

Report # 111

Business and Politics in Muslim World

**South East Asia
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Summary

At Political Front

- Indonesia

Even though the visit of the United States President Barack Obama to Indonesia was initially aimed at launching wide-ranging partnership with Indonesia, experts said that the issues of economy and anti-terrorism would top the agenda of his talks with President Susilo Bambang Yudhoyono, the Jakarta Post reported here on Wednesday.

"Indonesia's largest bargaining chip is the anti-terror campaign and its strategic position connecting the Indian and Pacific Oceans," Siswanto said.

Half of the world's trade vessels pass through the Malacca Straits, which have become a source of concern because of vulnerability to piracy as well as terrorist attacks. The U.S. depends largely on Indonesia, Malaysia and Singapore for the safety of Malacca Strait and has sought to cooperate closely with them despite reluctance from Indonesia over sovereignty issue. "The U.S. is still very interested in making Indonesia its military base to address terror and maritime security," Siswanto added.

Indonesia, home to the world's largest Muslim population, has become the vanguard of counter terrorism after the splinter group of Jemaah Islamiyah turned the archipelago into their Southeast Asia base to launch terror attacks. Muslim Scholar Azyumardi Azra said that both Obama and President Yudhoyono were preoccupied with how to improve their declining popularity at home. The meeting will be used to advance cooperation to boost their own interests.

Politically speaking, the two leaders currently suffer from sagging domestic support, and positive results from the talks couldn't but help their positions at home. One reason for that is that the two top agenda items- economics and terrorism- are primary concerns shared by citizens of both nations. Solid bilateral agreements in both policy areas are very much in each president's political interest.

- Thailand

Thai anti-government protesters aim to gather a million people in Bangkok today to pressure Prime Minister Abhisit Vejjajiva to call an election, and may march throughout the capital if he rejects their demands.

Abhisit invoked the Internal Security Act for the sixth time since taking office 15 months ago, allowing the military to close roads and make arrests. Police set up checkpoints at main entry points into the capital to screen for weapons and some 35,000 security officers and 46,000 civilian defense volunteers stood ready to maintain order.

Dancing Protesters

"The government has no plan to use violence against the protesters," Abhisit said

yesterday after meeting military and police commanders. "We will take all necessary actions to facilitate the rally in a peaceful way."

This is a critical turning point in time for Thais to concentrate and be aware of their feelings so they can analyse the events that have occurred and are about to happen. Thai citizens should look to the long term instead of the short term in lieu of the political conflict.

WITH the game changing and calls for a truce mounting, will the Thai government and the red shirt protesters avoid a protracted political showdown and begin peace talks?

With the red shirts apparently splintered and in disarray, is a truce easier to achieve? Yesterday's (March 17) official break-up between two red-shirted factions coincided with a growing chorus of calls for peace. But the progress depends on how the reds sort themselves out, albeit through signals from the man they worship.

- Malaysia

The Cabinet decided Friday that amendments to the Internal Security Act could not be on a stand alone basis and must be done together with preventive laws linked to public order and safety, said Home Minister Datuk Seri Hishammuddin Tun Hussein.

He said the Cabinet in principle agreed to have the ISA amended, among others on the detention period, rights and treatment of ISA detainees, the powers of the Home Minister, detention without trial and on the issue of perception that it was being abused for political interests.

At Economic Front

- Indonesia

The United States sees vast potential to expand trade with Indonesia but Jakarta needs to undertake economic reforms, a top official said Wednesday ahead of President Barack Obama's visit

- Malaysia

The trade volume between Pakistan and Malaysia is likely to touch new peaks as a number of Malaysian companies and businessmen have shown readiness to initiate joint ventures with Pakistani counterparts. It was hoped during LCCI delegation's meetings at various Malaysian chambers and trade bodies.

Friday's weekly meeting of the Cabinet is to decide whether Opposition Leader Datuk Seri Anwar Ibrahim should be referred to Parliament's Rights and Privileges Committee over his claim that the 1Malaysia concept was copied from the One-Israel idea.

Minister in the Prime Minister's Department Datuk Seri Mohamed Nazri Abdul Aziz said today he would bring up the matter at the Cabinet meeting.

"We feel that the accusation is too extreme. I have no power to decide whether action

should to be taken or not," he told a news conference at his office at Parliament House, here. Anwar, when speaking during the debate on the motion of thanks for the royal address in the Dewan Rakyat yesterday, had said that international communications consultancy APCO Worldwide retained by the Malaysian government was involved in a public relations campaign for a One-Israel concept in 1999 by Israel's then prime minister Ehud Barak. The company issued a statement today to deny the allegation by Anwar.

- Philippine

A group of Catholic bishops on Saturday urged Filipinos to vote for candidates who would fight corruption and alleviate poverty, which have been plaguing the country. The bishops also warned the more than 50 million voters, at least 80 per cent of whom profess the Catholic faith, not to vote for candidates who have been spending heavily in the campaign ahead of the May 10 national elections.

A high-ranking United Nations (UN) official has called for the implementation of the 1996 Tripoli Agreement between the Philippine government and the separatist Moro Islamic Liberation Front (MNLFF), and a possible consolidation of the two-decade old pact with future peace agreements that will be entered into by Manila.

- Cambodia

Southeast Asian coffee from Vietnam and Indonesia percolates around the world, but if a family roaster has its way, mugs may soon be filled with a blend from another, unlikely location. In Indochina, Vietnam has long been the largest producer of coffee and is now the world's second biggest exporter, but Cambodia and Laos lag far behind. Apart from some beans which are sold through fair trade NGOs, much of Cambodia's coffee is consumed locally. But those in the coffee industry in Monduliri say demand for their brew has tripled in the last year. Bad roads and a primitive infrastructure has left much of the sparsely populated province cut off from the rest of the country, and largely off the tourist track.

At Social Front

- Indonesia

Religious Affairs Minister Suryadharma Ali criticizes Indonesia's second largest Muslim organization Muhammadiyah for its anti-tobacco edict, saying it should act more wisely and not cause "restlessness" among the public. Muhammadiyah, which has estimatedly 30 million followers across the country, declared last week that smoking is haram, or forbidden under Islamic law.

The edict soon sparks protests among especially smokers and the tobacco industry, and many others who are objected with religious organizations' interference in public lives.

Sudarsono, a law expert from the University of Indonesia, has defended the

blasphemy law, saying that its existence was still important in order to contain conflict surrounding the establishment of houses of worship. Testifying Wednesday at a Constitutional Court hearing of the judicial review request of the law, Sudarsono, an expert witness presented by the government, said that the blasphemy law had been the grounds on which the 2006 ministerial joint regulations rests. The joint regulations regulate, among others, the establishment of places of worship in regions.

- Cambodia

Cambodia has temporarily barred its citizens from marrying South Korean men after two dozen women were sold into marriage by matchmakers -- the second time the government has imposed such a ban. Cambodia has banned the marriage brokerage business since 2008. Despite the ban, the number of Cambodian women marrying Korean men more than doubled from 551 in 2008 to 1,372 last year, Yonhap said.

- Malaysia

HINDU temples throughout the country have been urged to appoint Indian religious scholars so they can give advice to the people who visit the places of worship, Malaysia Nanban reported

- Philippine

Minister of State for Foreign Affairs Nawabzada Malik Amad Khan on Wednesday said that Pakistan and the Philippines have been partners for promoting dialogue and cooperation among followers of different religions. The Minister of State of Foreign Affairs said this in his statement in the NAM Ministerial Meeting (SNAMMM) on Interfaith Dialogue and Cooperation for Peace and Development in Manila on Wednesday.

Criminals, beware. It is not bad enough to be imprisoned for doing a crime since prisoners also have to endure the sickening situation of prison and detention centers in the Philippines, a US report said over the weekend. The US State Department 2009 Country Report on Human Rights Practices on the Philippines released Thursday (Friday in Manila) revealed that jails managed by the Bureau of Jail Management and Penology (BJMP) operated at an average of 174 percent of designed capacity, while prison administrators allotted a daily subsistence allowance of P50 per prisoner.

At Environmental Front

- Indonesia

Sourcing contracts between Nestlé and Indonesian palm oil producer Sinar Mas have been terminated following criticism from environmental pressure groups.

The move by the world's largest food group came after Greenpeace released a report this week which looked into its sourcing practices. The environmentalist group identified the oil producers as guilty of mass deforestation in its production of palm oil.

Seventeen of 18 volcanoes in Indonesia are on alert status and emitting toxic gas, a federal monitoring agency said.

The mountains are safe to visit as long as tourists stay at least a half-mile away from the gas-producing craters, Indonesia's Volcanology and Geology Hazard Mitigation Center said. The alert status is the second level of a three-level system of warning\

Detailed News Monitoring Report

Indonesia

- **Political front**
- **Economy, anti-terror top agenda**

Even though the visit of the United States President Barrack Obama to Indonesia was initially aimed at launching wide-ranging partnership with Indonesia, experts said that the issues of economy and anti-terrorism would top the agenda of his talks with President Susilo Bambang Yudhoyono, the Jakarta Post reported here on Wednesday.

Siswanto, a fellow researcher at the Indonesian Institute of science (LIPI) said that economy and anti-terrorism would top the agenda because the main U.S. interests rested on how to cope with domestic economic downturn and to woo Indonesia's support for its unpopular worldwide counter terrorism campaign.

"Indonesia's largest bargaining chip is the anti-terror campaign and its strategic position connecting the Indian and Pacific Oceans," Siswanto said.

Half of the world's trade vessels pass through the Malacca Straits, which have become a source of concern because of vulnerability to piracy as well as terrorist attacks. The U.S. depends largely on Indonesia, Malaysia and Singapore for the safety of Malacca Strait and has sought to cooperate closely with them despite reluctance from Indonesia over sovereignty issue. "The U.S. is still very interested in making Indonesia its military base to address terror and maritime security," Siswanto added.

Indonesian senior diplomat Hashim Djalal said that climate change and the environmental agenda might receive a minor highlight because of the lack of urgency compared to the issues of economy and anti-terrorism.

Indonesia, home to the world's largest Muslim population, has become the vanguard of counter terrorism after the splinter group of Jemaah Islamiyah turned the archipelago into their Southeast Asia base to launch terror attacks. Muslim Scholar Azyumardi Azra said that both Obama and President Yudhoyono were preoccupied with how to improve their declining popularity at home. The meeting will be used to advance cooperation to boost their own interests. Jakarta, Xinhua

<http://www.dailynews.lk/2010/03/18/wld04.asp>

- **Foreign Relations**
- **Obama in Indonesia: The sweeps begin**

Indonesian counterterrorism forces are engaged in a widespread manhunt ahead of U.S. President Barack Obama's upcoming two-day visit, a nationwide sweep that has so far

netted or killed almost 40 suspected Islamic militants.

In the latest raids, police killed two men and arrested eight others after a shootout at a security checkpoint on Friday in the westernmost province of Aceh. Two other men were arrested in Central Java on Thursday. The exhaustive search, which has entered its third week, appears aimed at securing the country before a visit by Obama and his family, analysts said. "These raids are the most widespread and intensive I have seen," said Noor Huda Ismail, an expert on Indonesian terrorist groups and director of the Institute for International Peace Building, a Jakarta-based think tank. "They are taking no chances." Although Obama plans to unveil a comprehensive partnership between the two countries as well as build on the message to the Muslim world he began in Cairo last year, his visit is also partly a homecoming.

Obama spent four years living in Jakarta as a boy with his American mother and Indonesian stepfather. The president plans to visit his former school, his old neighborhood in central Jakarta and the resort island of Bali.

The nationwide pursuit of Islamic militants began after police discovered and subsequently stormed a terrorist training camp on Feb. 22 in the dense forest of Aceh, where police found dozens of men honing their skills as sharpshooters and taking part in other military-style training. Police there found assault rifles, Jihadist books and videos detailing the 2002 Bali nightclub bombings that killed 202 people.

Information garnered from the Aceh raids led police to the outskirts of Jakarta on Tuesday where they shot and killed one of the region's most-wanted terrorists. Police believe that Dulmatin, a master bomb-maker and expert in electronics, set and triggered one of the 2002 Bali bombs.

Inside the Jakarta house where police killed Dulmatin, investigators said they confiscated three remote bomb detonators, pamphlets detailing bomb-making techniques, guns and ammunition.

Indonesia's Police Chief Bambang Hendarso Danuri said that no evidence had been found that indicated a planned attack during Obama's trip, but that security risks did exist. "The raids are not over yet," he told reporters on Wednesday.

<http://www.globalpost.com/dispatch/indonesia/100312/obama-indonesia-terror>

- **Obama postpones Asia trip, will stay in Washington for final health care vote**

President Barack Obama has postponed his trip to Asia until June so he can stay in Washington for a possible vote Sunday on his health care overhaul.

White House spokesman Robert Gibbs said Thursday the president is disappointed and regrets having to delay his visits to Indonesia and Australia but has told the leaders of those nations that health care is a crucial priority. "The president believes right now, the

place for him to be is in Washington seeing this through," Gibbs said.

Obama had already delayed the trip to Indonesia and Australia, pushing back a Thursday departure until Sunday so he could help Democrats on Capitol Hill rally last-minute votes for the plan.

White House staff had tried to find a way to push the trip back another few days, but by Thursday morning, it was clear the only way the president could still travel to Australia and Indonesia was if he left early Sunday afternoon. With the House likely to hold a vote on the health care bill sometime Sunday, Gibbs said, "very little padding remained." Obama made the final decision to delay the trip during a brief Oval Office meeting Thursday morning with top aides, including chief of staff Rahm Emanuel and national security adviser James Jones.

House Democrats believe they are on track to vote Sunday on a \$940 billion health care bill that will expand coverage to millions. If the bill passes, the Senate will begin considering changes to the bill next week.

Democratic lawmakers welcomed the president's decision to stay in town. Said House Speaker Nancy Pelosi, D-Calif., "He wants to be here for the history." "He may have to twist some arms," said Senate Finance Committee Chairman Max Baucus, D-Mont. "He may have to talk to some people. His personal presence helps."

The president's trip had originally been scheduled to coincide with his daughters' spring break from school. After the first delay, the White House announced the president's family would no longer accompany him overseas and the president's trip would be shortened by a day as aides sought to tamp down criticism that he was taking a family vacation as the health care debate reached its crucial final stages.

The trip to Indonesia was to be a homecoming of sorts for the president, who spent four years in the world's largest Muslim country as a boy when his mother married an Indonesian man. A statue of Obama as a 10-year-old boy has been erected at the elementary school he attended.

Obama also had been scheduled to deliver his first address to the Muslim world since his historic speech in Cairo last year and had been scheduled to meet with Indonesian President Susilio Bambang Yudhuyono.

Obama was to address Australia's parliament and meet with Prime Minister Kevin Rudd, with whom he shares a close relationship on the issues of climate change and the war in Afghanistan.

Rudd spoke with Obama early Friday morning Australian time and said the president told him he was looking forward to having "a more relaxed visit" to Australia in June, rather than the 24-hour stop that had been planned for next week. Rudd, who has had his own

issues with a problematic Senate, told Obama he sympathizes with his battle over health care. Other U.S. officials have dropped plans to visit Australia and Indonesia this year. Defense Secretary Robert Gates canceled visits to both Australia and Indonesia in January, so that he could remain in Washington for coordination of the U.S. military response to the earthquake in Haiti. Secretary of State Hillary Rodham Clinton canceled a trip to Australia at the same time, also because of the earthquake.

Gates and Clinton had planned to attend an annual summit with their Australian counterparts that are a diplomatic priority for Australia, a close ally and a steadfast troop contributor to the wars in Iraq and Afghanistan. At the time of the cancellations, Gates and Clinton said the Australia summit would be rescheduled.

Associated Press writers Anne Gearan, Ben Feller and Erica Werner in Washington and Rod McGuirk in Canberra, Australia contributed to this report.

<http://www.courant.com/news/politics/sns-ap-us-obama-asia-trip,0,7050726.story>

- **US-Indonesia military deal uncertain**

The United States says it cannot predict when it will resume full military ties with Indonesia, as it laid out the details of President Barack Obama's trip to Jakarta and Bali next week.

Obama spent four years as a boy in Indonesia with his late mother, but the trip is more geared to business, focusing on trade, security and diplomacy rather than his biography or his childhood haunts. In the run-up to the visit, the administration has been preparing the way to resume training an elite Indonesian military unit as part of growing counter-insurgency and intelligence co-operation with Jakarta.

But the move would be controversial as the Kopassus unit is implicated in past human rights abuses, including in East Timor, and some key players in Congress oppose embracing the force before it has accounted for past behaviour.

It remains unclear whether the dispute over Kopassus will be resolved in time for Obama's visit which begins on March 23. Officers from Kopassus were in Washington only last week in a bid to secure resumed US support for the unit, which was cut off in 1997.

"It would be good if we could move to full co-operation, fuller co-operation to include the special forces, the counterterrorism capabilities within the special forces of Kopassus," Jeffrey Bader, Obama's senior director for Asian affairs said on Monday while briefing reporters on Obama's trip. "There is a certain history that needs to be overcome. There were human rights violations in the 1990s in former East Timor." "We hope to be able at some point to move past and resolve those concerns (but) I can't predict at this point when that day might arrive."

US officials have been complimentary on the growing security co-operation between Washington and Jakarta.

Last week, Indonesia confirmed that a major suspect of the 2002 Bali bombing, known as Dulmatin, an al-Qaeda trained bomb specialist with a 10 million US dollar bounty on his head, has been killed by police. Obama will arrive in Jakarta on Tuesday, March 23 and have a meeting and a press conference with President Susilo Bambang Yudhoyono, before being honoured at a state dinner.

The next day, Obama is likely to make his most expressive reference to his childhood years in Indonesia, in a major speech also intended to build on his address to the Muslim world in Cairo last June. "He'll be able to speak to some of the progress that's been made and that needs to be made on the issues that he spoke to in Cairo," said Ben Rhodes, Obama's deputy national security adviser for strategic communications.

Obama will then meet with local business leaders and make some so far unspecified stops, but the White House has already said he will not visit the school he once attended in Jakarta, or the house where he lived.

The president will then head to the resort of Bali where he will hold an event with civil society groups to showcase Indonesia's democratic progress in recent years, before heading to Canberra.

Obama's departure for Indonesia, which US officials see as an increasingly important player in East Asia, was delayed by three days until Sunday, March 21, allowing him to remain in Washington for the endgame of his health reform drive.

<http://news.smh.com.au/breaking-news-world/usindonesia-military-deal-uncertain-20100316-qagt.html>

- **Obama's Indonesian Summit — What Is at Stake?**

A new era of international relations between Indonesia and the United States might well arise from President Barack Obama's much touted visit for high level talks with President Susilo Bambang Yudhoyono (SBY) next week in Jakarta. Stagnation has characterized relations between the two countries for much of the past decade, and now that Indonesia's democracy and economy have both developed significantly, each party is eager to renew ties.

Obama's visit has been much anticipated by most Indonesian people, and the sentimental aspect has colored most press coverage in Indonesia since Obama's election. That Obama had lived in Jakarta and attended school there for four years of his youth initially gave Indonesians great hope that closer ties between the two nations would naturally follow. Implicit in that would be the advantages Indonesia could potentially gain. The concrete

nature of these hopes remained fuzzy and warm, though, and largely unarticulated by all official parties concerned as well as the news media. After the actual date of the American president's was fixed on the political calendar and the talk's agenda became more apparent, a substantive debate concerning the geo-political implications of Obama's visit finally began to surface in print both in Indonesia and the United States.

The discussion reveals there to be much at stake for both countries, as well as both its presidents. Politically speaking, the two leaders currently suffer from sagging domestic support, and positive results from the talks couldn't but help their positions at home. One reason for that is that the two top agenda items- economics and terrorism- are primary concerns shared by citizens of both nations. Solid bilateral agreements in both policy areas are very much in each president's political interest.

Longer term prospects for revived economic and security ties between Indonesia and the U.S. are of much greater consequence. As a new member of the G-20 club, Indonesia seeks to sustain its fast paced economic growth. To that end, Indonesia wooing foreign investment to help exploit its great wealth of natural resources continues to be a primary policy tool. Some predict President SBY will be seeking to broker access to gas and oil tracts in return for U.S. help in building oil refineries in Indonesia. The country is rich in oil, but has yet to put one oil refinery into operation. Indonesian is hungry to manufacture value added products directly from their own stock of natural resources as opposed to shipping the raw materials out of the country only to be forced to import manufactured goods as made from them. This trade imbalance has dogged Indonesia since its inception sixty-five years ago. Seeking out foreign investment that will result directly in enhanced infrastructure is high on SBY's agenda.

The U.S. views these economic negotiations as critical, for if it can't succeed in brokering access to Indonesian gas, oil, aluminum, nickel, copper, and gold then the door will be left wide open for China's growing influence to corner Indonesia's natural resources. Obama must also help shore up long established U.S. mining interests in Indonesia such as U.S. based Freeport corporation to insure smooth operations into the future. The company's controversial gold and copper mine in West Papua, for example, exists on government contract, and given the company helps inspire West Papua instabilities the American government must help maintain continued good relations between Freeport and the Indonesian government (and military who serves as security for such mines) in order for the mine to continue turning significant profits.

Regional strategies for both countries are very much at play here. There is considerable talk now in Indonesia about the how the impending age of Pax Sinica has already dawned and that Indonesia should turn away from a faltering America and fall into line with the

emerging Chinese economic empire. Critics see this new realignment as part and parcel to a greater pro-Asia agenda that will be in direct competition with the West. That such a perception is taking root in Indonesia must alarm Washington and U.S. corporate interests. Most alarming is that the more extreme of these views amount to a Sophie's Choice for Indonesia. They boldly pronounce that Indonesia must choose between close ties with the U.S. or with China, and that allying with China is the strategic choice to be made.

As for the other dominant issue, security, Indonesia has considerable bargaining chips as well. In light of its considerable success in deterring terrorism in South East Asia since 9-11, Indonesia will be negotiating from a position of strength as it requests revitalization of U.S. military aid.

During the Clinton administration, such aid was sharply curtailed as the result of alleged atrocities committed by Indonesian security forces in East Timor, much of it as occurred after the United Nation's mandate for the tiny country's sovereignty. The so-called Leahy law passed in 1997 restricts the U.S. from aiding or training Indonesian armed forces in consequence to these human rights abuses.

Indonesia's military is especially active in lobbying for the overturning of the Leahy law, as four top generals just paid a visit to Washington D.C. seeking special U.S. aid in equipping and training the elite Indonesian special operations force Kopassus. Kopassus is singled out for special attention in part due to its responsibility of seeking out and destroying terrorist organizations in Indonesia.

Human rights remain a sticky wicket in this round of high level talks. As tied to Obama's visit, East Timor's president has timed another call for an official apology from the Indonesian government for its abuses during the quarter century of war it waged against East Timor independence. Many key leaders in the U.S. congress, too, are not keen on supporting Kopassus as those of its members accused of the decade old atrocities have yet to be prosecuted. There is strong support internationally to keep the Leahy law's provisions intact as Kopassus is still considered to harbor rogue abusers who are above the law. It is seen as a jack boot Gestapo by many, and a left over from the era of Suharto authoritarian oppression. So much of Indonesia's dark past has yet to be reconciled, and Kopassus is symbolic of it.

Indonesia's bargaining position in security matters is strong, though. The country would argue it has already proved effective as contributing greatly to Washington's war on terror. In fact, Indonesia's record on capturing and killing terrorists may well be number one in the world over the past few years. To assure its continued success, Indonesia will argue that their future needs include the expansion of Kopassus' anti-terrorist capabilities

in growing hotspots such as the Malakka Straits, through which half the world's mercantile shipping passes.

The pressure on the Obama administration will be great to rescind aspects of the Leahy law as security threats are escalating in and around this Indo-Malaysian waterway. A major terrorist attack in the greater Singapore area could wreak global havoc on world trade. Singapore is the world's largest commercial port, and its effective shut down as resulting from terrorism would have devastating repercussions.

The following is pure conjecture, but nonetheless interesting to contemplate: just how prepared is Indonesia to give license to U.S. military forces on Indonesian home turf and in its waterways? In return for military aid, Indonesia could conceivably allow for a greater direct role of U.S. forces in anti-terrorist efforts as is currently the case in the Philippines. Aside from terrorist penetration Indonesia's porous borders are difficult to patrol when it comes to human trafficking. Refugee groups on destination to Australia seeking asylum from countries such as Afghanistan stop over illegally in Indonesia as a transit point, often undetected. This has created friction between Indonesia and Australia. Indo-American military operations could include joint patrols of territorial waters while bolstering greater Indonesian ties with the U.S. military and various other American security operations. The closer ties would help Indonesia develop its relatively under-equipped, under-funded military, and the U.S. could conceivably be given a formal presence in South East Asia. Since the fall of Vietnam to the communists in 1975 and the subsequent evacuation of U.S. bases in the Philippines, the U.S. has enjoyed little significant presence in the entire region.

In a park in Menteng Dalam, Jakarta- the neighborhood where Obama lived and attended school from the age of six to ten- a recently erected bronze statue of the president as a youth was moved due to protest and has now taken up residence at one of his old schools. Some in the local community didn't feel it appropriate to honor a foreign dignitary by prominent and permanent display when home grown heroes were more deserved of recognition. Due to Obama's strong support of escalating the war in Afghanistan, there also exists condemnation of both him and his policies as voiced by many Muslims and some Muslim organizations.

But the majority of Indonesia is more than willing to give Obama a warm welcome and continues to hope that the president's past ties to Indonesia will help usher in an historic shift of Indo-U.S. relations. Improved relations are something an overwhelming majority of Indonesians are hoping for. And pockets of dissent from the public sector won't deter the Indonesian government from pursuing a strong agenda it most likely feels has great chances for success.

The results of the Obama-SBY summit which constitute the first serious talks between the two country's highest officials in almost a generation will not only lay the ground work for the next generation of bilateral agreements, but also reveal just how important China factors into the new equation of U.S.-Asian geo-politics as well as the making of Indonesia's own regional position vis-à-vis the world's two greatest economic powers.

<http://theseoultimes.com/ST/?url=/ST/db/read.php?idx=9487>

- **Malaysia In Talks With Indonesia, Thailand To Overcome Threats Against Fishermen**

Malaysia holds regular talks with the governments of Indonesia and Thailand to tackle threats against Malaysian fishermen in the Melaka Strait, said Defence Minister Datuk Seri Dr Ahmad Zahid Hamidi.

He said cooperation with Malaysia's neighbours was constantly being re-evaluated to ensure the safety of the Melaka Strait and also the seas off Sabah and Sarawak. "The discussions are to ensure fishermen from Malaysia and our neighbours are able to earn a livelihood without any fears," he told reporters after holding a dialogue with fishermen from the Bagan Datoh constituency, here Saturday.

Ahmad Zahid is also the Member of Parliament for Bagan Datoh. Also present were Royal Malaysian Navy chief Tan Sri Abdul Aziz Jaafar, Fisheries Department director-general Datuk Junaidi Ayub and Malaysian Maritime Enforcement Agency director Maritime Admiral Ahmad Puzi Abdul Kahar.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=482366>

- **Economic Front**
- **Indonesia May Become Brazil of Southeast Asia, Macquarie Says**

Indonesia could become the Brazil of Southeast Asian stock markets as it is the "best of India and China combined," said Mark Matthews, a strategist at Maquarie Capital Securities in Hong Kong in an interview with Bloomberg Television.

Matthews likes Indonesian property stocks such as PT Alam Sutera Realty and PT Bumi Serpong Damai. He also likes Thai stocks, saying investors have become more immune to political protests.

<http://www.businessweek.com/news/2010-03-19/indonesia-may-become-brazil-of-southeast-asia-macquarie-says.html>

- **US eyes Indonesia trade surge but presses reform**

The United States sees vast potential to expand trade with Indonesia but Jakarta needs to undertake economic reforms, a top official said Wednesday ahead of President Barack Obama's visit.

Commerce Secretary Gary Locke said that the administration saw major opportunities in

the energy sector as Indonesia seeks to meet a sharp rise in demand while curbing carbon emissions blamed for global warming.

"Indonesia is going to be a vast, steady market for green technologies. Ensuring that American companies play a lead role in this energy transformation is a priority for President Obama and his entire administration," Locke said.

Warning that China and other nations were also eyeing the market, Locke said he would lead a delegation of 10 to 15 US green technology firms to Indonesia in May to follow up on Obama's trip next week. But Locke, speaking at the Center for Strategic and International Studies, said that Indonesia needed to reform its economy, noting that smaller nations in Southeast Asia such as Singapore traded more with the United States.

"Economic nationalism, regulatory uncertainty, unresolved investment disputes and lack of transparency give pause to American companies seeking to do business in Indonesia," Locke said. "If Indonesia is looking for a partner to address these issues, the United States is eager to lend assistance," he said.

Locke, without giving details, said Obama would sign a "comprehensive partnership" with Indonesia on expanding cooperation on trade, education and other areas. Obama will also visit Australia and Guam. Despite being the fourth most populous nation, Indonesia is the 28th largest trading partner with the United States. The nations conducted 21.4 billion dollars in trade in 2008, according to the US Trade Representative's office.

But Indonesia anticipates a 56 percent rise in investment in energy in only four years, Locke said. Indonesia has taken some of the developing world's most aggressive measures to fight global warming. The archipelago is the third largest carbon emitter after China and the United States, due largely to destruction of its forests.

http://news.yahoo.com/s/afp/20100317/pl_afp/usindonesiapoliticstradeenvironment

- **Social front**
- **Religious minister criticizes Muhammadiyah for anti-smoking edict**

Religious Affairs Minister Suryadharma Ali criticizes Indonesia's second largest Muslim organization Muhammadiyah for its anti-tobacco edict, saying it should act more wisely and not cause "restlessness"

among the public. Muhammadiyah, which has estimatedly 30 million followers across the country, declared last week that smoking is haram, or forbidden under Islamic law.

The edict soon sparks protests among especially smokers and the tobacco industry, and many others who are objected with religious organizations' interference in public lives.

The Indonesian Ulema Organization (MUI) has earlier issued an edict banning smoking, but only for children and pregnant women. "This is related to many issues; not just religious but also economic ones. I hope (Muhammadiyah and others) act more wisely in

issuing edicts as it will impact on many things," Suryadharma said after a Cabinet meeting on development issues at the Presidential Office in Jakarta.

<http://www.thejakartapost.com/news/2010/03/15/religious-minister-criticizes-muhammadiyah-antismoking-edict.html>

- **Blasphemy law 'alleviates conflict among religions'**

Sudarsono, a law expert from the University of Indonesia, has defended the blasphemy law, saying that its existence was still important in order to contain conflict surrounding the establishment of houses of worship. Testifying Wednesday at a Constitutional Court hearing of the judicial review request of the law, Sudarsono, an expert witness presented by the government, said that the blasphemy law had been the grounds on which the 2006 ministerial joint regulations rests. The joint regulations regulate, among others, the establishment of places of worship in regions.

"The regulations have been the reference for regional heads and their people to work together to maintain harmony between followers of one religion and another and in settling disputes in establishing places of worships," he added.

The court held its 10th hearing of the judicial review request of the 1965 Blasphemy Law, filed by petitioners of NGOs and self-proclaimed backers of pluralism in October last year. They asked the court to review several contentious articles they said discriminated against certain religious groups, particularly minorities.

<http://www.thejakartapost.com/news/2010/03/17/blasphemy-law-039alleviates-conflict-among-religions%E2%80%99.html>

- **refinance limits 28% higher in FY10: SBP**

Deputy Governor State Bank of Pakistan, Muhammad Kamran Shehzad said the refinance limits of over Rs 228 billion have been assigned under the Export Finance Scheme to various banks for the fiscal year 2009-10, which are about 28 percent higher than the last year's outstanding balance. Addressing the members of the Faisalabad Chamber of Commerce and Industry (FCCI) on Wednesday, he said the SBP is continuously monitoring the availability of credit under this key source of financing to the export sector to ensure that exporters do not suffer on account of lack of funds. Kamran said the export-oriented projects of power looms/weaving sub-sector can benefit from the financing facilities under the Long Term Financing Facility (LTFF) as the SBP has already provided sufficient limits to banks / DFIs under the scheme to meet credit needs of export-oriented projects. Referring to various demands of FCCI, Kamran said the SBP did not interfere in the determination of fee/charges of banks. The SBP inspection teams did check whether the bank charges/fees are according to their own schedule of charges. "We would like to encourage bank customers to act in a rationale

way and shop around and look for a solution that suits their business requirements,” he added. The SBP Deputy Governor, in response to another demand of the chamber, said that forward cover against imports has been temporarily stopped. “It will be considered/reviewed once the market conditions and other factors are improved,” he added. Later, addressing the Pakistan Textile Exporters Association (PTEA) in Faisalabad, Kamran said the real lending rates in Pakistan were much lower than the rates in most of the other countries in the region. “Based on the latest available information, the real lending rate in Pakistan is only 0.4 percent as compared to 9.5 percent in Indonesia, 7.6 percent in Sri Lanka and Bangladesh, 4.2 percent in Malaysia and 0.8 percent in India,” he added. He said the SBP also takes appropriate measures to keep the exchange rate at an appropriate level and prevent it from wide fluctuations in order to maintain competitiveness of Pakistan’s exports. “The stability of exchange rate also helps in maintaining a stable balance of payment position,” he added. Referring to PTEA’s concern over banking spread, he said the SBP has been advising banks to keep their spreads low. Customers are free to choose an institution having a low spread on loans, he added. Referring to the demand of PTEA to enhance the refinance limit by Rs 50 billion, he disclosed that banks, up till March 6, 2010, utilized Rs 190.2 billion out of the sanctioned limits of Rs 228.3 billion. He said Rs.38.1 billion in refinance limits was still available to banks. Staff report

http://www.dailytimes.com.pk/default.asp?page=2010\03\18\story_18-3-2010_pg5_6

- **At Environmental Front**
- **Nestlé cuts ties with palm oil supplier over environmental concerns**

Sourcing contracts between Nestlé and Indonesian palm oil producer Sinar Mas have been terminated following criticism from environmental pressure groups.

The move by the world's largest food group came after Greenpeace released a report this week which looked into its sourcing practices. The environmentalist group identified the oil producers as guilty of mass deforestation in its production of palm oil.

The findings allege that the supplier operates in regions where rainforests and peatlands are being replaced by palm tree plantations that eliminate natural habitats and reduce carbon dioxide sinks that help keep the atmosphere clean and fight global warming.

The revelations follow announcements last year from Unilever, the world's largest user of palm oil, and fellow food giants Kraft, saying that they have suspended purchases from Sinar Mas based on similar concerns.

Despite saying that it had found a new supplier, Nestlé admitted that it still sources palm oil from Sinar Mas through other suppliers and that a full review of its supply chain would take until the end of April 2010. "We will continue to pressure our suppliers to

eliminate any sources of palm oil which are related to rainforest destruction and to provide valid guarantees of traceability as quickly as possible," Nestlé said in a statement. It added that it had only bought from Sinar Mas for manufacturing in Indonesia, and no palm oil bought from Sinar Mas had been used by Nestlé for manufacturing in any other country. Nestlé has committed to using only "certified sustainable palm oil" by 2015. Like fellow food and consumer products manufacturers Unilever and Kraft, it is a member of the Roundtable on Sustainable Palm Oil, a consortium of buyers and producers promoting sustainably produced palm oil.

http://www.procurementleaders.com/news/latestnews/1116-nestle-cuts-ties-supplier/?version=1&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%253A+procurement-leaders-news+%2528Procurement+Leaders+Latest+News+RSS+Feed%2529

- **Seventeen Indonesia Volcanoes On Alert**

Seventeen of 18 volcanoes in Indonesia are on alert status and emitting toxic gas, a federal monitoring agency said.

The mountains are safe to visit as long as tourists stay at least a half-mile away from the gas-producing craters, Indonesia's Volcanology and Geology Hazard Mitigation Center said.

The alert status is the second level of a three-level system of warning. The Ibu volcano in West Halmahera is the only one of the 18 volcanoes at the lower No. 3 standby level, Antara news reported. Mount Talang in Sumatra and Mount Karangetang in Sulawesi are the most recent volcanos to have their status raised to alert.

Other Indonesian volcanoes on alert include Krakatoa, Bromo, Kaba, Anak, Slamet and Lokon. In 1883, Krakatoa erupted in an explosion equivalent to 200 megatons of TNT -- about 13,000 times the force of the U.S. bomb that devastated Hiroshima, Japan, during World War II.

http://www.officialwire.com/main.php?action=posted_news&rid=116053

Malaysia

- **Political Front**
- **Amendments To ISA Have To Be Done Together With Related Laws - Hishammuddin**

The Cabinet decided Friday that amendments to the Internal Security Act could not be on a stand alone basis and must be done together with preventive laws linked to public order and safety, said Home Minister Datuk Seri Hishammuddin Tun Hussein.

He said the Cabinet in principle agreed to have the ISA amended, among others on the detention period, rights and treatment of ISA detainees, the powers of the Home Minister, detention without trial and on the issue of perception that it was being abused for political interests.

"In the interest of the people, the Home Ministry and Attorney-General's Chambers will review all these matters and the Malaysian Bar has also agreed to cooperate in the review," he said in a statement here. He said that also present at the Cabinet deliberations on proposed amendments to the ISA prepared by the Home Ministry were the ministry's secretary-general Datuk Seri Mahmood Adam and Attorney-General Tan Sri Abdul Gani Patail.

Hishammuddin said the preventive laws related were the Prevention of Crime Act 1959, Section 27 of the Police Act 1960 (relating to staging of assemblies without a permit), Banishment Act 1959 (Revised 1972), Restricted Residence Act 1933, Dangerous Drugs Act (Special Preventive Measures) 1985 and Emergency Ordinance (Public Order and Crime Prevention) 1969.

"These acts actually have been under scrutiny by the Home Ministry and the AG's Chambers and whether they will be amended or abolished are being deliberated," he said, adding that the final deliberations would be discussed with the Malaysian Bar.

He further said that whether the necessary amendments could be tabled in the current Parliament session or otherwise, the ministry would be transparent in the matter and keep the stakeholders regularly updated.

Meanwhile, when attending a function here tonight, Hishammudin said that at a consensus gathering on amendments to the ISA, not a single person including members of the opposition could provide justification why the ISA should be abolished.

"Even the United States has its Patriot Act and recently Thailand has also used such an act (ISA).

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=483885>

- **In pole position for the election**

It is very different in Sarawak. State issues overshadow federal concerns and its geographical terrain makes it tough for Pakatan Rakyat to take on the Barisan.

THE number of politicians from Kuala Lumpur, including the Prime Minister, making their way to Sarawak has increased over the past one month as talk of a state election steps up. Media organisations have also started to make logistic preparations for the impending big political event.

There is a sense of optimism in the air for Barisan Nasional as there is a general expectation that it will make another strong showing again. There is even talk of a near

clean sweep.

The Barisan is already in pole position with 62 representatives against the DAP's six and one from the PKR. There are two other state assemblymen – an independent and a Parti Cinta Malaysia representative – who are regarded as Barisan-friendly.

While there is no clear indication when the state polls would be called, the consensus among political analysts and the media is that the expected victory for the Barisan would be a major boost for the coalition before the general election. It would certainly shore up the credentials of Datuk Seri Najib Tun Razak, who will mark his first year in office next month.

With the battle between the Barisan and Pakatan Rakyat becoming more intense in the peninsula, Sabah and Sarawak have now become a crucial battle ground. At parliamentary level, the Barisan holds 30 seats against one seat held by the DAP. The Bandar Kuching parliamentary seat has always been an opposition stronghold.

Sarawak has never been easy for the opposition as state issues are more dominant than federal concerns. It does not help that some Kuala Lumpur-based politicians do not even know the geo-geography of the state, let alone its sentiments and peculiarities. Multi-culturalism is not just tolerated or accepted but celebrated in Sarawak, which is such a joy for visitors coming to this state.

State leaders, including Muslims, openly talk about their financial support to churches with pride. Some declare having taken tests in Bible Knowledge during their school days, without worrying if it would affect their political image. In February, prominent entrepreneur Datuk Raziah Mahmud created history by becoming the first non-Chinese chairman of a Chinese school in the state, probably in Malaysia too.

In the spirit of 1Malaysia, her company Kumpulan Parabena Sdn Bhd donated 4ha of land to SJK Chiaw Nan, with construction of the new RM10mil school building to begin next year.

She urged bumiputras to attend Chinese schools, saying the reasons were obvious – Chinese is an important language of business. When a church in Lutong, Miri, was damaged in January, Chief Minister Tan Sri Abdul Taib Mahmud condemned the incident and told the media that his great-grandfather offered to help the Christian missionaries when they first arrived in Mukah, saying this was not against Islam.

Talk of race supremacy and whipping up religious sentiments are absent in Sarawak. It would surely be frowned upon. The DAP and PKR are still regarded as outsiders in a state where parochialism still matters. The DAP has its home-grown leaders and a few have earned the respect of the Chinese community, which comprises 30% of the population.

But the PKR has no one to lead the charge. Any alliance between the DAP and the PKR

would have to be led by the former. The geographical terrain also makes it near impossible for the Pakatan to take on the Barisan with its strong campaign machinery.

Campaigners need to travel by boat and helicopter to reach many parts of the state. Even boat rides can take days in some interior constituencies. A ceramah at a restaurant may work in some urban seats in Kuching or Sibul but would not be possible in the longhouses, where gatherings are small and casual.

In short, Datuk Seri Anwar Ibrahim would have little traction in the state, as Deputy Chief Minister Tan Sri George Chan aptly put it in an interview with Malaysian Insider. The Sarawak United People's Party headed by Chan, however, has it tougher in the battle for the urban votes.

He has expressed confidence in winning back the lost state seats but for sure, there is plenty of work to be done.

But the man calling the shots – Taib Mahmud – is still very much the man who would deliver the votes. Although he is 74 years old and has to contend with critics questioning his hold on the leadership, no one can dispute that Taib is reliable. It is a fact that the federal leaders acknowledge; in the next general election, they know they need him more than ever.

<http://thestar.com.my/news/story.asp?file=/2010/3/14/focus/5860447&sec=focus>

- **Economic Front**
- **Pak-Malaysia trade to touch new heights**

The trade volume between Pakistan and Malaysia is likely to touch new peaks as a number of Malaysian companies and businessmen have shown readiness to initiate joint ventures with Pakistani counterparts. It was hoped during LCCI delegation's meetings at various Malaysian chambers and trade bodies.

The LCCI delegation had a meeting at Malay Chamber of Commerce & Industry where the President of Malay Chamber of Commerce & Industry Mr. Dawn Perniagaan Melayu gave a detailed briefing to the LCCI delegation headed by former LCCI Senior Vice President Sohail Lashari. The delegation also visited MATRADE Exhibition and Convention Center. During the visit the delegates had meetings with counterparts arranged by MATRADE and Pakistan Commercial Counsellor.

During one to one meetings business opportunities were discussed, particularly in textile, auto parts, rice, agricultural implements, recreational activities and steel sector.

It is worthwhile to mention that the meetings remained very fruitful and it is hoped that exports opportunities would be availed by some delegates.

During the meetings, Mr. Sohail Lashari informed these chambers and trade associations about the delegation purpose, business, investment opportunities and law and order in

Pakistan.

http://www.app.com.pk/en_/index.php?option=com_content&task=view&id=98878&Itemid=38

- **Social Front**
- **Anwar May Face Action Over Allegation In Parliament - Nazri**

Friday's weekly meeting of the Cabinet is to decide whether Opposition Leader Datuk Seri Anwar Ibrahim should be referred to Parliament's Rights and Privileges Committee over his claim that the 1Malaysia concept was copied from the One-Israel idea.

Minister in the Prime Minister's Department Datuk Seri Mohamed Nazri Abdul Aziz said today he would bring up the matter at the Cabinet meeting.

"We feel that the accusation is too extreme. I have no power to decide whether action should to be taken or not," he told a news conference at his office at Parliament House, here. Anwar, when speaking during the debate on the motion of thanks for the royal address in the Dewan Rakyat yesterday, had said that international communications consultancy APCO Worldwide retained by the Malaysian government was involved in a public relations campaign for a One-Israel concept in 1999 by Israel's then prime minister Ehud Barak. The company issued a statement today to deny the allegation by Anwar.

"This is a serious allegation. We will have to decide whether action should be taken against Anwar for making a false statement in the House," Nazri said.

Nazri said that though the allegation was serious, he had to bring the matter to the Cabinet first for it to make a decision which would be conveyed to the Rights and Privileges Committee for action.

Asked why the matter had to be referred to the committee and if there was any other way to handle it, Nazri said: "As you know, the accusation has been made against the leader of the House (the prime minister)." "Of course, the accusation against the prime minister will involve the Executive. So, the committee has to decide," he said.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=483570>

- **Stop influx of foreigners**

THERE was a feeling of helplessness and despair when I read the recent article in The Star titled "Foreigners take over Klang alleys".

I have a gnawing fear that our federal as well as state governments have lost their direction in controlling the fast growing influx of foreigners into our country. How are we going to even start to control our own destiny when we cannot limit the damage done because of unmitigated migration of foreigners into our country.

The Klang Municipal Council officials seem to be helpless as foreigners like the Myanmar, Nepalese and Indonesians take over whole alleys for their illicit

businesses. Now, parts of Klang have been named after the nations from which they come. I feel it's time the federal and state governments stand up to face the problem squarely, and answer the following questions with a view to making some real decisions:

Is it the Government's policy to allow foreign workers only working visas which have specific conditions and duration?

Has the Government ensured that those with expired visas have left the country? Who monitors the situation? Are foreigners allowed to conduct retail and other businesses in Malaysia, and if so, why, and are they given business licences?

Are locals allowed to rent or lease their premises to foreigners who have no documentary evidence that they have been allowed to conduct business in Malaysia?

If foreigners are not allowed to do business here under any circumstances, why are they allowed to take over shops and alleys? These include premises at Petaling Street, the Selayang wholesale market and many others. Why keep talking about being a high income nation, when in a few years' time, the number of foreigners will equal the number of Malaysians? We should be committed to protecting our shores and saving our diminishing resources like oil and potable water for our citizens. If we look around the Asia Pacific region, including Australia, we see that their governments take hard and even unpopular steps to ward off blatant and unproductive migration. Only by limiting foreign labour to the minimum can we move towards a high income nation status, not when we have some 10 million of them to support in five years' time. Instead, we may soon join the ranks of those "failed nations" around the world.

<http://thestar.com.my/news/story.asp?file=/2010/3/16/focus/5862609&sec=focus>

- **Khairy queries Anwar's link to US-based Jewish lobbyists**

REMBAU MP Khairy Jamaluddin questioned Datuk Seri Anwar Ibrahim's connection with US-based Jewish lobbyists when the PKR leader spoke about Umno's alleged connection with the Israeli government.

Anwar (PKR-Permatang Pauh) had earlier claimed that the Barisan Nasional Government had engaged the services of international management consultancy firm Apco to create the 1Malaysia concept and aspirations. He said Apco was engaged by then Israeli prime minister Ehud Barak to create the One Israel concept in 1999. "I was accused of being an Israeli tool. But here, we have leaders who used Israeli lobbyists and supported people who built casinos," Anwar said when debating the motion of thanks on the Royal Address. Khairy asked why Anwar did not speak about his own relationship with another top US conservative, Paul Wolfowitz.

"He is considered the godfather of the neo-conservative movement. You accepted the post of chairman of Foundation for the Future, run by Wolfowitz, who was the World

Bank head at that time. "If you say Umno is somehow connected with the neo-conservatives, then you are complicit as well," Khairy added.

When Khairy persisted in questioning Anwar, the latter told him not to be rude. Anwar said he resigned as the foundation's chairman to concentrate on being an MP.

<http://thestar.com.my/news/story.asp?file=/2010/3/18/parliament/5884281&sec=parliament>

- **Get religious scholars to give advice, temples urged**

HINDU temples throughout the country have been urged to appoint Indian religious scholars so they can give advice to the people who visit the places of worship, Malaysia Namban reported.

It quoted Malaysia Hindu Sangam secretary-general M. Baskaran as making the call after attending the formation of the Seremban district-level Hindu Sangam committee on Sunday.

He said people worked very hard these days to earn money but spent less time with their families. He said many Indian youngsters also had social problems because they did not have the opportunity to get moral and religious education. He said the committee had initiated religious programmes, workshops and seminars to impart knowledge on proper religious procedures and customs. He said there were some people who used religion to promote themselves as spiritual leaders for their personal gain. Tamil Nesan reported that popular South Indian comedian Goundamani was admitted to the Apollo Hospital in Chennai after complaining of chest pains. Goundamani, who paired with comedian Senthil to become one of the most popular comedy acts in Tamil cinema, complained of uneasiness and breathing difficulties and was rushed to the hospital where his condition was being monitored.

He has acted in over 300 films in a career spanning three decades.

Other News & Views is compiled from the vernacular newspapers (Bahasa Malaysia, Chinese and Tamil dailies). As such, stories are grouped according to the respective language/medium. Where a paragraph begins with a > sign, it denotes a separate news item.

<http://thestar.com.my/news/story.asp?file=/2010/3/18/nation/5882782&sec=nation>

- **Environmental Front**
- **We are preparing for disasters**

I REFER to the letter "Natural disaster awareness is crucial" (The Star, March 11). The National Security Council (NSC) in the Prime Minister's Department notes with sincere appreciation the writer's comments and suggestions regarding the importance of enhancing public awareness in disaster management. I am pleased with his concern on

the issue and in the interest of bolstering national resilience. Such a positive mindset should be emulated by all Malaysians.

Effective disaster management can never be achieved by reactive measures. In this regard, the Government approach in managing disasters covers the comprehensive aspects of mitigation, preparedness, response and recovery.

As pointed out, installing tsunami buoys alone does not ensure that Malaysians will be safe but it is nonetheless an integral component of the Tsunami Early Warning System developed by the Meteorological Department after Dec 26, 2004.

With this system, the Government is able to forewarn the public of the possible occurrence of a tsunami over the Indian Ocean, South China Sea or the Pacific Ocean. The dissemination of information in a timely manner is crucial to ensure that the vulnerable communities and responders are promptly informed to enable them to take necessary action.

In this respect, a Fixed Line Disaster Alert System (FLAS) was put in place to disseminate disaster alert from the authorities to the public. A separate system known as the Government Integrated Radio Network (GIRN) provides radio communication between responders during emergencies or disasters. Disaster reporting by affected civilians is now more efficient via the Malaysia Emergency Response System (MERS) Emergency Hotline-999.

The real challenge, however, lies in getting this message to the rakyat for them to act speedily to protect themselves. Tsunamis do not happen often and when they occur, there is very limited time for evacuation.

Therefore, public education and awareness among the population at risk are essential to reduce the loss of lives and material damage caused by disasters. The NSC together with other relevant agencies, including NGOs, has stepped up awareness programmes to educate local communities and equip them with the necessary knowledge to reduce disaster risk and have appropriate response measures in facing the wrath of natural disasters.

In this age of information, the media plays a crucial role in inculcating a culture of safety and resilience. The mass media is an effective platform to raise awareness among the public on risk reduction and disaster preparedness measures. Realising the importance of the media in disaster risk reduction, the Ministry of Information, Communication, and Culture has established a Disaster Unit in the Department of Broadcasting Malaysia.

To further instil disaster risk reduction awareness among the public, various initiatives were introduced by the Government. Malaysia has declared Dec 26 as Disaster Awareness Day since 2005. It is aimed at promoting disaster risk reduction. Safety

guidelines have been developed and distributed to schools and community leaders to provide awareness and guidelines to the public to respond accordingly to disaster and crisis situations.

In 2009 alone, the Government had organised 18 series of public awareness campaigns on tsunami and earthquakes nationwide. Apart from that, a tsunami response exercise was held on Oct 14, 2009 in Langkawi involving participants from 14 countries around the world. This year, eight disaster management exercises and another eight public awareness campaigns are being organised in accordance with the concept of community-based disaster management as prescribed by the Hyogo Framework of Action 2005-2015.

Successful disaster management must be one that is built upon mutual cooperation and commitment from all stakeholders including government agencies, civil society, the media, private organisations and the masses. The NSC urges all Malaysians to enhance their level of awareness and cooperate with the Government to reduce the risk of disasters.

<http://thestar.com.my/news/story.asp?file=/2010/3/16/focus/5868000&sec=focus>

Philippine

- **Political Front**
- **Philippine bishops say corruption, poverty main election issues**

A group of Catholic bishops on Saturday urged Filipinos to vote for candidates who would fight corruption and alleviate poverty, which have been plaguing the country.

The bishops also warned the more than 50 million voters, at least 80 per cent of whom profess the Catholic faith, not to vote for candidates who have been spending heavily in the campaign ahead of the May 10 national elections.

'In choosing leaders, the electorate should carefully study and match the traits of candidates with the needs and issues disabling the country today,' they said in a pastoral letter read at Masses nationwide.

'Two major and perennial issues haunting the country are poverty and government graft and corruption, with such destructive mutuality, that as corruption increases, poverty worsens ' the letter said.

'Excessive campaign expenses in the past did not augur good and responsive governance,' it added. Voters are to elect more than 18,000 national and local office holders, including the president, vice president, senators, members of the House of Representatives and municipal officials.

Government data showed that poverty worsened under President Gloria Macapagal Arroyo, whose nine-year rule was hounded by corruption scandals and accusations of election fraud. Arroyo was catapulted to power in January 2001 by a military-backed

mass uprising that ousted former president Joseph Estrada over allegations of corruption. She gained a fresh six-year mandate after winning the 2004 presidential elections, but her victory was tarnished by allegations that she rigged the polls to ensure her victory.

http://www.monstersandcritics.com/news/asiapacific/news/article_1540675.php/Philippine-bishops-say-corruption-poverty-main-election-issues#ixzz0ieAkjNrA

http://www.monstersandcritics.com/news/asiapacific/news/article_1540675.php/Philippine-bishops-say-corruption-poverty-main-election-issues

- **UN calls for Tripoli Agreement implementation**

A high-ranking United Nations (UN) official has called for the implementation of the 1996 Tripoli Agreement between the Philippine government and the separatist Moro Islamic Liberation Front (MNLF), and a possible consolidation of the two-decade old pact with future peace agreements that will be entered into by Manila.

UN General Assembly President Dr. Ali Abdussalam Treki was referring to the Final Agreement on the Implementation of the 1976 Tripoli Agreement between the Philippines and the MNLF that was reached on September 2, 1996, which establishes a Special Zone of Peace and Development in Southern Philippines (SZOPAD) covering the provinces of Basilan, Sulu, Tawi-Tawi, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Norte, Lanao del Sur, Davao del Sur, South Cotabato, Sarangani and Palawan and the cities of Cotabato, Dapitan, Dipolog, General Santos, Iligan, Marawi, Pagadian, Zamboanga and Puerto Princesa.

These areas, according to the agreement, will be the focus of intensive peace and development effort and will be the recipient of public and private investments to spur economic activities and uplift the conditions of the people there.

The SZOPAD became the basis for the Autonomous Region in Muslim Mindanao and former MNLF leader Nur Misuari became the region's first governor. Misuari was removed from office in 2001 and was arrested in 2007 on rebellion charges. He was later allowed to post bail and was released.

"It is already a good agreement [Tripoli Agreement]. We already made it in the past. They just need to implement it faithfully and consolidate it with whatever future agreements," Treki told reporters.

Peace talks with MILF

The Philippines is negotiating a peace deal with the Moro Islamic Liberation Front (MILF), the breakaway group of the MNLF. The Philippine government and the MILF peace panels met in Kuala Lumpur on December 8 last year for the first time in 17 months to renew their call for the resumption of the stalled peace talks, following the aborted signing of a controversial memorandum of agreement on ancestral domain that

was declared unconstitutional by the Supreme Court.

During the lull in the peace talks, both parties continued their back-channeling efforts to revive the peace negotiations.

Foreign Affairs Secretary Alberto Romulo assured that the Philippines will further deepen its engagement with the UN in key areas that will advance the common interests of like-minded countries and address issues of the developing world.

In his meeting with Treki at the sidelines of the Special Non-Aligned Movement Ministerial Meeting on Interfaith Dialogue for Peace and Development held at the Philippine International Convention Center in Manila, Romulo stressed the importance of “continuing work and cooperation between and among the world’s stakeholders” on nuclear non-proliferation, world economic and financial reform, climate change and UN reform.

“There is much work to be done at the United Nations. As we work on interfaith dialogue as an instrument and object of global peace, we also need to work with other stakeholders in ensuring greater peace, progress and prosperity for all the world’s peoples,” he said after the meeting.

- **Palace warns junta may take over if polls fail**

Deputy Presidential spokesperson Charito Planas on Friday warned that a military junta could take over the reins of power in the country should there be a massive failure of elections and no winner is declared in the May 10 presidential elections by the end of President Arroyo’s term on June 30.

In her weekly press briefing, Planas was reminded that like the president, the terms of office of the vice-president, the Senate president and the Speaker of the House also end noon of June 30, and there is no clear reference in the Constitution as to who should take over. Planas then said, “Maaring ang military ang mag-takeover, maari yan, maari as military juntas have taken over in several countries especially in southeast Asia.”

When pressed further if a military junta is really possible in case there is no clear successor to President Arroyo by the end of her term, Planas said again: “It could be. Even Sen. [Juan Ponce] Enrile mentioned that it could be. I’m not the only one. Sino ba yung built-in dyan, na meron silang organisasyon, if they are an institution.”

When Planas was also asked if the president will step down by the end of her term regardless of what happens, Planas said, “Definitely.”

Depends on Constitution, situation Planas, however, also said that it would not be up to the president to say who would be the caretaker president should no winner be declared in May. Planas stressed it will depend on the Constitution and the exigencies of the situation. “Titingnan natin ang saligang batas, hindi siya ang magsasabi na I’m taking

over. Di ba, sabi ni Sen. Enrile baka militar ang mag-takeover. Nangyayari yan sa ibang bayan, the military takes over. Hindi ang presidente ang magsasabi, 'hoy gusto ko pang manatili dito.' Hindi siya," he said. "Ang situwasyon ang magdidikta at ang saligang batas."

The 1987 Constitution vests the Supreme Court (SC) with all powers to decide questions on interpretation of the country's fundamental law. It is in this light that many legal experts have said the SC will decide on who will be acting president should there be no winner in the 2010 presidential elections.

SC decision assailed

In the last two days, the SC had come under heavy criticism after it ordered the Judicial and Bar Council (JBC) to submit nominees for the position of Chief Justice, in anticipation of the retirement of Chief Justice Reynato Puno on May 17.

Aside from coming within the period covered by the constitutional ban on midnight appointments, President Arroyo's appointment of the new Chief Justice has also come under fire as it has been seen by critics as a way of ensuring her legal and political survival after she loses presidential immunity from lawsuits. They also see it as part of an alleged plot to extend her stay in Malacañang as caretaker president, should elections fail, by having a Chief Justice friendly to her interests. One of the top contenders for the job is her former chief of staff and former spokesperson, senior associate justice Renato Corona.

Corona's alleged impending appointment, and last week's appointment of Armed Forces of the Philippines (AFP) Chief of Staff Delfin Bangit, once President Arroyo's chief of the Presidential Security Group, have been seen as parts of this alleged plan.

<http://www.abs-cbnnews.com/nation/03/19/10/palace-warns-junta-may-take-over-case-polls-fail>

- **Economic Front**
- **Social Front**
- **Pakistan committed to promote inter-faith harmony: Malik Amad**

Minister of State for Foreign Affairs Nawabzada Malik Amad Khan on Wednesday said that Pakistan and the Philippines have been partners for promoting dialogue and cooperation among followers of different religions. The Minister of State of Foreign Affairs said this in his statement in the NAM Ministerial Meeting (SNAMMM) on Interfaith Dialogue and Cooperation for Peace and Development in Manila on Wednesday.

Pakistan and the Philippines together have been sponsoring a landmark resolution on promotion of interfaith and intercultural dialogue in the UN General Assembly.

He stressed that Pakistan on its part remained committed to promote inter-religious and inter-cultural dialogue and harmony. Recalling that the Constitution of Pakistan guarantees equal rights and status to all its citizens, irrespective of race, religion, caste, creed or colour, Malik Amad mentioned that minorities enjoy full freedom to profess their religion, visit their places of worship and actively participate in political, economic and cultural activities as equal citizens.

Minorities constitute around 3.72% of population in Pakistan. However, the Government has reserved 5% employment quota for minorities in Federal Services to ensure their effective participation in the policy implementation process.

“We follow a joint electorate system in Pakistan, which provides equal opportunities to all Pakistanis including minorities to contest elections for parliament. In addition, we have reserved 10 parliamentary seats for minorities in the National Assembly”, he added. Earlier in her keynote address in SNAMMM, President Gloria Macapagal-Arroyo said, “Philippines is a living witness to the importance of intercultural and interfaith tolerance, understanding, respect and dialogue for peace and development.”

Recalling joint efforts by Pakistan and the Philippines on promotion of interfaith and intercultural dialogue in the UN General Assembly, President Arroyo added that the Philippines considers intercultural and interfaith dialogue policy framework as an enduring basis for coming together of the country’s different cultures and faiths, within a shared environment of peace, security and development based on mutual understanding, trust and respect.

The Minister of State for Foreign Affairs also held bilateral meetings with the Secretary of the Department of Foreign Affairs of the Republic of the Philippines, Foreign Minister of Indonesia, Adviser to the Government of Kingdom of Cambodia and Deputy Minister of Foreign Affairs of the Kingdom of Saudi Arabia on the sidelines of the SNAMMM.

http://www.app.com.pk/en/_index.php?option=com_content&task=view&id=98712&Itemid=38

- **Philippine prisons in terrible state–US report**

Criminals, beware. It is not bad enough to be imprisoned for doing a crime since prisoners also have to endure the sickening situation of prison and detention centers in the Philippines, a US report said over the weekend. The US State Department 2009 Country Report on Human Rights Practices on the Philippines released Thursday (Friday in Manila) revealed that jails managed by the Bureau of Jail Management and Penology (BJMP) operated at an average of 174 percent of designed capacity, while prison administrators allotted a daily subsistence allowance of P50 per prisoner.

The Bureau of Corrections under the Department of Justice, on the other hand, administered seven prisons and penal farms for prisoners sentenced to more than three years in prison.

“The provincial jails and prisons are overcrowded, lacked basic infrastructure and provided prisoners with an inadequate diet resulting to lack of potable water, poor sanitation and poor ventilation,” the report said.

The report identified the slow judicial process and the deficient parole system as the reasons behind the exacerbated overcrowding, with at least seven elderly prisoners diagnosed with serious illnesses dying in prison annually since 2007.

President Gloria Arroyo granted executive clemency to 32 elderly persons at the end of 2009.

Besides the cramped up prison cells, the report added that prisoners would also have to deal with widespread corruption among prison guards and, to some extent, at higher levels of authority within the prison system.

Worst for women, children

Based on BJMP regulations, male and female inmates are to be held in separate facilities and, in national prisons, overseen by guards of the same sex. Anecdotal reports, however, suggested that these regulations were not uniformly enforced since male guards sometimes supervised female prisoners directly or indirectly in provincial and municipal prisons.

Although prison authorities attempted to segregate children or place them in youth detention centers, children were held in facilities not fully segregated from adult male inmates in some instances. As such, girls were sometimes held in the same cells as boys.

Out of 1,011 jails managed by the BJMP and the Philippine National Police (PNP), only 190 had separate cells for minors, while 334 jails had separate cells for adult females.

“These circumstances continue to cause health problems. Some prisoners, including women and children, were abused by other prisoners and prison personnel,” the report added.

While international monitoring groups, such as the International Committee of the Red Cross, were allowed free access to jails and prisons, the report disclosed that there is difficulty in accessing jails or detentions centers where children were held as reported by a local nongovernment organization. As part of reform and budget reduction efforts in 2009, the government consolidated women and minors into fewer jails, including some that contained separate facilities for those groups.

At the end of 2009, both BJMP and PNP jails held a total 58,786 prisoners. Of this figure,

95 percent of whom were pre-trial detainees, while the remainder had been convicted of various crimes. Of the total number of sentenced prisoners and detainees, 5,448 were adult women, 316 were minor detainees and 13 were convicted minors.

The Bureau of Corrections' prisons and penal farms, on the other hand, had 35,934 prisoners in its fold, of whom 1,948 were women.

As this developed, the BJMP released 342 minor inmates usually in response to a court order following a petition by the public attorney's office or the inmate's private lawyer, or through the appeals of nongovernmental organizations.

<http://www.manilatimes.net/index.php/top-stories/13292-philippine-prisons-in-terrible-stateus-report>

- **Nearly 30 per cent of adult Filipinos smoke, survey finds**

Nearly 30 per cent of adult Filipinos smoke, consuming an average of 11 cigarettes per day, the Philippines' first nationwide smoking survey showed Thursday.

The Philippines' Global Adult Tobacco Survey was conducted in 2009 by the Department of Health and the National Statistics Office with the assistance of the World Health Organization (WHO). According to the survey, which polled nearly 10,000 individuals nationwide, 28.3 per cent of the 61.3 million Filipinos aged 15 years and above - or 17.3 million - are smokers. The study also showed that the large majority of Filipino smokers - 14.6 million - were males, who started the habit at the average age of 17 years.

Women smokers started at an average age of 19 years, the report added. Health Secretary Esperanza Cabral said the survey showed the government needs to step up its anti-tobacco programmes to discourage more Filipinos from taking up the habit.

She lamented the fact that the Philippines have already failed to meet the commitment made to the WHO to implement picture-based warnings on cigarette packs by October 2008. Congress has yet to pass a law requiring tobacco companies to print picture-based warnings on their packages, amid strong lobbying against the move by cigarette firms.

Cabral said she plans to issue an administrative order imposing picture-based warnings on cigarette packets in a bid to honour the Philippines' commitment to the

http://www.monstersandcritics.com/news/health/news/article_1541987.php/Nearly-30-per-cent-of-adult-Filipinos-smoke-survey-finds#ixzz0ieBKFR4j

Thailand

- **Political Front**
- **Thai Protesters Mass to Topple Abhisit, May March Through City**

Thai anti-government protesters aim to gather a million people in Bangkok today to pressure Prime Minister Abhisit Vejjajiva to call an election, and may march throughout the capital if he rejects their demands.

Tens of thousands of United Front for Democracy Against Dictatorship members from rural areas reached Bangkok yesterday. The group, which backs fugitive ex-leader Thaksin Shinawatra, will meet in the early evening to assess its next move, said Weng Tojirakarn, a protest leader.

“To put political pressure on the government, we have to take public roads,” he said from the rally site, which spanned several streets near government buildings and tourist sites like the Grand Palace. “We won’t capture any government offices or the international airport, we’ll just walk on roads and won’t create any violence.”

The protest is the latest incarnation of a power struggle mostly between the urban elite and pro-Thaksin rural poor that has been marked by airport blockades and rioting since the military ousted Thaksin in 2006. His supporters say appointed judges and soldiers have undermined the wishes of voters.

Abhisit invoked the Internal Security Act for the sixth time since taking office 15 months ago, allowing the military to close roads and make arrests. Police set up checkpoints at main entry points into the capital to screen for weapons and some 35,000 security officers and 46,000 civilian defense volunteers stood ready to maintain order.

Dancing Protesters

“The government has no plan to use violence against the protesters,” Abhisit said yesterday after meeting military and police commanders. “We will take all necessary actions to facilitate the rally in a peaceful way.”

In temperatures that reached 36 degrees Celsius (96 degrees Fahrenheit), protesters yesterday listened to speeches and danced to music blasted through loudspeakers. Many wore red shirts and headbands, and waved red flags.

Thaksin’s supporters wear red to distinguish themselves from the yellow-clad royalist demonstrators who seized Bangkok’s airports for eight days in 2008 and succeeded in ousting a Thaksin-linked party from power. “I’m going to stay here until we get a new election,” said Thim Butapon, 61, who arrived yesterday by bus from Roi Et, a northeastern province more than 500 kilometers (311 miles) from Bangkok. “We love Thaksin. He always helped us. We weren’t in hardship when he was in power.”

Thaksin has orchestrated protests from Dubai and other overseas locations since fleeing a Thai jail sentence in 2008. He and his allies have won the past four elections on votes from the northeast, Thailand’s poorest region and home to a third of its 66 million people. Courts have disbanded the pro-Thaksin parties that won the past two elections, prompting his supporters to question the judicial system. Abhisit’s Democrat party hasn’t won the most seats in a nationwide vote since 1992. He must call an election by the end of next year.

In a post in Thai on his Twitter page yesterday, Thaksin said he was preparing to leave Dubai to join his two daughters in Europe.

<http://www.businessweek.com/news/2010-03-13/thai-protesters-mass-to-topple-abhisit-may-march-through-city.html>

- **Thai PM rejects poll ultimatum**

The Red Shirt protest seems not to have impacted Abhisit's government. The attack on an army unit as yet has also failed to provoke a crackdown. Red Shirt protesters march to the base of Thai Army 11th Infantry Regiment in Bangkok yesterday

Thailand's prime minister rejected yesterday an ultimatum by tens of thousands of protesters who demanded immediate elections as they besieged a military base where his government was holed up. The "Red Shirts", loyal to deposed premier Thaksin Shinawatra, massed in front of a barracks on the northern outskirts of Bangkok where top ministers and military brass had taken refuge amid fears of violence by saboteurs.

After Prime Minister Abhisit Vejjajiva rejected their demands and left the base by helicopter, tensions increased when four grenades hit a separate barracks across the city, prompting heightened security measures.

It was not immediately clear if the protesters were linked to the explosions, which wounded one soldier in the arm and the other in the stomach, army spokesman Colonel Sunsern Kaewkummerd said. "Initially we suspect that the grenades were fired from a car," said Sunsern. A senior police official said a male suspect had been arrested and his car confiscated, but the man denied any involvement in the attacks.

Earlier Abhisit, who heads a fragile six-party coalition, made a nationally televised address to reject the red-clad crowd's demand, saying: "The coalition parties agree the demand cannot be met."

"Elections must be held under common rules and genuine calm. We have to listen to other people's voices, not just the protesters."

The Red Shirts rail against the perceived elitism of the government and say it is undemocratic, as it came to power via a December 2008 parliamentary vote that followed a controversial court ruling ousting Thaksin's allies.

The protesters, who come largely from the poor rural north, support ex-premier Thaksin for his populist policies. He was deposed in a 2006 coup and lives abroad to avoid a jail term for corruption.

Last month Thailand's top court confiscated \$1.4bn of the telecoms tycoon's wealth. He made an impassioned plea to supporters by video link on Sunday, urging them to fight on.

Thaksin left his main base in Dubai on Saturday and was spotted over the weekend in

Montenegro enjoying coffee and cakes in a luxury hotel with his entourage.

At least 86,000 Red Shirts have congregated since Saturday at a site near government offices. Soldiers and riot police have been deployed under a strict security law allowing authorities to ban gatherings and impose curfews.

Authorities said a 50,000-strong security force was on hand across Bangkok and surrounding provinces.

The rally moved yesterday to the army barracks, where Sunsern said about 2,000 soldiers were providing security with three helicopters on standby, before the Reds returned to their original site in the city's historic quarter.

In a bizarre development, protest leader Nattawut Saikur said the Red Shirts would each spill a small amount of blood today at the gates of Government House in a show of their fierce determination. Since the 2006 coup Thailand has been wracked by protests by the Red Shirts and their rival Yellow Shirts, whose campaign in 2008 led to a crippling nine-day blockade of the country's airports. Twice-elected Thaksin is loathed by the yellow movement, which is supported by Bangkok's establishment and accuses him of corruption and disloyalty to the revered royal family. The current rally is the largest in Bangkok since the Reds rioted in April last year, leaving two people dead and scores injured. Some Bangkok banks and schools were closed as the protest picked up pace over the weekend and Thailand's tourism authority said 37 countries had issued warnings on travel to Bangkok. US Assistant Secretary of State Kurt Campbell cancelled a planned visit today to Thailand, with an embassy official saying it was "too much of a burden to put on our Thai counterparts". AFP

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=349030&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=349030&version=1&template_id=45&parent_id=25)

- **Thai protesters draw their own blood**

Frustrated protest leaders said they would collect 1,000 litres of protesters' blood to spill at Government House in the Thai capital. (Getty)

Red-dressed Thai demonstrators have collected their own blood, planning to spill it at the government's gates in a symbolic sacrifice as they stepped up protests demanding snap elections.

Thousands of "Red Shirts", loyal to deposed premier Thaksin Shinawatra, were queuing up in Bangkok to offer a small amount of their blood in an unusual show of determination that sparked medical concerns. It was the latest move in an anti-government street demonstration that has drawn tens of thousands of protesters to the streets of the capital since the weekend, watched over by a massive contingent of security forces. "This blood

is a sacrificial offering. To show our love for the nation, to show our sincerity," said Red Shirt leader Veera Musikapong, the first to donate.

The Reds aimed to collect the extraordinary amount of 1000 litres of blood, which they planned to spill at the entrance to Government House in Bangkok's historic quarter at 6pm (2200 AEDT).

The group is protesting against the perceived elitism and illegitimacy of the government, which came to power via a December 2008 parliamentary vote that followed a controversial court ruling ousting ex-premier Thaksin's allies. Last month another court decision confiscated \$US1.4 billion (\$A1.5 billion) from Thaksin, whose followers are largely from the poor rural north and fervently support the populist policies he introduced before being ousted in a 2006 coup.

On Monday the Red Shirts spent several hours massed outside a military barracks on the northern outskirts of Bangkok where Prime Minister Abhisit Vejjajiva and his government were holed up amid fears of violence by saboteurs. The premier rejected the crowd's demands, and on Tuesday he again stood firm against calls to dissolve parliament. "A decision cannot be made between protesters and the government, because it is related to the whole country," he said on television from the army barracks. "House dissolution must happen on the condition that it will make the country move forward," he added.

A joint session of both houses of parliament was postponed on Tuesday due to the lack of a quorum, with some MPs fearing for their safety in the ongoing demonstrations, a parliamentary official said. At a separate army barracks across the city, four grenades exploded on Monday, wounding two soldiers and raising tensions, although it was not clear if the attacks were linked to the Red Shirts.

A senior police official said a male suspect had been arrested on Monday for the grenade attacks but the man denied any involvement in the incident. The public health ministry issued a statement raising health concerns about the blood drive. But organisers insisted only qualified medics were on hand, using one needle per person. "If Abhisit is still stubborn, even though he does not have blood on his hands, his feet will be bloodied with our curses," protest leader Nattawut Saikur said. A security force totalling 50,000 has been on hand across Bangkok and surrounding provinces for the rally, under a strict security law allowing authorities to ban gatherings and impose curfews.

Since the coup that ousted Thaksin, Thailand has been rocked by protests from both supporters and opponents of the former premier, who lives abroad to avoid a jail term for corruption. The wealthy telecoms tycoon is loathed by the rival, royalist "Yellow Shirts", who are supported by Bangkok's elites and accuse him of graft and disloyalty to the

revered royal family. Thaksin, who was spotted over the weekend in Montenegro, made an impassioned plea to supporters by a video link to Bangkok on Monday evening for the third consecutive night, urging them to fight on.

The pro-Thaksin forces had dubbed their rally a "million man march" but police have estimated their numbers at only 86,000. Protest leaders gave various figures, all a lot higher than 100,000. The protest could last another six or seven days, Deputy Prime Minister Suthep Thaugsuban told reporters on Tuesday

<http://www.sbs.com.au/news/article/1215342/Thai-protesters-to-douse-HQ-in-blood>

- **Abhisit and his govt must move fast to defuse crisis**

The red shirts' demand that the House be dissolved to pave the way for a general election has fallen flat after Prime Minister Abhisit Vejjajiva rejected their ultimatum.

A government source said yesterday the prime minister telephoned the leaders of all the coalition parties to discuss the matter. He spoke with Banharn Silpa-archa of Chart Thai Pattana, Newin Chidchob of Bhumjaithai and Suwat Liptapanlop of Ruam Jai Thai Chart Pattana.

They all agreed the United Front for Democracy against Dictatorship (UDD) demands were not the way out of the political crisis. The junior coalition parties want to stick with Mr Abhisit's Democrats and play a role in dealing with the red shirt protest.

Several MPs from the opposition Puea Thai Party also do not want to see a dissolution of the house at this stage, the source said. The government has dismissed the UDD demands as impractical and believes the UDD has set its sights even higher than just a house dissolution

The red shirts have repeatedly announced they want to overthrow the amataya, the elite clique whom they believe are pulling the strings behind the government, and create a new Thai state.

The UDD gatherings largely draw poor people from the provinces, many of whom remain loyal to fugitive former prime minister Thaksin Shinawatra. But they lack the backing of Bangkok's middle class. More importantly, the UDD's rush to issue an ultimatum for a dissolution reflects the fact the group does not have the capacity or resources to drag its protest out for too long. The red shirt rally is losing potency. The government has done all it can to ease tensions by facilitating the demonstration, accepting the right to peaceful assembly, repeatedly stressing that it is not the political enemy of the demonstrators, and putting in place security measures to protect against violence. Now the UDD's demands have been rejected, the ball is in Thaksin's court and he has to decide on his next move.

Members of the government's security war room, particularly army chief Anupong

Paojinda, do not believe the UDD leaders want to retreat empty-handed. They must get what they expect, although there is no telling what that is. The government and armed forces are primarily concerned about other mischievous groups that could exploit the situation to create unrest and provoke soldiers into using force, which would make the government and the armed forces the guilty party. The UDD must now raise their campaign against the government to a higher level to keep the pressure on.

Some believe the UDD wants to make sure the government cannot control the situation so the political conflict can only be resolved by royal intervention. The Abhisit administration must make a serious attempt to defuse the crisis. It must speed up constitutional amendments and draw up electoral regulations acceptable to all parties.

The government, Puea Thai and the red shirts must reach an agreement to ensure that politicians can travel anywhere in the country to woo votes, even in their rivals' strongholds. Then, the government can dissolve the house and call an election to ease the conflict.

<http://www.bangkokpost.com/news/local/34502/abhisit-and-his-govt-must-move-fast-to-defuse-crisis>

- **Stress relief amid Political turmoil**

This is a critical turning point in time for Thais to concentrate and be aware of their feelings so they can analyse the events that have occurred and are about to happen. Thai citizens should look to the long term instead of the short term in lieu of the political conflict.

Children carry a banner urging an end to social divisions resulting from the political conflict. All of us are in the midst of change and when change occurs there is bound to be conflict. Every time conflict occurs emotions run high and damage is bound to happen. But if we stay calm and use reason then the damage can be limited.

In a democracy each individual is entitled to his or her viewpoints. Not everyone will believe in the same ideals. What is important is that everyone must learn to live together in harmony with those who are different and who think differently.

If these differences are used in a creative manner then they can lead to constructive development. This will allow people to see the problems clearly and in greater detail. People will see the good and the bad sides; they'll see alternative solutions and remedies to the dilemma at hand.

But if we choose to look at these differences in a way that is not creative then the only path it will lead to is disunity, foul moods, quarrels, confrontations, destruction and everybody ending up losing in the end. The following are seven guidelines that can reduce stress factors leading to anger during Thailand's period of political conflict which is

brewing to chaotic levels:

1. Always think of politics as a venue where there will always be different ideologies. But it isn't necessary to go and create disunity. There will always be a solution to every problem.

2. Follow the political situation to keep tabs on current events so that you understand what is going on and can be prepared. Don't think too much and keep things to yourself by becoming overly emotional.

3. Remind yourself that people will always be different. No one is perfect. Even you have imperfections. Only then will you understand life on Earth, be less tempted to become angry and be more forgiving.

4. Remind yourself that anger and stress will only "burn you out" and destroy your health. Try to observe your emotions and be aware when you are about to become stressed or angry. Protesters are at especially high risk of becoming angry easily.

5. Practise controlling your angry emotions and relieving stress levels by shifting focus and counting from one to 10 and taking deep breaths. Breath in and breath out slowly. Try to relax the muscle groups all over your body.

6. Avoid emotionally-charged situations that will incite anger because if you insist on remaining in such situations then your anger level could reach its limit and stress problems will follow.

7. Practise the art of forgiving and letting go.

The political situation is bound to consist of differences in ideas and beliefs. But you must believe that there will be a solution.

What you should know is that stress can lead to anger and violence. Everyone must concentrate and be aware of the present, so try to avoid anger.

Meanwhile you should also pay attention to those around you, especially children.

Children will be exposed to news and pictures of violence on a repeated basis. Both sights and sounds via the news will affect the mental health of viewers for sure. Every party concerned should be careful about this issue.

May everyone have the presence of mind to be attentive to one another so that Thai society will triumph over this ongoing crisis that's casting a dark shadow over all of us; the damage should be limited as much as possible so that our children will inherit a good society in the future.

<http://www.bangkokpost.com/life/family/34638/stress-relief-amid-political-turmoil>

- **The battle for Thailand**

FOR decades Thai politics suffered from a surfeit of pragmatism. Indeed, grimy compromises were dignified as "Thai solutions". Parties tussled over the perks of office,

without letting policies or principles get in the way. When the bickering became too intense, the army would step in—18 times since the advent of constitutional monarchy in 1932. Presiding over a messy but largely functioning polity has been a revered king, Bhumibol Adulyadej, whose admirers have no difficulty in reconciling the contradictory ideas that he is both “above politics” and also the guarantor of stability.

These days, pragmatism has given way to dogmatic intransigence. Huge demonstrations on the streets of Bangkok this week by red-shirted anti-government protesters have produced few hints of compromise. Contributing to this febrile atmosphere is an unspoken fear. King Bhumibol, 82, has been hospitalised for several months. Although he is reportedly in better health now, Thailand needs to start thinking about what will come when his reign ends. That the succession may be rocky only adds to the threat from the political stand-off. Thailand urgently needs to rediscover its lost flair for pragmatism and to rebuild a functioning political system.

Looking on the bright side

As a red-shirted sea flooded Bangkok this week, the government’s supporters played down the tumult. At least it was mostly peaceful, as *The Economist* went to press, unlike the street battles seen in late 2008 and last April. The stockmarket actually rose. Rather than the 1m demonstrators the organisers had promised, “only” 100,000-150,000 took part. And they, sneered government supporters, were probably all paid to turn up by the fugitive billionaire and former prime minister they support, Thaksin Shinawatra. The mass blood donations for supplies to splatter on the office of the prime minister, Abhisit Vejjajiva, was a creepy stunt. Under this reasoning, the calm, resolute Mr Abhisit was right to defy mob rule and the demand for the dissolution of parliament, and wait to unveil an orderly, slow electoral timetable.

This complacent analysis flatters Mr Abhisit (the staunch democrat actually scurried to take refuge in an army barracks). It also understates Thailand’s difficulties in four ways. First, the red shirts do enjoy considerable popular support, and not just in the poor north-east from which so many hail. Mr Thaksin was a high-handed leader convicted of corruption. But his policies, such as affordable health care, helped the poor. “Populism”, sniff his critics. But popularity is what competitive politics is about, and the present government has shamelessly borrowed his policies. Second, whatever Mr Thaksin’s faults, his supporters have a point. He was ousted by a coup in 2006 and the present government was installed, with the backing of the army, by a parliamentary fix, not an election.

Third, the political system has all but broken down, as the government itself tacitly admits when it argues that an election would not solve Thailand’s problems. It may well

be right. Democracy works only when the parties that lose an election accept the outcome. And if, as might well happen, Mr Abhisit's government lost an election to proxies for Mr Thaksin, the same alliance of military and civilian elites that toppled him in 2006 and his allies in 2008 might again reject the popular verdict. Instability would persist.

Fourth, and perhaps most important, the backdrop to this week's street theatre is the looming royal succession. The king, who has reigned for six decades, is widely revered. His anointed successor, the crown prince, is not. Indeed, he is widely disliked and already shows signs of meddling in politics. Although, in theory, the monarchy inhabits a realm far above the murk of daily government, it has been an important source of legitimacy for the unelected prime minister. The king accepted the coup that overthrew Mr Thaksin in 2006. His senior advisers blessed it. And he never publicly repudiated the yellow-shirted "royalists", whose revolt in late 2008 led to the downfall of a government led by Mr Thaksin's proxies.

The sound of silence

The fear is not just that the present government relies on tacit royal endorsement for its legitimacy. It is that the king's death will remove a moderating influence that has kept irreconcilable political differences in check. Heightening fears is the almost total silence on the issue in Thai public life. Harsh laws against *lèse-majesté* ensure that the future of the monarchy is a matter of private gossip, not public debate. This leader, and our article considering the succession in some detail, could not appear in Thailand. Indeed they will cause great hurt and offence in some quarters there. We regret this. But to discuss Thailand's future without considering its monarchy is itself to belittle an important national institution.

That discussion needs above all to happen in Thailand—as it did in the period up to 1932. The country's present political quagmire seems impassable partly because debate over what to do is so stunted. But there is a way out. It would involve an early election, producing a government with popular legitimacy. It would probably also entail a decentralisation of power away from Bangkok so that citizens of regions such as the north-east feel less alienated from their rulers—a sense of alienation that, more than ethnic or religious tensions, underpins the long-running, bloody insurgency in the Muslim-majority southern provinces. And a true "Thai solution" would also imply a monarchy genuinely above political meddling or manipulation.

This would be in the royal family's own interest. Republicans lurk in the wings, but a majority still respects the king. The monarchies in Malaysia and Cambodia have painfully lost influence to populist commoners. By the time Nepal's princelings woke up

they were citizens of a republic. Hence, to endure, the monarchy has to win a debate, not suppress one. And it would surely be better for Thailand to discuss all this under a monarch trusted by many to have their interests at heart. Difficult and distressing today, Thailand's national soul-searching will only grow harder.

http://www.economist.com/opinion/displayStory.cfm?story_id=15719095&source=hptextfeature

- **Is truce an option in Thailand?**

WITH the game changing and calls for a truce mounting, will the Thai government and the red shirt protesters avoid a protracted political showdown and begin peace talks?

With the red shirts apparently splintered and in disarray, is a truce easier to achieve? Yesterday's (March 17) official break-up between two red-shirted factions coincided with a growing chorus of calls for peace. But the progress depends on how the reds sort themselves out, albeit through signals from the man they worship.

Much, of course, still has to do with ousted ex-premier Thaksin Shinawatra, who yesterday (March 17) saw a simmering conflict between moderate and hardline reds coming to a head. Ex-communist Surachai Sae Dan and rogue Army officer Maj-General Khattiya Sawasdipol on one side and the "three buddies" on the other poured scorn on and then disowned each other. This followed a significant drop in the number of protesters at the main rally site on Phan Fah Bridge and what could be classified as a strategic mistake.

The "slaves' blood" campaign ended yesterday morning after the last drop of red human fluid was poured in front of Prime Minister Abhisit Vejjajiva's residence.

The plan to pour 3,000 litres of blood collected from protesters at Government House, the Democrat Party's headquarters and Abhisit's house had been met with sharp criticism from reds' opponents and neutrals. Even a poll conducted on pantip.com, where a sizeable pro-Thaksin online community converges, showed clear opposition to the blood plan.

Yesterday's developments showed that the red-shirted movement was urgently reorganising and readjusting its strategies. Now, the leaders say, the red protesters are in for a long stay, taking turns in coming to Bangkok to prevent the Abhisit government from living a normal life.

The "class war" theme was also magnified to unsettling levels by red leaders yesterday. And with government leaders unwilling to negotiate, chances for peace talks seemed not much nearer. To dampen prospects for a truce, Thaksin was belligerent in his daily phone-in yesterday, telling his supporters to hold on for just one more week for a "sweet

victory". Red leaders plan to "take all kinds of vehicles out in all directions in Bangkok" on Saturday (March 13). They did not say what was the motive behind that, but the ambiguity was understandable.

The plan was announced by the three buddies only minutes after they virtually denounced violence allegedly advocated by the hardliners. "We won't talk," a high-ranking government source said. Rightly or wrongly, the government has assumed that the rally was losing steam and the best strategy was to let the movement wilt. If Thaksin was thinking the same, he had to hide it. In yesterday's phone-in, he taunted Abhisit and was living dangerously in his criticism of "ammat" (royal advisers). He asked them to "open the eyes" and stop being paranoid about the red shirts' motives. He also threatened that red protesters might pay TV stations a visit if they failed to show neutrality.

The war cry and the Democrats' refusal to initiate negotiations will lead to mounting calls for a peaceful solution.

Among key proposals being mooted were a House dissolution after three months, a House debate to "let off steam" as well as setting up a reconciliation committee. Gothom Arya, director of Mahidol University's Research Centre on Peace-building, said yesterday the government and red shirt protesters should suspend their hostilities and negotiate immediately. In his four-point proposal, Gothom said Abhisit should first appoint Korbsak Sabhavas, the PM's secretary-general, as the official negotiator to hold talks with Weng Tojirakarn, who already has the mandate from the red shirts.

Gothom suggested negotiations should focus on addressing concerns and the legitimate objectives of both sides. For example, there should be a free and fair general election after the dissolution of the House of Representatives within a time frame acceptable to both the government and protesters.

Then, Gothom said, both sides should formulate a road map with key milestones so that they could reach a consensus without being bogged down by details of some of the issues that are complex and difficult to be agreed on at this stage. He also called on the mass media to open up more public space for exchange of opinions from both supporters and opponents of the anti-government movement. It is clear that the red shirts want to go down fighting. It had been speculated that the blood-collection campaign was meant to be an exit strategy, a parting shot that would allow the movement to regroup.

The decision to have protesters stay put, albeit in a more compact form, shows an adjusted strategy but not an adjusted agenda. It's not a head-on collision yet, but both sides are still unwilling to leave any room for a referee.

<http://www.bt.com.bn/en/opinion/2010/03/19/truce-option-thailand1>

- **Geo-Strategic Front**

- **Economic Front**
- **Thai rally hits tourism sites**

Thailand's street protesters are exhausting ways to crank up their campaign for fresh elections after bringing Bangkok's tourist belt to a standstill Wednesday and throwing bags of blood at the home of Prime Minister Abhisit Vejjajiva.

Despite the demonstrators' increased visibility, crowd numbers at their main site have dwindled to less than half the 150,000 people that police estimate turned out Sunday night in a show of support for ousted populist leader Thaksin Shinawatra.

Supporters flooded into Bangkok over the weekend to speak out against a 2006 military coup that toppled Mr. Thaksin, and against the way Thailand's courts disqualified.

http://online.wsj.com/article/SB30001424052748704743404575126832952336728.html#mod=todays_asia_page_one

- **Thailand's tourism industry suffers big loss due to "red-shirts" rally**

A tourist takes photographs while visiting the Grand Palace in Bangkok, capital of Thailand, on March 14, 2010. Members of "red-shirts", supporters of the United Front for Democracy against Dictatorship (UDD), continued to hold a rally in Bangkok on Sunday. The tourism industry will lose over 1 billion THB (about 30.54 million USD) due to the rallies. More than 30 countries and regions have warned tourists so far not to visit the places where the rallies of "red-shirts" are held. (Xinhua/Lui Siu Wai)

<http://english.people.com.cn/90001/90783/91321/6919426.html>

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

Cambodia

- **Political Front**
- **Foreign Relations**
- **Thaksin insists he's in Europe, not Cambodia**

During a phone-in to his supporters' People TV station, the fugitive former prime minister also dismissed a government report that the United Arab Emirates had expelled him.

Dubai, one of the seven emirates, has been Thaksin's residence over the past year.

Thaksin said he would phone in again today. Meanwhile, the court yesterday approved an arrest warrant for Arisman Pongruangrong, a key red-shirt figure, for instigating riots.

Arisman last night joined the anti-government rally's main stage on Rajdamnoen Avenue along with other red-shirt leaders, who said he would surrender to the police on April 1.

<http://www.nationmultimedia.com/home/2010/03/14/politics/Thaksin-insists-hes-in-Europe-not-Cambodia-30124629.html>

- **Chinese vice PM to visit five countries**

Chinese Vice Premier Hui Liangyu will pay an official visit to five countries including Cambodia, Laos, Palestine, Israel and India, Chinese Foreign Ministry spokesman Qin Gang announced Friday.

Hui's visit is from March 17 to 28, at the invitation of Cambodian Deputy Prime Minister and Minister of the Office of the Council of Ministers Sok An, Lao Deputy Prime Minister Somsavat Lengsavad, Palestinian National Authority (PNA) Prime Minister Salam Fayyad, Israeli Deputy Prime Minister in Charge of Strategic Affairs Moshe Yaalon, and the Indian government, according to Qin.

<http://english.people.com.cn/90001/90776/90883/6917785.html>

- **Cambodia Passes First Law to Combat Graft**

Cambodia's parliament has passed the country's first law to combat corruption, but critics say it is flawed, and could entrench rather than end corruption.

After 15 years of trying, Cambodia now has a law against corruption, which is a scourge in this impoverished nation. Parliament passed the legislation on Thursday. Among other things, it imposes prison sentences of up to 15 years on officials convicted of taking bribes. It also requires politicians, military personnel, police officers, judges, and civil servants to disclose their wealth to a new anti-corruption body. Leaders of civic action groups also must report their wealth. The government calls the new law an important tool in fighting corruption.

But many opposition politicians and civic activists are critical. Yong Kim Eng is from the Coalition for Integrity and Social Accountability, a collection of organizations fighting graft.

He says that since those serving on the anti-corruption body will be appointed by the ruling party and will report to the prime minister, there is the risk of political interference. "Also we have questioned a lot about that as well - about independence, about what it will be accountable for. We want to have enough independence that this body can take action, can reduce the corruption in Cambodia," he said.

Son Chhay, a legislator with the opposition Sam Rainsy Party, fears the law will be misused. "Because the prime minister and the deputy minister of the Council of Ministers will have full control over who can be prosecuted. The target will be the opposition and civil society, or the group of businesses who are not willing to support the government, who are critical of the government. So they will be able to find something there to prosecute them," he said. Critics complain the government ignored requests for the public to have a say in drafting the new law. Son Chhay says that among the changes the ruling party refused to consider was making financial disclosures public.

A government spokesman responded to the criticism by saying that the opposition will

have the opportunity to propose amendments in the future, as with any law.

Corruption is a serious problem here. Last year, the U.S. ambassador to Cambodia said that \$500 million is lost to graft each year, a comment that angered Phnom Penh. And the international anti-corruption group Transparency International ranks Cambodia as one of the world's most corrupt countries.

On Friday the U.S. Embassy welcomed the passage of the law and expressed hope that rules to implement it will "clarify and enhance" its aim of combating corruption in accordance with international standards.

<http://www1.voanews.com/english/news/asia/-Cambodia-Passes-First-Law-to-Combat-Graft-87454312.html>

- **Cambodia to strengthen ties with Cuba**

The Government of Cambodia expressed willingness to strengthen bilateral ties with Cuba, and committed to supporting the Caribbean island's major vindications.

Bilateral ties

Officials from the Cambodian Foreign Ministry and Parliament met with a delegation from the Cuban Institute of Friendship with the Peoples (ICAP), and expressed their gratitude for 50 years of solidarity. ICAP Vice President Alicia Corredera met first with the State Secretary for the Americas, Ouch Borith, who guaranteed his Government's willingness to boost relations. Borith thanked Cuba for its support in different periods of Cambodian history, and confirmed the organization of several events to celebrate the 50th anniversary of diplomatic relations. Corredera also met with members of Cuban solidarity groups in the Senate and the National Assembly, who repeated their condemnation of Washington's genocidal economic war against the island nation.

Kim Naing, Vice President of the parliamentary group, assured that they would continue to fight for the release of five Cuban antiterrorists who have been held in US prisons for 11 years.

<http://www.dailynews.lk/2010/03/16/wld04.asp>

- **U.S. to help train Cambodia's peacekeeping forces**

Visiting U.S. high-ranking military officer Gen. William Crowe has accepted a request by Cambodia's National Center for Peacekeeping Forces and ERW Clearance (NPMEC) to train Cambodian forces on peacekeeping mission, official news agency AKP reported on Monday. The request was made by Gen. Sem Sovanny, general director of the NPMEC, during a visit to the Oudong military training school on Mar. 11 by Gen. William Crowe who is in charge of South Asia and ASEAN affairs office under the U.S. Department of Defense, AKP said.

The visit to Cambodia is made according to the advice by leaders of the U.S. Department of Defense after a meeting in Washington between a Cambodian military delegation led by Deputy Prime Minister and Minister of National Defense Gen. Tea Banh and the U.S. Secretary of Defense Gen. Robert Gate, said Gen. William Crowe.

He said that the U.S. Secretary of Defense fully supported the activities of mine-clearance by the Royal Cambodian Armed Forces (RCAF). Visiting to several activities of mine-marking in the artificial minefields along with the slide show of the past mine-clearance activities made by the RCAF in Sudan and the RCAF joining the Global Peace Operations Initiative (GPOI) held in many countries such as in Mongolia, Bangladesh, Indonesia .., Gen. William Crowe highly valued the RCAF's potentiality and remarkable achievements. He said that he will attend the GPOI-2010, which is due to be held in Cambodia in July this year, as a member of the U.N. high-ranking delegation.

<http://english.people.com.cn/90001/90777/90851/6920390.html>

- **Economic Front**
- **Cambodian coffee on world market?**

Southeast Asian coffee from Vietnam and Indonesia percolates around the world, but if a family roaster has its way, mugs may soon be filled with a blend from another, unlikely location - Cambodia.

Every few days, the rich, earthy aroma of roasting coffee wafts over the dusty town of Mondulkiri in Cambodia's remote northeast as the employees of family-owned Mondulkiri Coffee maintain a tradition started in the 18th century by French colonialists. The hills surrounding Mondulkiri are about 800 metres above sea level, an ideal climate for the coffee plants which are irrigated by natural streams, and the area has so far remained safe from rubber plantations and other cash crops. Mondulkiri Coffee owner Yon Thun is a relative newcomer to the business but says his love of the brew made him turn it into his livelihood.

His company roasts 150 kg of coffee beans every couple of days, which are ground into a powder and packaged in 250 gram boxes which sell for around \$2.13 (6,000 Riels) or larger half kg boxes which sell for \$4.26 (12,000 Riels). "I used to drink coffee at this place and the taste was so good I asked the locals how they made it and I learnt from them," Thun says.

"I then started to make coffee but it was not that good at first. But I got it right after about six months later."

Cambodian coffee, like other coffees in Southeast Asia, are roasted till almost black with the help of vegetable fat. The beans are then ground into a fine powder, and the whole process is done by hand, creating a rich, dark blend. Now that Mondulkiri Coffee has

mastered the area's signature taste, Thun is eyeing the export market, and hopes his sales to supermarkets in the capital Phnom Penh will provide him with capital to ramp up production.

In Phnom Penh where most Mondulkiri coffee is sold, business is brisk, coffee shop and supermarket owners say. "Customers want to buy Mondulkiri coffee because it is produced in Cambodia, they support the local product and it is also a good coffee," says Pen Phanna, a supermarket owner.

In Indochina, Vietnam has long been the largest producer of coffee and is now the world's second biggest exporter, but Cambodia and Laos lag far behind. Apart from some beans which are sold through fair trade NGOs, much of Cambodia's coffee is consumed locally. But those in the coffee industry in Mondulkiri say demand for their brew has tripled in the last year. Bad roads and a primitive infrastructure has left much of the sparsely populated province cut off from the rest of the country, and largely off the tourist track.

But the few tourists who make it to the hills can enjoy freshly roasted coffee which is either made using a Vietnamese coffee filter or a cloth sock-like sieve.

"Not bad. But I think if you prepared it with an espresso fashion, you would have a pretty good shot of coffee. I would put a little bit of sugar in here and some condensed milk, it's a good drink," says American tourist Daniel Shearf who had his first taste of Mondulkiri coffee at a local restaurant.

There is little data on Cambodia's coffee production, but industry sources say Mondulkiri Coffee and Angkor Coffee, the two largest brands, sell a total two tonnes of coffee annually.

<http://tvnz.co.nz/world-news/cambodian-coffee-world-market-3419335>

- **EU delegation leaves Cambodia, says visit "largely positive"**

Phnom Penh - A delegation of European Union legislators left Cambodia Friday saying they had obtained 'largely positive' impressions from their two-day visit, but warned progress was needed in a number of areas. The EU is Cambodia's largest foreign donor and one its key export markets.

During their two-day stay, the delegation met with members of the government, opposition parties, international donors and civil society representatives to learn more about Cambodia's political situation, human rights and economic position.

Werner Langen, the chair of the European Parliament's delegation for relations with the Association of South-East Asian Nations (ASEAN), said Cambodia had made significant progress in the three decades since the Khmer Rouge 'terror state' was overthrown.

But he said Cambodia still had much to do in areas such as human rights and freedom of

expression. 'We have made it clear that the EU has international standards that it wishes to see applied,' Langen said. 'We made it clear that human rights and the state of law are part and parcel of democracy.' Ivo Belet, the delegation's deputy, said the team was also interested in closer cooperation in the field of energy.

'This is a country with enormous potential for renewable energy - solar energy and hydropower energy,' he said. 'The EU has a lot of knowledge on that issue.'

In a reference to the government's ongoing efforts to use the law to pursue its critics, including members of the opposition Sam Rainsy Party, Belet said the delegation was convinced Cambodian democracy 'is strong enough to afford an opposition.'

He added that European Parliament legislators have a responsibility to monitor how the EU's money is spent, not least since it is Cambodia's largest donor. 'But as elected representatives we are accountable to our own taxpayers,' Belet said. 'We will out of a budgetary obligation keep on monitoring the fight against corruption, which is of course linked to the democratic process.' Langen said the country's new anti-corruption law - which was passed by parliament last week and has been criticized as vulnerable to abuse by the political elite - ought to reflect international standards.

'Even good laws are worth nothing if they are not maintained - and for that you need a reliable and independent judiciary,' he said, adding that the law should be applied equally to all.

Cambodia is currently ranked by corruption watchdog Transparency International as the 158th most corrupt country in the world out of 180 nations surveyed.

Bilateral trade between Cambodia and the EU bloc was worth around 900 million dollars last year; the bulk comprised Cambodian garment exports.

http://www.monstersandcritics.com/news/asiapacific/news/article_1542321.php/EU-delegation-leaves-Cambodia-says-visit-largely-positive

- **Social Front**
- **Cambodian bans marrying South Koreans**

Cambodia has temporarily barred its citizens from marrying South Korean men after two dozen women were sold into marriage by matchmakers -- the second time the government has imposed such a ban.

Koy Kuong, a Cambodian Foreign Ministry spokesman, said the ban, which was imposed earlier this month, would remain in place while the government works to ensure that South Korean men hoping to marry Cambodian women are able to first prove that they are single and don't have a prison record. "We want to make sure that their marriages are real marriages, not fake, and not involved with human trafficking," Koy Kuong said.

South Korean Foreign Ministry spokesman Kim Young-sun referred the question to the

Ministry of Gender Equality, but phones there rang unanswered on Friday night.

In 2008, Cambodia temporarily banned marriages to foreigners after the International Organization for Migration released a report that indicated that marriage brokers were making profitable business from supplying poor Cambodian brides to South Korean men. The South Korean news agency Yonhap reported Friday that nearly 60 percent of marriages to foreigners in Cambodia involve Korean nationals, and most of them are arranged through brokers. The latest ban comes after the March 3 conviction of a Cambodian matchmaker who arranged marriages between Korean men and 25 Cambodian brides. Koy Kuong said he did not know how long the ban, which applies only to South Koreans, would last.

Cambodia has banned the marriage brokerage business since 2008. Despite the ban, the number of Cambodian women marrying Korean men more than doubled from 551 in 2008 to 1,372 last year, Yonhap said.

<http://www.suntimes.com/news/world/2111925,cambodia-bans-marrying-south-koreans-031910.article>

Singapore

- **Political Front**
- **Economic Front**

- **Biomedical manufacturing output grew to S\$21b in 2009**

Singapore's output in biomedical sciences industry more than tripled between years 2000 and 2009 to about S\$21 billion.

During that period, the sector grew by a compound annual rate of 14 percent, said the Economic Development Board (EDB).

Compared with 2008, output rose about 2.5 percent last year despite the economic recession. 2009 was a rough year for many sectors, but the biomedical sciences industry still pulled in investments. Among them, names like GlaxoSmithKline, Medtronic and Lonza increased their presence in Singapore.

Singapore is now home to 40 global companies with over 50 plants focusing on biomedical sciences manufacturing.

The EDB said total fixed asset investment amounted to about S\$1.2 billion last year, with total business spending of S\$700 million. Together, they contributed S\$1.3 billion in value add to Singapore's economy a year.

Despite the bright outlook, there are challenges.

Julian Ho, EDB's assistant managing director, said: "The industry is going through some upheavals with some overcapacity in the biopharma or the pharmaceutical industry. In

that regard, pharmaceutical output growth will probably moderate and investments will also be moderating. The patent cliff that we talked about....many products will go off patents in the global industry and that will affect Singapore."

But EDB is still confident of meeting its output target of S\$25 billion for the biomedical sciences sector by 2015.

This year, EDB expects output to increase 5 to 10 percent over 2009, as more manufacturing plants come on stream.

Medical technology is seen as a growth segment. EDB expects rapid growth in the medtech segment, which contributed S\$3 billion to the biomedical manufacturing output in 2009. The remaining S\$18 billion came from the pharmaceutical segment.

Alvin Liew, economist at Standard Chartered, said: "They need to move up the value chain and that requires things like research and development, and also to develop into different areas like medical technology....ride on our expertise within the precision engineering and using that kind of skills and apply them to medical technology."

Economists said there is more upside to the biomedical sciences industry in view of the ageing population and higher demand for medical care.

They said growth in the sector is also unlikely to be derailed by short term challenges, barring another credit crisis which could put a squeeze on funding.

Going forward, observers said some key issues include attracting more skilled talent and getting Singapore companies to step up and be champions of the industry.

To that end, EDB said it hopes to have a fair share of local companies in the industry in the next 5 to 10 years.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1044154/1/.html>

- **Singapore's exports up strongly in February**

Singapore's non-oil domestic exports (NODX) surged in February, boosted by increased pharmaceuticals and petrochemicals exports. Data released on Wednesday by trade promotion agency IE Singapore showed that NODX rose by 23 per cent on-year in February.

This is higher than the 21 per cent on-year hike in January, and better than the 18.4 per cent increase that economists had expected.

Compared to the previous month, NODX rose 15 per cent in February.

IE Singapore said the good showing was due to both electronic and non-electronic NODX rising. Electronics products exported increased 26.4 per cent on-year to S\$4.4 billion, after a 22.7 per cent gain the previous month. Non-electronics shipments, which include petrochemicals and pharmaceuticals, were up by 21.8 per cent on-year to S\$7.6 billion. Pharmaceutical goods climbed by 29 per cent on-year, rebounding from a 29.7

per cent on-year decline in January.

The strong growth in electronics exports was in line with the recovery for the industry in the region, said analysts.

David Cohen, director of Asian economic forecasting at Action Economics, said: "There was the continued improvement in electronics. That was up about 26% year-on-year, and that parallels the steady improvement that we've been seeing in data for the electronic industry around the region - Taiwan, South Korea, China and Japan have all been showing an encouraging rebound from the weakness a year earlier. It's just a sign that global demand is recovering and is continuing into 2010."

Analysts said the short month of February could also have also contributed to the headline number.

Irvin Seah, economist at DBS Bank, said: "Base effect did come into play. In the aftermath of the export meltdown, export demand collapsed. That hit Singapore's export performance significantly. Because of that low base, it actually resulted in this strong year-on-year number.

"But on a sequential basis, this 15% month-on-month growth is still commendable and very good growth. We also have to bear in mind that February is a shorter month. The fact that we can clock such strong numbers despite a shorter month basically tells a lot about the strength of this underlying demand in the global economy."

Observers believe the pharmaceuticals sector will continue to contribute strongly in the coming months.

Mr Seah said: "We have some new plants coming on-stream, starting their operations and their production. Therefore this capacity expansion will likely bring about significant improvements in terms of production and also sales subsequently.

"Bear in mind that we probably won't see such strong numbers as we've seen last year, because last year the strong pharmaceutical export numbers were essentially on the back of the H1N1 effect, and this year we are not seeing that coming in. Sales will still be good, but it will be volatile from time to time, but overall there will still be decent numbers for pharmaceuticals."

In terms of export markets, NODX to all of Singapore's top 10 partners increased. In particular, NODX to Taiwan jumped by 124 per cent, while exports to Indonesia soared 71 per cent and shipments to the European Union were up 35 per cent.

Singapore's NODX to the US also improved by 5.7 per cent while those to China increased 9.3 per cent.

Analysts said the improved numbers could give room for the Singdollar to appreciate.

Mr Cohen said: "One of the interesting angles that we might be watching is how the

MAS is going to respond to this. The continued encouraging recovery might make for an interesting decision next month when they come to decide whether to resume the appreciation of the Singdollar to a basket of currencies.

"Remember, before the crisis, Singapore had been allowing a gradual appreciation of the currency to help hold down inflation, but with the onset of the global downturn, the MAS (Monetary Authority of Singapore) allowed the exchange rate to steady, wanting to help boost the economic recovery.

"Now with the economy recovering, people are waiting to see if in their semi-annual review in April, they'll renew the appreciation, or as we think, they'll wait one more period and maybe wait till October before they allow it to start appreciating again."

Observers believe the latest NODX numbers put Singapore on track to achieving the upper range of its economic growth forecast of between 4.5% and 6.5% this year.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1044196/1/.html>

- **Singapore experiences employment growth in 2009 despite recession**

Singapore experienced employment growth during the recession last year.

The Ministry of Manpower (MOM) said the labour market was more resilient than in previous downturns, supported by the Resilience Package and concerted tripartite efforts to save jobs. The labour market rebounded quickly in the second half of last year, offsetting the job losses experienced in the first half.

Total employment grew by 37,500 in the fourth quarter alone, double the gains of 14,000 in the previous quarter.

The figure is also higher than the 21,300 in the fourth quarter of 2008.

The bulk of the employment gains came from the services sector which added 31,500 workers. This was supported by hiring for the year-end festivities and the Integrated Resorts (IRs).

For the whole of 2009, services employment rose by 55,600. Construction added 4,600 workers in the fourth quarter, bringing its total gains to 25,100 in 2009.

Going forward, analysts said the global economic recovery is expected to continue supporting job creation in Singapore.

"Perhaps the biggest swing from last year will be in manufacturing, which saw a contraction with the slowdown in exports. And now it's rebounding together with the improved exports demand," said David Cohen, director at Action Economics.

But with improved hiring sentiments, companies will have to deal with the problem of talent retention.

"The challenge will be how do you retain these people. How are you going to make sure that the sacrifices they have put in are now being restored - the wage freeze or benefits

freeze, and so on. If you don't do so quickly and properly, then you will find that people will be thinking of looking at other opportunities elsewhere, which will lead to higher attrition (rates)," said David Ang, executive director of the Singapore Human Resource Institute.

Another challenge for the labour market is the growing number of job seekers who have been looking for work for at least 25 weeks. The number of long-term unemployed jumped to 13,900 last year, up 1,000 from 2008.

But as the workforce base grew in 2009, the long-term unemployment rate remained unchanged at 0.7 per cent.

This increase numerically is something that we should pay attention to. (We should) make full use of this upturn, make full use of this productivity drive, and emphasis on retraining and upgrading, to help as many of these long-term unemployed gain employment," said Heng Chee How, Deputy Secretary-General of the Labour Movement. Driven by strong employment growth in the fourth quarter of 2009, the overall unemployment rate improved significantly. It fell from 3.4 per cent in September to 2.1 per cent in December.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1043752/1/.html>

Laos

- **Political Front**
- **Foreign Relations**
- **Vietnam , Laos move to step up sports cooperation**

Vietnam will help Laos continue with the second-phase of construction of its national sports training centre in 2010 and 2011.

This is part of a cooperation programme signed between the visiting Minister of Culture, Sports and Tourism Hoang Tuan Anh and the Chairman of the Laos National Sports Committee, Phouthong Seng Akhom, in Vientiane on March 12.

Under the terms of the agreement, the two countries will send athletes to compete in each other's tournaments and encourage national and provincial sports associations to increase exchanges and cooperation in this field. Vietnam will train two postgraduate and one doctoral-level manager for the Lao sports sector and enhance the sharing of information related to physical training and sports.

During his three-day visit wrapping up on March 14, Minister Anh is scheduled to visit the construction site of the national college of music, work with the General Department of Tourism of Laos and call in at a number of cultural relic sites in Vientiane.

<http://www.kplnet.net/english/news/newsrecord/15.03.2010/edn13.htm>

- **Economic Front**

- **Social Front**
- **Cambodia , Laos Boost Cooperation on Religion**

Cambodian Acting Head of State Samdech Akka Moha Thamma Pothisal Chea Sim received here on Mar. 10 a delegation of Lao Front for National Construction headed by its Vice President H.E. Thong Yeutho. In the meeting, Samdech Chea Sim warmly welcomed the Lao delegation and he is convinced that the visit will further tighten the friendship and cooperation between both countries, Samdech Chea Sim's chief of protocol Mrs. Peng Kunthea Borei told reporters upon the meeting.

During the five-day visit to Cambodia since Mar. 9, H.E. Thong Yeutho has inked a MoU on cooperation on religion with H.E. Min Khin, minister of Cults and Religion, under the presidency of Deputy Prime Minister Mrs. Men Sam An.

<http://www.kplnet.net/english/news/newsrecord/15.03.2010/edn7.htm>

- **Government of Australia donates H1N1 influenza vaccines to Laos**

The Government of Australia has donated over 600,000 doses of H1N1 influenza vaccine, worth more than 44 billion kip (US\$5.2 million) to Lao PDR. The handover ceremony took place on 15 March at the Ministry of Public Health between the Australian Ambassador to Laos, Michele Forster and Vice Minister of Public Health, Professor Dr. Eksavang Vongvichith.

Mrs. Forster said this donation is among the first in a commitment by the Australian Government to provide up to 10 percent of Australian pandemic vaccines for use by Australian's neighbours.

She has added in making this donation, Australia was contributing to international efforts to support the World Health Organisation (WHO) in ensuring that sufficient pandemic vaccine are distributed to where they are most needed. Mrs. Michele also said in doing so we are recognising the many challenges developing countries face in accessing vaccines. Vaccines are one of the most valuable ways to protect people during influenza epidemics and pandemics. Presently, The Ministry of Health works closely with the World Health Organisation to ensure that these vaccines are delivered to vulnerable groups in Laos.

<http://www.kplnet.net/>

- **Germany and EU help improve food security in Northern Laos**

The GTZ-EU Food Facility Project in northern Laos was launched last Friday in Luang Prabang. The launch was also attended by officials from Ministry of Agriculture and Forestry, representatives from provinces and districts where project will operate, and representative of the German Embassy in Laos, the Delegation of the European Union, the Agence Francaise de Developpement, the Swiss Development Cooperation and the German Technical Cooperation.

This four-million Euro project is co-financed equally by the European Union and the German government is implemented in the framework of the EU Food Facility intended to address the food crisis worldwide. The project in the northern Laos aims at increasing the production and consumption of nutritious food in order to improve food security and hence reduce poverty. The project constitutes the food security component of the Government of Laos Northern Upland Development Programme (NUDP).

At the event, participants listened to presentations on the Overall Work Plan of the Food Facility Project as part of the upcoming Northern Upland Development Programme (NUDP) and shared their views on how the project should be best implemented.

Food Security is considered one of the priorities in the EU development assistance to the Lao PDR and is pivotal to reducing poverty and meeting the Millennium Development Goal, said Mr. Henry Pranker, Charge d'Affaires of the Delegation of the European Union to Laos.

The Food Facility programme will be implemented by local communities in the districts of Samphan, Mai, Khua, Phionexay, Viengkham, Pak Xeng, ViengXay, Viengthong and Houamuang of the three northern provinces of Phongsaly, LuangPrabang and Huaphan.

The Ministry of Agriculture and Forestry and line ministries in cooperation with the GTZ provide overall guidance and management support. The main activities include developing priority infrastructure for the production and marketing of staple food and for clean drinking water, raising awareness and knowledge on good nutrition and food habits adapted to local conditions, establishing a system for biological control of rodents and other pests, developing comprehensive or holistic development plans at local/ Kumban level, and formalizing land rights for poor communities.

<http://www.kplnet.net/english/news/edn3.html>

Vietnam

- **Economic Front**
- **The importance of pottery**

The history of ceramics in southern Vietnam reveals how local people lived and how old cultures interacted. Bui Van Trung (L), 73, who runs the oldest lo lu (pottery kilns that produce water jars) workshop in Binh Duong Province, applies enamel to water jars with his coworker. The jars are exported to other provinces, Hanoi and foreign countries like Cambodia and Thailand.

The history of ceramics in southern Vietnam reveals how local people lived and how old cultures interacted. If you read Vietnamese history, listen to folk songs or come across countryside proverbs, or if you're just a traveler in Vietnam with a Lonely Planet, you'll likely recognize the name of Bat Trang, a pottery village just outside Hanoi. Bat Trang

ceramics are an inseparable part of Vietnamese art, history and culture.

But many don't know that Bau Truc Village in the central province of Ninh Thuan is one of the two oldest ceramics villages in Southeast Asia. And many more also don't know that in the southern province of Binh Duong, ceramics villages account for more than one third of the ceramics produced nationwide. The province's potters earn over US\$100 million every year, thanks to a mix of modern technology and steadfast tradition. To learn more about the important role pottery has played in Vietnamese civilization, the history of the art in Binh Duong is a good place to start.

Going Vietnamese

Ceramics production appeared in Binh Duong in the 18th century and the craft began developing rapidly when Chinese potters arrived in Binh Duong with trading ships. The province is home to more than 80 clay and kaolin mines.

The Chinese potters decided to stay in Binh Duong after they saw the high quality of the local clay, the forests available for firewood and the large kaolin deposits that could be mined easily. It was in this area outside of modern-day Ho Chi Minh City, hundreds of years ago, that southern pottery, an art and profession that remains alive and well today, was born.

Ceramics in the north were at first influenced deeply by Chinese art, but the craft has developed over time to become distinctly Vietnamese. Traditional Vietnamese enamels and symbols are used such as the rooster, banana trees or a boy with a flute riding a water buffalo. Using the excellent clays of the Red River Valley, northern artisans created some of the most sophisticated ceramics in Southeast Asia.

“Vietnamese potters did not copy Chinese ceramics directly; they combined elements in original and idiosyncratic ways, experimenting with new ideas and adopting features from other cultures, such as Cambodia and Champa,” according to *Vietnamese Ceramics* (Art Media Resources, 1997) by John Stevenson and John Guy.

Staying hydrated

Southern Vietnam's long dry season meant that people there needed big containers to store and keep water to use for the whole year. Thus, hundreds of lo lu (pottery kilns that produce water jars) were built. Tuong Binh Hiep District in Binh Duong's Thu Dau Mot Town became the area's lo lu hub. A high-tech applied porcelain vase made by Minh Long 1 Company in Binh Duong Province

Bui Van Giang's 150 year-old lo lu factory still houses many lo lu made in the town. It was acknowledged as a provincial historical relic by the local government in 2005. Giang, 57, said that the factory, which he calls Dai Hung, is appreciated because of its historical significance. It was built beside Lo Lu Canal, hence the name of the kilns. Thu Dau Mot's

Nguyen Thi Nga, 60, said the water jars were not simply containers. "They are much more to southern people; they are the symbol of wealth."

Nga, a retired lecturer at the College of Education in Binh Duong, said, "In the past, water was not always available like it is nowadays, so people had to store and keep their water in big jars. So the more jars you have, the richer people think you are."

Giang, however, said that during 1990s, the locals replaced the ceramic jars with plastic tanks that are lighter and easier to transport. But he said it was bad to keep water in plastic outdoors under the scorching sun. He said the temperature of the water in ceramic jars was always cooler than outside. This was one reason he said people had begun replacing their plastic tanks with the traditional ceramic jars recently.

Giang, who has run the ceramics factory with his elder brother Bui Van Trung, 73, since they were children, said that the name of Dai Hung's founder has been lost to time, but that most agreed he was a Chinese immigrant. Giang said the founder had probably chosen land near the water as it would be easy to transport the jars via boat. "Many tourists come here not only to learn how to make porcelain, but also learn the history behind the handicraft," Giang said.

<http://www.thanhniennews.com/2010/Pages/The-importance-of-pottery.aspx>

- **Vietnam's Corruption Fight To Focus On Seven Areas In 2010**

Provinces and cities in Vietnam should take drastic measures to further the fight against corruption, focusing on seven major fields in 2010, according to Vietnam news agency.

The seven target areas namely land use, taxation, mineral resource management, personnel recruitment and appointment, capital construction, addressing complaints and petitions relating to corruption, and handling important cases relating to the problem as well as the equitisation of State-owned enterprises.

Citing Chief of the Office of the Central Steering Committee for Corruption Prevention Vu Tien Chien said the committee will coordinate with relevant agencies to strictly settle major corruption cases of public concerns, helping create positive changes in each area.

<http://www.bernama.com/bernama/v5/newsworld.php?id=482274>

- **Vietnam reserves slump by 35%**

Vietnam's foreign-currency reserves declined about 35 per cent to around \$15 billion (Dh55 billion) by the end of last year, according to VinaSecurities Joint-Stock Co, the brokerage unit of the country's fund manager,

The holdings have dropped from \$23 billion at the end of 2008, the securities firm said in a report. The "foreign-currency reserves level is a source of concern," Alan Pham, Ho Chi Minh City-based chief economist for VinaSecurities, said on Friday.

Vietnam's sources of foreign currency fell last year after the country posted a deficit of

\$12.25 billion and direct investment pledges from abroad declined more than 64 per cent to \$21.5 billion. The government's foreign-exchange policies have encouraged dollar hoarding, according to research by HSBC Holdings.

Raising money

The country has been seeking foreign currency by pushing state-owned companies to sell dollars and raising money from international loans, as well as a \$1 billion bond sale.

The measures were targeted in part at easing devaluation pressure on the dong, according to a report by Australia & New Zealand Banking Group.

The currency has weakened 6.4 per cent in the past four months after the State Bank of Vietnam devalued the dong twice to bring the official exchange rate closer to the black-market rate. The dong was trading Friday at 19,075 against the dollar in Hanoi. The Vietnamese government expected the reserves to "bottom out" at \$16 billion, Moody's Investors Service said in December. The current level of reserves is enough to pay for about three months' worth of imports, Pham estimated. VinaSecurities is a unit of VinaCapital Investment Management, which manages about \$1.7 billion.

Vietnam's foreign-exchange reserves measured in relation to import coverage are lower than those of China, India, Indonesia, Malaysia, the Philippines, South Korea, Taiwan or Thailand, according to Benedict Bingham, the International Monetary Fund's senior resident representative in Hanoi.

Devaluation

The government in December asked Vietnam Oil and Gas Group and Vietnam Airlines to "immediately sell" dollars to banks. "Major state-owned enterprises are still encouraged to sell dollars now that they can receive a better price," Pham wrote in the report.

The difficulties for companies in Vietnam to buy dollars are damaging confidence in the dong, Citigroup, the third-largest US bank by assets, said in February. The devaluations "have undermined confidence in the dong and lead to expectations of similar steps in the future, which will result in a greater urge to hoard dollars," Pham wrote in the report.

The dong may weaken as much as 5 per cent by the end of 2010, according to VinaSecurities.

The gap between the official rate and the free market rate has narrowed to about 2 per cent to 3 per cent, compared with as much as 12 per cent in late 2009, according to VinaSecurities.

- * \$15b Vietnam's GDP by end of 2009
- * \$12.25b budget deficit at end-2009
- * 6.4% currency's rate of decline in past four months
- * 5% projected currency decline by end of the year

<http://gulfnews.com/business/economy/vietnam-reserves-slump-by-35-1.598182?localLinksEnabled=false>

- **Made-in-Vietnam should be a premier brand**

Do a Japan and steal a march over global brands, advises British expert Charles Denton is highly impressed with Vietnamese craftsmanship. However, the chairman of the award-winning London-based creative agency, Fold7, feels for the moment that “too much focus is on low-quality imitations.”

Denton, a global brand marketer, is on a business trip to Vietnam, working with businesses to establish international luxury brands in the nation and help potential local brands improve their image before going global.

He told Thanh Nien Weekly that Vietnam has great potential to present prestigious brands to the international market. However, local manufacturers need to focus more on harnessing craftsmanship rather than focusing on low quality high volume as “short-term trading [could lead to] long-term regret.”

After meetings with several Vietnamese manufacturers, he said, “craftsmanship among Vietnamese people is amazing,” but that it was barking up the wrong tree by focusing it on low quality imitations. “I believe if you invest more in craftsmanship and skills, they [craftsmen] could improve much more and compete in the more premium market.”

He said he had found some Vietnamese brands that could be popular in the world but refused to disclose specific names. However, he cited the example of a “very successful coffee, completely unknown in the world, yet the tourists are buying it.” And this was a potential opportunity, he said.

For Denton, a product is not merely a product but a nation’s representative

THE ENTREPRENEUR

- Forty-five-year-old Charles Denton has been in the brand marketing business for some 20 years now, donning many hats including marketing director and CEO. In 2009, he became chairman of Fold7 (www.fold7.com), a London-based creative communications agency which has promoted global brands including Carlsberg, Nike, Nokia and Universal Music.
- Prior to Fold7, Charles worked for Molton Brown which was sold to Japan’s Kao Corporation at US\$275 million in 2005. During his tenure there, he built the Kao brand from a little known hairdresser into a globally known luxury brand.
- During his trip to Vietnam, he hopes to bring his knowledge and expertise in retailing, e-commerce and marketing to help potential local manufacturers promote and improve their products to a higher value chain so that they can become luxury brands and go global.

“When someone stamps “Vietnam” or “made-in-Vietnam” on a shoe, dress or any product sent off around the world, they are creating high value or devaluing that country’s brand.”

Charles said local manufacturers now should think about the brand Vietnam and what they want “Vietnam” to stand for. “If Vietnam represents cheap and poor imitations, that’s no good in the long term.”

He said the Japanese had a lot of success by learning from and improving on western products which later had even higher quality and more affordable prices. “I see there is no reason why Vietnam cannot do that, it’s just about having a longer term view, taking time to invest in skills and craftsmanship, and understanding the value inherent in brand Vietnam.”

Thriving nation

Besides working to support local producers to improve their products on the value chain, one of Denton’s main interests in Vietnam is establishing luxury brands in the nation.

Over the last 10 years, he has been trading successfully in markets including Hong Kong, Taiwan, Malaysia and Singapore, and now “this is a good time to be here.” “Each of these markets emerged at a certain point of time which is the right time for luxury brands to establish themselves. I see very similar trends in Vietnam and I think this is a good time to be looking at luxury brands and helping them come into the marketplace.”

Vietnam officially became a middle-income nation last year with an annual income per capita of around US\$1,000. As people become more financially successful, they seek to define their success by making statements about themselves, and typically, this would mean they would look toward owning luxury brands, he said.

Charles said there is a clear evidence that more and more Vietnamese people are pursuing these products and at the moment, many Vietnamese who buy luxury brands are buying them in Singapore, Hong Kong or traveling around the world and bringing them back.

He added the country is changing so fast that with more and more wealthy or super-wealthy people, Vietnam is going to be “unrecognizable in ten years time.” Denton sees every Vietnamese as a “natural mathematician” with an entrepreneurial spirit and some sort of ability to climb out of their background or poverty and succeed.

“I have no doubt they are waiting to blossom.” Losing national heritage

The British brand marketer also warned that Vietnam should work to preserve its heritage, as the rapid economic growth could make the nation lose the characteristics that make Vietnam special.

“I think Vietnam is a beautiful country with beautiful countryside, lovely people, and some beautiful history. And I think all of that has value. People coming to Vietnam are

hoping to discover these attributes. Therefore you have to control tourism, don't let it run wild or over- develop it.”

He said Spain is regretting the loss of unique features to overdeveloped tourism. For many years, thousands of English tourists have visited Spain, leading to major changes in some parts of its coastline. Now Spain is known as a low cost British tourist destination with a British coastline, which somehow devalues everything Spain has to offer. This hides the true Spain.

The Vietnamese government needs to be careful about what it wants Vietnam to look like, and how it controls the bad influence misinterpreting tourist needs may have on the country, he added.

<http://www.thanhniennews.com/2010/Pages/Made-in-Vietnam-should-be-a-premier-brand.aspx>

- **Vietnam central bank move boosted rates, ACB CEO says**

Vietnam has pushed up interest rates by removing restrictions on loan rates and should now scrap limits on all types of borrowing, according to Asia Commercial Bank, the country's biggest non-state-owned lender.

The central bank last month allowed lenders to set their own rates for medium- and long-term loans. The State Bank of Vietnam previously capped loans at 150 percent of its benchmark rate, now at 8 percent.

“When they removed the limit, it means they let interest rates go higher,” ACB's Chief Executive Officer Ly Xuan Hai said in an interview in his Ho Chi Minh City office Tuesday. “The signal from the central bank is very clear: they are very carefully tightening monetary policy.”

Higher interest rates may ease concern that the central bank isn't doing enough to slow inflation and support the currency. A “lack of significant policy tightening” may trigger a ratings downgrade, Fitch Ratings said on March 12, putting Vietnam's debt on negative watch. Citigroup Inc. is calling for “more decisive policy tightening.” Fitch rates Vietnam's debt BB-, or three notches below investment grade. The credit ratings company cited what it viewed as a deterioration in confidence in Vietnam's currency. The government has devalued the dong twice since November.

Lending rates rise

Bank lending rates are increasing along with inflation, which quickened for a sixth month in February, with prices rising 8.46 percent from a year earlier. Inflation may peak at 11 percent this year, driven by a weakening dong and rising power and petroleum prices, UK-listed Vietnam Property Fund Ltd. said this week.

The State Bank has held the key interest rate at 8 percent since December, after lowering

it from the 14 percent level it reached in mid-2008 amid the fastest inflation since at least 1992. Focusing on the benchmark rate leads to a misunderstanding of the central bank's signals, Hai said.

"The base rate is just a figure hanging in the air, not a real transaction rate," he said. "De facto, monetary policy in Vietnam has been tightened." Asia Commercial's loan rates have climbed to about 15 percent from around 10 percent in December, Hai said. With the removal of the cap for medium- and long-term loans, as many as 55 percent of Asia Commercial's lending portfolio can be made at negotiated rates, he said.

More liquidity

"We are seeing considerably more liquidity in the money markets" since the rate ceiling on medium- and long-term loans was removed, Vietnam Property Fund Ltd. said in a note this week to the London Stock Exchange.

The cap was left in place for short-term loans, restricting the maximum rate that banks can charge to 12 percent. Short-term loans are defined as up to 12 months, according to Nguyen Ngoc Bao, director of the State Bank of Vietnam's monetary policy department. Given the current market environment, the remaining limit curbs the ability of poorer people to borrow, Hai said. "For a high-risk borrower, without collateral, the interest rate should be higher but because of the cap, banks won't make loans to these kinds of customers," he said. "Then they have to borrow outside the banking system."

<http://www.thanhniennews.com/2010/Pages/Vietnam-central-bank-move-boosted-rates.aspx>

- **Social Front**
- **Viet Nam: Catholic Priest should be unconditionally released**

A Vietnamese human rights activists and Catholic priest who was temporarily allowed to leave detention yesterday should be unconditionally and permanently released, Amnesty International urged today.

Father Nguyen Van Ly, who is serving an eight year jail term for spreading "propaganda" against the state in 2007, was today released for a period of 12 months on humanitarian grounds to receive medical treatment.

Ly, 63, has already served three years in prison. He is one of the founders of the internet-based pro-democracy movement "Bloc 8406" and participated in banned political groups. "Father Ly should never have been detained in the first place. His release should be unconditional and permanent and he should be allowed to receive proper medical care," said Amnesty International's Viet Nam researcher Brittis Edman. "This small positive step is happening against the backdrop of a deteriorating human rights situation, with 16 dissidents imprisoned in the last six months alone, and dozens more currently detained

for criticism of government policies."Nguyen Van Ly's health has rapidly deteriorated in prison. He suffers from partial paralysis following a stroke in November last year and doctors have also discovered a brain tumour.

He will remain under surveillance during the temporary release period while he lives at a house for retired priests in the diocese of the Archbishop of Hue, in central Viet Nam, where he has previously stayed. The peaceful pro-democracy activist has been jailed three times since the 1970s. Amnesty International first adopted Father Ly as a prisoner of conscience in December 1983, and following subsequent arrests.

Amnesty International continues to urge the government of Viet Nam to amend or repeal national security provisions of the Penal Code which are used to silence and detain activists. These provisions are in direct breach of international treaties ratified by Viet Nam. The authorities must allow peaceful dissent, debate, freedom of speech and assembly consistent with Viet Nam's obligations under international law, and release all prisoners of conscience.

<http://www.amnestyusa.org/document.php?id=ENGPRES010982010&lang=e>

- **Diversity and Its Discontents**

For most of his half-century-long career, Samuel Huntington, professor of government at Harvard, has made a point of telling the US ruling elite what it has most wanted to hear. During the Age of Eisenhower, he extolled "the military values [of] loyalty, duty, restraint, dedication" and argued that the United States had more to learn from "the disciplined order of West Point...than the garish individualism of Main Street." In the 1960s he assured America that time was on its side in Vietnam because "forced-draft urbanization and modernization"--i.e., the free use of napalm and defoliants--was emptying the countryside and depriving the Vietcong of its rural base of support. He called for a stronger presidency and a more disciplined Congress after Watergate and added for good measure that granting equal rights to African-Americans might be more than the American political system could bear. "There are...potentially desirable limits to the indefinite extension of political democracy" was how he put it in a 1975 report sponsored by the Trilateral Commission. During the early years of the Reagan Administration he warned that the United States faced "a major survivability gap" and urged the deployment of the MX and a Star Wars antimissile defense system to counter what he said was a growing Soviet threat.

Despite such unpleasant tidings, however, he remained essentially optimistic about America's long-term prospects. Xenophobia was on the rise, but Huntington continued to stick with the longstanding liberal line that immigration and diversity were positive and that there was no ethnic group that an open and dynamic America could not absorb.

Rather than an ethnic state, he wrote in 1981, the United States was an ideological state based on an "American Creed" of liberty and justice for all. Where ordinarily one might expect such a belief system to weaken over time, the opposite was more likely. "The more culturally pluralistic the nation becomes," he declared, "the more essential the political values of the Creed become in defining what it is that Americans have in common." Diversity, in other words, was a source of strength. The more America's population mirrored that of the world at large, the more ideologically united it would become.

This was also what the ruling elite wanted to hear. Yet a dozen years later, just as the United States was celebrating its final victory over the Soviet Union, Huntington's thinking took an unexpected turn. Despite America's unparalleled triumph, he argued in "The Clash of Civilizations?," an article in *Foreign Affairs* that he later expanded into a bestselling book of the same title (minus the question mark), it would not get its long-awaited opportunity to remake the world in its image. On the contrary, the United States would find itself embroiled in a series of global conflicts pitting a secular West against an Islamic Middle East, a Hindu South Asia, an Orthodox Russia and so on. The epic contest between capitalism and socialism, in Huntington's view, thus turned out to have been an epiphenomenon masking the real struggle among the followers of Jesus, Mohammed, Vishnu et al. Now that the cold war was out of the way, the struggle of some seven, eight or nine regional civilizations (Huntington was vague as to the exact number) was once again coming to the fore. Instead of advancing into the twenty-first century, the world, as he saw it, was returning to the eleventh.

This was grim, but, as things have turned out, not entirely inaccurate. The world is more fractious since the demise of the cold war system, and post-9/11 a growing portion of the conflict is transpiring along "civilizational" lines. Osama bin Laden has declared war on Crusaders and Jews, while the President, according to an unnamed family member quoted in Peter and Rochelle Schweizer's new book, *The Bushes: Portrait of a Dynasty*, believes that "we the Christians" must "strike back with more force and more ferocity than they will ever know." One might argue that Huntington's argument is more than a bit self-serving, since Muslim fundamentalists, Christian Zionists and others sympathetic to his point of view are acting in concert, more or less, to see to it that his prophecy comes true. Still, there's no question that his influence has been growing.

Now Huntington is back with a vision that is even bleaker. In *Who Are We? The Challenges to America's National Identity*, he narrows his focus from the civilization to the state. His former confidence concerning America's ability to carry on as a purely ideological entity has vanished; he now believes that it can survive only as an "Anglo-

Protestant" state dedicated to the matrix of religious, cultural and political beliefs that the original settlers brought over from England in the seventeenth and eighteenth centuries. He is not arguing that everyone who is less than 100 percent WASP should pick up and leave. But he contends that if Americans want their country to hold together in the coming decades, they must rededicate themselves not only to a set of founding political beliefs but to a founding culture.

<http://www.thenation.com/doc/20040614/lazare>

Environmental Front

- **World Bank calls for innovation to fight climate change**

Climate change is this year's topic for the World Bank's Vietnam Innovation Day, which provides a forum for innovative ideas from the community to address challenges and issues facing the country. Launched Tuesday, Vietnam Innovation Day seeks to encourage the country to take the fight against the effects of climate change to the grassroots level.

This year some 20 innovations will receive funding of up to US\$15,000 to enable their implementation. Peter Hansen, the Danish Ambassador to Vietnam, said the theme is particularly relevant this year, considering climate change tops almost every country's agenda and that the recent UN summit on climate change in Copenhagen did not meet the world's "high expectations."

He urged people in the country to take the issue seriously since the battle against climate change cannot be fought by the government alone and action at the community level can create pressure on the authorities to address climate change-related issues.

Fiona Lappin, head of the UK's Department for International Development, said Vietnam is one of the few countries to already come up with a national framework to deal with climate-change effects. But she called for more practical solutions to assist vulnerable members of the community like farmers, to deal with adverse weather effects.

Since its inception in 2003, Vietnam Innovation Day has received more than 1,000 applications. Around \$1.9 million worth of grants have been awarded so far to 199 projects.

<http://www.thanhniennews.com/2010/Pages/201019151336054588.aspx>

Brunei

- **Economic Front**
- **Govt draws up plans to reduce housing wait**

THE Minister of Development yesterday announced that a new scheme is being drawn up to reduce the long waiting period for national housing from the current 20 years to about five.

At the State Legislative Council (LegCo) session yesterday, Development Minister Pehin Orang Kaya Hamzah Pahlawan Dato Seri Setia Hj Abdullah Begawan Mudim Dato Paduka Hj Bakar said plans were being drawn up to establish a "Housing Fund" scheme that will cut the long wait for National Housing Scheme (NHS) applicants in receiving their new homes.

"This plan will reduce the wait for applications from what it is currently, 18 to 20 years, to approximately only five years," said Pehin Dato Hj Abdullah. NHS applicants will be encouraged to invest in the fund, which is intended to be part of the long-term solutions to reduce the outstanding national housing debt.

"The outstanding figure currently for housing (payments from NHS home owners owed to the scheme)... is approximately \$16 million and involves as many as 1,493 people," said the minister, pointing out that the average amount owed was about \$10,000 per person.

Another long-term solution being considered is having NHS payments being taken from a retiree's pension. "Not in a manner whereby they retire and pay in cash without any reduction from their pension," stressed the minister, adding that currently, "only a portion of the remaining housing loan can be collected through the gratuity as outlined by set guidelines". However, Pehin Dato Hj Abdullah also pointed out that some people are abusing the privilege of having government housing loans. "A number of national housing recipients are not using the government house loans, instead they are being used to extend homes. This is not encouraged and what is expected is that the government loans are used for (making) national housing payments," he said.

Another consideration highlighted by the minister was for the tenure of the housing loans to coincide with the applicant's remaining years in the civil service. The Minister of Development cited several short-term solutions outlined by Minister of Finance II Pehin Orang Kaya Laila Setia Dato Seri Setia Hj Abdul Rahman Hj Ibrahim. Among the reforms are steps to ensure that monthly payments are consistent.

The minister said that payments will be deducted from wages and not deferred temporarily, or indefinitely, with applicants being restricted from changing the method of payment from salary deductions to cash payments. "The maximum period for repayment will also be reduced to 25 or 30 years to ensure the monthly repayments are not too low," said the minister, adding that a monthly statement will be sent to respective homeowners. "The outstanding debt must also be settled before the transfer of ownership and land grants will be considered," stressed the minister.

Renovations to the homes will also be prohibited until the balance has been cleared, he

said. Applicants will also be required to clear any other outstanding rent or housing payments before an NHS application is accepted, he added. Another short-term solution to help reduce housing debt, said Pehin Dato Hj Abdullah, was the Al-Gharimin (debt-ridden) payments made by the Islamic Religious Council. "A portion of the outstanding housing debt has been settled through Al-Gharimin payments through the Islamic Religious Council, which last year amounted to \$2 million being paid," said the minister. Religious Affairs Minister Pehin Jawatan Luar Pekerma Raja Dato Seri Utama Dr Ustaz Hj Mohd Zain Hj Serudin reported to the assembly that \$6.7 million in Al-Gharimin payments is to be used in paying housing debt. "Up to this point, support for 539 people is being provided by the Islamic Religious Council totalling \$6,725,993.53," he said. He added that as many as 145 people have not qualified for Al-Gharimin support as many were able to make housing payments through several other ways.

"There are many reasons, among them are that they have the means to make the payments, are still employed, can make payments through salary deductions and have kin who are able to pay the housing debt or a guarantor," he said.

The minister also cited that some had renovated their homes to the extent that the additions cost close to the original value of their homes.

<http://www.bt.com.bn/en/news-national/2010/03/19/govt-draws-plans-reduce-housing-wait>

- **Passion for Indian food fuels new venture**

DIVERSIFYING one's business is never easy. Just ask Rishi "Babu" Chadha, owner of Daiecharm Decor Sdn Bhd, who has just opened his newest business, Bombay Palace, a northern Indian restaurant.

"It took me about two years of planning to start my restaurant, specifically because I was waiting for one chef to be able to cook at my restaurant," said Rishi. He added that he wanted to diversify his business, not just to increase his business portfolio, but also because he was strongly passionate about northern Indian cuisine, and he couldn't find any authentic northern Indian cuisine in Brunei.

Babu came to Brunei 12 years ago to help his father manage Daiecharm Decor, a company which sells carpets and curtains. Daiecharm Decor now boasts four showrooms one in Kiulap, two in Batu Bersurat and one in Kuala Belait.

The businessman thought it was time he started another business and his love for northern Indian cuisine gave him the push to start planning for Bombay Palace.

One of the challenges he said he had was the time it took to open the restaurant, which was about six months. "I didn't know the first thing about starting a restaurant, and I had to learn everything, so it took quite long." He added that he also had to fly back and forth

between Brunei and India to source authentic northern Indian spices and ingredients to ensure a steady flow of supply. Another challenge was finding the right chef that can deliver authentic northern Indian food to his customers.

He said that in all his years in Brunei, he hasn't tasted any authentic northern Indian food and that he found out that some establishments had hired their Indian chefs from Malaysia, which has a completely different taste.

"There is a market for food in Brunei and food in Brunei is in abundance, so I thought that opening a restaurant would be a good investment and a good idea," he said.

He approached his childhood friend, who used to work at the Hotel Dolphin in India and then an establishment in Germany, and asked for his help. Once his friend agreed, Babu started the business. The restaurant, located in Batu Bersurat, opened on March 9, next to Daiecharm Decor. He said that this was done for two reasons, one because it will be convenient for him to manage both businesses at the same time, and secondly, because Batu Bersurat is a busy commercial area with lots of human traffic. "Once I got the location, and all the paperwork done, it was easier," he said.

"I have been doing business in Brunei for many years already so I know what needs to be done in terms of licences, I also didn't have any problems regarding the work quota for my employees of the restaurant," he said. He added that apart from some minor changes to the restaurant establishment, there were little complications. Babu said he is nervous about the new business, but that he is confident that he will be able to provide the best quality in terms of food and ambience to give his customers authentic northern Indian cuisine. The Brunei Times

<http://www.bt.com.bn/en/business-national/2010/03/19/passion-indian-food-fuels-new-venture>

- **Commercial properties need 'management corporations'**

COMMERCIAL properties need "management corporations" that will make sure common areas, like staircases and elevators, are properly maintained, a minister said during the State Legislative Council meeting yesterday. Minister of Development Pehin Orang Kaya Hamzah Pahlawan Dato Seri Setia Hj Abdullah Begawan Mudim Dato Paduka Bakar said that setting up such management corporations shouldn't just be limited to residential strata properties, but also commercial properties.

Setting up of so-called management companies is among the provisions of the Land Code (Strata) Act which allows permanent residents and foreigners to own homes in apartment buildings or condominiums. Under the amended law, landowners and property developers are required to set up strata corporations, which serve as management corporations.

According to Part 4 of the Land Code (Strata) Act, "on the certification of a strata plan,

by the Commissioner, the original proprietor of the lot to which the plan relates, shall become a strata corporation".

The set-up of a strata company is needed to take care of common areas within a building like staircases and elevators, according to the law.

The minister said the Town and Country Planning Department is hoping that the commercial buildings will follow suit and set up these management corporations so that the common areas and the building will be properly maintained as well.

Under Brunei's Land Code, the powers and duties of a strata corporation include providing for the insurance of the buildings on the land and ensuring payment of any premiums with respect to the insurance for the property to keep the common property including the roof, external wall or other structures in a state of good repair.

The strata company must also comply with any notice or order duly served on it by the municipal board, government department or relevant authority requiring repairs or work on the building or land and so on.

The Land Code also states that the strata firm would establish and maintain a fund or funds for administrative expenses for the control, management and administration of the common property.

The corporation would also determine the service charges to be levied for the maintenance and improvement of the common property. The amounts that would be raised should also be in proportion to the unit entitlement of the strata title owners' respective units. Debbie Too

<http://www.bt.com.bn/en/business-national/2010/03/19/commercial-properties-need-management-corporations>

- **Social Front**

