a more developed stage in economic development, we are expecting services to play a bigger and bigger role as the economy develops."

Financial services are among those expected to see the most growth next year, while tourism-linked industries are also likely to improve once Singapore's two integrated resorts open.

But observers are waiting to see how the global economy unwinds current support packages as this could pose a risk to growth.

Selena Ling, head, Treasury Research & Strategy, OCBC Bank, said: "A lot of the private demand in key economies like the US, and certain parts of the eurozone, and in Japan in particular, it is really relying on government stimulus to keep consumption spending going.

The private sector has welcomed the return the growth. But business leaders said companies would need to work hard to maintain that growth next year. That is because manpower issues could become a concern as the fast-growing services sector seeks to fill its ranks. - CNA/ms

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1027964/1/.html>

- **Social cohesion key to keeping Singapore going: MM Lee**

Minister Mentor Lee Kuan Yew has expressed concerns over how the younger generation may be less driven compared to the growing number of foreigners in the country.

Speaking in a wide-ranging interview with the National Geographic magazine, Mr Lee said recent immigrants are hungry and determined to succeed. Mr Lee noted that if Singaporeans do not work hard, they may lose out.

But he pointed out that Singapore needs a constant inflow of foreigners because of the country's small population. Giving an overview of Singapore's development over the years, Mr Lee noted one of the country's biggest challenge is to ensure a more cohesive and better educated society at all levels.

He said Singapore is in a good position at least for the next 10 years with the current leadership in place. For the long term, it will depend on whether there is a younger team imbued with the same integrity and ability. Mr Lee said his task is to ensure institutions and systems are in place. - CNA/ms

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1027947/1/.html>

- **Environmental Font**
- **Singapore introduces key measures to fight climate change**

2009 has been called the Year of Climate Change by the United Nations. And in Singapore, major initiatives were introduced to tackle global warming.

Blame the heavy monsoon rains on climate change, according to the weatherman. A warmer climate traps moisture in the atmosphere, bringing more intense rain and a higher likelihood of floods.

For residents of Bukit Timah, the problem of climate change hit home - literally - in November, when a freak downpour caused a canal to spill over, resulting in severe floods in the area. One resident said: "The water does not go through, so the water has come all the way up, going into the restaurant. There is no solution."

But there may be a way out.

In April, authorities unveiled a billion-dollar blueprint to map out how Singapore can develop in a sustainable manner. By 2030 for example, 80 per cent of buildings here will be energy efficient, and energy consumption will be cut by one third.

In December, the government announced a more ambitious plan to cut carbon emissions growth by 16 per cent, based on levels projected for 2020.

Professor S Jayakumar, Senior Minister and Chairman of the Inter-Ministerial Committee on Climate Change, said: "The measures which we will take to reduce our emissions growth will entail both economic and social costs and will require considerable domestic adjustments." At the UN Climate Change Summit in Copenhagen, Prime Minister Lee Hsien Loong called on developed nations to take the lead in reducing carbon emissions.

He said: "They must also ensure adequate means to help developing countries to implement urgently needed adaptation measures without compromising sustainable economic growth."

But some observers said Singapore should do more.

City planners have begun a S\$31 million pilot programme to install solar panels in 28 public housing estates. And they too hope that it could shine further light into how the sun's energy can be better tapped to power up our homes. - CNA/ms

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1026958/1.html>

## **Vietnam**

- **Political Front**
- **Vietnam pro-democracy activist gets prison term**

Tran Anh Kim stands in the dock in a provincial court in Thai Binh province, about 120km south of Hanoi, as seen from a closed circuit television yesterday

A Vietnamese court yesterday sentenced a long-serving military officer turned pro-democracy campaigner to five and a half years in jail for attempting subversion against the communist regime.

Tran Anh Kim, 60, a former lieutenant-colonel, was convicted after a half-day trial at a court in the northern town of Thai Binh on charges that potentially carried the death sentence.

"It is a particularly serious case as it harmed national security," the president of the court, Tran Van Loan, said as he delivered the verdict. "He threatened the stability of the people's regime." Another four Vietnamese, including a prominent lawyer, are to face trial in January on similar subversion charges, a sign of an increasingly hard line by the authorities against dissidents. Kim was accused of having major roles in "reactionary and illegal" political organisations, the Democratic Party of Vietnam and the pro-democracy bloc known as "8406". The court ordered that after serving his jail sentence, Kim must be put under house arrest for three years. The authorities allowed the media to watch his trial

via a closed circuit television. Prosecutors said Kim, who served in the army for more than 30 years until 2000, had written articles “defaming” the ruling Vietnamese Communist Party and calling for “non-violent” regime change. He was also accused of giving interviews to foreign media containing “false information” about the social and economic situation in Vietnam, and receiving money from abroad to buy telephones and computers. Kim was arrested in July originally on charges of delivering propaganda against the regime, during a wave of arrests against activists accused of links with the Democratic Party. “For three years and seven months, I have been involved in these organisations, but you didn’t prosecute me ... Why do you prosecute me now?” Kim challenged in court. The banned Democratic Party, which has its roots in the now ruling Vietnamese Communist Party, was dissolved in the 1980s but revived in 2006 by Hoang Minh Chinh, the late former communist official turned dissident.

Bloc “8406”, which takes its name from the date of its creation on April 8, 2006, calls for a multi-party system in Vietnam. Western governments and rights groups have voiced concern about the arrests and signs of a tougher crackdown by the regime against opponents ahead of the Communist Party

Congress in 2011. In another case, the prosecution last week charged Le Cong Dinh, known for his defence of human rights lawyers, Internet activist Nguyen Tien Trung and two others with attempted subversion.

[http://www.gulf-](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=334267&version=1&template_id=45&parent_id=25)

[times.com/site/topics/article.asp?cu\\_no=2&item\\_no=334267&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=334267&version=1&template_id=45&parent_id=25)

- **Geo-strategic Front**
- **Vietnam modernizing military for self-defense, says general**

Vietnam’s efforts to bolster its military strength go hand in hand with the peaceful diplomatic approach it consistently adopts for resolving international disputes, a senior military official has said.

Peacetime would be the best moment for the country to build up its military to guarantee its security, said General Le Van Dung, chief of the People’s Army’s Political General Bureau, clarifying it is not for war purposes.

“Our biggest challenge at the moment is to develop a high-caliber, modern, well-trained military,” Dung told the media Monday on the sidelines of celebrations to mark the 65th anniversary of the People’s Army. But he shrugged off concerns that Vietnam would be involved in any major wars during the next two decades.

The modernization of the military would go along with economic development, he said, pointing out that the better the economy performs, the better the conditions would be to improve the military and national defense.

Last year, the defense budget was VND27 trillion (US\$1.46 billion), or 1.8 percent of the gross domestic product, according to a White Paper released on December 8.

“Our military is being modernized with a lot of advanced weaponry, some of which can equal the very best in the world,” Dung said.

Recent visits by senior Vietnamese officials to several countries have focused on reinforcing military ties with them as the White Paper stresses international cooperation, he explained.

“There are no grounds to say that Vietnam plays off one country against another. The

international community must understand one another in terms of military and national defense to contribute to stabilizing peace in the region and the world.”

Peaceful diplomacy

Defense Minister Phung Quang Thanh visited France on December 17 where he asked his counterpart Herve Morin to help Vietnam train its army medical personnel and sell helicopters, transport aircraft, and other modern military equipment.

He traveled to France from the US, where he held talks with Defense Secretary Robert Gates. On December 15, Vietnam and Russia signed a long-planned arms deal during a visit by Prime Minister Nguyen Tan Dung to Moscow.

Russia's Interfax news agency reported that Vietnam had agreed to buy six ultra-quiet Kilo-class diesel-electric submarines for around \$2 billion.

The fact that Vietnam is seeking to bolster military ties with other countries signals the country's emergence as a major power in the region but the move would not compromise its commitment to peaceful diplomacy, some international experts have said. “Buying or possessing military equipment does not negate diplomacy; in some cases it can run parallel and complement it,” Richard Bitzinger, Senior Fellow at the Rajaratnam School of International Studies in Singapore, told Thanh Nien Weekly.

‘Any way possible’

General Dung also told the media on Monday that during his recent visit to China the two sides had discussed solutions to the East Sea issues. “We have tried to resolve in whatever way possible to settle the issues. In the near future we will discuss with the Chinese on demarcation of maritime boundaries between the two countries and I am convinced the situation will gradually become stable.”

In 1995, China declared that the settlement of territorial disputes in the East Sea would be on the basis of the UN Convention on the Law of the Sea and international law, leading to protracted negotiations on a Declaration on Conduct of Parties in the [East] Sea in 2002.

“This was seen as the first step toward a more legally binding Code of Conduct,” Thayer said. “Now that Vietnam will chair ASEAN it would be useful to revive this initiative and engage China on discussions on a Code of Conduct.

“China prefers to deal with this issue on a bilateral level; but China will also respond to ASEAN if it can present a united front. A coordinated ASEAN approach would increase pressure on China to act less assertively.” Given the international prestige Vietnam has attained as a nonpermanent member and rotating president of the UN Security Council, it can also lobby friendly states on this issue to increase diplomatic pressure on China to be more restrained, Thayer said.

<http://www.thanhniennews.com/politics/?catid=1&newsid=54405>

- **Vietnam bolsters defense cooperation with Russia, US**

Vietnam signed a major arms deal and a nuclear energy agreement with Russia on Tuesday as it seeks to further extend international relations through several visits by its top leaders to European countries and the US in the last several days, media reported.

It has agreed to buy submarines and aircraft under the deal signed by Russian state-owned arms exporter Rosoboronexport and Vietnam's defense ministry in the presence of Prime Minister Vladimir Putin and his visiting Vietnamese counterpart Nguyen Tan Dung, AFP reported Tuesday. Details of the deal were not released but Interfax news agency, citing an unnamed defense industry source, reported that Vietnam has agreed to

buy six submarines for a total price tag of around US\$2 billion.

The six kilo-class diesel-electric subs would be built for the Vietnamese navy at a rate of one per year, it added. The two sides also inked a deal on the construction of Vietnam's first atomic power plant.

Last month, the Vietnamese parliament approved building the country's first two nuclear power stations.

The agreement was described as a memorandum on cooperation between Vietnamese electricity company EVN and Russia's state-owned atomic energy firm Rosatom. "Vietnam officially invites the Russian side to cooperate in the building of the first atomic energy plant in Vietnam under adherence to the necessary conditions," Dung said, without elaborating.

Vietnam Oil and Gas Group (PetroVietnam) signed several agreements and contracts with Russia's Gazprom and Zarubezhneft companies to explore and drill for oil and gas off the

Vietnamese coast and in Russia and third countries, Tuoi Tre reported Wednesday. The two nations also agreed in principle to establish a \$500-million fund to invest in Vietnam, Laos, and Cambodia.

The agreement between the Bank of Investment and Development of Vietnam and Russian state banking giant VTB will form the basis for further negotiations for signing a contract, Vietnam News Agency reported Wednesday. With a minimum capital of \$100 million in the first stage next year, the fund would focus on tourism, real estate, and energy projects, it said.

US cooperation

While the PM was signing the deal with Russia on Tuesday, his Defense Minister Phung Quang Thanh, who is on an official visit to the US and France from December 10 to 20, held talks with his US counterpart Robert Gates in Washington.

General Thanh also met Tuesday with Democratic Senator Jim Webb, who chairs the Senate Foreign Relations Subcommittee on East Asia, during his visit.

The Obama administration is prepared to consider selling at least non-lethal arms to Vietnam and Libya as security ties with each of them grow, Reuters cited a top Pentagon official as saying Monday. With Vietnam, "we're in the infancy of the process now," Vice Admiral Jeffrey Wieringa, head of the Defense Security Cooperation Agency, told the annual Reuters Aerospace and Defense Summit in Washington.

Wieringa said a country like Vietnam with its long coastline might be interested in maritime patrol aircraft or a coastal radar system. "The first thing that would happen would be potentially... English language training" for Vietnamese military officers, he said. The next might be the US International Military Education & Training program, which provides free training to officers from allied and friendly nations, he added.

<http://www.thanhniennews.com/politics/?catid=1&newsid=54327>

- **Economic Front**
- **Vietnam's economy grows 6.9 pct, fastest pace this year**

Vietnam's economy expanded at the fastest pace in more than a year in the fourth quarter as lending growth fueled construction and consumer sales.

Gross domestic product grew 6.9 percent from a year earlier after a revised 6.04 percent gain in the third quarter, the General Statistics Office said in Hanoi Thursday. For 2009

overall, the economy expanded 5.32 percent, down from 6.18 percent in 2008 and the slowest pace since 1999.

In the past decade, the nation of 86 million people has averaged 7.3 percent economic growth, boosted its per-capita income past \$1,000, opened two stock markets, and joined the World Trade Organization. Thursday's GDP figures demonstrate Vietnam's resilience amid a global recession, said Kevin Snowball, chief executive of PXP Vietnam Asset Management.

Vietnam's trade deficit narrowed 38 percent to \$1.3 billion in December from a revised \$2.08 billion in the previous month that was the biggest since April 2008, according to a separate report Thursday.

#### 'Impressive' growth

The full-year trade gap shrank 32 percent from 2008 to \$12.25 billion, which may help the Vietnamese dong, which had weakened amid a recent widening in the monthly shortfalls. The fourth-quarter economic growth rate marks a quickening from 5.89 percent in the last three months of 2008, the Statistics Office said in a report accompanying Thursday's GDP figures.

"They've shown an acceleration in economic growth each quarter this year, which is impressive," Lawrence Wolfe, director of business development at DongA Securities Co. in Ho Chi Minh City, said before the report. "There may be a slight first-quarter dip, but exports should recover along with world markets, so 7 percent for 2010 is achievable."

Vietnam's government unveiled stimulus worth about \$8 billion to boost an economy that expanded 3.14 percent in the first quarter, the slowest pace on record. Measures included subsidies to encourage banks to offer loans, a program due to be scaled back in 2010.

"Fiscal stimulus played a huge role in supporting growth," Tai Hui, head of Southeast Asian economic research at Standard Chartered Plc in Singapore, said before the report. "There are pockets of concern, such as the extremely rapid lending growth."

#### Risk of overheating

Vietnam's economy may be overheating, Nomura Holdings Inc. said this month, citing concerns that growth in lending is leading to imports that may not ultimately result in exports. Credit growth is expected to reach about 38 percent this year, according to the central bank.

The economy is "growing too fast for the infrastructure and investment to repay itself," wrote Sean Darby, a Hong Kong-based strategist for Nomura, in a report this month that predicted inflation would reach 14.2 percent by the third quarter of 2010 and that the economy would expand 6.8 percent for the full year.

With inflation accelerating, the Vietnamese government said this month it would move away from a "loose monetary policy" and focus on economic stability. The central bank increased its benchmark interest rate to 8 percent as of Dec. 1 from the 7 percent level in place since February.

#### Construction, services

Industry and construction, which accounted for 40 percent of the Vietnamese economy this year, grew 5.5 percent in 2009 compared with 2008, according to Thursday's report. The sub-category measuring construction alone gained 11.4 percent this year. The country's construction industry is "booming," Barclays Plc said this month.

Services, which made up 39 percent of GDP, rose 6.6 percent for the full year. Domestic demand had experienced a "full recovery" in Vietnam, Goldman Sachs Group Inc. said

this month.

Agriculture, forestry and fisheries, which account for 21 percent of the economy, grew 1.8 percent in 2009. Vietnam is the world's second-biggest exporter of rice and coffee.

Faster growth may help sustain a recent rally in the Ho Chi Minh City Stock Exchange's VN Index, which has gained 14 percent in the past two weeks, and buoy profit outlooks for the bourse's biggest companies, such as Vietnam Dairy Products Joint-Stock Co. and property developer Hoang Gia Lai Joint-Stock Co.

Investors should "focus on the positive performance of Vietnamese companies," DWS Vietnam Fund Ltd. said in a note this week that cited an average net profit increase this year of more than 50 percent for the country's biggest corporations. "Vietnam continues to have one of the fastest growth rates in the region."

<http://www.thanhniennews.com/business/?catid=2&newsid=54434>

- **Vietnam To Sign Pact For \$500 Million Loan From World Bank Wednesday**

The State Bank of Vietnam will sign an agreement with the World Bank for a \$500 million loan on Wednesday in Hanoi, the lender said Tuesday.

The loan--the largest ever extended by the World Bank to Vietnam--will be used to support public investment reforms in the country, it added in a statement.

<http://www.gfmag.com/latestnews/latest-news.html?newsid=3638216.0>

- **Vietnam industrial output lower than expected in 2009**

Vietnam's industrial production output grew by 7.6 per cent in 2009, substantially less than budgeted projections of 16.5 per cent for the year, the government said Tuesday. The production index registered growth in December of 4.6 per cent over the previous month, according to the Ministry of Planning and Investment.

Industrial output from non-state businesses increased 9.9 per cent, and production from foreign direct investment increased 8.1 per cent. State-owned industries increased production by 3.7 per cent, the lowest level among all sub-sectors.

Coal production increased 9.9 per cent, while crude oil output rose by 9.8 per cent.

[http://www.monstersandcritics.com/news/business/news/article\\_1521893.php/Vietnam-industrial-output-lower-than-expected-in-2009?](http://www.monstersandcritics.com/news/business/news/article_1521893.php/Vietnam-industrial-output-lower-than-expected-in-2009?)

- **Environmental Font**
- **Climate change support needed to ensure food security: PM**

Vietnam, the world second largest rice exporter, needs greater international help to deal with climate change to ensure global food security, Prime Minister Nguyen Tan Dung has told the Copenhagen Climate Change Summit.

When sea levels rise a further 0.75 to 1 meter, Vietnam's river basins and coastal forests will be 19-38 percent under water, which will have direct and severe impacts on livelihood and food security for Vietnam as well as the world, Dung said on Wednesday.

The summit is being attended by the leaders of 192 countries. "We wish to continue receiving support and cooperation so that Vietnam can deal effectively with climate change and the increase in sea-levels, which will then help guarantee food security for the world," Dung said.

Vietnam produces one fifth of the world's rice output and is among few countries that will be impacted most by climate change while it does not discharge large amounts of

greenhouse gases (that are said to be the main causes of global warming), he said. The PM said he wished other countries will be able to reach agreement on new international solutions including the UN Framework Convention on climate change and Kyoto Protocol with amendments relating to the major dischargers of greenhouse gas. Among the main summit targets are that developed countries should make strong commitments and set specific goals to reduce greenhouse gas emissions towards limiting temperature increase by 2 degrees Celsius by the end of the century. They should also help developing countries, especially those hit hard by climate change directly, to deal with the disaster. The PM called for an international coordinating agency to deal with climate change issues.

## **Laos**

- **Foreign Relations**
- **Lao officials learn on reducing border conflicts**

The Lao National Border Committee met officials of international organisations in Vientiane on 24 December to discuss issues of efforts to reduce the conflicts of border demarcation between neighbouring countries.

Held at Vientiane's Lao Plaza Hotel under the presidency of Mr Bounkeuth Sangsomsak, Deputy Minister of Foreign Affairs, this meeting was part of a seminar, which focused on the international level border demarcation works with an aim to give more valuable knowledge and also explain more detailed information for Lao officials.

Almost all of topics explained during the one-day seminar were aimed to give clearer policies and understanding on reducing conflicts of border land between countries.

Mr Martin, expert of the International Border Research Centre of England and lecturer in the seminar, recalled his experience and pointed his knowledge to Lao officials working on the border demarcation to be able to understand and learn more solutions in their performance.

- **Economic Front**
- **Laos, Vietnam sign agreement on rubber plantation investment in Borikhamsay**

Last week, the Lao government approved of the investment in the rubber tree plantation on 600 hectares in the central province of Borikhamsay by a private company of Vietnam.

Ha Tinh Rubber Company of Vietnam has entered into a joint venture with the Borikhamsay Youth Board in rubber tree plantation at the Lao-Vietnamese Friendship Youth village, Khamkeuth district, Borikhamsay province, according to a memorandum of understanding.

Under the MoU, the rubber tree plantation project will start in April 2010 and the Provincial Youth Board will get 30 per cent of profit. Ha Tinh Company will provide training for provincial youths, villagers and local people in plantation techniques, the harvest of latex and the maintenance of rubber trees.

They will also support the construction of the camps for Lao-Vietnamese youth families and local workers as well as personnel building on technical management.

The provincial youth board will be responsible for project documentation and they will take the first phase of planting rubber trees on 50-60 hectares, while waiting for the land clearance by the Ha Tinh Company. The land clearance is expected to be completed by

2011.

The Memorandum of Understanding was signed on 17 December, in the presence of Mr Khampha Phimmasone, Board Secretary of Youth Administration in Borikhamsay province, Mr Ngoc Son, Director of Ha Tinh Robber Company.

- **China finances 4.8 billion kip for building agriculture experiment centre**

The Chinese Government has donated 4.8 billion kip to the Lao government for building the Laos-China Agricultural Experiment Centre for northern provinces of the Lao PDR.

The Ministry of Agriculture and Forestry of Laos and the Chinese Government signed an agreement on the construction project in Vientiane Capital last Monday, 28 December.

Signatories to the agreement were Mr. Somphanh Chanphengsay Deputy Director of Planning Department, Ministry of Agriculture and Forestry, and Mr. Pan Gaungxiue Chinese Ambassador to Laos.

Minister of Industry and Commerce, Ms. Khemmany Pholsena, Mr. Wu Jianhui Director of Yunnan Native Produce Import and Export Corp (YNPC), Mr. Sitaheng Rasphone Minister of Agriculture and Forestry of Laos, and relevant officials witnessed the signing ceremony.

The centre will be built as a two-story building on around 50 ha of land in Donekeo village, Say district, Oudomsay province and it is designed to be a centre for conducting experiment on planting and multiplying new crop species and training for farmers and relevant officials as well as for promoting technology usage in agriculture for the northern provinces

- **finance officials take lesson on economic crisis response**

Finance officials of the Ministry of Finance have shared lessons and experiences on Vietnamese measures responding to economic recession and sustenance of Vietnamese Ministry of Finance.

The seminar on responding measures to economic and financial crisis was held on 22 December at the Party Central Committee Office, Vientiane Capital. Taking part in the event were Deputy Minister of Finance of Vietnam Mr Nguyen Quang Nghiep, Minister of Finance Somdy Douangdy and officials concerned of both sides.

The objective of the meeting focused on the general situations of world economic recession and financial crisis. The participants also learned about a preventive measure on maintaining economic growth and ensuring security in Vietnam, a stimulating policy of Vietnam in 2009, and 2010 direction for economic development plan.

- **Cambodia, Laos To Push the Implementation of Signed Agreements**

Cambodia and Laos have agreed to push the implementation of the agreements already signed and to grant scholarships, without limiting the number, to the students of both countries.

H.E. Ung Sean, secretary of state to the Ministry of Foreign Affairs and International Cooperation told this to reporters at a press conference held here on Thursday upon the arrival of the Cambodian delegation from Laos.

In their meeting on Dec. 9 in Vientiane, he said, Cambodian Premier Samdech Akka Moha Sena Padei Techo Hun Sen and his Lao counterpart Bouasone Bouphavanh discussed about the promotion and expansion of the bilateral cooperation, and the implementation of the agreements signed during the visit of the Lao prime minister to

Cambodia in late November 2009.

The discussion also focused on the exchange of students, raising the number of scholarships from 6 to 10 in 2010. In the future, the two countries will be able to increase the number of scholarships depending on their capacity.

In Cambodia, there are a lot of private universities. In order to show the country's education quality to the international community, these private universities can also provide scholarships to foreign students, he explained.

The Lao side deeply thanked Prime Minister Hun Sen for having attended the opening ceremony of the 25th SEA Games, and for his part, Samdech Techo Hun Sen praised Laos for its efforts and success in the organization of the SEA Games.

- **Social Front**
- **Lao Hmong volunteer home**

The 21st batch of 4,508 Lao Hmong who had illegally immigrated to Thailand, volunteered to go back to their motherland on 29 December.

The repatriation of Lao Hmong who lived in the Houay Nam Khao camp in Khao Kho district of Phetchabun and in Nongkhai provinces of Thailand, has been in accordance with the bilateral agreement of Lao and Thai Governments. The two sides have agreed that the repatriation will be completed by the end of 2009.

This was a successful cooperation between Laos and Thailand on the repatriation of Lao Hmong illegal migrants to Thailand.

Presently, the number of Lao Hmong who have been repatriated to Laos amounts to 7,761.

Brigadier General Bouasieng Champaphanh, Deputy Director of the General Political Department of the Lao People's Army, said that the last batch of the repatriation of 4,508 Lao Hmong from Thailand to Laos was a complete success. The repatriation leads to the closure of Houay Nam Khao camp in Khao Kho district of Phetchabun province, Thailand.

Laos and Thailand share a common border on land and river for 1,835 km. Mr Bouasieng who is also Chairman of the Sub-Committee of the Lao-Thai Security Cooperation, has highlighted the long traditional relations and co-operation between Laos and Thailand. The handover ceremony of the repatriates took place at Paksane Hotel, Borikhamxay province, central Laos.

The repatriation agreement was signed by Colonel Vorapong Sgnanet, deputy-head of the Thai side, and Brigadier General Bouasieng in the presence of both sides' officials.

## **Brunei**

- **Foreign Relations**
- **HM sends condolences to Indonesia on Gus Dur demise**

HIS MAJESTY the Sultan and Yang Di-Pertuan of Brunei Darussalam yesterday sent message of condolences to Indonesian President Dr Hj Susilo Bambang Yudhoyono, following the death of former president, Abdurrahman Wahid.

In the message, His Majesty expressed his great sadness upon learning of the death of Wahid.

His Majesty and the Royal Family, as well as His Majesty's Government and the people of Brunei Darussalam, send their condolences and sympathies to President Yudhoyono, the government and the people of Indonesia and to the family of the late Abdurrahman Wahid.

His Majesty also prayed to Allah (SWT) that the soul of the late former president be received among the blessed ones. Wahid, more affectionately known as Gus Dur, was president of Indonesia from 1999 to 2001.

Wahid rose to political prominence as a leader of one of the country's biggest mass Islamic movements, the Nahdlatul Ulama (NU).

His time in government saw Indonesia emerge from the 1998-1999 Asian financial crisis and stake its claim to membership of the club of democratic nations following the collapse of the Suharto government.

<http://www.bt.com.bn/en/news-national/2010/01/01/hm-sends-condolences-indonesia-gus-dur-demise>

- **HM highlights Brunei's role in international affairs**

HIS Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam, yesterday emphasised Brunei's role in regional and international affairs in his titah to welcome the arrival of the new year, 2010.

Touching on Brunei's role in regional and international development, His Majesty said, "We cannot run from facing challenges and obstacles; what is important for us is to establish harmonious relationships with all friendly nations in the world.

"This is the principle that we hold onto, in line with our religious teachings, which require us to be acquainted with all nations and races." Such acquaintances should be tied to the pre-requisite of mutual respect, which can be translated through our actions," His Majesty said.

His Majesty added: "Any act that offends the feelings of a friend, cannot be considered as fulfilling this pre-requisite."

The monarch also highlighted the importance of being prepared for any eventuality, especially in light of disasters and unexpected events. His Majesty said: "We enter the new year 2010 with a feeling of happiness and gratitude. "Do not forget to be thankful, for the country has been able to sail through 2009 with determination, amidst shocks such as floods and landslides, followed by Influenza A (H1N1)." All these things that have happened are a sign that we should always be prepared for such unforeseen events," His Majesty said, adding that it was important to draw up comprehensive plans of action to face such disasters.

The monarch stressed that the planning must be based on worst case-scenarios. Yet, despite these tests, we have come to realise our achievements and accomplishments in the year 2009, he said.

In this respect, His Majesty highlighted the nation's efforts in attaining food security, whereby His Majesty noted the nation had taken steps towards increasing local rice production. "Many locals are also actively pursuing the food industry, and some have made a mark by participating in regional and international expositions to promote their products," His Majesty said, adding that all these are ways towards improving our welfare and achieving prosperity.

Today, Brunei will enforce the Supplemental Contributory Pension (SCP) scheme for the public and the private sector, especially those under the Employees' Trust Fund (TAP).

"My government is committed to conducting research on any policy to improve the people's welfare," His Majesty added.

His Majesty said: "I believe there are still areas to evaluate and introduce alternative or additional saving schemes to accommodate basic necessities, such as housing needs. In our efforts for national development, all of these should be given attention, said His Majesty. "Because of this, I welcome all measures for improvement that are –including facilitating business." "With these improvements in place, it is not impossible that Brunei's position in the 'Ease of Doing Business' list can be improved," he said.

His Majesty, noting that for the year 2010 the International Financial Corporation of the World Bank ranked Brunei 96th of 183 countries in facilitating business, said, "If Brunei fulfilled its service ethics with transparency, without favouritism and corruption, InshaAllah, whatever is planned and worked towards will run smoothly and be blessed." This is the integrity that the civil service should have, said His Majesty. "Without integrity, a nation can collapse or lose its capability for development."

His Majesty expressed his gratitude to all levels of officers and staff in the civil service, enforcement agencies and those working in the public sector for their efforts in implementing their duties and responsibilities.

On behalf of the Royal Family, the monarch also conveyed his 2010 new year wishes for the nation and asked residents to pray to Allah (SWT) for his blessing. The Brunei Times <http://www.bt.com.bn/en/news-national/2010/01/01/hm-highlights-bruneis-role-international-affairs>

- **Brunei looks ahead with confidence**

HIS Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam yesterday called on his rakyat to welcome the new year with happiness and gratitude. His Majesty's outward looking message also highlighted the need for the Sultanate build harmonious relations with all friendly nations of world.

His Majesty's new year message underlines the Sultanate's maturity as a nation, having completed 25 years of independence earlier this year. Highlighting how important it was to adopt the attitude to be on good terms with all friendly nations, His Majesty said the Sultanate must face the multifarious challenges incumbent in regional and international developments.

Looking back on 2009, His Majesty said, the nation could be thankful for having come safely through shocks such as floods and landslides and subsequently the Influenza (H1N1) scare.

Nevertheless, His Majesty emphasised the need to be ready for any eventuality and to have ready comprehensive plans of action in the event of natural disasters. His Majesty stressed that such planning must be based on worst case scenarios.

On the bright side, His Majesty highlighted the many achievements — mainly the efforts towards increasing agricultural production, especially rice output and food self-sufficiency. His Majesty, who had literally gone down to the ground to promote rice cultivation on a large scale, expressed happiness that the people's attitude had turned from negative to positive about being farmers and being engaged in food production. "Many locals are also actively pursuing the food industry, and some have made a mark by participating in regional and international expositions to promote their products," His Majesty said

His Majesty's concern for his rakyat was highlighted when His Majesty touched on the

enforcement of the Supplementary Contributory Pension (SCP) scheme for the public and the private sector, especially those under the Employees' Trust Fund (TAP). "My government is committed to conducting research on any policy to improve the people's welfare," His Majesty said, adding "I believe there are still areas to evaluate and introduce alternative or additional saving schemes to accommodate basic necessities, such as housing needs."

However, His Majesty noted that Brunei had still had a long way to in terms of competitiveness and being business-friendly. Underscoring the urgent need for the Brunei civil service to improve the ease of doing business in the Sultanate and bearing in mind the need to develop the non-oil and gas sector to become a major provider of jobs in the future, His Majesty noted Brunei ranked 96 out of 183 countries in the "Ease of Doing Business". "If Brunei fulfilled its service ethics with transparency, without favouritism and corruption, InsyaAllah, whatever is planned and worked towards will run smoothly and be blessed," said His Majesty

"With these improvements in place, it is not impossible that Brunei's position in the 'Ease of Doing Business' list can be improved," he said. Calling for integrity in the civil service, His Majesty said, "Without integrity, a nation can collapse or lose its capability for development." However, His Majesty thanked officers and staff in public service for carrying out their duties and responsibilities. The thrust of His Majesty's message was: with integrity and character, Bruneians can look forward with confidence.

<http://www.bt.com.bn/en/editorial/2010/01/01/brunei-looks-ahead-confidence>

- **Economic Front**
- **Benefits Of Lifting Trade Barriers Won't Be Obvious To Local SMEs**

From today onwards, businesses in Brunei Darussalam will have unencumbered access to almost two billion consumers with the launch of the world's largest free trade area. However, while the elimination of trade barriers may open the doors for innumerable business opportunities, local business leaders remain sceptical of the extent of benefits that SMEs in the Sultanate will be able reap from the new accord.

Under the Asean-China Free Trade Agreement (FTA), China and the six founding Asean countries - Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand - are to remove tariffs on 90 per cent of imported goods, covering 7,000 product categories.

According to a Thai embassy official speaking at a press conference in Beijing on Tuesday, trade volume in the China-Asean FTA "will jump" and the yearly rate of growth will be "40 to 50 per cent or more for a certain period of time".

In an interview with the Bulletin, Fauziah Dato Seri Paduka Haji Talib, the Managing Partner of IQ-Quest Company and Jobs R Us Sdn Bhd and a member of the Apec Business Advisory Council (ABAC) Brunei, disclosed that the FTA would translate into a number of business opportunities in Brunei. However, she admits that businesses in Brunei "are still not ready". "There are business opportunities to be had but we don't have a large enough business community to take advantage of it," she said, adding that SMEs in Brunei have yet to be raised to a capacity that could be in a position to benefit from the FTA.

Fauziah highlighted the importance of accelerating the programmes in place to develop SMEs, without which she believes "SME's will (not) be able to take advantage of the FTA".

"The only way we can accelerate (SMEs) is to set up joint ventures with other companies.

But even for that, we need access to financing, have the ability to tap our resources and have the human resources to support our businesses."

Asserting that the biggest problem is that most businesses lack access to the fundamental details of the framework, he went on to say: "There should be a body in Brunei responsible for informing and educating the SMEs of the benefits of the FTA.

"Unfortunately, there is no single body in Brunei that an SME can approach. We need (the Brunei Government) to detail the components of the FTA so that businesses in Brunei can take full advantage of the accord."

The FTA, which has been in the pipeline since 2002, is set to be worth about as much as the European Union or the North American Free Trade Agreement (Nafta), and will be bigger than both combined in terms of population.

The other four Asean members, Vietnam, Cambodia, Laos and Myanmar, will follow suit in 2015, by which time duties must be cut to no more than 50 per cent on "highly sensitive" items, including ambulances in Brunei, popcorn in Indonesia, snowboard boots in Thailand and toilet paper in China.

<http://www.brudirect.com/index.php/2009123113238/Local-News/benefits-of-lifting-trade-barriers-wont-be-obvious-to-local-smes.html>

- **Asean-6 FTA comes into force**

BEGINNING today, Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand can import and export almost all goods across their borders at zero tariff.

As of Jan 1, 2010, an additional 7,881 tariff lines will come down to zero tariffs in the Asean-6, bringing the total tariff lines traded under the Common Effective Preferential Tariffs for Asean Free Trade Area (CEPT-AFTA) to 54,457 or 99.11 per cent.

Additionally, with the reduction, the average tariff rate for these countries is expected to further decrease from 0.79 per cent in 2009 to just 0.05 per cent in 2010, the Asean Secretariat said in a statement here yesterday.

In 2008, intra-Asean import value of commodities for these 7,881 tariff lines amounted to US\$22.66 billion (\$31.77), or 11.84 per cent of Asean-6 import value within Asean.

The tariff lines include final consumer products such as air conditioners; chilli, fish and soya sauces; as well as intermediate materials such as motorcycle components and motor car cylinders. Other products include iron and steel, plastics, machinery and mechanical appliances, chemicals, prepared foodstuff, paper, cement, ceramic and glass sectors.

The statement said the elimination of tariffs by Asean-6 underscores Asean's commitment to dismantle tariffs and keep intra-Asean trade open. It would also serve as a catalyst for the development of the single market and production base projected by the Asean Economic Community (AEC) Blueprint.

The actual impact and how much this final instalment would be translated into savings for consumers would depend on the market dynamics of the respective Asean-6 countries, it said.

Asean Secretary-General Dr Surin Pitsuwan said: ""We sincerely hope all parties will act to ensure that the man on the street will benefit from these reductions in tariffs." As for the business community, especially the downstream producers, Dr Surin said that they also stood to gain. "Lower cost of inputs will allow the business community a wider choice of goods, and in the process, they will move towards becoming more competitive globally, as envisaged in the AEC Blueprint," he added.

The CEPT-AFTA covers the entire range of products traded by the Asean member

countries and provides for the gradual reduction in tariffs of these products, which has been ongoing since 1993.

Under the CEPT-AFTA schedule for tariff reduction, each member country is allowed to place their products in the normal track, where the commitment is for the tariffs to be reduced to zero by 2010 for Asean-6 and 2015 for Cambodia, Laos, Myanmar and Vietnam.

In 2010, these countries will also see tariff reductions under the CEPT-AFTA commitments to 5 per cent, where the average tariff rate will decrease from 3 per cent in 2009 to 2.61 per cent.

Under the CEPT-AFTA, agricultural products such as tobacco and coffee, which come under the Sensitive List (SL), will have their tariffs reduced to 5 per cent on 2010 and to zero tariff by 2015.

The Highly Sensitive List (HSL), comprising rice, will have their tariffs capped. As for the General Exclusion List (GEL), the tariffs will remain based on factors such as national security and morals, health, aesthetic and archaeological grounds. As of today, 487 tariff lines or 0.89 per cent of tariff lines for Asean-6 still remain in the SL, HSL and GEL categories.

<http://www.bt.com.bn/en/news-asia/2010/01/01/asean-6-fta-comes-force>

- **Social Front**
- **Environmental front**