

Report # 107

Business and Politics in Muslim World

South East Asia

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13 February to 19 February

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Summary

At Political Front

- Indonesia

President Susilo Bambang Yudhoyono promised Saturday to further protect the civil rights of Chinese Indonesians, particularly followers of Confucianism. The pledge marked the President's address to thousands of Chinese Indonesians attending the commemoration of the Chinese New Year at the Jakarta Convention Center in Central Jakarta. "In the future I will ask the minister of religious affairs, the minister of justice and human rights, the minister of education and other officials in the central and regional governments to improve protection of the civil rights of Confucianism followers and Chinese descents," Yudhoyono said.

Indonesian government bans buffaloes from attending street protests after president expressed his hurt at being compared to the animals.

- Philippine

Philippine President Gloria Arroyo can make all kinds of claims about the accomplishments of her presidency, but what she will be long remembered for is the legacy of political instability she leaves behind. So important is stability to the functioning of a democracy that one of the crucial achievements of any administration is the peaceful and orderly transfer of power to a new set of leaders at the end of its term. That is why the election of a new president is always a milestone in the life of a democratic polity, and it is especially significant after a long period of uncertainty. Persistent political crisis burdens the legal system, and, in the long term, it engulfs the rest of society's institutions - the economy, the religious sphere, the civil service, the armed forces, etc.

- Vietnam

The world has come to expect fractured history and fallacious analysis from American presidents. The world welcomed the election of Obama in part because he promised an end to nonsense flowing from presidential podiums. Obama's speech at West Point confirmed instead that the office of the president can reduce intelligent and articulate men to the level of George W. Bush. One begins to suspect that citizen Bush might not be as stupid and ignorant as President Bush seemed. Let me deal with one aspect of Obama's speech: his denial of the relevance of Vietnam to Afghanistan.

At Economic Front

- Indonesia

Indonesia's central bank expects the U.S. Fed's discount rate hike to have a positive impact on Indonesia's economy, central bank deputy governor Hartadi Sarwono said on Friday.

Economic growth in Indonesia in 2009 was higher than expected, namely 4.5 percent, with growth in the fourth quarter at 5.4 percent. The growth is still very much supported by consumption with a rate of 4.9 percent. In the last quarter exports and investment also showed indications of recovery.

- Philippine

A drought in the Philippines has destroyed millions of dollars worth of crops, reduced the country's water supply and is threatening widespread blackouts as power companies contend with low water levels in hydroelectric dams, officials said Friday.

"It is such a difficult situation because we have just survived the typhoons in October that destroyed 1.5 million metric tons of rice and countless basic infrastructure," Joel Rudinas, an under secretary at the Department of Agriculture, said Friday. "We are bracing for the worst."

- Thailand

Banking giant HSBC is upbeat about Thailand's economic outlook, predicting growth of 4.6 per cent for this year.

"The main driver of the current recovery is domestic demand and not, as is often assumed, exports," Frederic Neumann, senior economist at HSBC Asia Pacific, told a "Green Light 2010: Economic Prospect for Asia and Thailand" press conference yesterday. Most analysts predict a lower Thai growth rate of 4.2 per cent, partly due to political concerns and the fragile recovery in domestic demand.

The country's industrial output index is expected to expand between 6 and 8 per cent in 2010 as global economic recovery boosts orders for Thai products, director of the Office of Industrial Economics Sutthinee Phuphaka said on Wednesday afternoon.

Thailand's political conflict is unlikely to hit the country's exports as it is projected the exports for quarter 1, 2010 (January-March) will grow at least 17 percent year on year, Commerce Minister Porntiva Nakasai said Friday.

The government will be able to control the political situation and to prevent political violence to occur, Porntiva said, the National News Bureau of Thailand (NNT) under the state-owned Public Relations Department, reported.

Thailand's exports have been improving in light of the global economic recovery, while the ASEAN Free Trade Area (AFTA) has also helped boost the Thai exports, she explained.

THOUSANDS of protesters forced Thailand's biggest bank to close its headquarters yesterday, raising tensions one week before a court ruling on the fortune of ousted former premier Thaksin Shinawatra.

Bangkok Bank shut its head office for the day and sent 3,000 staff home because of the rally by Thaksin's supporters, who say the bank has links to a royal aide whom they blame for the 2006 coup that toppled their idol. Police said around 1,500 demonstrators had gathered in Bangkok's Silom business district. The protest movement, known as the "Red Shirts" because of their signature clothing, said 10,000 attended.

- Malaysia

Malaysia needs to undertake a major transformation of the economy, even if it involves a short term cost or initial setback, to achieve developed nation status by 2020.

Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop explained that Malaysia needs such a transformation as it can ill afford to be stuck as a middle income country, albeit a high middle income nation.

"To achieve developed nation status, our economic model needs to transform to become increasingly knowledge-intensive and innovation-led," he said on the second day of the Malaysia Economic Conference here on Tuesday.

WITH 2020 only a decade away, Malaysia has a lot of catching up to do if it is to become a high-income economy. This was the message conveyed by several prominent speakers at the recent Malaysia Economic Conference in Kuala Lumpur.

- Cambodia

Cambodia's garment industry, its third-biggest currency earner, shed almost 30,000 jobs in 2009 after a drop in sales to the United States and Europe and could struggle this year, a senior official said on Wednesday.

Oum Mean, secretary of state at the Labor Ministry, said 106 factories had closed in 2009, putting 45,500 people out of work.

On top of that, 66 factories suspended operations, leaving another 38,000 on half pay, after a slump in export orders as shoppers in the United States, Europe and elsewhere cut back on clothing purchases due to the global financial crisis.

- Singapore

SINGAPORE raised its economic growth forecast for this year after reporting better-than-expected fourth-quarter data, citing a pickup in trade and industrial production and stable financial markets.

The government now expects gross domestic product to grow by 4.5 per cent to 6.5 per cent in 2010, up from a forecast of three to five per cent made only a month ago, the Ministry of Trade and Industry said yesterday.

The economy shrank 2.8 per cent in the fourth quarter on a seasonally adjusted, annualized quarter-on-quarter basis, much better than the initial government estimate of a 6.8 per cent contraction made last month.

Singaporeans have been urged to grow the country's external wing so that the republic can prosper further. And on a recent trip to Oman and Bahrain, Senior Minister Goh Chok Tong told Singaporeans there to expand their opportunities while in the Middle East.

Singaporeans are making inroads into the Middle East, albeit slowly. And those already there encourage others to explore the opportunities as Singapore's expertise is needed and welcomed.

The government upgraded Singapore's growth forecast for this year, after the economy did better than expected in the fourth quarter.

For 2010, it now expects economy to expand by 4.5 per cent to 6.5 per cent, up from the previous prediction of 3 per cent to 5 per cent. However, the Ministry of Trade and Industry (MTI) has warned that while the first half may look good, there are potential downside risks in the second half.

- Vietnam

The government took the right measures at the right time to weather the global economic slump, says State Bank of Vietnam Governor Nguyen Van Giau said, giving kudos to the interest rate subsidy program.

"In late 2007 and early 2008, when the global recession took its toll on many countries, including Vietnam, the government had to switch its focus from controlling inflation to preventing an economic slump and ensuring stability," Giau said in an interview published on the central bank website.

At Social Front

- Indonesia

Islamic police in Aceh, Indonesia, patrol daily for women wearing tight clothes and unmarried couples sitting too close.

Sharia police in Banda Aceh, Indonesia, reprimand two women for wearing trousers that they regard as too tight, in December 2009. The police unit, called the "Wilayatul Hisbah", patrolled the beach to look for unmarried couples, Muslim women without headscarves or those wearing tight clothes, and people drinking alcohol or gambling.

"Excuse me," says Iskandar, as his mobile phone beeps for the umpteenth time in the past half hour. It's another anonymous tip-off, alerting him to a young couple who have been seen spending time together alone.

Three Muslim women were caned last Tuesday (February 16) for engaging in illicit sex, said Malaysian home minister Hishammuddin Hussein.

They were the first women in Malaysia to receive such punishment under sharia law. Two of them were whipped six times and the third was given four strokes of the rotan at Kajang Prison.

The issue of caning of women has ignited a fierce debate in the country after 32-year-old Kartika Sari Dewi Shukarno was sentenced to be caned for drinking beer in July last year. The sentence against her has yet to be executed

"On the day I was caned, I was scared but, at the same time, I knew I deserved it and was willing to take the punishment," said one of the women, a 25-year-old who went by the name of "Ayu".

She told the New Straits Times that the punishment -- administered while they were fully clothed and by a female prison officer wielding a thin rattan cane -- did not hurt.

The judge in the politically charged sodomy trial of Malaysian opposition leader Anwar Ibrahim yesterday (February 18) refused to disqualify himself from hearing the case. The defence counsel also accused Prime Minister Najib Razak and his wife of being the 'black hands' behind the prosecution.

- Philippine

The Philippines should ban its citizens from working in the Gulf due to the widespread abuse of domestic workers by local employers, according to a survey of Kippreport readers.

In a recent online poll, 44 percent of respondents said they agreed with a proposed ban on Filipinos coming to the Gulf because "domestic workers are treated like slaves and are subjected to abuse". A third of respondents disagreed with a ban, saying that "the Mideast offers valuable employment opportunities for Filipinos", while 23 percent said that the government "should not meddle in such matters".

Last month a group of Philippine politicians called on the country's government to ban domestic workers from going to the Middle East and Gulf states, according to a report in The National.

In 2008, Human Rights Watch issued a report entitled "As If I Am Not Human" detailing the problems faced by the 1.5 million domestic workers in the Kingdom. The report highlighted a range of abuses including "non-payment of salaries, forced confinement, food deprivation, excessive workload, and instances of severe psychological, physical, and sexual abuse."

Ironically, authorities in Saudi Arabia recently proposed a ban on housemaids from certain Asian countries - not because they were subject to ill treatment, but because they claim the maids were themselves responsible for abuse. Authorities said housemaids

coming from countries such as Sri Lanka, Nepal, Cambodia and Vietnam are indifferent to the local culture and have been involved in “child murders and incidents of violence”, Kipp reported recently.

- Thailand

Around 1,000 anti-government protesters have gathered in the Thai capital Bangkok ahead of a crucial supreme court decision next week involving the country's former prime minister, Thaksin Shinawatra.

About 20,000 security personnel have been deployed around the country amid concerns the demonstrations could turn violent over the court ruling, which will decide the fate of the ousted leader's \$2.2bn fortune

A large number of migrant workers from Myanmar, Cambodia and Laos face the threat of deportation from Thailand if the Government goes ahead with its nationality verification process, an independent United Nations human rights expert warned today.

In January, the Thai Cabinet passed a resolution allowing for a two-year extension of work permits for approximately 1.3 million migrants provided that they were willing to submit biographical information to their home governments prior to 28 February 2010.

- Philippine

Nearly five months after tropical storm Ketsana and two typhoons ravaged northern Philippines, evacuation centres are starting to close but thousands of people are still displaced, aid workers say.

- Brunei

An alarming number of government servants are 'walking with a time bomb' after recent studies have shown that 55 per cent of them are struggling with obesity and another 60 per cent suffer from high blood sugar and high blood pressure respectively.

Detailed news monitoring Report

Indonesia

- **Political front**
- **SBY vows to protect rights of Chinese Indonesians**

President Susilo Bambang Yudhoyono promised Saturday to further protect the civil rights of Chinese Indonesians, particularly followers of Confucianism. The pledge marked the President's address to thousands of Chinese Indonesians attending the commemoration of the Chinese New Year at the Jakarta Convention Center in Central Jakarta. "In the future I will ask the minister of religious affairs, the minister of justice and human rights, the minister of education and other officials in the central and regional governments to improve protection of the civil rights of Confucianism followers and Chinese descents," Yudhoyono said.

The President said the government had enacted regulations that protect the rights of Chinese Indonesians, including the 2006 law on citizenship which revokes differentiation between indigenous and non-indigenous.

"I am happy to see significant progress in the government's efforts to fulfill the rights of Confucianism followers," he said.

Yudhoyono called on Chinese Indonesian community to take the momentum of Chinese New Year to promote harmony in diversity.

<http://www.thejakartapost.com/news/2010/02/20/sby-vows-protect-rights-chinese-indonesians.html>

- **Economic Front**
- **UPDATE 1-US rate rise positive for Indonesia economy -cbank**

Indonesia's central bank expects the U.S. Fed's discount rate hike to have a positive impact on Indonesia's economy, central bank deputy governor Hartadi Sarwono said on Friday.

"I think the Fed's policy can be translated positively for Indonesia because it creates more balanced economic recovery without an inflation hike. The impact will be positive for Indonesia's economic recovery and will not cause imported inflation," Sarwono said.

He added that the central bank will monitor further developments before its next policy rate meeting in early March. (Reporting by Adriana Nina Kusuma and Gde Anugrah Arka; Editing by Sara Webb)

<http://www.reuters.com/article/idUSJAK50842020100219?rpc=401&type=hotStocksNews?feedType=RSS&feedName=hotStocksNews&rpc=401>

- **Economy and political conflict**

Economic growth in Indonesia in 2009 was higher than expected, namely 4.5 percent, with growth in the fourth quarter at 5.4 percent. The growth is still very much supported by consumption with a rate of 4.9 percent. In the last quarter exports and investment also showed indications of recovery.

From a sectoral point of view, telecommunications is still leading the way, followed by electricity and construction, especially housing. Manufacturing growth was at a disappointing low of 2.1 percent.

Looking at this data shows the Indonesian economy is progressing at its own speed despite the global crisis and the recent internal political conflict related to the KPK

(Corruption Eradication Commission) and the investigation into the Bank Century bailout.

The internal conflict increased after President Susilo Bambang Yudhoyono himself launched a statement against businessmen involved in tax evasion, which many believe is targeted at Golkar chairman Aburizal Bakrie.

Going forward, many predict the economy will grow by around 5.5 percent in 2010 or even higher if the government can make significant progress in developing infrastructure and improving the investment climate.

Certainly the Indonesian economy cannot grow further just by relying on consumption and non-trade sectors such as telecommunications. There is a need for revitalization in the manufacturing, agriculture and mining sectors, which should be the backbone of the economy.

It is clear the economy is rolling with its own forces. If the government can facilitate and enforce it through better infrastructure and a conducive environment, the growth will be higher. If the government cannot function optimally, as far as there is no social upheaval, the economy will run on its own momentum.

Therefore, the current political conflict will not impact the economy too seriously, but it means the economy will not reach its potential.

Inside the government the economic team has not been able to develop cohesive teamwork necessary to solve pressing problems such as infrastructure development and energy. Certainly the investigation of Bank Century has diverted the attention of the Finance Minister Sri Mulyani Indrawati from her main job. Even if she can survive this debacle, she will face a stronger barrier from members of the parliament in most of her initiatives.

Coordinating Economic Minister Hatta Rajasa has tried hard to coordinate the ministers to be more problem-solving oriented, but with different levels of experience among economic ministers, it is hard to get things done. The conflicting approach is even stronger between the industry minister, who would like to postpone the ASEAN-China Free Trade for many tariff posts, while the trade minister would like to consistently implement the agreement.

The investigation of Bank Century has centered on the potential misuse of funds, especially for certain political parties or candidates. The encouraging thing is there is no indication of any direct involvement of the President, although his inner circle might be implicated. The work of the special committee is not that bad, as many have suggested. Many of members are young politicians with integrity and strong knowledge about the economy.

Sometimes they use stern tones or strong words, but this should not eliminate the substance. The younger political figures such as Andi Rahmat, Romahurazy, Maruarar Sirait, and Akbar Faisal are credible figures with backgrounds as student leaders. They are looking for the truth and fair and accountable politics.

On the other end is the credible Finance Minister Sri Mulyani who belongs to a younger generation of technocrats who should be able to deal with the dynamics of a young democracy. Thus, from a positive point of view the political dynamic in the investigation of the Bank Century could be a medium for the emergence of future political leaders.

What is really discouraging is the mudslinging on tax evasion that has obscured what is supposed to be a credible investigation.

Certainly the issue of tax evasion should be tackled seriously, but it should not cloud the investigation of Bank Century. This could discourage not only young politicians and technocrats, but the public in general who also yearn for the truth.

Certainly democracy is slowing the process of decision making for the government. But the past decade of democracy also provides stability. The people have chosen democracy as their political system, so we should pursue it further, despite the fact it is very often accompanied by various conflicts. If the conflict can be resolved by addressing the substance, Indonesia will move forward albeit at a relatively slow pace.

The conflict over the Bank Century bailout can be solved if the investigation is allowed to progress. Those who committed wrongdoings should be punished and those who did the right thing should be allowed to retain their jobs. If the President is to reshuffle the Cabinet, which is very likely, it should be based mainly on improving the work of the administration, not just on political accommodation.

The prospect for the Indonesian economy is good. The question is how to make that potential a reality.

This certainly requires a synergy between public and private roles and political acceptability and technocratic ability.

The writer is a senior fellow at the Center for Information and Development Studies (CIDES), and the Habibie Center.

<http://www.thejakartapost.com/news/2010/02/18/economy-and-political-conflict.html>

- **Social front**
- **Obama statue removed**

A STATUE depicting US President Barack Obama as a boy was on Sunday removed from a park in Indonesia's capital, officials said.

The 2m bronze was removed from Menteng Park and taken to nearby Menteng One primary school, which Mr Obama attended in the late 1960s, vice-principal Akhmad Solikhin told AFP.

'Workers hired by the school, local government and alumni spent an hour removing the statue with electric equipment,' he added.

'We'll need another two to three days to place the statue at the compound near the school gate so the public can see it when they pass by,' Mr Solikhin added.

The decision to move the statue comes after more than 57,000 people joined a page on social networking website Facebook calling for the statue to be removed and replaced by a memorial to an Indonesian identity. 'There were people who opposed it. For us, we'd like the statue to be in the school to inspire the children to have big dreams like Obama,' Mr Solikhin said.

- **Indonesia bans buffaloes from political protests(social,pol)**

Indonesian government bans buffaloes from attending street protests after president expressed his hurt at being compared to the animals.

Indonesia said it will enforce a ban on buffaloes at street protests after President Susilo Bambang Yudhoyono expressed his hurt at being compared to one Photo

President Susilo Bambang Yudhoyono said that he was upset by having his picture stuck onto a water buffalo during a protest in Jakarta. The softly-spoken ex-general took exception at the suggestion he was "big, stupid and slow like a buffalo".

Protesters had brought the animal to one of a series of protests marking the first 100 days of Mr Yudhoyono's rule. "They said that I am like a buffalo – big and stupid and slow in

moving," he said. "That statement is not ethical or moral, and to use a buffalo can violate other regulations, like traffic laws." State Secretary Sudi Silalahi said a long-standing ban on the beasts at protests would be enforced. "There's a law that's been violated ... which states clearly that protesters should not bring animals, buffaloes," he said. "Firstly, that's a violation of the law, and secondly, which is more critical, when buffaloes are angry they'll kick and gore."

Mr Yudhoyono was re-elected to a second five-year term in a landslide in July but he is often criticised for being slow, indecisive and failing to use his mandate for reform.

Desmond Mahesa, from the opposition party Gerindra, called the buffalo ban an overreaction and said it shows the president is a weak leader.

"I think he is not a dictator, as long demonstrations are allowed in this country – but he too often complains about people's protests and critics against his administration," he said.

<http://www.telegraph.co.uk/news/worldnews/asia/indonesia/7156371/Indonesia-bans-buffaloes-from-political-protests.html>

- **Democratic Party courts Gerindra on bailout inquiry(social,pol)**

Executives from President Susilo Bambang Yudhoyono's Democratic Party have repeatedly approached counterparts from the Greater Indonesia Movement Party (Gerindra) as the House of Representatives complete its inquiry into the Bank Century bailout.

Gerindra secretary-general Ahmad Muzani said Saturday the political lobbying would not change the party's opinion that the bailout was flawed.

"The political lobbying continues, but will not influence us," Muzani was quoted as saying by Antara news agency.

He said Gerindra leaders welcomed the political lobbying as no more than a positive gesture to build communication between the two parties. "We are ready to meet over lunch or dinner, but if they want us to change our stance, they are mistaken," he added.

Gerindra, he said, found a number of violations in the issuing of bailout fund based on facts and testimony by witnesses and that this would be revealed in the party's conclusion of the inquiry.

Inquiry committee member Achsanul Qosasi of the Democratic Party had said earlier that Gerindra, the National Mandate Party (PAN) and the United Development Party (PPP) would change their opinions about the Bank Century bailout following political lobbying.

The committee regroups Wednesday to deliberate its final statement of the inquiry and submit it to the House's consultative body the following day.

The conclusion will be brought to the House plenary session on March 2 for approval.

<http://www.thejakartapost.com/news/2010/02/20/democratic-party-courts-gerindra-bailout-inquiry.html>

- **8,000 Jakarta residents displaced by flood**

Thousands of residents in East and South Jakarta were displaced from their homes after floodwater from the overflowing Ciliwung River submerged their neighborhood, a Jakarta official says.

"As of late Saturday, we had recorded 8,727 refugees in dozens of temporary shelters in East and South Jakarta," Jakarta Social Services Agency chief Budihardjo said in a text message sent to The Jakarta Post on Sunday.

“Some of residents have returned to their homes but we expect the number of refugees could still increase.”

To support the displaced residents, Budihardjo said his agency was working with the Social Services Ministry and the Indonesian Red Cross in providing basic needs such as food, shelter and dry clothing.

“We have also set up 36 public kitchens for all the refugees,” he said.

<http://www.thejakartapost.com/news/2010/02/14/8000-jakarta-residents-displaced-flood.html>?

- **In Aceh Indonesia, Islamic police take to the streets**

Islamic police in Aceh, Indonesia, patrol daily for women wearing tight clothes and unmarried couples sitting too close.

Sharia police in Banda Aceh, Indonesia, reprimand two women for wearing trousers that they regard as too tight, in December 2009. The police unit, called the "Wilayatul Hisbah", patrolled the beach to look for unmarried couples, Muslim women without headscarves or those wearing tight clothes, and people drinking alcohol or gambling.

“Excuse me,” says Iskandar, as his mobile phone beeps for the umpteenth time in the past half hour. It’s another anonymous tip-off, alerting him to a young couple who have been seen spending time together alone.

After tsunami, a peace deal Students look to religion after tsunami Tsunami 2004: How 'Noah's Ark' saved 59 lives Iskander is head of the Wilayatul Hisbah, a special police unit that enforces Islamic law, or sharia, in the Indonesian province of Aceh. Teams of his officers patrol the Acehese capital several times a day, looking for unmarried couples, women in close-fitting clothes or not wearing an Islamic headscarf, and anyone drinking alcohol or gambling.

Aceh – known as the “Veranda of Mecca” because Islam entered Indonesia there centuries ago – has long been the most devout spot in the world’s most populous Muslim nation.

But the energy with which the 1,500-strong Wilayatul Hisbah – or Wi-Ha, as they are known – are carrying out their job has alarmed some Acehese, as well as human rights groups, politicians, and businessmen.

Islamic law makes inroads

The province, on the western tip of Sumatra island, home to about 4 million people, won the right to implement Islamic law in 2001, after being granted semi-autonomy as part of efforts to end a decades-long separatist war. Sharia has been enforced with increasing vigor since the 2004 Asian tsunami, which many people interpreted as a divine warning, and last September the provincial parliament approved a new penalty for adulterers: stoning to death.

Aceh is not alone. Across Indonesia, dozens of local governments – given wide scope to enact their own laws under a decentralized system – have adopted Islamic regulations on dress and behavior. In parts of Central Java and South Sulawesi provinces, female civil servants are now obliged to wear headscarves or risk losing their jobs.

While the trend threatens to undermine Indonesia’s reputation for having a relaxed approach to Islam, it does not appear to have wide support. At national elections last year, the share of the vote won by Islamic parties plummeted.

In Aceh, many people say they abhor the stoning penalty – yet to be signed into law – although few will criticize it publicly for fear of being branded bad Muslims. But

enforcers of a stricter approach to Islam appear to be gathering momentum. Public canings have been carried out, and earlier this month women were banned from wearing tight trousers in one district of Aceh. In his dilapidated office in Banda Aceh, Iskandar applauds the crackdown. "In our religion, it's forbidden to wear tight clothes, because they can show the body shape and arouse men's desire," he says. "It's all about protecting women and increasing respect for them."

<http://www.csmonitor.com/World/Asia-Pacific/2010/0219/In-Aceh-Indonesia-Islamic-police-take-to-the-streets?>

- **3 women caned for having illicit sex**

Three Muslim women were caned last Tuesday (February 16) for engaging in illicit sex, said Malaysian home minister Hishammuddin Hussein.

They were the first women in Malaysia to receive such punishment under sharia law. Two of them were whipped six times and the third was given four strokes of the rotan at Kajang Prison.

The issue of caning of women has ignited a fierce debate in the country after 32-year-old Kartika Sari Dewi Shukarno was sentenced to be caned for drinking beer in July last year. The sentence against her has yet to be executed. Hishammuddin said he decided to bring to public attention the punishment meted to the three women because there had been "too much hype" over Kartika's sentence. "People are saying that no woman has been caned before and that Kartika should not be caned. "Today I am announcing that we have already done it. There is no hidden agenda, we are merely executing our responsibility," he told a press conference at his office yesterday (February 17).

Hishammuddin said all three women did not suffer any cuts or bruises following the caning but had confessed that the punishment had left a deep impact on them.

"They have all repented. They are also hoping that others will not go against the teachings of the religion," he said, adding that the sentence was meted out according to Islamic rules.

The three women were found guilty of committing illicit sex by the Federal Territory sharia High Court, which issued the caning order between December last year and last month.

Hishammuddin said one of the women was released on Sunday (February 14) after spending a month in prison and another was expected to be released over the next few days.

The third woman is currently serving her jail term and would be released in June.

He said the Prisons Department had consulted experts from the Islamic Development Department (Jakim), the Sharia Department and the Attorney-General's Chambers before carrying out the sentence. He said the ministry agreed on the procedure for the caning of Muslim women offenders for sharia offences on December 4. They include thorough checks before and after the caning, ensuring that the women were not pregnant and were appropriately dressed according to the Islamic dress code.

He said 13 people, including officials from Jakim, the sharia Court and the A-G's Chambers, were present during the procedure. "I hope there will be no more issues arising from the caning sentence which can be imposed by the Sharia Court on Muslim women to protect the sanctity of Islam," he added. "The punishment is aimed at getting the offenders to repent and seek Allah's forgiveness. It is also meant to educate Muslims to follow the teachings of Islam."

<http://www.asianewsnet.net/news.php?id=10154&sec=1>

- **First Malaysian women to be caned make statements**

The first Malaysian women to be caned under Islamic law for having illicit sex have reportedly said they regretted their actions and welcomed the punishment.

The first Malaysian women to be caned under Islamic law for having illicit sex have reportedly said they regretted their actions and welcomed the punishment. The three women, whose identities were not revealed, gave the first account of the caning which took place earlier this month, drawing condemnation from human rights activists and applause from some Muslim groups.

"On the day I was caned, I was scared but, at the same time, I knew I deserved it and was willing to take the punishment," said one of the women, a 25-year-old who went by the name of "Ayu".

She told the New Straits Times that the punishment -- administered while they were fully clothed and by a female prison officer wielding a thin rattan cane -- did not hurt.

"Those out there who are having sex before marriage should really consider the consequences and not only think about momentary pleasure," she told the daily. The three women said they turned themselves in to religious authorities after being wracked by guilt over having pre-marital sex.

"Ayu" has a one-year-old daughter with her boyfriend, who she plans to marry, and the other two women also gave birth out of wedlock.

Human rights campaigners, who were stunned by the caning of the three women which had not been foreshadowed by authorities, were sceptical over the comments published in several Malaysian newspapers.

"These three women are just normal people who have been surrounded by all kinds of legal mumbo jumbo and pressured into agreeing to be caned," one activist told AFP, declining to be named because of the sensitivity of the issue.

Islamic authorities triggered uproar last year when they sentenced mother-of-two Kartika Sari Dewi Shukarno to six strokes of the cane after she was caught drinking beer in a hotel nightclub.

Her case, which was to have been the first time a woman was caned under Islamic law in Malaysia, is still under review after she was given a last-minute reprieve amid intense media coverage.

Malaysia's Bar Council has said it was "shocking" that the caning of the three women went ahead while the Kartika case was unresolved.

Legal commentators have said that the Islamic courts -- which operate in parallel to the civil system in Malaysia -- are becoming increasingly confident, threatening Malaysia's status as a secular nation. The Sharia courts have been clamping down on rarely enforced religious laws that apply to Muslim Malays who dominate the population -- including a ban alcohol and sex between unmarried couples.

- **Malaysia urged to end brutal punishment after women caned**

Amnesty International has called on the Malaysian government to end caning after three women were subjected to the punishment following their conviction for extramarital sex.

This is the first time women have been subjected to caning in Malaysia. Malaysian Home Minister Hishammuddin Hussein announced yesterday that three Muslim women were caned on 9 February at a prison near Kuala Lumpur. The women, along with four men,

had been convicted of having extramarital sex in the Shariah court system, which has jurisdiction over Muslims in matters such as family law.

Donna Guest, Deputy Asia-Pacific Director at Amnesty International, said: "The caning of these three women is just the tip of the iceberg. Since 2002 the Malaysian authorities have caned over 35,000 people, mostly non-Malaysians for immigration offenses."

Most caning sentences in Malaysia are handed down by civil courts rather than Shariah courts. Amendments to the Immigration Act in 2002 stipulate caning for immigration offences, thus increasing the use of this punishment. In June 2009 the Malaysian government announced that they had sentenced 47,914 migrants to be caned since the amendments took effect.

Donna Guest said:

"These thousands of cases point to an epidemic of caning in Malaysia. The Malaysian government needs to abolish this cruel and degrading punishment, no matter what the offence."

The practice of caning can inflict severe physical suffering and leave damage and scarring for months. Such corporal punishment constitutes cruel, inhuman and degrading treatment, which is prohibited absolutely under international customary human rights law.

In July 2009 the Shariah High Court in Pahang sentenced a Muslim woman, Kartika Sari Dewi Shukarno, to six strokes of the cane and a fine after she pleaded guilty to consuming alcohol in a hotel bar in December 2007. To date her sentence has not yet been carried out.

http://www.amnesty.org.uk/news_details.asp?NewsID=18634

- **Judge refuses to step aside in Anwar sodomy case**

The judge in the politically charged sodomy trial of Malaysian opposition leader Anwar Ibrahim yesterday (February 18) refused to disqualify himself from hearing the case. The defence counsel also accused Prime Minister Najib Razak and his wife of being the 'black hands' behind the prosecution.

Rejecting the defence's accusation of bias, Justice Mohamad Zabidin Diah said: "There is no reason to recuse myself. If I were to step down from this trial, I would be running away from my responsibility as a judge who has taken an oath of office."

Anwar is charged with sodomising his former aide Saiful Bhukari Azlan at a condo on June 26, 2008. Anwar, who could be jailed for up to 20 years if convicted, has denounced the charge as trumped up by his political enemies.

He had sought to disqualify the judge for his refusal to act against the Utusan Malaysia newspaper over two reports of the proceedings that the defence considered inaccurate and biased.

But the judge yesterday said it has to be shown that a reasonable person would believe that there was bias. "I cannot see how a reasonable person will view my conduct as biased," he ruled.

The trial had reconvened after a week's break, with yesterday's proceedings marked by short but sharp exchanges that broke out immediately after the decision.

In announcing his plans to appeal, Anwar's lawyer Karpal Singh remarked that there had been 'too many elements' in the case, and that 'black hands' were behind the case against his client.

"There's a black hand in the prosecution, and that black hand is that of the present Prime Minister. There are two black hands, the other hand is his wife's," Karpal said.

To this, Anwar shouted "conspiracy" from the dock. Karpal also said the defence was prepared to go ahead with the trial yesterday, but had no choice. 'The accusations of delay tactics must be eradicated from all minds,' he said.

Lead prosecutor Yusof Zainal Abiden responded that no one had accused the defence of delaying the trial, adding that the Malaysian public only wanted to know the truth.

"Not blatant lies," Anwar retorted from the dock.

The judge put a stop to the exchange of words. He also suspended the trial to let Anwar's lawyers argue their case against his ruling before the Court of Appeal. Justice Mohamad Zabidin also scheduled a hearing on March 25 to assess the progress of the appeal.

He decided not to continue with the proceedings until the appeal is completed as all evidence given before him would have to be deleted from record should he be disqualified. That would mean restarting the trial from the outset.

The case has drawn wide international coverage, to the ire of the Malaysian government and politicians from the ruling Barisan Nasional coalition.

A protest of several hundred people was staged by Umno Youth and other organisations at the Australian High Commission on Wednesday to complain about a statement by 50 Australian MPs calling for the charge to be dropped.

Yesterday, foreign minister Anifah Aman issued a statement in response to a call by United States Senate Foreign Relations Committee chairman John Kerry for a fair and equitable resolution of the legal proceedings.

In his statement on Tuesday, Mr Kerry said: "I urge the Malaysian government to accord Mr Anwar every legal protection to which he is entitled as a Member of Parliament and as a citizen - and to settle his case in a manner that builds confidence in the impartiality and credibility of the Malaysian judicial system."

In his response, Datuk Seri Anifah assured the US that Malaysian authorities were 'deeply committed to upholding the rule of law', noting that public servants in particular had the obligation to avoid the politicisation of any trial. "It is especially important to avoid outside pressures, so that each party has an opportunity to present its case to an impartial, unbiased judge," he added.

Hundreds of Anwar supporters turned up yesterday, with some protesting outside the courtroom. Veteran Democratic Action Party MP Lim Kit Siang said the opposition will send a memorandum to the Prime Minister and Attorney-General calling for the charge to be dropped.

Malaysia

- **Political Front**

- **Zul Noordin: Group in Pakatan scheming to kick me out**

Kulim Bandar Baharu MP Zulkifli Noordin is convinced that "little pharaohs" in Pakatan Rakyat are scheming to kick him out of the party.

Zulkifli, who is facing disciplinary action for lodging a police report against PAS' Shah Alam MP Khalid Samad, said the ploy was evident as the PKR disciplinary committee had fixed hearing dates that coincided with his trip to South Korea.

"The party is well aware about the trip as they had arranged for Pakatan Rakyat MPs to attend the International Leadership Conference from Feb 17 to Feb 25.

“Isn’t it ironic that the disciplinary committee has fixed Feb 18 and Feb 23 to hear my case, knowing fully well that I will be abroad during that period?” he told a press conference yesterday.

Zulkifli expressed serious doubts over the integrity and independence of the disciplinary committee as top leaders had already condemned him before the disciplinary hearing.

Zulkifli said PKR vice-president Azmin Ali, strategic director Tian Chua and political bureau member Zaid Ibrahim had already called for his sacking, adding that even party adviser Datuk Seri Anwar Ibrahim had labelled him as an extremist.

“I wonder if the disciplinary proceeding is mere political drama to show that I have been given a chance to defend myself although the decision is already made,” he said. Calling on the disciplinary committee to reschedule the hearing date to either Feb 28 or any other day between March 1 and 5, Zulkifli also demanded that the panelists to hear his case comprise only of Muslims as it was related to the controversy related to the use of the word “Allah” by non-Muslims.

Zulkifli said he did not plan to quit PKR at the moment, as he was planning to contest the vice-presidency in the party’s election at the end of the year.

“In fact, the little pharaohs started creating problems in PKR when I announced last year that I will take on party vice-president R. Sivarasa in the upcoming party elections,” he said.

In George Town, PKR secretary-general Saifuddin Nasution Ismail said Zulkifli only needed to notify the party about his trip for his disciplinary hearing to be rescheduled.

“He is now afraid of his own shadow. He is imagining that there is a conspiracy against him. This is because, he knows he has damaged PKR and Pakatan with his stinging criticism and unilateral action,” he said.

<http://thestar.com.my/news/story.asp?file=/2010/2/17/nation/5688009&sec=nation>

- **Economic Front**
- **M'sia needs major economic transformation to become developed nation**

Malaysia needs to undertake a major transformation of the economy, even if it involves a short term cost or initial setback, to achieve developed nation status by 2020.

Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop explained that Malaysia needs such a transformation as it can ill afford to be stuck as a middle income country, albeit a high middle income nation.

"To achieve developed nation status, our economic model needs to transform to become increasingly knowledge-intensive and innovation-led," he said on the second day of the 1Malaysia Economic Conference here on Tuesday.

The conference was organised by the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

Nor Mohamed highlighted that a transformation of the economy would involve significant change. He said adjusting the country's economic model also requires an investment, which may not immediately pay off, but nevertheless yield good returns in the longer term.

"In undertaking our economic transformation, we need to have the commitment to ride through the initial pain and have the conviction to stay the course for an eventual long term improvement," he added. - Bernama

<http://www.asianewsnet.net/news.php?id=10165&sec=2>

- **Malaysian SMEs Bouncing Back With Confidence, Survey Shows**

The Asian economic improvement has led to Malaysian small and medium enterprises (SMEs) to bounce back with improving confidence, according to HSBC Bank Malaysia.

The bank's HSBC Small Business Confidence Monitor survey showed the confidence level among Malaysian SMEs climbing 24 points in the fourth quarter of 2009 to 108 from 84, putting the country back in positive territory.

Its managing director David Morton said for the first time since the economic downturn, SMEs around the world showed a bullish growing proportion in the first quarter of 2010, foreseeing an increase of capital investment and recruitment.

"This is good because the SMEs are not only confident about the economy's improvement but also ready for investments in their own operations and people," he said at a media briefing on the survey results here Wednesday.

On the outlook for economic growth, Morton said that 55 per cent of the local SMEs were looking forward to maintain the same pace of growth in six months while 24 per cent were expecting to increase the pace.

He said in the survey, 28 per cent of the local SMEs were confident of investing in their own business, up from 22 per cent recorded in the second quarter of 2009, while a high number of SMEs were planning to increase their capital expenditure.

On recruitment plans, the survey found that 78 per cent of the local SMEs were prepared to retain their recruitment plans.

Morton said the survey also showed that 15 per cent of the local SMEs were involved in international business while another 25 per cent planned to go into it by 2011.

The top international markets targeted by Malaysian SMEs were Indonesia, Singapore and China, he said. On barriers to doing business internationally, Morton said: "The emerging markets are becoming more and more important as a driver of growth. Small businesses are at the heart of this growth, driving local job creation, investment and productivity."

"And as they grow and develop, they look to world markets for new opportunities," he said.

On the Asian index, Morton said that Malaysia was on the same level with Hong Kong while Vietnam remained on top with 160 points, followed by India with 132, China with 124 and Singapore with 117. The survey was carried on a total of 6,031 SMEs.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=474921>

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<http://biz.thestar.com.my/news/story.asp?file=/2010/2/9/business/20100209144104&sec=business>

- **Malaysia must catch up to gain high-income status**

WITH 2020 only a decade away, Malaysia has a lot of catching up to do if it is to become a high-income economy. This was the message conveyed by several prominent speakers at the recent 1Malaysia Economic Conference in Kuala Lumpur.

Datuk Noriyah Ahmad ... 'Malaysia has not caught up with high-income economies.'

Malaysia's new economic model, which will be the backbone of the 10th and 11th Malaysia Plans, is expected to accelerate the country's progress into the next decade to ensure the success of Vision 2020.

According to the World Bank, a high-income economy is one with a gross national income per capita of US\$12,000 and above. Datuk Noriyah Ahmad, director-general of the Economic Planning Unit in the Prime Minister's Department, said Malaysia recorded relatively slower economic growth from 2000 to 2008 compared with the 1990–1997 period.

"The country's gross domestic product growth from 2000 to 2008 averaged around 5.5% compared with 9.1% from 1990 to 1997. "Malaysia has not caught up with the high-income economies and if the trend continues, we may be overtaken by other rapidly developing economies," she said.

In addition, the country's private investments also need to be revitalised as savings exceed investment by a significant amount largely due to a collapse in private investment. "Our workforce today is also relatively unskilled with 80% educated up to Sijil Pelajaran Malaysia level or its equivalent, and only 25% of Malaysian jobs are in the higher skill category," she said.

Noriyah said Malaysia still had a long journey ahead as its gross national product (GNP) per capita stood at US\$6,686 in 2007 and was projected to hit US\$15,340 in 2020, only marginally above the minimum GNP benchmark of US\$14,818 for high-income countries.

Going forward, she said the Government has taken new steps in development planning, with the introduction of a two-year rolling plan under the 10th Malaysia Plan (10MP).

"Other measures in the 10MP will come from the private sector which is expected to be the engine of growth.

"We have come a long way from being an agro-based to a service and manufacturing-oriented economy. But this model is already outdated, hence the new approach under the 10MP," she said.

On a short-term perspective, Universiti Sains Malaysia pro-chancellor Tan Sri Dr Lin See-Yan said there were several areas that needed to be addressed.

"Wide-ranging private business initiatives are needed to lead sustainable recovery and not direct consumption. Unlike China, our consumers favour spending once permanent

income is forthcoming. Business confidence must be nurtured where stimulus is still needed until recovery is secured,” he said.

He said the Government’s role remained to facilitate the continuing flow of private investments, where priority is to bring about demand, a visionary transportation infrastructure and modern utilities to support new growth areas.

“There is a talent war out there. The global market for talent is highly competitive,” he said, adding that the new green agenda also needed urgent attention as well.

“Being green or environmentally friendly is not an option. We have to re-invent and expand green stimulus elements that include energy efficiency and renewables, mass transit, smart electricity grid, finance and reforestation,” he said.

From a private sector perspective, Association for Shopping Complex and High-Rise Management president Joyce Yap expects the new economic model to further promote the retail industry.

“The retail industry is the second largest contributor to tourism expenditure and supports 204,000 employees.

“Thus, it is important to continue developing Malaysia as a prominent shopping destination in this region; to be comparable with countries like Singapore and Hong Kong,” she said. Yap recommended that the Government crafts consistent and long-term policies to encourage domestic spending and market Malaysia abroad.

<http://biz.thestar.com.my/news/story.asp?file=/2010/2/20/business/5662945&sec=business>

- **Good times ahead for Malaysia**

Confirmation that Malaysia will pull itself out of a recession will come some time next week when Bank Negara releases economic data for the fourth quarter of 2009.

Judging by comments from economists after the industrial output data for December were released, growth is expected in the fourth quarter albeit a modest one.

That, however, should not come as a surprise. Economies in the region and globally have managed to not only pull themselves from their recessions but have demonstrated a strong bounce as cheap money, a return of confidence and fiscal spending, all help economic and business activities.

In Malaysia, the bounce has already taken place in the stock market and the rally on Bursa Malaysia last year has built up quite a wealth effect.

Looking at the list of the richest Malaysians in 2009, their wealth gained from the stock market alone raised their total assets by around 63 per cent between surveys.

Another indicator of the good times returning is reflected in corporate earnings. Banks have posted big jumps in earnings so far and they have been joined by resource companies. The general trend is that earnings are up, largely thanks to a low-base effect and a terrible time at the end of 2008, but also to the more organic factors as mentioned earlier. But while optimism returns, people too should keep an eye on the risks that still linger. News flow still indicates that while times are better, it’s not to everyone’s liking.

Joblessness is still a major concern in the developed world. Persistent high unemployment would act as a brake on future growth, and Greece’s debt problems, and asset bubbles that are building up would be a reminder of the weaknesses and excesses still prevalent in the global economy. Inflation will be another issue that will bear watching as the consumer price index, although not everyone agrees with it, will be under

pressure in the coming months. The price of fuel is set to rise once the subsidy is tweaked and the global increase in commodity prices will eventually filter its way through everyone's life.

Stronger economic growth, higher inflation and maybe an interest rate regime that has been loose for too long would see the benchmark interest rates rising. That would affect borrowing costs and eat away at disposable incomes of people who might have leveraged themselves too much in the recent past.

While 2010 would be a time when the recent problems are put behind us, the constantly changing dynamics would see the creation of more challenges in the future. The question is whether we have learnt enough to avoid repeating the same mistakes of the past.

<http://www.asianewsnet.net/news.php?id=10165&sec=2>

- **Social Front**

- **More help for Malay Muslims**

FOLLOWING the success of its community programmes launched so far, the Community Leaders' Forum (CLF) has set aside \$2.7 million this year to expand existing schemes and initiatives, and extend its outreach efforts within the Malay Muslim community.

The amount is 35 per cent more than last year's \$2 million, said Minister-in-charge of Muslim affairs Yaacob Ibrahim on Friday.

Dr Yaacob, who is also Environment and Water Resources Minister, said: 'Outreach is important because it allows us two things - one is getting to more beneficiaries, and two, greater depth in terms of our programmes, because we can learn from our various experiences.'

He said the CLF would focus on key programmes such its Core Parenting Skills course, currently carried out at places such as Community Centres and Yayasan Mendaki.

'We want to increase more participation in these programmes because financing is an important aspect of Malay families. It leads to a lot of social problems if they don't organise their finances well. So if we can get to more Malay parents, especially young couples, to think ahead, I think this will be a good start for us,' he added.

So far, 29 partners have come on board to collaborate with the CLF - a platform for Malay and Muslim organisations to help tackle problems faced by the community.

Since the CLF was formed in 2003, it has helped more than 122,000 beneficiaries, including low-income families, at-risk youths, and academically weak students.

http://www.straitstimes.com/BreakingNews/Singapore/Story/STIStory_492298.html?

Thailand

- **Political Front**

- **EDITORIAL Protests must be reasonable**

The new rounds of protests promised _ or threatened, as many prefer to put it _ simply must not be allowed to get out of hand. There cannot be excuses or justifications about this. Errors or violence of the past cannot excuse any such actions now. The United Front for Democracy against Dictatorship (UDD) and its red-clad supporters are Thai citizens and have the right to peaceful protest. Opponents and those who back neither side also have rights which are, in short, to go about their business without fear of being molested.

The UDD has promised to start anti-government, pro-Thaksin demonstrations this week. Leaders have been coy about their plans for dates, times and even locations of the planned rallies. Their rhetoric has been as fierce as ever, though. It will be the final battle,

the last fight, D-day. It is obvious the focus of the protests is the announcement on Feb 26 _ one week from Friday _ on whether the government can seize approximately 76 billion baht in assets from Thaksin Shinawatra.

The Thaksin billions have become a national issue of contention. For all that, red shirt organisers have pledged to stay well within legal boundaries. That is a good start. Last year, the country was shocked and endangered by successive red shirt violence at Pattaya and then in Bangkok.

The government reaction to the coming protests has been too high profile, although security measures have been prepared in a professional manner. Because the red shirts broke their promise of peaceful protest so egregiously last year, authorities are correct to prepare contingency plans against violence. Even if the red shirt leaders keep their word, large mobs are unpredictable, and the UDD is claiming that it can marshal one million backers during the next two weeks.

The unprecedented decision by Foreign Minister Kasit Piromya to warn foreign embassies and businessmen of impending violence was unnecessary and harmful. Neither Thais nor foreigners will ignore his background as a prominent spokesman for the yellow shirts and the People's Alliance for Democracy, and it is impossible to know whether Mr Kasit is passing on vital information to the foreign community, or merely serving the anti-Thaksin cause. One hint: Prime Minister Abhisit Vejjajiva has not repeated Mr Kasit's dire warnings of possible major violence to the Thai people.

It is no exaggeration that the reputation of the country is once again on the line, and this time more seriously than ever. Thai and foreign businesses, tourists worldwide and Thailand's neighbours all are closely watching the growing political storms. Confidence in Thailand as a friendly place to visit and to conduct commerce is still high around the globe. But the confidence in political stability is probably at an all-time low. Mere threats of a military coup dropped the Stock Exchange of Thailand index like a rock last month. And the government's admission of a strong red shirt influence in 38 provinces _ half the country _ begs two major questions. First, can the government control the next two weeks or more of protests? Second, can it explain not when there will be a new election but how it can be peaceful and decisive with a country so divided?

The immediate focus and attention must be on ensuring peace is maintained this week and next. Anti-riot police and troops will not be armed with deadly weapons, so there can be no excuse for any red shirt violence. There are demagogues and dangerous figures on the fringes of the pro-Thaksin movement. They cannot be allowed to get out of hand in the currently tense national atmosphere.

<http://www.bangkokpost.com/opinion/opinion/32919/protests-must-be-reasonable?>

- **Police taking no chances in countdown to Thaksin's assets-freeze verdict**

The red-shirt rally at Bangkok Bank today (February 19), seen as a curtain raiser to next Friday's (February 26) verdict on the 76-billion-baht (US\$2.2 billion) assets-seizure case of former Thai PM Thaksin Shinawatra, will likely cause anxiety although it is not expected to turn unruly, Deputy Prime Minister Suthep Thaugsuban.

"I think the red shirts are trying to stoke fiery sentiment ahead of the crucial verdict," he said. Suthep said authorities were fully prepared to keep the situation under control, reassuring the public about contingency plans to deal with any attempts to incite an upheaval.

While beefing up security at key government installations and public places, the Metropolitan Police Bureau will also ensure security at banks and the stock market on the verdict day, he said.

He reminded the public not to be overly concerned about the political tension since the government would not allow nor condone an eruption of violence. The anti-riot forces will not be armed in order to avoid a risk of bloodshed, he said. Some 20,000-30,000 forces have been mobilised to keep the peace and they are scheduled to take part in a mock operation for crowd control tomorrow, to ensure their preparedness.

To keep order at the Bangkok Bank rally, a combined unit of 300 policemen and riot forces from Metropolitan Police Zone 5 will be deployed under the supervision of superintendent Colonel Anuchai Lekbamrung.

Some 1,000-2,000 red shirts are expected to take part in the day-long demonstration, scheduled to start at 10am on Silom Road.

Before and during the demonstration, police will conduct a sweep of the rally site and nearby areas to ensure protesters are unarmed and foil any attempts to stir up trouble. The Metropolitan Police chief said yesterday that some 300 police officers would be dispatched to keep law and order at the Bangkok Bank head office during the demonstration. Lt-General Sunthan Chayanond, commissioner of the Metropolitan Police Bureau, said police would also keep a 24-hour surveillance on the Stock Exchange of Thailand (SET) as part of increased security measures ahead of the court ruling on the Thaksin assets-seizure case.

Sunthan said he had met with the SET president, Patareeya Benjapolchai, yesterday to discuss security at the exchange. The SET is one of eight premises under close police watch to prevent any incidents that would shake investor confidence, he added.

The senior officer said officers from the special operation division would be dispatched to guard the SET in addition to two officers from the local station. Reinforcements could arrive within 10 minutes and additional help could be requested from the military, he added.

Bangkok Bank said it would open its headquarters on Silom Road one hour earlier, at 7.30am today, and close at 3.30pm as usual. In a statement on Thursday, the bank advised clients to avoid coming to the head office, and instead go to other offices for banking services. All communications channels at the head office are open and will be manned as usual.

The red shirts tried to link the bank to Privy Council president General Prem Tinsulanonda, whom they accuse of pulling strings behind politics.

The bank said Prem is a personal adviser to its chairman, Chatri Sophonpanich, but he holds no position at the bank, officially or unofficially. Earlier, the bank clarified that Prem held no position at Chanthaburi Farm, which owns the golf course at Khao Soi Dao in the eastern province. Prem did not preside over the golf course opening ceremony, as claimed. Since Monday (February 15), police have set up 230 checkpoints around the capital from 10pm to 5am as a security precaution. High security risk areas include Government House, the Supreme Court building, the Parliament compound, Nang Lerng intersection and the Ministry of Foreign Affairs.

Former intelligence chief Bhumarat Taksadipong voiced concern that, following the verdict, the political situation might get out of control.

The red shirts have a history of violence, as shown in the Songkran mayhem last year. Two retired generals seen as close to the red shirts, Panlop Pinmanee and Pirat Sawamiwat, were involved in inciting violence in the 1992 May bloodshed, he said. He also warned that ex-communist insurgents from the lower Northeast have been concealed in an undisclosed location as if they were preparing for a suspicious mission. He said he was upbeat, however, that authorities could check any downward spiral in the situation.

Special operations officer Lt-General Nanthadet Meksawat from the Armed Forces Security Centre said he considered an eruption of violence to be unlikely.

The three red-shirt leaders would lose their credibility and trust if they failed to honour their pledge of non-violence, he said. He said the Supreme Court was expected to clearly outline how it had reached its verdict, dispelling any doubts that could be exploited to inflame public wrath.

In a related development, Central Investigation Bureau commissioner Police Lt-General Tha-ngai Prasachaksatru signed an order to set up a panel of investigators to look into political activities by different groups and take legal action in case of law violations, a source said.

<http://www.asianewsnet.net/news.php?id=10193&sec=1>

- **Protests raise tensions in Thailand**

Around 1,000 anti-government protesters have gathered in the Thai capital Bangkok ahead of a crucial supreme court decision next week involving the country's former prime minister, Thaksin Shinawatra.

About 20,000 security personnel have been deployed around the country amid concerns the demonstrations could turn violent over the court ruling, which will decide the fate of the ousted leader's \$2.2bn fortune.

Members of the United Front of Democracy against Dictatorship, also known as the "Red Shirts" due to their signature garb, have vowed to step up protests ahead of the potentially explosive court decision on February 26.

The Red Shirts staunchly support Thaksin and have maintained his removal from power in a 2006 bloodless coup was illegal.

In its ruling next Friday the court will decide whether or not Thaksin's assets in the country were obtained through corrupt means and should be confiscated by the authorities. Stripping Thaksin of his fortune - which mostly came from his career in the telecommunications industry before he entered politics - would deny him the means to finance any political comeback.

Thaksin's assets in Thailand were frozen in the months after the coup and a court ruling against him next Friday could provoke more mass protests from his followers.

The US, British, Australian and other foreign embassies in Bangkok have issued advisories warning their citizens to stay away from mass political gatherings in case violence erupts.

Corruption allegations

Al Jazeera's Wayne Hay reports from the 'Red Shirts' protest held in Bangkok

The target of Friday's protest was General Prem Tinsulanonda, who the Red Shirts say was a key leader in the 2006 military coup that forced Thaksin from power.

Thaksin was convicted in absentia on charges of conflict-of-interest in 2008 and sentenced to two years in prison. He currently lives in exile in neighbouring Cambodia.

Prem is the president of the Privy Council, which advises the Thai king, and also serves as an adviser to the Bangkok Bank, one of the largest in Thailand. The Red Shirts say that Prem helped arrange financing through the Bangkok Bank for a golf course that encroached on the Khao Soi Dao Wildlife Sanctuary in southeastern Thailand. Prem has denied the allegations. Thailand has been gripped by pro-Thaksin and anti-Thaksin protests for more than three years.

<http://english.aljazeera.net/news/asia-pacific/2010/02/201021974718810950.html>?

- **Economic Front**
- **Thai exports surge 31%**

THAI exports grew at their fastest rate for 18 months in January because of a recovery in the kingdom's main markets, the commerce minister said on Friday.

Exports climbed 30.8 per cent year-on-year to a total of US\$13.7 billion (S\$19.3 billion), Mr Porntiva Nakasai said, as Thailand's economic recovery continued. The figure was also the third straight month of growth in every sector, while shipments expanded 26.1 per cent from the previous month. Agricultural and agri-products such as rice and rubber grew at 46.2 per cent while the industrial sector, including electronic appliances and the auto sector, surged 27.8 per cent.

Mr Porntiva said exports to the United States, Japan and the European Union, all grew at an average of 28.4 per cent as Thailand's main markets emerge from the global economic crisis. Growth was bigger closer to home, with exports to the five main members of the Association of Southeast Asian Nations (Asean), of which Thailand is a member, leaping 66.6 per cent. New markets were even larger, with shipments to India soaring 141.7 per cent and Taiwan 96 per cent.

http://www.straitstimes.com/BreakingNews/Money/Story/STIStory_492301.html?

- **HSBC expects Thai economy to grow 4.6% this year**

Banking giant HSBC is upbeat about Thailand's economic outlook, predicting growth of 4.6 per cent for this year.

"The main driver of the current recovery is domestic demand and not, as is often assumed, exports," Frederic Neumann, senior economist at HSBC Asia Pacific, told a "Green Light 2010: Economic Prospect for Asia and Thailand" press conference yesterday. Most analysts predict a lower Thai growth rate of 4.2 per cent, partly due to political concerns and the fragile recovery in domestic demand.

Neumann said he was not unduly concerned about political uncertainty in the runup to February 26, when the Supreme Court will hand down its verdict in ex-premier Thaksin Shinawatra's assets seizure case.

"The fear of disruption has been overdone," he said. However, he acknowledged that the political uncertainty of the past few years had held the economy back, causing the country to lag behind others in the region. A rapid increase in tourist arrivals would also contribute to strong domestic demand, he added.

Moreover, the maintenance of low interest rates for a long period and government spending would boost growth. At the same time, many industries are operating almost at full capacity, leading to more private investment. The economist predicted increased inflationary pressure, which would cause the Bank of Thailand to raise interest rates earlier than the US Federal Reserve. He expects the central bank to increase the policy rate by about 0.75 basis points early in the third quarter of the year, while the Fed will not raise its key rate until the second half of next year.

Neumann also predicted an influx of capital into the local stock market if there were no untoward events on or immediately after February 26. This would cause the baht to appreciate, which would make it hard for the central bank to keep the currency competitive. However, he forecast China would appreciate the yuan in the second quarter in order to curb rising inflation. This would enable the Bank of Thailand to manage the baht much more easily. He predicted the baht would appreciate to 31.5 per US dollar by the end of the year. In his view, an interest rate hike is unlikely to affect domestic consumption. Neumann also said he expected the legal issues related to environment problems at the Map Ta Phut Industrial Estate to be resolved soon. He projected Thai export growth of 11.5 per cent this year, following last year's contraction of 14.5 per cent.

http://www.nationmultimedia.com/2010/02/19/business/business_30122933.php?

- **Thai PM says 4.5 pct 2010 growth achievable**

Thai Prime Minister Abhisit Vejjajiva on Friday said the economy should grow more than 4 percent this year and around 4.5 percent was achievable.

Abhisit told a Reuters forum that government revenue in the first quarter of fiscal 2009/10 from October to December was 15-16 percent higher than expected, meaning it may not be necessary to borrow as much this year as anticipated.

Thai Prime Minister Abhisit Vejjajiva pauses as he speaks during a news conference at Government House in Bangkok April 17, 2009. Vejjajiva on Friday said the economy should grow more than 4 percent this year and around 4.5 percent was achievable. (REUTERS/Bazuki Muhammad/Files)

"We think a range of around 4.5 percent is something we can genuinely achieve," he said when asked about GDP. Abhisit played down the threat of unrest at anti-government rallies planned this month by "red shirt" supporters of ousted former premier Thaksin Shinawatra. "On the whole, I think the picture painted by the media is probably more alarmist than the actual situation," he added.

http://thestar.com.my/news/story.asp?file=/2010/2/6/worldupdates/2010-02-05T193128Z_01_NOOTR_RTRMDNC_0_-459437-1&sec=Worldupdates

- **Industry sector to grow 6-8%**

The country's industrial output index is expected to expand between 6 and 8 per cent in 2010 as global economic recovery boosts orders for Thai products, director of the Office of Industrial Economics Sutthinee Phuphaka said on Wednesday afternoon.

Mrs Sutthinee said Thailand is a key production base for exports such as hard-disk drives, electrical appliances, electronics and automobiles. These products had helped enhance an expansion in the industry sector.

An earlier projection by the International Monetary Fund that the Thai economy would grow by about 3.9 per cent this year was an indicator that the industrial output index could expand as estimated, the director added.

She warned that even if the world's economy is improving, there are several negative factors that could derail the country's recovery, especially the political uncertainty, the violence in far South and the Map Ta Phut environmental impasse.

If these major problems were rapidly solved, the Thai economy could firmly expand.

<http://www.bangkokpost.com/breakingnews/168040/industry-sector-to-grow-6-8?>

- **Political conflict not to hit Thai exports: minister**

Thailand's political conflict is unlikely to hit the country's exports as it is projected the exports for quarter 1, 2010 (January-March) will grow at least 17 percent year on year, Commerce Minister Porntiva Nakasai said Friday.

The government will be able to control the political situation and to prevent political violence to occur, Porntiva said, the National News Bureau of Thailand (NNT) under the state-owned Public Relations Department, reported.

Thailand's exports have been improving in light of the global economic recovery, while the ASEAN Free Trade Area (AFTA) has also helped boost the Thai exports, she explained.

The AFTA is the trade bloc agreement by the Association of Southeast Asian Nations or ASEAN, which have been supporting local manufacturing in all ASEAN countries. Thailand's exports for January, 2010, grew 30.83 percent year on year, which was equivalent to more than 13.72 billion U.S. dollars, the minister said.

For the third consecutive month the country's exports in all important sectors have been on the rising trend, Porntiva said. The agriculture exports, including rice, rubber, cassava, sugar, and foods expanded 46.2 percent year on year, the minister said.

In line with the agriculture sector's trend, the exports of manufacturing products registered a 27.8 percent year on year growth rate, she said. Thailand's major export markets in January grew 28.4 percent year on year, while the new export markets expanded 33.2 percent year on year, she said. Thailand's imports for January stood at 13.2 billion U.S. dollars, or a 44.8 percent year on year higher, she said.

These resulted in the country's trade surplus worth of 516 million U.S. dollars for January 2010, the commerce minister said.

For the whole 2010, the ministry estimated that the country's exports will grow 14 percent year on year, or equivalent to over 173 billion U.S. dollars, she said.

<http://english.people.com.cn/90001/90777/90851/6896339.html?>

- **Largest Thai bank closes due to 'Red Shirts'**

THOUSANDS of protesters forced Thailand's biggest bank to close its headquarters yesterday, raising tensions one week before a court ruling on the fortune of ousted former premier Thaksin Shinawatra.

Bangkok Bank shut its head office for the day and sent 3,000 staff home because of the rally by Thaksin's supporters, who say the bank has links to a royal aide whom they blame for the 2006 coup that toppled their idol. Police said around 1,500 demonstrators had gathered in Bangkok's Silom business district. The protest movement, known as the "Red Shirts" because of their signature clothing, said 10,000 attended.

"Bangkok Bank is a capitalist institution which has destroyed our democracy," Red Shirt speaker Worawuth Wichaidit told the crowd from a stage.

The Red Shirts said former prime minister Prem Tinsulanonda, who is now the chief adviser to Thailand's revered King Bhumibol Adulyadej, used to be Bangkok Bank's chief adviser and continues to have ties to it.

They accuse Prem of masterminding the September 2006 putsch. Telecoms tycoon Thaksin is now living abroad to avoid a two-year jail term imposed in absentia in 2008 for corruption relating to a land deal.

<http://www.bt.com.bn/en/news-asia/2010/02/20/largest-thai-bank-closes-due-red-shirts>

- **Social Front**
- **Thaksin case raises specter of violence**

Thailand's United Front for Democracy against Dictatorship (UDD) protest group has launched new anti-government street rallies in its latest push to topple Prime Minister Abhisit Vejjajiva's year-old coalition government. The protests have sparked market fears of a chaotic repeat of last April's UDD-led riots and could undo a 10-month period of relative political calm.

While UDD leaders claim to be struggling for democracy and the rights of the downtrodden, the mobilization comes conspicuously close to a Supreme Court verdict on February 26 that many

expect will result in the state seizure of 76.6 billion baht (US\$2.2 billion) worth of ousted former premier Thaksin Shinawatra's and his family's frozen assets.

Thaksin has consistently denied that he funds the red shirt-wearing UDD, but the protest group has previously marched to the populist former leader's orders, including his call last April from abroad - where he lives in self-imposed exile - for a "social revolution" to overthrow the government. The violence that ensued was put down by military force and saw a temporary surge in popular support for Abhisit's government.

Some analysts note that the UDD has ever since failed to galvanize significant numbers and has more clearly morphed into a pressure group in pursuit of Thaksin's interests than an organic grassroots movement pushing for democratic change. Many now view the UDD's tilt towards violence as a tactical misstep, similar to the negative impact the rival yellow-garbed People's Alliance for Democracy's seizure of Bangkok's two international airports in late 2008 had on its mass appeal.

Now with the bulk of Thaksin's assets at risk of confiscation and the government intensifying efforts to extradite him from his exile base in Dubai in the United Arab Emirates, officials fear that Thaksin's more radical supporters, including known rogue elements in the military and police, may launch a campaign of violence in a bid to escalate the conflict and through brinkmanship embolden Thaksin's calls for a royal pardon over his conviction on corruption charges.

Those concerns arise from recent anonymous grenade attacks on army headquarters and near Government House, the discovery of a C-4 laden explosive device near the Supreme Court and veiled threats by a rogue military official loyal to Thaksin that judges presiding over his assets case could be targeted for assassination. One senior Democrat party member recently expressed his concerns in discussions with a foreign mediator that the UDD is preparing to extend its fight to the provinces by organizing armed anti-government militias along the Cambodian border.

Mainstream UDD leaders maintain that they are committed to non-violence and have insinuated that the military and government have manufactured threats to justify a crackdown on their peaceful supporters. To guard against a repeat of last April's violent UDD-led riots and a possible provincial insurrection, the government has in recent weeks steadily mobilized joint civilian and security force units across 38 provinces as well as in Bangkok.

Government spokesman Panitan Wattanayagorn told foreign journalists on Thursday that the government has made publicly available a 37-page document detailing how security forces will lawfully respond to any UDD move towards violence. The document, however, didn't explain the need to preemptively move armored personnel carriers from the provinces to Bangkok, a redeployment that sparked coup rumors in the local media.

The UDD's propagandists have claimed that the military is split along pro- and anti-Thaksin lines and that the national police force is largely allied to their cause. They have claimed that any violent suppression of their demonstrators will be met by a mutiny among sympathetic soldiers and cops. Top-ranking police were negligent in maintaining order during last April's riots and Abhisit has reportedly worked closely with Police General Watcharapol Prasarnrajkit to identify and sideline officials known for lingering loyalties to Thaksin, himself a former police official. The upcoming rallies, some analysts suggest, will put to the test the effectiveness of those maneuvers.

While Thaksin has lured a number of retired military officials into his political camp, including most significantly former Internal Security Operations Command (ISOC) deputy commander General Panlop Pinmanee, as well as also rogue 4th Cavalry army specialist Major General Khattiya Sawasdipol, his influence among the active top brass has been systematically diminished through a series of reshuffles, special rotations and demotions since the 2006 coup that ousted Thaksin.

Coup-maker and current army commander General Anupong Paochinda is widely believed by diplomats monitoring military affairs to have consolidated his position over top command positions, including those instrumental in past coups. They note that Anupong's reshuffles have also disproportionately promoted his Queen's Guard clique and, according to some military watchers, diluted Privy Council president and former army commander General Prem Tinsulanonda's influence and enhanced that of Queen Sirikit over the forces.

Those reshuffles have also signaled a clear transition to deputy commander and known royalist General Prayuth Chan-ocha when Anupong must retire in October this year. Prayuth would be eligible to serve in the army's top position for three consecutive years and, as a former Queen's Guard commander, would likely be trusted in palace circles to manage security during the eventual royal succession.

Some military watchers suggest that exclusive promotion of Queen's Guards over other military regiments has sown resentment among the rank and file, with the Special Forces seen as a particular source of discontent. That said, intra-military tensions over reshuffle lists are nothing new and are not expected to undermine unity as long as the widely revered 82-year-old King Bhumibol Adulyadej remains on the throne.

Bhumibol has, after a period of ill health, made a number of recent public appearances, including two televised addresses to local judges calling upon them to adjudicate with "righteousness". The speeches, some analysts noted, were similar in tone and message to the one he delivered to judges in the run-up to the May 2007 court-ordered dissolution of Thaksin's former Thai Rak Thai party.

Indeed, rifts are more evident in Thaksin's political camp and these could widen if the upcoming Supreme Court verdict allows for the full seizure of his assets. According to one UDD insider, the protest group is split between a camp that desires to move away from Thaksin's personality politics and emphasize more broadly democratic reform, and another led by those who have benefited politically and financially through their association with the former premier.

It's unclear how Thaksin views the protest movement's future in light of its waning popular pulling power. Notably, UDD top leaders publicly distanced themselves from Panlop's recent call to establish a "people's army" among UDD followers after an apparent meeting with Thaksin in Dubai. Meanwhile, the Thaksin-aligned Peua Thai

opposition party is riven with infighting over the de facto leadership of rough-and-tumble machine politician and former police official Chalerm Yoobamrung.

Some Bangkok-based diplomats suggest that Thaksin's post-coup reliance on discredited politicians and rogue military and police elements to push his agenda has further undermined his already questionable democratic credentials. That, they say, will conspire against any future Thaksin bid to portray government suppression of UDD protesters bent on violence as an anti-democratic crackdown deserving of international censure - as he attempted in the chaotic wake of last April's riots.

The US, for one, was publicly critical of the UDD-led April riots and has recently told the group's representatives that Washington puts diplomatic priority on law and order, according to a source familiar with the discussions. Underscoring Thaksin's closing exile options, one Bangkok-based official notes that his US visa has expired and that he would likely be held in "secondary" confinement if he attempted to enter the country.

Other diplomats believe Thaksin's interests would be better served by him fading into the political background after the upcoming verdict and resurrecting his appeal for a royal pardon after the eventual royal succession from Bhumibol to his heir-apparent son, Crown Prince Vajiralongkorn. "But we all know that fading into the background is not exactly his style," said the diplomat.

But even if Thaksin and his supporters elect to sustain their campaign of resistance in the landmark verdict's aftermath, some here sense that Thailand's political conversation has already shifted beyond Thaksin and towards a more genuine and inclusive discussion of the need for political and social reforms.

http://www.atimes.com/atimes/Southeast_Asia/LB20Ae01.html?

- **Thailand: UN Warns Of Mass Deportations**

A large number of migrant workers from Myanmar, Cambodia and Laos face the threat of deportation from Thailand if the Government goes ahead with its nationality verification process, an independent United Nations human rights expert warned today.

In January, the Thai Cabinet passed a resolution allowing for a two-year extension of work permits for approximately 1.3 million migrants provided that they were willing to submit biographical information to their home governments prior to 28 February 2010.

However, migrants who fail to do so by this deadline risk deportation after the 28 February deadline. Jorge A. Bustamante, the UN expert on the human rights of migrants, noted in a news release that carrying out the verification process in its current form places many documented and undocumented migrant workers at risk after 28 February. "I am disappointed that that the Government of Thailand has not responded to my letters expressing calls for restraint," said the expert, who reports to the Geneva-based Human Rights Council. "I reiterate my earlier messages to the Government to reconsider its actions and decisions, and to abide by international instruments," he added. "If pursued, the threats of mass expulsion will result in unprecedented human suffering and will definitely breach fundamental human rights obligations."

Mr. Bustamante called on Thailand to respect the principle of 'non-refoulement,' noting that among the groups who may potentially be deported are some who may be in need international protection and should not be returned to the country of origin.

Like all UN human rights experts, Mr. Bustamante works in an independent and unpaid capacity.

<http://www.scoop.co.nz/stories/WO1002/S00423.htm?>

- **Environmental Front**

Philippine

- **Political Front**

- **Malaysian-led peace monitors to return to southern Philippines**

A Malaysian-led international team is scheduled to return to the troubled southern Philippines next month, the government's chief peace negotiator said Thursday.

The 60-member team is set to resume its monitoring of a seven-year ceasefire with Muslim separatist rebels, Foreign Undersecretary Rafael Seguis said.

The team plans to return to the southern region of Mindanao to monitor a 2003 ceasefire between the Philippine government and the separatist Moro Islamic Liberation Front (MILF).

'We expect them to be on the ground next month,' Seguis said.

The team would be led by representatives from Malaysia with members from Libya, Brunei and Japan. The international ceasefire monitoring team was first deployed in Mindanao in 2004. It pulled out in 2008 when the negotiations, which Malaysia was facilitating, stalled over a controversial territory deal, and the ceasefire broke down.

The deal would have expanded the current Muslim autonomous region in the area. In August 2008, the Supreme Court declared the territory deal unconstitutional.

Over 300 people were killed in the ensuing clashes, and more than 500,000 fled their homes.

Peace talks between the Philippines and the MILF resumed last month, but a new round of negotiations scheduled this week was shelved due to the insistence of the rebels on expanding the territory of the autonomous Muslim region.

On Wednesday, Executive Secretary Eduardo Ermita said it was unlikely that the MILF and the government would sign a peace accord under the mandate of President Gloria Macapagal Arroyo, set to expire on June 30.

The 12,000-strong MILF has been fighting for an independent Islamic state in the southern Philippines since 1978. It first entered into peace negotiations with the government in 1997.

http://www.monstersandcritics.com/news/asiapacific/news/article_1534597.php/Malaysian-led-peace-monitors-to-return-to-southern-Philippines?#ixzz0g65lvAzp

- **A legacy of instability**

Philippine President Gloria Arroyo can make all kinds of claims about the accomplishments of her presidency, but what she will be long remembered for is the legacy of political instability she leaves behind. So important is stability to the functioning of a democracy that one of the crucial achievements of any administration is the peaceful and orderly transfer of power to a new set of leaders at the end of its term. That is why the election of a new president is always a milestone in the life of a democratic polity, and it is especially significant after a long period of uncertainty. Persistent political crisis burdens the legal system, and, in the long term, it engulfs the rest of society's institutions - the economy, the religious sphere, the civil service, the armed forces, etc.

Our first taste of sustained political instability in the post-war years came with the declaration of martial law. Ferdinand Marcos' second term as president would have ended in 1973, but, having hijacked the ongoing Constitutional Convention, he did not transfer the reins of government at the end of his term in 1973. A new constitution

legalised his continued stay in office. From then on, it became uncertain when and how the Marcos regime would end. Having installed itself by arms, it was logical to think that it could only be ended by arms.

But the snap election that Marcos was prompted by the United States to call in February 1986 paved the way for Cory Aquino's unexpected rise to the presidency. Cory did not draw her mandate from the snap election, for she lost it officially. She drew it rather from the peaceful EDSA I uprising that broke out in the aftermath of that stolen election.

Seven failed military coups, including two very serious ones, challenged the new president's right to govern and prevented her from focusing on governance. Thus, it is often said that Cory's biggest achievement was her political survival. I think that her biggest achievement was presiding over the transfer of state power, at the end of her term, to her duly-elected successor, Fidel V. Ramos. That event capped the stabilisation of the country's political system.

The margins separating the three front-runners in that election were so slim that, under a less credible Commission on Elections, and under a distrusted presidency, the results would have been violently contested. Yet President Ramos went on to enjoy the benefits of political stability, the seeds of which were planted by a credible predecessor. It is a testimony to the enduring nature of that stability that the winner in the presidential election six years later - Joseph Estrada, who was not the choice of the elite nor of the EDSA I (People Power Revolution) forces - would be sworn in without delay. What happened after that, however, is another story.

Approaching the third year of his six-year term, Estrada became the subject of a televised impeachment trial that threatened to strip him of the presidency. The whole process seemed to be going well until the matter of the second envelope cropped up, triggering a moment of confusion in the impeachment court. An extra-constitutional transfer of power was the last thing the nation needed at that point, yet something like that happened after the impeachment court failed to resume its sessions. That event known as EDSA II put the Supreme Court in an extremely difficult position. It politicised the armed forces once more. It made the leaders of the Catholic Church again assume roles outside their legitimate function in a modern society. The subsequent arrest of the ousted president sparked EDSA III and brought the country to the brink of civil war. The Filipinos continue to reap the bitter fruit of that moment of political recklessness.

The political crisis spawned by EDSA II strained the credibility of the Philippines' legal system. But, more than that, it wiped out all the gains of the previous years by installing a president who spent her entire presidency fighting for political survival.

Instead of treating the remaining years of Estrada's aborted term as a transitional period, President Arroyo magnified the crisis by going for a full six-year term in the 2004 presidential election. Against a popular opponent, she deployed everything within her power - state funds, the police, the military, Comelec operators, etc. - just to ensure victory. This is what the framers of the 1987 Constitution precisely sought to avoid when they banned the reelection of a president. But, not having been previously elected to the position, GMA was not, technically speaking, seeking reelection. The imperatives of presidential survival made the police and the military once more the fulcrum of politics. The more GMA felt threatened, the more she turned to the armed forces for support. The more she bought military and political support, the more unpopular and illegitimate she became in the eyes of the public.

It is well to remember all this today, on the 24th year of Edsa I, because, unlike Cory Aquino who could not bear to stay a minute longer in the presidency, GMA is determined to remain an active political player by moving to another position right after her presidency expires. That, to me, is the most important factor that fuels continuing instability in our political system. It colors everything. It forces us to take a second look at events that seem unintended or insignificant, but suddenly acquire meaning when viewed in the light of GMA's congressional bid. It is a concern that begs to be taken into account in our choice of the next president. Who among the current presidential contenders has the will to stop her? That is the question.

<http://www.asianewsnet.net/news.php?id=10204&sec=1>

- **Economic Front**
- **Amid Drought, Filipinos Brace for 'the Worst'**

A drought in the Philippines has destroyed millions of dollars worth of crops, reduced the country's water supply and is threatening widespread blackouts as power companies contend with low water levels in hydroelectric dams, officials said Friday.

"It is such a difficult situation because we have just survived the typhoons in October that destroyed 1.5 million metric tons of rice and countless basic infrastructure," Joel Rudinas, an under secretary at the Department of Agriculture, said Friday. "We are bracing for the worst."

At a news briefing on Friday, Charito Planas, a spokeswoman for President Gloria Macapagal Arroyo, asked Filipinos to recycle bathwater for additional uses, like flushing toilets. The damage to crops is now estimated at more than \$61 million, and Mr. Rudinas said the Philippines, already the world's largest importer of rice, had imported an additional 2.4 million tons because of the drought. Nearly 400,000 acres of farmland have been affected, and officials expect the drought to continue, perhaps until July.

Mrs. Arroyo said on Tuesday that she was concerned about the fall in farmers' income, but assured Filipinos that the food supply would not suffer.

The government has begun cloud-seeding operations in hard-hit areas, particularly the north, and has allotted about \$20 million to aid farm and fishing in at least 14 of the country's 80 provinces. Two weeks ago, Mrs. Arroyo signed an order that asked utility companies "to maximize the limited supply of water." Other measures include the drilling of more water wells and the purchase of thousands of irrigation pumps. Some parts of the country, particularly the southern region of Mindanao, are almost certain to experience power cuts.

Carlito Claudio, an official with the National Grid Corporation, said at a House of Representatives energy committee hearing this week that he expected two- to three-hour blackouts every day, possibly until the national elections in May.

<http://www.nytimes.com/2010/02/20/world/asia/20drought.html?>

- **Social Front**
- **Abu Sayyaf rebel caught after years in hiding**

A Filipino militant belonging to an al-Qaeda-linked group wanted for the kidnapping and murder of American tourists has been arrested in the Philippine capital after nine years on the run, authorities said on Friday.

Jumadail Arad of the separatist group Abu Sayyaf fell on Thursday while trying to enter a crowded Manila seaport where he planned to board a ferry bound for troubled southern Mindanao where his group is based, according to the Philippine Navy.

“These bandits may run for a while, but they cannot elude arrest forever,” Navy spokesman Lt. Col. Edgard Arevalo told reporters, saying that Arad was believed to have traveled to Manila on previous occasions since 2001. Arevalo added that Arad was the driver of a speedboat used by the Abu Sayyaf in a 2001 raid on the upscale Dos Palmas resort in central Palawan province in which Christian missionary couple Gracia and Martin Burnham and fellow American Guillermo Sobero were kidnapped.

“The arrest of Arad is part of the [Philippine] military’s continuing operation against terrorism,” said Army First Lt. Steffani Cacho, a regional military spokesman.

Officials at the US Embassy in Manila had heard of the arrest, a spokesman said, but offered no further comment.

The US State Department classifies the Abu Sayyaf as a foreign terrorist organization.

Arad, also known as Abu Hurayra and Asim Mangkabong Absar, was arrested by Philippine Navy intelligence and the police at about 5:15 p.m. while on board a shuttle bus at Pier 2 of North Harbor in Manila.

He is facing charges of kidnapping and serious illegal detention, murder and frustrated murder in connection with his participation in the Dos Palmas kidnapping on May 27, 2001.

Initially, Arad denied his identity when he was accosted by the authorities but was left with no choice but to surrender after an arrest warrant with his pictures on it was shown to him. In the Dos Palmas kidnapping, the Americans’ abductors later beheaded Sobero as a warning, they said, to pursuing troops.

Seventeen Filipinos were also kidnapped, but most either escaped or were released after alleged ransom payments.

Gracia Burnham was freed during a military rescue after more than a year in captivity in southern Philippine jungles. Her husband and a Filipina nurse left behind to take care of the couple were killed during the clash. Naval intelligence had been monitoring Arad closely for two months before moving against him, Navy spokesman Arevalo said.

Military intelligence officials also told reporters that Arad was on a mission to buy ammunition for the Abu Sayyaf.

It was not clear, however, whether any weapons or ammunition were seized from him at the time of the arrest, and the authorities declined to give further details. Besides kidnappings for ransom, the Abu Sayyaf is blamed for the country’s worst terrorist attacks, including the bombing of a ferry in February 2004 that killed more than 100 people on Manila Bay.

The group, which mostly operates from remote southern islands, was formed in the 1990s partly with seed money from Osama bin Laden’s al-Qaeda network, Philippine intelligence officials said previously.

Arad is not only a high-ranking member of the local terrorist group, but is an associate of Isnilon Hapilon, an Abu Sayyaf commander with a \$5-million bounty offered by the US government, Philippine Navy intelligence officials said.

Shortly after the 2001 abductions, President Gloria Arroyo allowed US Special Forces to deploy in Mindanao for joint anti-terror training with Filipino troops.

US intelligence data have led to the arrests and killings of many of the Abu Sayyaf’s top leaders. In December, Philippine authorities announced the arrest of the Abu Sayyaf’s co-founder, Abdul Basir Latip.

Philippine military intelligence say that the Abu Sayyaf's strength has dropped to about 300 to 400 fighters from a high of over 1,000 in the 1990s but it remains a threat particularly in the Muslim-populated South of the country.

Highlighting the dangers, two Filipino soldiers were killed as they walked into a remote jungle booby-trapped with improvised bombs by the Abu Sayyaf in Basilan province in Mindanao, also on Friday, the military said. The Abu Sayyaf, which means "Bearer of the Sword," has also been linked to the Jemaah Islamiah, a terrorist group based in Southeast Asia.

- **Hostages killed in south Philippines**

Gunmen killed two of four hostages they abducted last week in a southern Philippine province, an army spokesman said yesterday.

Captain Arnold Gaslatan said the bodies of the two victims were recovered Monday in Tangkal town in Lanao del Norte province, 810km south of Manila.

He said the victims, identified as Aliodin Manalo Rasban and Kaharo Rasban Pascual, were abducted with two companions Wednesday. The fate of other hostages was not yet known. Gaslatan said the kidnappers were believed to be members of a group involved in a feud with the families of the victims.

Feuding groups and families in the southern Philippine region of Mindanao often settle differences through fighting. Clan wars often erupt over land disputes and political rivalry.

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=343513&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=343513&version=1&template_id=45&parent_id=25)

- **Should the Philippines ban its citizens from working in the Gulf?**

The Philippines should ban its citizens from working in the Gulf due to the widespread abuse of domestic workers by local employers, according to a survey of Kippreport readers.

In a recent online poll, 44 percent of respondents said they agreed with a proposed ban on Filipinos coming to the Gulf because "domestic workers are treated like slaves and are subjected to abuse". A third of respondents disagreed with a ban, saying that "the Mideast offers valuable employment opportunities for Filipinos", while 23 percent said that the government "should not meddle in such matters".

Last month a group of Philippine politicians called on the country's government to ban domestic workers from going to the Middle East and Gulf states, according to a report in The National.

The politicians argue that domestic workers are being treated as modern-day slaves, and claim reforms introduced by the Philippine government in 2006 - which imposed a minimum salary of \$400 a month for all Filipinos working abroad - do not go far enough to prevent abuse.

The Philippines is the second Asian country in recent months to call for barring domestic workers from going to the Middle East. In November, Indonesia's manpower minister said Jakarta was to repatriate around 1,750 nationals working in Saudi, Kuwait and Jordan, and place a ban on its citizens working in these countries due to mistreatment.

And in August 2008, the Nepali government stopped granting work permits to women seeking work as housemaids in Saudi Arabia and Malaysia, because of the abuse faced by them in those countries.

The number of domestic workers facing abuse in Saudi Arabia has been growing at an alarming rate. In 2008, Human Rights Watch issued a report entitled "As If I Am Not Human" detailing the problems faced by the 1.5 million domestic workers in the Kingdom. The report highlighted a range of abuses including "non-payment of salaries, forced confinement, food deprivation, excessive workload, and instances of severe psychological, physical, and sexual abuse."

Ironically, authorities in Saudi Arabia recently proposed a ban on housemaids from certain Asian countries - not because they were subject to ill treatment, but because they claim the maids were themselves responsible for abuse. Authorities said housemaids coming from countries such as Sri Lanka, Nepal, Cambodia and Vietnam are indifferent to the local culture and have been involved in "child murders and incidents of violence", Kipp reported recently.

<http://www.kippreport.com/2010/02/should-the-philippines-ban-its-citizens-from-working-in-the-gulf/>

- **Communists don't want to talk peace**

Self-exiled Philippine communist leaders have given up on holding peace talks with the present Philippine government, a statement from an exiled communist leader said.

The National Democratic Front (NDF) which represents the 40-year old Communist Party of the Philippines and its military arm, the New People's Army (CPP-NPA), "has no interest in negotiating with a lameduck regime with a lifespan of less than three months," Fidel Agcaoili, NDF human rights committee chairman said in a statement.

Professor Jose Maria Sison, who founded the CPP-NPA in 1968 "continues to enjoy the confidence of the NDFP negotiating panel as its chief political consultant," said Agcaoili, adding the CPP-NPA has not prevented the NDF from holding peace talks with the Philippine government.

"But this regime continues to daydream about destroying the revolutionary mass movement of the Filipino people with brute military force and cheap psychological war tricks," said Agcaoili.

He referred to Defence Secretary Norberto Gonzales who said earlier that the Philippine government is now opting to hold peace talks with communist leaders in the provinces and not with NDF members who are all living abroad.

Gonzales said the Philippine government is studying whether or not to continue the peace negotiations with the NDF. "I have already asked the Catholic Church to lead the peace talks with NPA rebels in the provinces," he added.

Explanation

When asked to explain the government's new stance in holding peace talks with communist insurgents, Gonzales said that Benito Tiamzon, CPP's vice chairman who is based in the Philippines had ousted Sison as CPP head.

Tiamzon and his wife Wilma, who is a member of the CPP Central Committee, are now in control of the CPP, said Gonzales.

After founding the CPP-NPA in 1968, Sison remained its chairman. He has lived in exile in the Netherlands since the mid-'80s but he survived CPP-NPA's split into reaffirm and reject groups in the late '80s.

In 2004, the NDF refused to return to the negotiating table and blamed the Philippine government for not preventing the United States and the European Union in including the CPP-NPA in their list of foreign terror groups

<http://gulfnews.com/news/world/philippines/communists-don-t-want-to-talk-peace-1.584153?>

- **East Asian Peace - Miriam Coronel Ferrer**

What is the peace situation in the country? I was asked to discuss this question at the fifth congress of YOUTHINK, organized by the Mass Communications Department and students of St. Paul University in Quezon City.

I used most of my 15 minutes telling the students about the thesis of an “East Asian Peace”. Posited by scholars Timo Kivimaki, SteinTonnesson and Isak Svensson, the thesis argues that the East Asian region has experienced relatively stable peace since 1979. “East Asia” here includes the Northeast Asian countries of Korea, China, Japan and the ten countries of Southeast Asia.

East Asia was a major battleground of World War 2 which ended in 1945. Then the vicious wars that divided Korea and Vietnam followed, and the hostile ideological divide that marked the Cold War made its full impact on the region. During this time, from 1950-1979, some 4.2 million people reportedly died in battle.

In contrast, there were only 125,000 battle-related deaths in the region from 1980-2005. As such, the region has been much more peaceful than the war-torn Middle East and Africa in the last 25 years.

The “Vietnam war” (which the Vietnamese rightly refer to as the “American War”) ended in 1975, paving the way for reunification of the North and South. In 1979, Chinese troops moved out of Vietnam. Afterwards, Vietnamese troops withdrew from Cambodia, closing the last major chapter of the Cold War in the region. Since then, no major inter-state war has erupted in the region. In 1999, East Timor was liberated from Indonesia to finally join the ranks of the newest nations in 2002.

True, there is still tension between North and South Korea. The status of Taiwan (and Tibet) remains unsettled. Some five countries are contesting ownership of the Spratlys. But so far, these tensions have been kept at bay. Evidently, most of the battle-related deaths accounted for post-1979 resulted from domestic armed conflict.

The Philippines gets into the picture not because it manifests the relative peace found in the region. Together with Burma/Myanmar, it is an exception to the rule. It is a sore thumb sticking out in the thesis called East Asian Peace.

Of all the East Asian countries, it has remained the most conflictive state, with battle-related deaths at more than 25 a year, making it a permanent entry in the Uppsala University list of countries embroiled in armed conflicts. Uppsala defines a traditional armed conflict as one where at least 25 deaths, military and civilian, result from hostilities between a government and an armed group.

For the general thesis on East Asian peace to hold, the exception has to be explained. That was why I was invited to join the research team of European and Asian scholars. My task is to explain why the Philippines continues to be beset by armed violence.

While I am glad to take part in a team of distinguished scholars, I am aghast that I am getting the privilege because my country reeks with the smell of gunfire and premature deaths.

The focus so far in answering the question posed to me has been on the armed violence that occurs in the course of our domestic insurgencies and the state’s counter-insurgency operations. But it is only one aspect of the high degree of political violence that has possessed this land.

Electoral violence, a specialty in this part of the region, is one other type. In every Philippine election, over a hundred candidates and campaigners are killed in election-related violence, before, during and after election day. “Ballots, not bullets” is a slogan from way back, highlighting the problem of electoral scores being settled with a gun.

Another form of political violence are the extra-judicial killings, notably, the politically motivated assassinations not only of journalists and political activists, but also of bureaucrats and politicians.

Another type of unpeace is criminal violence. From road rage to killers-for-hire, guns have become major accessories in this high-level state of violence in the country. Many land conflicts and family feuds also end up being squared off on our streets in broad daylight. Many protagonists prefer to settle claims through violent means because they have the weapons, the money and the needed protection to do so, or do not think the courts will bring them justice.

We haven’t mentioned yet the kind of violence on the person due to poverty, unemployment, and discrimination due to gender, class, race and religion. Johan Galtung calls these forms structural violence because they are rooted in social inequities. They may not involve beating or shooting, but they even more insidiously destroy the dignity of the person.

But the most appalling fact is that we no longer shudder as one report after another of violence is heaped on us. Desensitized by what literally is an overkill, we have lost our ability to be shocked and shamed.

Salman Rushdie, in his novel *Shame*, talked about the preponderance of shamelessness in the very-real society of his fictional work. For Rushdie, shame, sprang from many sources, has become so abundant that nobody feels it anymore. This is the case with the violence in our midst.

To tweak Rushdie’s exposition on shamelessness into a sardonic indictment of violence, let me parenthetically change the wording in this paragraph from his gripping novel:

“Wherever I turn, there is something of which to be ashamed. But [violence] is like everything else; live it for long enough and it becomes part of the furniture. In [this country] you can find [violence] in every house, burning in an ashtray, hanging framed upon a wall, covering a bed. But nobody notices it anymore. And everyone is civilized.”

Do get your copy of this 2002 novel and learn to blush once more, shamed by the beast of violence that is feasting on our land.

<http://www.abs-cbnnews.com/views-and-analysis/02/18/10/east-asian-peace-miriam-coronel-ferrer?>

- **PHILIPPINES: Thousands still displaced after Ketsana**

Nearly five months after tropical storm Ketsana and two typhoons ravaged northern Philippines, evacuation centres are starting to close but thousands of people are still displaced, aid workers say.

“The situation is definitely getting worse and people’s coping mechanisms are being stretched to the limit,” Paula Brennan, Oxfam’s Ketsana response manager, told IRIN.

“Evacuation centres are closing for a number of reasons. The churches, for example, closed [for] Christmas mass; the schools were closed when classes started,” she said.

On 26 September, tropical storm Ketsana inundated 80 percent of Manila on the island of Luzon, home to some 12 million people. A week later, Typhoon Parma made landfall,

drastically affecting outlying regions that were already heavily flooded. Typhoon Mirinae wreaked additional havoc at the end of October. The National Disaster Coordinating Council (NDCC) says more than 10 million people were affected.

As of 30 January, 24,318 people or 5,253 families were being hosted in 54 evacuation centres, according to the International Organization for Migration (IOM). However, the actual numbers of displaced are thought to be higher, since the figure does not include those staying with relatives.

Some 230,000 homes have been either completely or partially destroyed, according to the Department of Social Welfare and Development (DSWD).

Fishing ground turned marshland

The Laguna de Bay in Luzon is the largest lake in the Philippines, and the main livelihood source for the fishing communities living along its banks.

Anna Maravilla has had to relocate three times since September 2009

Anna Maravilla, a 43-year-old single mother, once ran a fishing business with her brother. But Ketsana caused the lake to overflow, destroying her home. "My home was totally wiped out. We cannot go back there because the government has declared the land uninhabitable," she said. Since September, she and her three children have been relocated three times. The Laguna Lake Development Authority estimates that originally 400,000 families in the area were affected by the onslaught of the storms. "First, we occupied a public school, but we had to move when classes started. We were then moved to a basketball court... but we had to leave when the residents wanted to use it," said Maravilla. Maravilla now lives in a small shack on a poultry farm that was converted into an evacuation centre with 47 other families.

The makeshift centre has no electricity; there are two running taps and two toilets. Oxfam is building four showers and toilets. "Our life before was not easy, but we were able to survive. We did not have to live like this. At least I had my own house, my own toilet," said Maravilla, who is also missing her daily income of at least US\$10 from fishing.

Others in the centre have turned to scavenging and re-selling aluminium cans and paper.

No longer able to fish for their livelihood, many displaced have started scavenging or recycling aluminum cans and paper

Teresita Cuervas, 70, said: "I make about \$2 [daily] from scavenging. This used to supplement our income from fishing, but now, this is all I have."

Lack of funds

The Post Disaster Needs Assessment (PDNA) released in December by the government, the World Bank and other agencies, estimated that \$942.9 million was required to meet recovery needs, while \$3.48 billion was needed for reconstruction.

"Under normal conditions, shelter was already a problem, but the extent of the devastation [wrought] by [Ketsana] was simply overwhelming," Edin Garde, programme manager for the UN Human Settlements Programme (UN-HABITAT) in the Philippines, told IRIN.

The UN launched a flash appeal for \$74 million in October 2009, which was revised a month later to \$143.7 million.

However, as of 16 February 2010, only 39.2 percent has been funded, according to the UN's Financial Tracking Service (FTS). Shelter, along with education, protection and economic recovery, are the least funded.

“Funding shelter is very expensive. It costs about \$543 to build one transitory house and \$1,489 for a more permanent structure,” said Garde. “It is much easier to fund relief efforts like food, for those who want to reach out to more people and see immediate results.”

“You cannot build a structure on land without first assuring its safety conditions, and this takes time,” Garde said.

“The key is a sustainable source of funding, so as not to depend on the donors,” said Warren Ubongen, shelter cluster coordinator with UN-HABITAT.

“We are now looking at bilateral strategies to mobilize resources. Private institutions like banks are being tapped to donate some repossessed properties,” he said.

<http://www.newsnw.co.uk/h/World+News/Asia/Philippines?JavaScript=1&searchheadlines=&search=&Period=0&Page=1>

- **Environmental front**

Cambodia

- **Political Front**
- **Geo-Strategic Front**
- **Economic Front**
- **Cambodian garment trade struggles to get over slump**

Cambodia's garment industry, its third-biggest currency earner, shed almost 30,000 jobs in 2009 after a drop in sales to the United States and Europe and could struggle this year, a senior official said on Wednesday.

Oum Mean, secretary of state at the Labor Ministry, said 106 factories had closed in 2009, putting 45,500 people out of work.

On top of that, 66 factories suspended operations, leaving another 38,000 on half pay, after a slump in export orders as shoppers in the United States, Europe and elsewhere cut back on clothing purchases due to the global financial crisis.

However, 48 factories had opened during the year, employing 16,900 people, Oun Mean said. These firms had received permits before the downturn and had taken the risk of continuing with their ventures, banking on an improvement in the world economy.

"In 2010, we suspect garment and shoe production will still be affected," Oum Mean said, adding the industry had 468 factories by the end of last year, employing 330,000 people. "We just feel happy after hearing information that there's been some recovery in those big countries," he said.

According to data from the Garment Manufacturers Association of Cambodia, the country exported garments, textiles and shoes to the value of \$2.3 billion last year, down from \$2.9 billion in 2008. More than half of its exports go to the United States.

In recent years the sector has been the third-biggest foreign exchange earner after agriculture and tourism in a country ravaged by civil war in the 1970s but which has achieved some stability over the past two decades.

It accounts for about 16 percent of gross domestic product, so the factory closures will hurt, with a ripple effect in the countryside as the money sent home by garment workers dries up.

The International Monetary Fund forecast in December that the economy would shrink 2.7 percent in 2009 before growing 4.3 percent this year.

The government has offered vocational training to the unemployed, but Oum Mean said some female workers had also turned to the "entertainment industry" -- a euphemism for prostitution. "Some think that these jobs are not good for society," he said.

Chea Mony, president of the Free Trade Union, said some workers had sought jobs in neighbouring Thailand, Malaysia and South Korea.

"Some of the women went to work in night clubs and beer gardens," he said. "Unemployment is a heavy burden for Cambodian women."

<http://www.iii.co.uk/news/?type=afxnews&articleid=7753144&subject=companies&action=article>

- **Cambodia's ethanol exports fall below target**

Ethanol exports from Cambodia to the EU fell short of its target last year because of a delay in production.

Exports of anhydrous ethanol to Europe were 29,406t (640 b/d) last year, below its target of 40,000t, the country's sole producer MH Bio-Energy said. The producer had been unable to meet its target because of a delay in production caused by construction problems at the plant early last year, a company official said. A temporary halt of its cassava-based plant's production in September because of suspected pollution was thought to have caused the shortfall in exports, but it was denied by the company official. MH Bio-Energy, with its 120,000 t/yr ethanol operations in Kandal province, aims to meet its export target this year of around 40,000t, mainly to Europe, even as feedstock costs continued to soar this year.

Prices of cassava, a key feedstock for the plant's ethanol production, have firmed in recent months because of tight supply and strong demand from Thailand. Prices of dry-chip cassava are currently pegged around \$160-170/t fob Cambodia, compared with \$140-145/t in December and \$112/t in May last year.

The rising cassava costs and anticipated demand from Europe could easily push up the price of Cambodian ethanol to over \$700/t fob this year, the official said. Ethanol cargoes were sold around \$650/t fob in December last year, compared with \$560-570/t fob in February.

<http://www.argusmedia.com/pages/NewsBody.aspx?frame=yes&id=698440>

- **Social Front**

- **Draft Acid Law starts to take shape**

Municipal Police Chief Touch Naruth speaks at Municipal Police headquarters on Wednesday at a conference about a proposed law on acid sales and acid attacks.

A GOVERNMENT committee plans to finalise a draft law aimed at countering acid attacks shortly after Khmer New Year, officials said Thursday, meaning it has roughly eight weeks to flesh out regulations that rights groups hope will cut down on an apparent surge in the violent assaults.

The 11-member Ministry of Interior task force met Thursday to discuss an initial draft of the law, said Ouk Kimlek, undersecretary of state at the ministry and the committee's deputy director.

The members will consider the proposed legislation before meeting again next month, he said. "We must try to finish this draft law and send it to the government after Khmer New Year," Ouk Kimlek said. "It is hard work for us because the issue is new to us, but we are trying to do our best to create an acid law in order to protect people and society."

The initial draft law, a copy of which was obtained by the Post, is a mix of strict regulation and punishment, taking cues from other countries that are also tackling the problem of acid attacks.

Ouk Kimlek, who wrote the 20-point draft law, said he believes people convicted in severe cases should face life in prison, though the exact punishments have yet to be determined.

The draft law also proposes that accomplices in attacks, even if not directly responsible for throwing acid, should face identical punishments.

“Accomplices who help offenders in order to commit the crime ... must have the same sentence as the offender,” states one section of the draft law.

The proposed legislation calls for strict controls over all aspects of importing, transporting, producing, buying and selling acid. Businesses that deal with acid would be required to be licenced by the Ministry of Industry, Mines and Energy, with those that flout the rules vulnerable to unspecified fines or prison terms.

The law would also stipulate that all acid buyers be at least 20 years old. But other countries where acid attacks are common have had problems implementing similar laws. Authorities in Bangladesh passed laws in 2002 aimed at regulating acid sales and punishing perpetrators of acid crimes. The laws established a national body for controlling acid, as well as a rehabilitation centre specific to victims of acid crimes, according to a UN database detailing legal responses to violence against women.

The laws allow for perpetrators of acid crimes to face the death penalty or life imprisonment. Statistics from the Bangladesh-based Acid Survivors Foundation (ASF) show attacks spiked at 367 reported incidents in the year the laws were introduced, but fell to 115 last year – the country’s lowest reported total in a decade.

Still, the organisation believes many perpetrators continue to escape the legal system. “Despite enactment of the new laws to combat acid violence, it is estimated that very few of the attackers are ever punished,” ASF said in a statement on its Web site. “The victims are usually poor, illiterate and frightened of the time-consuming and complicated legal system.”

In Pakistan, authorities have also regulated the sale of dangerous substances such as acid, but enforcing the law has been another matter, one advocate said.

“You’re supposed to be licenced to sell acid, but you have a lot of acid sellers who do not have any licence at all,” said Valerie Khan, chairperson of the Acid Survivors Foundation Pakistan. “Normally, you should be asking for an ID card when selling acid, but that’s not done at all.” Nevertheless, local observers say they are encouraged by the government’s move to counter acid attacks, which came after authorities rejected earlier calls to regulate acid sales.

But they also warn that any law will be ineffective if it is not properly implemented.

“I want to see equal practice of the law between people in power and poor people,” said Kek Pung, president of the local rights group Licadho.

She said the government should also legislate a mechanism that would ensure victims have access to specialised care.

“We see that now, victims have to be sent for treatment in other countries. We need to budget for this,” she said.

Vendors concerned

Local acid vendors who have met with authorities say they support the law in principle but wonder what effect it will have on their businesses.

"I'm not afraid of practising the law," said Im Viravuth, "but I am afraid of losing my clients." Mean Leab, who sells battery acid, said: "I have never wished to sell acid to people who will use it to douse someone, but I don't know who is good and who is bad." The Cambodian Acid Survivors Charity recorded at least 194 separate acid attacks in the Kingdom between 1985 and 2009.

<http://www.phnompenhpost.com/index.php/2010021932371/National-news/draft-acid-law-starts-to-take-shape.html>

Singapore

- **Political Front**
- **Geo-Strategic**
- **Economic Front**
- **Singapore's productivity level is 60-70% of what is possible: PM Lee**

Singapore's Prime Minister Lee Hsien Loong said Sunday the country has a considerable way to go in its productivity drive, especially when compared with other countries which have achieved significant productivity growth. He said Singapore's productivity level is 60 to 70 per cent of what is possible. Mr Lee's remarks follow the release of the Economic Strategies Committee Report, which placed productivity as the key growth strategy for Singapore's economy.

The Prime Minister made the assessment on the first day of the Year of the Tiger, as he visited a select group of workers who are keeping the country going during the holiday period. Accompanied by key union leaders, Mr Lee gave away S\$10 hong baos and oranges to some 150 staff at Swissotel the Stamford and Fairmont Singapore. Mr Lee said efforts must redouble if Singapore is to achieve the target of two to three per cent productivity growth over the next 10 years.

"It's a turning point. Your numbers will grow more slowly and if you want the economy to do well, that means the productivity must go up," said Mr Lee.

"And if your productivity doesn't go up and we don't get the growth, then I think you may feel that you're relaxing a little bit more but the mood, the buoyancy, the optimism, will be quite different. So we have to work hard and take this very seriously." To help staff increase their productivity levels, some hotels have been using a device called the Ezi-Maid. The device is able to elevate beds to waist level, making it easier for cleaning staff to change the sheets and vacuum under the bed, cutting the time taken to clean a room.

The job scope of workers is also being re-looked. General secretary of Food, Drinks and Allied Workers' Union, Tan Hock Soon, said: "We're working with management to upgrade the skills of the workers through expansion of knowledge, through skills upgrading, so that we can ultimately integrate jobs. So that productivity goes up, therefore better wages for our workers in the industry."

Mr Lee also touched on the need for Singaporeans to have more babies.

He said that while there is no "magic bullet" to boost the fertility rate, working mothers will need family support, and husbands can play a part.

"(Husbands can) start by changing nappies!" said Mr Lee. "When the kids grow a bit older, you're not just a father figure, but you're helping around the house and showing them a good example, so when they grow up they also know how to look (after) the house."

Singapore's resident Total Fertility Rate slid from 1.28 in 2008 to 1.23 last year, the lowest ever.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1037480/1/.html>

- **Govt will play active facilitator role in efforts to grow external wing: SM Goh**

The government will facilitate Singapore's growth of an external wing, said Senior Minister Goh Chok Tong in his address at the Business China Spring reception on Tuesday.

With Singapore nearing its constraints of land and labour, Mr Goh said the government must increase the country's Gross National Product (GNP) and he urged companies in the frontline to lead the way.

Singapore recognised China's potential soon after China began opening up its economy in 1978. And because of these early efforts, China is today Singapore's third largest trading partner and top investment destination.

Looking ahead, SM Goh said Singapore must find opportunities to ride on China's growth. He said: "When Goldman Sachs predicted back in 2003 that China's GDP would overtake that of the US in 2041, it was met with some scepticism. But no longer.

"In fact, the dislocation brought about by the recent global financial tsunami had accelerated time. Goldman Sachs now believes that China will become the world's largest economy by 2027, 14 years sooner than earlier predicted.

"In a research report put out last month, PWC went even further, believing that China would overtake the US as early as 2020, a mere decade from now. Of course, this is in terms of the size of GDP. In GDP per capita terms, China will take much longer to catch up with the US."

So, IE Singapore will continue to organise business missions to international trade fairs, and engage emerging regions. In order to help local companies gain an even stronger foothold in China, Singapore has also concluded a Free Trade Agreement with China, the first Asian country to do so. This came into force in January last year. And Mr Goh explained there is more to it when engaging China.

He explained: "To do business in China, Singaporeans need to understand nuances of Chinese business culture. Being able to speak the same language is critical in networking and developing rapport.

"The Ministry of Education is therefore looking at how to make Chinese lessons in our schools even more engaging. Those students with the interest and aptitude are being encouraged to pursue Higher Chinese at Primary and Secondary levels. In fact, more than a quarter of Chinese Language students are currently studying Higher Chinese at 'O'-Levels."

Meanwhile, Business China has also launched the Young Leaders Programme.

Genie Quek Jing Yi, Business China Young Leaders Programme, said: "You have to be independent, flexible, open-minded and you must be hardworking and be able to adapt to their culture and Chinese and their working environment."

Steven Goh Zhixiang, Business China Young Leaders Programme, said: "I see it as a platform for me to know China better and in a way for the Chinese to know Singapore better."The programme aims to grow a pool of young enthusiastic Singaporeans for careers in China.

Through it, they gain valuable work, live and play experience in China. Corporate members of the programme can select suitable trainees to be attached to their China offices. They receive attractive funding and can also recruit the trainees after the attachment period to strengthen the China-readiness of their workforce.

Among the companies offering attachment vacancies are AnnAik Limited, BreadTalk Group, CapitaLand, EnGro Corporation, Hi-P International, Keppel Land International, ST Engineering and Yanlord Land Group.

Mr Goh said the programme complements efforts of the public sector in cultivating more bilingual and bicultural talents to spread Singapore's wings in China.
<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1037811/1/.html>

- **Singapore raises economic growth view**

SINGAPORE raised its economic growth forecast for this year after reporting better-than-expected fourth-quarter data, citing a pickup in trade and industrial production and stable financial markets.

The government now expects gross domestic product to grow by 4.5 per cent to 6.5 per cent in 2010, up from a forecast of three to five per cent made only a month ago, the Ministry of Trade and Industry said yesterday.

The economy shrank 2.8 per cent in the fourth quarter on a seasonally adjusted, annualised quarter-on-quarter basis, much better than the initial government estimate of a 6.8 per cent contraction made last month.

Economists said the central bank will likely keep its monetary policy unchanged at its next scheduled review in April, citing officials' concerns about the global economy in the second half of 2010 and benign inflation.

"I don't think there is an immediate push for them to do anything with monetary policy, given they are still concerned about the second-half outlook," said Selena Ling, head of treasury research at Oversea-Chinese Banking Corp in Singapore.

The Monetary Authority of Singapore sets policy by managing the value of the Singapore dollar against a secret basket of currencies. The current policy calls for a stable currency.

"We expect the MAS to maintain its neutral FX policy in April and to tighten only in October," said Standard Chartered Bank economist Alvin Liew.

The government said its upgrade from the earlier three per cent to five percent GDP growth forecast reflected "increased strength in the near-term growth momentum". It brings the official forecast in line with private sector estimates.

"The outlook for the second half of the year remains uncertain. Private final demand in the G3 may remain weak, as there are still few indications that non-policy induced private demand is gaining strength," it said.

Ravi Menon, a permanent secretary at the Ministry of Trade and Industry, told reporters that he was more concerned about private consumption in the US than sovereign risks in European countries such as Greece and Spain.

Economists expect Singapore Finance Minister Tharman Shanmugaratnam to announce a number of growth-supporting policies in his 2010/11 budget on Monday.

"Even as the government steps away from the 'emergency' mode that the 2009 budget was formulated in, they are likely to retain a 'better safe than sorry' stance," noted Robert Prior-Wandesforde at HSBC in Singapore.

The government raised its 2010 trade growth outlook to a range of nine per cent to 11 per cent from an earlier forecast of seven per cent to nine per cent. It expects non-oil domestic exports to rise by 10 per cent to 12 per cent this year.

It lowered its 2010 inflation forecast to two to three per cent from the previous 2.5 to 3.5 per cent due to a rebasing of the consumer price index.

For the whole of 2009, Singapore's gross domestic product shrank by two per cent following a revised 1.4 per cent rise in 2008. Reuters

<http://www.bt.com.bn/en/business-asia/2010/02/20/singapore-raises-economic-growth-view>

- **More S'poreans setting foot onto Middle Eastern countries to explore opportunities**

Singaporeans have been urged to grow the country's external wing so that the republic can prosper further. And on a recent trip to Oman and Bahrain, Senior Minister Goh Chok Tong told Singaporeans there to expand their opportunities while in the Middle East.

Singaporeans are making inroads into the Middle East, albeit slowly. And those already there encourage others to explore the opportunities as Singapore's expertise is needed and welcomed.

Elias Tang Siew Mun, director, ASM Technology (Oman), said: "Have an open mind because very often when we tell people come to the Middle East, the idea is always, 'is it safe?'. This is a very safe place and people are very friendly and there are a lot of opportunities and they welcome you." "There is a lot of emphasis from the government on modernising and adopting the electronic government model in this place. A lot of companies are coming here. Some of the Singapore companies are working closely with the IT people here." "Singapore has the best of both worlds and offer them more than just the Western or Eastern perspective. We can offer them value-for-money solution. From the East we can gel with them better and we are better to understand their needs better."

Dilip Mukundan, Ritz Carlton Hotel, Bahrain, said: "Singaporeans in general, thanks to the leadership that we have had in the country are very highly perceived here. There is a lot of respect and every Singaporean given the opportunity should make use of the opportunity now. There is a lot of growth in the region. Bahrain is a great financial hub, there are lots of opportunities and now is the best time to come."

Those in the region said they also have more time to spend with the family.

Alinah Aman, wife of Elias Tang, said: "Back in Singapore we were always working very hard. Here we work as hard but we have quality time for the family. We go camping in the weekends, climb the mountains and once in a while we take a trip up to Dubai for shopping. There are a lot of things to do besides work alone."

But they also caution - don't expect quick results and returns. Nicholas Koh, management consultant in Oman, explained: "If Singapore companies want to come here, they must have a lot of patience and perseverance and be very tenacious in what they want to do because securing a project can take between four months to three years. So that is how they must adapt and fit into the environment here."

"I spent 21 years in the Navy and therefore I missed a chance to do something in the commercial world in Singapore. When I came here, I realised the second chance is right here, what we learnt in Singapore, the learning curve we have gone through and what works in Singapore, is a good measure of what can work here as well."

Currently, there are some 50 Singaporeans working in Oman and another 250 in Bahrain. These numbers are set to grow when Bahrain, Kuwait and Saudi Arabia ratify the free trade agreement between the Gulf Cooperation Countries and Singapore, thereby setting the stage for more business opportunities.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1037786/1/.html>

- **Parliament to discuss issues on ESC report, housing, Romanian hit-and-run case**

Parliament will sit on Monday, with Members of Parliament (MPs) seeking clarification on the impact of the recently-released Economic Strategies Committee (ESC) report.

MP for West Coast GRC Ho Geok Choo and Nominated MP Paulin Tay Straughan want to know the implications on older workers. Madam Ho wants to know how the Ministry of Manpower will ensure that older workers won't be replaced for the sake of boosting productivity. The issue of housing will also be raised. Nominated MP Terry Lee wants to know how many new citizens were added to Singapore's population last year and what type of properties they own. Another Nominated MP, Calvin Cheng, will ask the House about the ongoing hit-and-run case allegedly involving Romanian diplomat Dr Silviu Ionescu. Mr Cheng wants to know what the Government will do to ensure that investigations will continue even with Dr Ionescu's refusal to return to Singapore to help in investigations.

The centrepiece of Monday's sitting will be the Budget Statement by Finance Minister Tharman Shanmugaratnam.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1038514/1/.html>

- **S'pore upgrades 2010 growth forecast to between 4.5% and 6.5%**

The government upgraded Singapore's growth forecast for this year, after the economy did better than expected in the fourth quarter.

For 2010, it now expects economy to expand by 4.5 per cent to 6.5 per cent, up from the previous prediction of 3 per cent to 5 per cent. However, the Ministry of Trade and Industry (MTI) has warned that while the first half may look good, there are potential downside risks in the second half.

The construction sector was the darling of the economy in the fourth quarter, expanding 16.4 per cent on-quarter after adjusting for seasonal factors. The services sector also grew 6.6 per cent seasonally-adjusted, led by the trade- and tourism-related sectors.

While manufacturing as a whole contracted 2.9 per cent seasonally-adjusted, due to the volatile pharmaceuticals sector, growth in the electronics and chemicals clusters strengthened due to the global recovery.

All these helped Singapore's economy grow 4 per cent on-year in the fourth quarter. The economy shrank 2.8 per cent in the fourth quarter on a seasonally-adjusted, annualised quarter-on-quarter basis, much better than the initial government estimate of a 6.8 per cent contraction made last month.

For the whole of last year, the gross domestic product (GDP) contracted 2 per cent - at the lower end of the official forecast of 2 per cent to 2.5 per cent contraction. While the outlook appears better, officials believe it is not yet time to celebrate.

Ravi Menon, permanent secretary, Singapore Ministry of Trade and Industry said: "Global recovery that began in third and fourth quarter of 2009 has gathered momentum and will strengthen over first half of 2010.

"The growth story for 2010 is essentially a tale of two halves. The first half, the green shoots of recovery that we saw six months ago have grown stronger and taller and taken deeper root, and will deliver a fairly strong first half for 2010.

"But the second half, clouds remain on the horizon and they will cast a shadow on the outlook for the year. Taking both factors together, our assessment is that GDP will grow by 4.5 per cent to 6.5 per cent in 2010."

The outlook is expected to be affected by global factors. Mr Menon added: "From a global macro perspective, the failure for private demand to ignite in the US would constitute a major risk because it has got the largest spillover effects.

"But one should never underestimate the impact of risks emanating from the financial sector. The rising sovereign debt risks in the European economies such as Greece and Spain pose new concerns. (The) question is, could sovereign debt be the new subprime?"

Officials are also concerned about the tightening of monetary policy in China and other Asian countries to fend off concerns of asset bubbles.

In the first half, areas expected to do well include the manufacturing- and trade-related sectors, electronics, biomedical sciences and chemicals, and tourism-related segments.

MTI expects strong contributions from the manufacturing- and trade-related sectors, which will be supported by resilient demand in Asia and improved trade flows.

The ministry also believes the electronics sector will benefit, especially from a trend of increased global IT spending and inventory restocking. An increase in production is also expected in the biomedical sciences and chemicals clusters, with both recent and upcoming opening of new facilities.

And tourism-related sectors are poised to benefit from the opening of the country's integrated resorts. Inflation is expected to average between 2 per cent and 3 per cent this year. This is a downward revision from the previous forecast of 2.5 per cent to 3.5 per cent, due the rebasing of the consumer price index (CPI) by the Department of Statistics.

One of the key shifts in the CPI is a bigger weighting assigned to housing - from 21 to now 25 out of 100.

http://www.channelnewsasia.com/stories/afp_singapore_business/view/1038442/1.html

- **Focus on SMEs expected among S'pore Budget measures: business leaders**

Small and medium-sized enterprises are looking forward to government measures that will help them become more productive and innovative.

Business leaders have also suggested the government offers incentives for companies to adopt technology and training programmes to build up new skills sets. These suggestions follow the recommendations of the Economic Strategies Committee to grow the economy. Measures to help SMEs are expected to be in the spotlight in Budget 2010.

Industry players said these will be important as many of these companies are still not yet on solid footing following the downturn. The health of SMEs is also important for multinational companies.

Irving Tan, managing director, Singapore & Brunei, Cisco Systems, said: "SMEs actually have a large impact on MNCs like ourselves. Both because they play an important part of our value chain in terms of delivering products and services to our customers and also increasingly they are becoming a very important customer base for us. So their success will also translate into our success."

CISCO Systems believes SMEs could be given incentives to adopt new technologies to boost productivity. This could come in the form of a specialised fund or tax rebates on related capital expenditure.

Observers said current schemes can also be improved such as helping workers to both upgrade and diversify their skills.

Renny Yeo, president, Singapore Manufacturers' Federation, said: "Have what I call a SPUR Plus. The general training and skill set training must continue. The next thing is why SPUR Plus? To allow for multi-skilling. This is very important for SMEs because they don't have that many workers. So for example if one is absent or go for training, the whole process is stuck. So if you multi-skill, they can maybe learn two machines or if somebody is absent, they can take over that machine as well. And this can help improve their productivity."

With funding for the existing SPUR scheme possibly ending in November 2010, the Singapore Chinese Chamber of Commerce & Industry said tax incentives or grants for training will be extremely important for smaller companies in helping them continue to boost productivity. Another way to boost productivity is through innovating processes.

The SMA is mooting for the concept of a mobile training centre where the classroom is brought to workers, which will save their travelling time.

Renny Yeo, president, Singapore Manufacturers' Federation, said: "One of the things that is good about our SMEs is that they are located at multi-storey flatted factories and each block has 30 to 40.

"Can you imagine the productivity of having such a system where people don't even have to travel and they just walk downstairs for training? They're less tired, and because they're less tired, they're able to pay attention. The training cost is lowered in the sense that they don't have to travel.

Another measure which the SMA hopes will be in the Budget include subsidies for SMEs to hire a productivity manager.

Mr Yeo added: "If we only continue to incentivise the traditional way the last budget did, I don't think we can achieve the two to three per cent target in productivity improvement.

"And to achieve quantum leap, we must go into innovative productivity training. For example, why not a productivity manager, who drives, who is a catalyst and drives productivity in an organisation. And I hope the government will be bold in their budget to maybe even provide funding, up to 90 per cent of the productivity manager's salary because at the end of the day, I assure you the return will surely be there."

The SMA also believes that Singapore can follow the lead of countries like the US, Germany, and Canada to have schemes for SMEs to tap on retired professionals.

Mr Yeo said: "Some kind of incentive or co-funding to activate the recently retired professionals and businessmen. This is to nurture our young smaller SMEs to grow rather than learn by mistake on their own you know. Why reinvent the wheel? Use these people and fund part of their cost of salaries."

Another closely-watched issue is foreign worker levy, which the Economic Strategies Committee had recommended be raised gradually to encourage companies to improve staff productivity.

The Singapore Chinese Chamber of Commerce and Industry hopes any levy increase will be moderate. It said there is an acute manpower shortage in some industries and businesses will need time to adjust their operations. Some observers said companies in the manufacturing sector may need six months because they are bound by business contracts with fixed costs.

Attracting foreign talent is also an important issue for MNCs. Companies like CISCO are hoping for revisions in personal tax schemes to make it easier for them to attract top level talent.

Mr Tan explained: "From a corporate tax perspective, Singapore remains one of the most competitive countries in the world. One thing I would really like to see is the harmonising of the personal income tax in line with the corporate tax rate. This will enable us to attract a lot more high calibre talent into Singapore and really look at cementing its place in the global economic competitive environment. So, bring personal income tax today which is at 20 per cent at the top end in line with corporate tax which is about 17 per cent."

To make the business landscape even more attractive, the SCCCI believes that lowering the corporate income tax to 16.5 per cent will make it comparable to other regional economies like Hong Kong.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1038058/1/.html>

- **Singaporeans welcome key recommendations of Economic Strategies Committee**

Singaporeans polled by the government feedback channel, REACH, have given high marks to the key recommendations by the Economic Strategies Committee (ESC).

The telephone poll of some 800 Singaporeans found 70 per cent agreeing with the recommendations. REACH said the sentiments also largely reflected the feedback received through other online channels. Respondents to the telephone survey were most supportive of the ESC recommendations to upskill workers at all levels through an enhanced Continuing Education and Training (CET) system (94%), strengthen support for low-wage workers through enhanced Workfare Income Supplement scheme (93%), and provide multiple skills-based progression pathways to complement academic routes (89%). Three recommendations received less support and relatively more disagreement.

Sixty-five per cent of respondents agreed to raising the quality of the foreign workforce and encouraging employers to retain skilled foreign workers by increasing the skilled levy differential, while 22 per cent disagreed. Fifty-eight per cent of respondents agreed to diversifying energy sources by exploring the feasibility of nuclear energy for the long term, while 25 per cent disagreed.

Fifty-two per cent of respondents agreed to raising foreign worker levies in a gradual and phased manner in order to manage Singapore's dependence on the foreign workforce, while 31 per cent disagreed.

A few contributors argued that this change should not be applied across the board as some jobs were shunned by locals, and businesses in those sectors depended heavily on foreign workers to remain viable.

While a handful of contributors who gave their feedback online welcomed the move to explore the feasibility of studying nuclear energy as a possible source of energy, others argued over the risks and costs involved in developing a nuclear plant.

They hoped that the government would consider this decision very carefully, and explore other means to generate alternative sources of energy.

On anchoring Singapore as a Global-Asia hub, contributors felt that there was an ongoing need to identify, develop and retain talents across all sectors, including developing world class companies such as Singapore Airlines and Creative Technologies.

Commenting on the feedback, REACH Chairman Dr Amy Khor said it shows Singaporeans broadly agree with and are supportive of the ESC's strategies to grow the economy to achieve sustained and inclusive growth.

She said the results should help to give the government a better idea of ground sentiments on these issues.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1038311/1/.html>

- **Government announces 2 measures to cool property market**

The Government has introduced two new measures to cool the property market and pre-empt a bubble from forming in the private homes sector. They come into effect Saturday. The Ministry of National Development said this will help ensure a stable and sustainable property market, and to curtail the HDB resale market where prices tend to track private property movements.

From Saturday, it will be more difficult and expensive for speculators to own and flip properties. A Seller's Stamp Duty will be imposed on all residential properties and residential land bought after Friday, and sold within one year from the date of purchase.

The housing loan limit will also be capped at 80 per cent - down from the current 90 per cent

This new loan limit will apply to all housing loans granted by financial institutions for private homes, executive condominiums, HUDC flats and HDB flats, including those sold under the Design, Build and Sell Scheme. But loans granted by the Housing and Development Board (HDB) for flats, will still have a cap of 90 per cent.

Last September, the Government introduced anti-speculative measures to cool the private homes market. While these helped initially, there were signs the market was heating up again.

The new measures come as demand for private homes continues to soar. The number of units sold by developers in January was three times more than December. It was also the highest monthly total since September last year.

The Ministry said the objective of these measures is to discourage short-term speculative activity that could distort underlying prices. It is not targeted at the purchase of properties for owner occupation or longer term investment.

Market watchers said the measures are easiest to implement, without causing the market to come to a standstill.

Eugene Lim, associate director, ERA Asia Pacific said: "We are recovering. The economy is recovering and the market is picking up so what they want to do is to make sure the property market is moving up in tune together with the economy and not faster than the economic recovery."

Analysts added that the prices and volume of private property homes are unlikely to be significantly impacted.

Donald Han, managing director, Cushman & Wakefield said: "It has got a fairly minimal impact to the market, mainly because a lot of investors from our records are buying for the medium term, at least for a period of two to three years.

"Some investors will probably stand by the sidelines and see how sales progress into February and March. It will take some wind out of the market; potentially it could be around 10-15 per cent in terms of the numbers of new home sales taken out of the equation."

The Real Estate Developers' Association of Singapore said the reduced mortgage cap is unlikely to have significant impact on genuine buyers and investors, as lending institutions have already been more prudent in the aftermath of the global financial crisis. <http://www.channelnewsasia.com/stories/singaporelocalnews/view/1038526/1/.html>

- **S'pore upgrades 2010 growth forecast to between 4.5% and 6.5%**

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However, the Ministry of Trade and Industry (MTI) has warned that while the first half may look good, there are potential downside risks in the second half.

The construction sector was the darling of the economy in the fourth quarter, expanding 16.4 per cent on-quarter after adjusting for seasonal factors. The services sector also grew 6.6 per cent seasonally-adjusted, led by the trade- and tourism-related sectors.

While manufacturing as a whole contracted 2.9 per cent seasonally-adjusted, due to the volatile pharmaceuticals sector, growth in the electronics and chemicals clusters strengthened due to the global recovery.

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For the whole of last year, the gross domestic product (GDP) contracted 2 per cent - at the lower end of the official forecast of 2 per cent to 2.5 per cent contraction.

While the outlook appears better, officials believe it is not yet time to celebrate.

Ravi Menon, permanent secretary, Singapore Ministry of Trade and Industry said: "Global recovery that began in third and fourth quarter of 2009 has gathered momentum and will strengthen over first half of 2010." "The growth story for 2010 is essentially a tale of two halves. The first half, the green shoots of recovery that we saw six months ago have grown stronger and taller and taken deeper root, and will deliver a fairly strong first half for 2010.

"But the second half, clouds remain on the horizon and they will cast a shadow on the outlook for the year. Taking both factors together, our assessment is that GDP will grow by 4.5 per cent to 6.5 per cent in 2010."

The outlook is expected to be affected by global factors. Mr Menon added: "From a global macro perspective, the failure for private demand to ignite in the US would constitute a major risk because it has got the largest spillover effects.

"But one should never underestimate the impact of risks emanating from the financial sector. The rising sovereign debt risks in the European economies such as Greece and Spain pose new concerns. (The) question is, could sovereign debt be the new subprime?" Officials are also concerned about the tightening of monetary policy in China and other Asian countries to fend off concerns of asset bubbles.

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MTI expects strong contributions from the manufacturing- and trade-related sectors, which will be supported by resilient demand in Asia and improved trade flows.

The ministry also believes the electronics sector will benefit, especially from a trend of increased global IT spending and inventory restocking. An increase in production is also expected in the biomedical sciences and chemicals clusters, with both recent and upcoming opening of new facilities. And tourism-related sectors are poised to benefit from the opening of the country's integrated resorts.

Inflation is expected to average between 2 per cent and 3 per cent this year. This is a downward revision from the previous forecast of 2.5 per cent to 3.5 per cent, due the rebasing of the consumer price index (CPI) by the Department of Statistics.

One of the key shifts in the CPI is a bigger weighting assigned to housing - from 21 to now 25 out of 100.

- **Foreign, domestic wholesale trade rises in Q4 2009**

In another sign that the economy is showing signs of stabilisation, Singapore's wholesale trade continued to improve in the fourth quarter.

Data released by the Department of Statistics showed that foreign wholesale trade increased by a seasonally-adjusted 11.5 per cent in the fourth quarter, compared to the third quarter.

The Statistics department said all sectors, except industrial and construction machinery, registered positive growths during the three months to December. Domestic wholesale trade also rose, with the index climbing 10 per cent on-quarter.

When compared to the same period a year ago, foreign wholesale trade increased by 12.6 per cent, while domestic wholesale trade rose 19.4 per cent. This was attributed to higher sales in the petroleum, chemical products, telecommunications and computers sectors.

The wholesale trade index measures the performance of wholesale trade activities.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1038588/1.html>

- **social Front**
- **Malay community to look at playing a more active part in integrating new citizens**

With many new citizens coming from China and India, the local Chinese and Indian communities have been busy trying to integrate these new citizens.

Malay dance and silat are items put up at community events by members of the People's Association Malay Activity Executive Committee Co-ordinating Council or MESRA.

They are part of efforts to promote social cohesion in Singapore's multi-racial society.

However, with the arrival of more new citizens, MESRA wants to be more pro-active in reaching out to them.

Mustaffa Abu Bakar, chairman, MESRA, said: "I think in a way, we have taken things for granted. We have been quiet and maybe we have to partake in the integration exercise by sending our tarian, our silat. But I think more needs to be done." To help organisations

create more opportunities for interaction between Singaporeans and new citizens, the government launched a Community Integration Fund last year.

One of the beneficiaries is Hum Theatre which received S\$16,000 to organise a play called Rafta Rafta.

Daisy Irani, co-founder, Hum Theatre, said: "What we want to do is do plays in English. The reason to do that is so that the audience can comprise the locals, new citizens even a wider base - people who want to just enjoy and understand the sensibilities and sensitivities of the Indians."

The Malay community is also looking into how it can better understand the new citizens and what they can offer to the community.

Yang Razali Kassim, chairman, AMP Convention Steering Committee, said: "We see the Muslim foreign expatriates as having skills, talents and expertise that our Malay community can benefit from. I see them like a new engine for the growth of the Malay community."

Malay organisations said efforts must also be made to reach out to the larger groups of new citizens. If not, the repercussions could be damaging.

Zulkifli Mohammed, president, Majlis Pusat, said: "Well I guess we don't want to be perceived as a community that is at the fringe. So if we don't come in and participate in this kind of national project, then people will have a distorted view of the Malay community, that they keep to themselves and they are isolationists."

Mr Zulkifli added that the Malays being the largest minority group also has an important role to play in helping the new citizens sink their roots in Singapore.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1037796/1/.html>

- **Environmental Front**

Laos

- **Political Front**
- **Foreign relations**
- **Laos increases transport services during Vietnam's Tet**

Lao transport companies last week doubled their bus services from Vientiane to major Vietnamese cities to 20 trips per day on average in order to meet the increasing travel demand during the traditional Vietnamese lunar new year (Tet) holiday.

Director of the Cross-Border Transport Company Mr. Sisamone said his company increased the daily trips from 8 to 16 as a large number of Vietnamese people want to return home for the Tet celebration.

According to Mr. Bounthanome, Deputy Director of the Souddara Transport Company, the company added 4-5 trips from Vientiane to Vietnam per day.

The Lao national flag carrier Lao Airlines said the number of passengers on its Vientiane-Hanoi route had sharply increased since February 8. To meet the increasing demand, the airline replaced the 56-seat aircraft with 70-seat one.

<http://www.kplnet.net/english/news/newsrecord/15.02.2010/edn12.htm>

- **Laos-Morocco further co-operation on foreign affairs**

Laos and Morocco will do their utmost to develop their co-operation in the future, especially in the field of foreign affairs.

The statement was said during the talk held last week in Vientiane between Mr. Bounkeuth Sangsomsack, Deputy Minister of Foreign Affairs, and Mr. Mohammed OUZZINE, Deputy Minister of Foreign Affairs and Co-operation of Morocco.

The high-ranking delegation of Morocco arrived in Vientiane on 11 February for a short working visit to Laos as guest of the Ministry of Foreign Affairs.

During the talks, Mr. Bounkeuth Sangsomsack praised and highly valued the visit to Laos of the Moroccan delegation as a big contribution to further strengthening the friendly relation and co-operation between Laos and Morocco, especially in the field of foreign affairs. On this occasion, Mr. Mohammed OUZZINE expressed thanks to Mr. Bounkeuth Sangsomsack and all Lao officials concerned for their warm welcome offered to him and his delegation. He also briefed Mr. Bounkeuth Sangsomsack about the purpose of the visit.

<http://www.kplnet.net/english/news/newsrecord/15.02.2010/edn2.htm>

- **Economic Front**

- **ADB contributes to mortality rate reduction in northern provinces**

The Asian Development Bank has donated 16 ambulances, worth over 3.3 billion kip (US\$ 397,920), to eight northern provinces to ensure the service of health providers to reduce mortality rates of mothers and children.

The recipient provinces include Phongsaly, Oudomsay, Luang Prabang, Bokeo, Luang Namtha, Sayaboury, Houaphanh and Xiengkhouang. Each of them will receive two ambulances.

The handover ceremony took place at the Ministry of Public Health, Vientiane on February 15, 2010.

The package was presented by ADB Country Director for the Lao PDR, Mr. Gil Hong Kim, to Deputy Minister of Public Health Dr. Eksavang Vongvichit. Representatives of relevant sectors witnessed the handover.

<http://www.kplnet.net/english/news/newsrecord/16.02.2010/edn11.htm>

- **More force deployment to deal with social evils**

The Security Force of Vientiane Capital will deploy its security force at grassroots to strengthen local security force and to handle burglary, robbery and drug addiction in localities, said a senior officer.

The statement was made by Deputy Minister of Public Security, Brigadier General Toula Inthathirath during his attendance in an annual meeting of Vientiane Security Force last week.

After hearing a report on the security situation over the past year in Vientiane Capital, Brig. Gen. Toula praised the achievement and the good performance of the Vientiane Security Force.

In particular, the maintenance of public security during the 25th SEA Games was the most outstanding work of the Vientiane Security Force.

He added that the Vientiane Security Force should further deploy its security forces in localities to train village security workers and collect information on groups of social evils.

[http://www.kplnet.net/english/news/edn9.htm`](http://www.kplnet.net/english/news/edn9.htm)

Vietnam

- **Foreign Relations**

- **The fallacies of military intervention: Obama on Afghanistan and Vietnam**

The world has come to expect fractured history and fallacious analysis from American presidents. The world welcomed the election of Obama in part because he promised an end to nonsense flowing from presidential podiums. Obama's speech at West Point confirmed instead that the office of the president can reduce intelligent and articulate men to the level of George W. Bush. One begins to suspect that citizen Bush might not be as stupid and ignorant as President Bush seemed. Let me deal with one aspect of Obama's speech: his denial of the relevance of Vietnam to Afghanistan.

First let me state the case for the relevance of the American experience in Vietnam. As the Pentagon Papers argued, Vietnam was engaged in a civil war between left-over collaborators with the French colonial regime and the followers of Ho Chi Minh. Inheriting the South Vietnamese regime, the Americans cast their lot with an admittedly corrupt and unrepresentative government. President Johnson acknowledged this fact, yet continued his support for lack of an alternative. He thought he could prepare the South Vietnamese to defend their country. Unfortunately for this hope, there was only one country, artificially divided, which Ho Chi Minh fought to reunite. Falsely premised, American efforts were doomed. In Afghanistan Obama has asked Americans to support a corrupt regime that represents only itself in the name of a country that is neither a nation nor a state. Afghanistan is 40,000 villages, largely isolated by an impossible terrain, more or less ruled by tribal leaders, who are loyal only to themselves. Just as Johnson's policy was based on a false premise of the existence of a South Vietnam, Obama's policy is based on the false premise of an Afghan nation. Neither nation ever existed.

Incorrect analysis

Obama simply ignored the similarity of his approach with Johnson's. Instead he cited two differences between Afghanistan and Vietnam. (1) America was attacked by the Sept. 11 terrorists who were "from Afghanistan." (2) An international coalition supports America in Afghanistan. Taking the first assertion first: What does it mean to say the terrorists were from Afghanistan? The majority of them were Saudi nationals. None was Afghan, or more precisely, a member of an Afghan tribe or village. If being from a place is justification for retaliation, Obama should be calling for an invasion of Saudi Arabia. Such a policy would make economic sense as well, since oil is a strategic commodity. If being trained in a place is justification for retaliation, then Obama should be calling for the destruction of the flight instruction schools in America which trained the Sept. 11 pilots. The place of Afghanistan is no more relevant to retaliation than any other place where terrorists can gather in real or virtual space.

The second argument is equally weak. In Vietnam many nations supported the American efforts, although perhaps not as many as in Afghanistan. Placing this in the post-Cold War context, what does this prove when nations support the sole super power for many reasons independent of a particular policy? Our closest ally, Great Britain supports the Obama escalation of 30,000 troops and uncounted mercenaries by adding 500 British soldiers, a ratio of 60 to 1, not counting mercenaries et al. Some support!

There are, of course, significant and relevant differences between the wars in Vietnam and Afghanistan, differences which Obama failed to cite because they work against his reasoning for escalation. Leaving aside radically different geographies, Vietnam differs from Afghanistan in two important respects, as we have suggested. Vietnam has been a

nation for 1,000 years; Afghanistan is little more than a geographical expression. Vietnam was led by a charismatic leader; Afghanistan by a corrupt and fraudulent puppet of the US. The struggle in Vietnam was over the control the southern part of the country. In Afghanistan the struggle is over the control of 40,000 villages under tribal leadership. Five-hundred-thousand Americans could not keep the south of Vietnam from being unified under Ho Chi Minh. What number of Americans will it take to do what in Afghanistan? Unify the people who live there? This idea, tied up as it is with nation-building, seems to have been abandoned. Obama does not believe in Afghan in-name-only national institutions like the army and the police. Keeping the Taliban out of power seems to be the only coherent objective.

Leaving aside that the US helped the Taliban to achieve power, because they fought the Soviets, what is the American objection to the Taliban? "They harbor al-Qaeda" is the usual answer. Does anyone seriously believe that the Taliban would harbor a group of non-Afghan terrorists, except as the most temporary expedient? As the only trans-tribal factor in the region, it seems highly unlikely that they would jeopardize their efforts to achieve central power by allowing a fanatical and foreign group a free hand. Does anyone believe that American efforts to run down the remnants of al-Qaeda would be more effective than Taliban efforts?

Why not Pakistan?

But what about Pakistan? Isn't Afghanistan really about Pakistan and its ability to resist the Taliban? If this is true, making life more difficult for al-Qaeda in Afghanistan seems self-defeating. Would not Pakistan be better off if al-Qaeda were roaming the mountains and valleys of Afghanistan? If the concern is Pakistan, then the focus should be on Pakistan. Not exactly rocket science, is it? Since Pakistan has a competent military and is a nation-state and does not want American soldiers on its territory, what can be done? Why not take the \$30 billion earmarked for a military effort in Afghanistan and apply it to economic development in Pakistan? Is it un-American to believe that a more prosperous and self-sufficient Pakistani population will be better able to resist fanatical messages of despair than one which is desperately poor?

This points up the final and conclusive weakness of the Obama speech at West Point. There was no clear statement of a strategy, no articulation of how it would be achieved or how its progress or lack of progress would be assessed. In the face of this disappointment, one can only imagine what Senator Obama would have said to President Obama. When cross-questioning Secretary Rice, Senator Obama asked her: (1) How will you know when the policy is working? (2) How will you measure successes against failures? (3) How and when will you know whether the policy remains viable? In short what are the benchmarks? Senator Obama received no answers from Secretary Rice. But then neither did Senator Obama receive answers from President Obama.

<http://www.sundayszaman.com/sunday/detaylar.do?load=detay&link=196043&bolum=1>
09

- **Economic Front**
- **Vietnam central banker lauds 'brave' response to economic crisis**

The government took the right measures at the right time to weather the global economic slump, says State Bank of Vietnam Governor Nguyen Van Giau said, giving kudos to the interest rate subsidy program.

“In late 2007 and early 2008, when the global recession took its toll on many countries, including Vietnam, the government had to switch its focus from controlling inflation to preventing an economic slump and ensuring stability,” Giau said in an interview published on the central bank website.

The government decided that a fiscal stimulus was necessary and that “the key measure would be offering interest rate subsidies,” the governor said in the interview, in which he reviewed government’s economic policies in preparation for the new lunar year.

The Vietnamese government in January 2009 offered VND17 trillion in subsidies to encourage banks to extend credit to businesses. Eligible businesses received a four-percent subsidy on short-term loans.

“I was really worried when the program began because no other country had taken such a measure before,” Giau said. “Moreover the program involved the whole banking system. “And it was a surprise to me that some foreign bankers strongly supported the program, saying it would be the most effective policy for the society, both psychologically and economically.”

Unlike many other countries, Vietnam was “brave” and “straightforward” as it forecast possible negative impacts of the global downturn on its economy at an early stage, Giau said.

The country’s economic forecasting began to improve in 2008, allowing proper policies to be implemented at the right time, he said. “Only one month after the collapse of some financial institutions in the US, the government frankly predicted that there would be declines in exports, foreign direct investment, overseas remittances and tourist arrivals,” Giau said.

Interest rates

Interest rates in Vietnam have been kept at the right levels considering the impacts of the loan subsidy program and the price of gold, Giau said.

The State Bank of Vietnam’s key rate is currently 8 percent, having been raised from 7 percent on December 1 last year. Commercial banks have to use this benchmark to set their rates, which are not allowed to exceed 150 percent of the base rate regulated by the central bank, or 10.5 percentage points now. Only rates on consumer loans can go beyond the cap.

“The key rate was maintained at 7 percent in 11 months,” he said. “If the rate had been raised one or two months earlier, it could have benefited the banking system and banks could have attracted more deposits, but it would have affected the macroeconomic balance.”

“As for currency exchange policies, I already said many times before that it’s a difficult problem,” Giau said.

other governments manage their currency markets by adopting either a floating exchange rate or a fixed rate, the market in Vietnam is managed flexibly by the government based on supply and demand, he said.

The best solution to the forex problem is to restructure the economy and narrow the trade deficit, Giau said. Vietnam’s trade deficit stood at US\$12 billion last year and the deficit in January this year was already well over \$1 billion, official figures showed.

“The prospects are generally bright,” the central bank governor said, forecasting the deficit would narrow in 2010. “Cement surplus, for instance, can be exported and fertilizer imports are not necessary thanks to sufficient domestic supplies... If Dung Quat

refinery works well, the country will spend less foreign currency on importing oil products.”

<http://www.thanhniennews.com/business/?catid=2&newsid=55219>

- **Vietnam object to proposed US rules**

Vietnamese officials yesterday criticised a proposed US rule change that could result in Vietnamese catfish being temporarily blocked from the US market. The US has proposed moving inspections of imported catfish from its Food and Drug Administration to its Department of Agriculture (USDA) beginning in 18 months. Because international agreements on food inspections typically take two to five years to negotiate, the switch may mean Vietnamese catfish imports are barred entirely while negotiations proceed. “This is an unfair proposal,” Vu Van Tam, deputy minister of agriculture and rural development, said. Tam said Vietnam would give the US an official response.

http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=343765&version=1&template_id=45&parent_id=25

- **Vietnam’s growing property market**

While opportunities abound for foreign developers, there are still many hurdles to overcome.

THERE is a growing number of foreign developers scouting around for opportunities in Vietnam. An artist impression of Yen So Park integrated development in Hanoi, Vietnam. Inset: Chow Chee Wah.

While there are some success stories, there are also those that have been caught by the intricacies of doing business in the country. Investors worry about the “quite under-developed” legal system and regulatory framework, and have to be vigilant in the face of disputes. Other concerns include lack of transparency in business licensing and the regulatory environment in general. Being an agro-based and export-led economy, Vietnam has undergone significant transformation in recent years largely due to external factors.

Despite potential concerns of overheating and rising inflation, the country has, on the whole, managed to stay on the growth course.

Gamuda Land Sdn Bhd managing director Chow Chee Wah says Vietnam, which joined the World Trade Organisation (WTO) in 2007, is still undergoing changes to attract more foreign direct investments (FDIs). “Many things are still new to them and their policies are not as mature compared with countries like Malaysia. The Vietnamese government is still trying to streamline its policies to complement the FDIs that are flooding in,” he tells StarBizWeek.

Chow feels that this is why the Vietnamese authorities are still cautious when dealing with foreign investors. Gamuda’s 800-acre Yen So Park project in Hanoi involves the development of a sewage treatment plant, transformation of an existing park into an international theme park, and integrated commercial and residential developments.

It has an estimated gross development value (GDV) of RM10bil over a 10-year period. The residential component is targeted for launch in the second quarter of this year.

A WCT Land Bhd spokesman says the biggest challenge in Vietnam is land resettlement issues.

WCT, which received the investment certificate for its mixed commercial development project two years ago, hopes to finalise the land resettlement issue by the year-end. "It usually takes between two and three years," he says, adding that the matter has also been delayed due to the global financial crisis, which has affected Vietnam's economy.

"It has been a good learning curve for us and we believe we have achieved quite a lot in the past two years," he says. The WCT project comprises office towers, serviced apartments and a hotel, with an estimated GDV of RM1bil. The WCT spokesman says although Vietnam still does not have a housing development Act, developers still have to adhere to stringent regulations.

Permits have to be granted by various committees, local area governments, city governments and the central government before a project can proceed.

SP Setia Bhd president and chief executive officer Tan Sri Liew Kee Sin acknowledges that the learning curve is steep with language being one of the main challenges.

"SP Setia's expectations on quality is also another hurdle as local contractors and suppliers are not able to meet the high standards set. This is due to limited exposure.

"These issues take time to overcome. It took us about two years of groundwork, understanding the culture and business environment before we finally entered into a joint venture. We have been fortunate that our partner is the country's top state-owned conglomerate which is the land owner of EcoLakes," he says.

Mobilising its most experienced staff to share knowledge and expertise with the local workforce has worked out well for SP Setia, as the company has reduced the number of seconded Malaysian staff to nine from 17 since venturing into Vietnam in mid-2007.

Gamuda's Chow points out that Malaysian developers, when venturing into Vietnam, should conduct sufficient research on the country's cultural habits, business etiquette, and design and layout preferences. "It is also important to identify local representatives and target companies for contact. They will know the subtleties of the local culture. The partner must have a good track record and understand the various challenges of doing business in the country.

"There should also be clarity in their financial dealings. Law firms in Vietnam will be able to help conduct due diligence to determine if a potential partner has good reputation," he says.

<http://biz.thestar.com.my/news/story.asp?file=/2010/2/20/business/5664839&sec=business>

- **Vietnam devalues dong for second time in 3 months**

Vietnam's central bank devalued the dong for the second time in three months on Thursday amid widespread concerns over a high trade deficit and inflation.

The average interbank rate on Thursday was 18,544 dong per US dollar, against 17,941 the previous day, a fall of 3.4 percent, the State Bank of Vietnam (SBV) said.

It said the decision was taken to balance supply and demand, and increase flows in the foreign exchange market "while contributing to controlling the trade deficit and stabilizing the macroeconomy". Vietnam's trade deficit reached 12.2 billion dollars last year. The central bank maintained the 3.0 percent daily trading band for buying and selling US dollars by commercial banks.

Because the band remains unchanged there was no official devaluation, a banker said, but in practice the new interbank rate means the dong loses value, "so we can say it's a devaluation".

Devaluation coupled with lower interest rates aims to encourage businesses to sell dollars to banks, said the banker, who declined to be named.

“This (interbank) rate might be maintained in the next few months in order for the state to control the trade deficit,” she said.

Vietnam’s trade suffered during last year’s global financial crisis.

In November the central bank effectively devalued the dong by 5.4 percent and reduced the trading band from 5.0 percent. Hanoi also late last year ordered companies to sell United States dollars to state banks, after months of official intervention to prop up the local unit.

Singapore-based DBS Group Research said Thursday’s move should not be seen as a surprise and is likely to be followed by more devaluation during the year.

“Under the circumstances, we remain comfortable with our end-2010 target of 19,640,” DBS said.

Phan Chi Thanh, a senior official in the Office of the Government, said late last month that authorities will gradually tighten monetary policy.

Vietnam’s economy grew 5.32 percent last year but that expansion came with a budget deficit that official data said reached seven percent of gross domestic product. Observers have expressed concern about a return to soaring prices that pushed inflation to an annual 23 percent in 2008. Vietnam beat its annual inflation target of seven percent in 2009, according to official figures, despite signs that prices increased more at the end of the year due to a stimulus package aimed at fighting the global downturn.

Consumer prices rose 7.62 percent year-on-year in January, higher than the government’s 2010 target of below seven percent, official figures showed.

The latest devaluation came during a period of high demand for cash before a week-long Lunar New Year holiday.

In its order on Thursday, the SBV also set the maximum interest rate for corporate dollar saving accounts at a maximum of 1.0 percent, less than lenders had been offering.

<http://www.thanhniennews.com/business/?catid=2&newsid=55159>

- **Social Front**

- **No new swine flu cases during Tet: health ministry**

Vietnam has recorded no new H1N1 flu cases during the Tet Lunar New Year Festival so far despite earlier concern over the virus’s spread, health officials said Tuesday.

The H1N1 virus was previously feared to spread during Vietnam’s traditional New Year due to increasing travel rates and public gatherings.

Since it was first detected here last May, swine flu had attacked 11,186 people and killed 58, according to statistics from the Ministry of Health.

Avian influenza, otherwise known as H5N1, was detected in seven provinces in the country, but no human cases of the virus were reported during the holiday, the ministry said.

The ministry also said casualties caused by accidents during Tet so far fell 14.2 percent from the same period last year, with traffic casualties down 21 percent.

<http://www.thanhniennews.com/healthy/?catid=8&newsid=55212>

- **Environmental front**

- **Fire burns 3,000 hectares of forest, flames still strong**

A wildfire in the northern Vietnamese province of Lao Cai had destroyed an estimated 3,000 hectares of forest as of Thursday and was threatening to damage a nearby national park.

The fire started in Seo Chong Ho and Mai Quai Ho villages in Sa Pa District's Ban Ho Commune at around 1 p.m. on Monday, Ma Quang Trung, representative of Sa Pa People's Committee, told local newswire Dan Tri. Due to dry weather and strong winds, the fire very soon spread to other villages, despite the firefighting efforts of thousands of local people, police, soldiers and forest rangers, according to local authorities.

Bui Quang Vinh, secretary of Lao Cai's Party Committee, said they couldn't use helicopters to extinguish the fire due to the blaze's size and a water shortage.

He said it may take one or two days for firefighters to actually approach the flames, noting that 6,000-7,000 people were involved in efforts to isolate the blaze by clearing forest.

Phan Duy Hanh, director of Lao Cai Department of Agriculture and Rural Development, estimated that between 2,500-3,000 hectares of forest had caught fire, and the fire had reached the border of Hoang Lien National Park.

No casualties were reported so far, according to local authorities. Lao Cai province's authorities said they had reported the incident to the Prime Minister, asking for support in the form of human resources and modern equipment.

Hoang Lien National Park, which was recognized as an ASEAN Heritage Park in 2006, is home to many rare and red-listed animal and plant species.

<http://www.thanhniennews.com/society/?catid=3&newsid=55156>

Brunei

- **Economic Front**
- **Plaudits for ICT sector**

BRUNEI has an "impressive" private sector ICT industry as everything can be accessed through the local industry players, remarked the CEO of an Australian organisational-optimisation consultancy firm on Thursday during a workshop to bolster Brunei and India cooperation in ICT.

Brian Galbraith, CEO and Lead Consultant of Perth-based Optimise International, has been working with Brunei for the past three years and has had the chance to familiarise himself with elements of the ICT industry here "very, very well". "I have to say that this is an impressive private sector ICT industry. In my opinion there is nothing that the government or the rest of Brunei needs that cannot be accessed through the local industry," he said.

"The industry is impressive because of the local people involved, because of its capacity, its commitment, (and) its passion. The industry is growing; its professional organisation is expanding from quite small beginnings to substantial organisation now," he added.

He said that in addition to local people and content, many of the local industry players have established international connections and "therefore, can draw together any quantity and quality of resources to deliver" to the rest of the country. Galbraith was the facilitator of the "Interactive Workshop on Optimising ICT: Brunei-India Cooperation" held at the AiTi building in Anggerek Desa. The workshop involved participants from the private

and public ICT sectors of both India and Brunei, who shared their views and suggestions on developing the ICT industry in the Sultanate.

Hj Yahkup Hj Menudin, Information Technology (IT) Manager at Brunei Shell Petroleum (BSP) Company Sdn Bhd, suggested that under the Brunei-India cooperation, India could assign experts, knowledgeable in ICT best practices, to local professionals in Brunei in order to "close the gap" between local professionals and competent project managers in the ICT field.

He said that on education, "blended learning" was an area that Brunei needs to move forward in. He had been informed that the Ministry of Education was looking into this and was currently in the entry stage.

He highlighted the need to address data security as the private sector and the country moves towards "digitisation of data". "In BSP, for example, it is a requirement that the data remain in the country, so we cannot export our data out of the country. Therefore, our information security has to be stringent in terms of who has access, who should be able to read it, and who should have a copy of the data," he said adding that this was one area India's assistance is needed.

<http://www.bt.com.bn/en/news-national/2010/02/20/plaudits-ict-sector>

- **Brunei seen keeping GDP rank on Vision 2035 completion**

BRUNEI is aiming to maintain its status as a top 10 ranked country based on gross domestic products (GDP) per capita upon completion of the Vision 2035, the Sultanate's long-term national development plan.

Hjh Hamimah OKSW Hj Abdullah, assistant director of the Department of Economic Planning and Development (JPKE), however, said that Brunei will have to first diversify its economy.

Hjh Hamimah said that a previous study had placed Brunei second in the GDP per capita ranking in Southeast Asia. Singapore came in first. According to the World Economic Outlook Database, the International Monetary Fund, updated as of October 2009, Brunei is currently ranked fourth internationally in GDP per capita.

Hjh Hamimah said that the country's high ranking is a result of Brunei's oil and gas industry and small population.

"But in the future we will have to work harder to achieve our aspirations and intentions (to maintain its ranking)," she said, adding that this can be achieved only by diversifying the Sultanate's economy. With this in mind, Hjh Hamimah said that the Brunei economy is still not diversified enough.

"There is still insufficient economic diversification activities in Brunei," she said.

"We cannot rely solely on oil and gas ... we need to have other sources of industries to generate growth and wealth," she said.

She said she anticipated the government's initiatives to help facilitate the diversification process. "With present initiatives by the government, such as the Ministry of Industry and Primary Resources' Agriculture and Agrifood project with halal branding, I am sure we can invite more foreign direct investments to do research in such areas," she said.

The Sultanate's 2035 vision is hoped to provide Brunei's population with a bright and prosperous future by adapting to change. It hopes to help the country develop a first-class education system which will cater to the requirements imposed by the constantly changing economy while encouraging life-long learning.

The vision also seeks to provide the population with the highest standard of living, which in turn requires Brunei's economic growth to keep pace with that of the population growth.

It is therefore hoped that the vision will result in the development of an economy that can provide the people with quality employment in both the public and private sectors while offering great economic opportunities.

<http://www.bt.com.bn/en/business-national/2010/02/19/brunei-seen-keeping-gdp-rank-vision-2035-completion>

- **Social Front**
- **Brunei Public Servants 'Walking With A Time Bomb'**

An alarming number of government servants are 'walking with a time bomb' after recent studies have shown that 55 per cent of them are struggling with obesity and another 60 per cent suffer from high blood sugar and high blood pressure respectively.

This statement was made by Deputy Minister of Health, Pehin Orang Kaya Pekerma Laila Diraja Dato Paduka Haji Awang Hazair bin Haji Abdullah as the guest of honour at the opening ceremony of TruFitness Gym yesterday.

The deputy minister said that these figures were obtained during an integrated health screening process that was conducted since 2008, which involved 9,000 officers and staff from various government ministries.

"These people are considered the high risk group and if they do not get early treatment and change their lifestyles, they are most likely to suffer a stroke or heart attack," said the minister.

The deputy minister urged all Bruneians to be responsible for their health and for the community to maintain a healthy lifestyle with a balanced diet as well as to refrain from public smoking. This is in line with His Majesty's titah "healthcare is everyone's business".

Meanwhile, the Minister of Health encouraged the establishment of fitness centres and gyms in the country. These will further complement the ongoing efforts taken by the ministry. Pehin Orang Kaya Pekerma Laila Diraja Dato Paduka Haji Awang Hazair consider these centres as their "partners" in maintaining a healthy lifestyle and curbing chronic diseases in the community.

"All fitness centres in Brunei are advised to join forces with the Health Promotion Centre to promote awareness for a holistic and coherent approach," he added.

Also present during the opening ceremony was the chairman of TruFitness Gym, Pg Hj Bahrin PSIP Hj Ismail and Managing Director, Dyg Hamezah Abdullah Bandung. Also present during the ceremony were officers and representatives of the Ministry of Health and the Health Promotion Centre.

The guest of honour officially opened the new fitness centre by cutting the ceremonial ribbon. He also participated in an aerobic session followed by a tour at the centre taking a closer look at the facilities offered.

TruFitness is located at Block A, Unit 07-10, Simpang 607-22, Kampong Beribi Gadong.
<http://www.brudirect.com/index.php/2010021916205/Second-Stories/brunei-public-servants-walking-with-a-time-bomb.html>

