

Report # 112**Business and Politics in Muslim World**

South East Asia
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Summary

At Political Front

- Indonesia

Thousands of Indonesians rallied in the capital of the world's most populous Muslim nation Saturday to protest Israel's plan to expand settlements in disputed east Jerusalem. Demonstrators organized by an Islamic political party waved Indonesian and Palestinian flags and carried banners that read "Save our Palestine" and "Israel is the real terrorist" on their march through downtown Jakarta.

- Thailand

THAILAND'S prime minister yesterday offered to send government officials to hold talks with protesters trying to force him from power with massive demonstrations in the capital, but refused their demand to immediately call new elections.

Prime Minister Abhisit Vejjajiva said he would send two Cabinet-level officials to meet with the so-called "Red Shirts" after their massive show of strength a day earlier in which as many as 100,000 protesters drove through the streets of Bangkok in a giant caravan. He said he wants to ease tensions. The Red Shirts, formally known as the United Front for Democracy Against Dictatorship, have rejected his overtures, saying they want to speak directly to him instead. The Red Shirts consist of supporters of former Prime Minister Thaksin Shinawatra, who was ousted by a 2006 military coup for alleged corruption, and pro-democracy activists who opposed the army takeover.

Thailand is once again passing through politically exciting times. The streets of Bangkok are witnessing significant movements of thousands of charged up people who, being ardent supporters of the deposed premier, are demanding the stepping down of the present premier and also the dissolution of the House. Such angry protestations have surprised many who are used to a projection of the Thais as being very placid and polite people.

- Philippine

The Philippines election season kicked into top gear on Friday as thousands of candidates hit the campaign trail amid a flurry of assassination fears, coup rumours and other claims of political skullduggery. In one of Asia's most vibrant democracies, the polls on May 10 also offer hope for change following nine years of rule under President Gloria Arroyo that have been marred by allegations of corruption and vote cheating. Benigno Aquino, the son of democracy heroine Corazon Aquino, is leading the presidential race as many voters embrace his promise of a cleaner government, with

millionaire property developer Manny Villar running second in surveys.

The organization responsible for setting up elections in the Philippines has issued a downbeat prediction of candidate behavior, including expected violence, in the run up to Election Day. The Philippines' Commission on Elections said the contest will be one the most heated for many years. But Comelec also said violence will likely never be far away as campaigning gets under way for the May 10 election.

- Malaysia

Malaysia's dilemma over whether to end some of the world's most entrenched systems of racial-preference laws is coming to a head. Prime Minister Najib Razak is expected to outline this month plans to revitalize how the country's export-driven economy is run, with details to follow in June. The program might mean a push to change a decades-old system of preferential treatment for the country's majority Muslim-Malay population, which has often economically lagged behind its ethnic compatriots. People familiar with his plans say he might move to liberalize some sectors of the economy, giving nonethnic Malays a larger role. He also is expected to give more non-Malay students access to scholarships. He already has made it easier for foreign business to invest in areas such as Islamic finance, and last week warned Malaysians to prepare for an end to state subsidies on various commodities, including sugar.

- Cambodia

The Cambodian government warned the United Nations Resident Coordinator to stop interfering in the internal affairs of the country or will be expelled, said a statement from the Foreign Ministry seen Monday.

The Cambodian government has threatened to expel a United Nations envoy if UN agencies continue "unacceptable interference" in the country, according to a letter seen on Monday. The move came after UN agencies in Cambodia earlier this month urged "a transparent and participatory" process as parliament debated a controversial anti-corruption law

- ASEAN

Published on January 29, 2008 by Walter Lohman and Anthony Kim At 40 years of age, the Association of Southeast Asian Nation (ASEAN)--which encompasses the five original member countries of Indonesia, Malaysia, the Philippines, Singapore, and Thailand and the newer member countries of Brunei, Cambodia, Laos, Burma, and Vietnam--is the oldest and largest organization of its kind in Asia. ASEAN countries have a combined population of more than 500 million people--larger than the population of the European Union. Their combined gross domestic product (GDP) exceeds \$1 trillion, which is the 11th largest in the world, ahead of Russia and India.[1]

ASEAN member states will sign a dispute settlement mechanism during the regional grouping's summit on April 9-11 in Hanoi. The mechanism is aimed at resolving disputes resulting from different interpretation on the ASEAN Charter and its instrument, Ade Padmo, Foreign Ministry's director for ASEAN political and security cooperation, said Friday. "There are three options to settle dispute, namely: mediation, conciliation, good offices and arbitrary," he said, adding that third parties could be involved in the dispute settlement upon approval of the disputed parties.

At Economic Front

- Indonesia

Indonesia will raise the need for a managed liberalization of aviation in the face of the onslaught of foreign airlines in Southeast Asia at the Asean Summit in Hanoi next month, a top Indonesian official said.

"There is a desire to implement an open sky policy but Indonesia has asked for a deferment because our air territory is so vast," the Indonesian News Agency (ANTARA) quoted Coordinating Minister for Economic Affairs Hatta Radjasa as saying after a coordination meeting to discuss the Asean summit here on Monday.

He said several Asean member countries had been strongly trying to persuade Indonesia to open its sky to foreign airlines.

- Thailand

Thailand's economy is taking a battering, especially the vital tourism industry as the latest protests in Bangkok have frightened off visitors to the country. Tensions have escalated as protesters moved to force military units to stand down amid minor grenade explosions in the capital. Thailand's tourism industry has taken a hit as thousands of anti-government protesters have taken to the streets over the past few weeks to try to force fresh elections.

- Cambodia

In the past five years China and Cambodia have drawn ever closer, with Beijing investing billions of dollars in the impoverished Southeast Asian nation. Cambodians see both benefits and potential risks in the relationship. In the past five years, China has become Cambodia's most important source of foreign investment: Cambodia has approved \$6 billion of Chinese investments since 2006, while China provided at least \$2 billion more in grant aid and loans.

Those are big sums for Cambodia, which has a \$10 billion economy. The relationship between the two countries is nothing new. Chea Vannath, an independent analyst based in Phnom Penh, says China's influence goes back at least 1,000 years.

The European Union is planning to increase its imports of agricultural produce from Cambodia under its "Everything But Arms" trade initiative, an EU official said

yesterday.

Cambodia, one of Asia's poorest countries, had "huge potential" to boost its exports and should take advantage of the special concessions offered by the EU, said Rafael Dochao Moreno, Charge d' Affaire of the EU Delegation to Cambodia

At Social Front

- Indonesia

Police raids on militants in Indonesia scored some dramatic successes in recent weeks but also uncovered a worrying trend - regional Islamist groups are again forging closer links to boost their capacity for violent attacks. The discovery of a jihadist training camp in a remote part of Aceh province - where Islamist separatists fought Indonesian rule for decades - was the start of a trail that after a series of raids on militants in February and March led police to Dulmatin, a suspected mastermind of the 2 Dulmatin was shot dead in Jakarta recently.

The Indonesian Constitutional Court [official website, in Bahasa] on Thursday rejected [press release, in Bahasa] a challenge to a controversial anti-pornography law. The law [text, in Bahasa] was purportedly designed to protect younger generations from pornographic and lewd materials. Critics challenged the bill for being too broad, discriminating against women, and targeting aspects of Indonesian tradition and culture, but the court rejected those arguments. Some areas of Indonesia, such as Bali, have refused to enforce the law [AP report].

- Singapore

Visitor arrivals to Singapore grew by 24.2 per cent year-on-year last month to reach 857,000 visitors. This is the highest ever recorded for the month of February.

The Singapore Tourism Board (STB) said this is the third consecutive month of record visitor arrivals, with visitors from China, Malaysia and Taiwan registering the highest growth out of the top 15 markets. Visitors from China grew by 78.7 per cent, while visitors from Malaysia and Taiwan grew by 50 per cent and 39.2 per cent, respectively.

- Philippine

The Philippines military and the rebel Moro Islamic Liberation Front have pledged to help repatriate about 60,000 internally displaced people in the southern province of Maguindanao. The assurance comes after the World Food Programme announced it was stopping its food relief for the refugees.

Armed Forces of the Philippines (AFP) chief Gen. Delfin Bangit said on Thursday that he has directed government forces to step up operations against armed groups to ensure peace and order, as local candidates will officially start their campaign on Friday. There is no need for the AFP to declare red alert, compared to the Philippine National Police (PNP) which has declared heightened alert as the local campaign period starts, Bangit said. "As of now, we have not declared red alert. As necessary, we will do that," he said, implying that it is necessary for the PNP to heighten their alert because the police force is playing the primary role in peace and order while the AFP is merely on a

supporting role.

- Malaysia

A ROYAL Commission should be formed to investigate the actions of Datuk Seri Anwar Ibrahim which had undermined the country's judiciary, Datuk Ibrahim Ali (Independent-Pasir Mas) said. Ibrahim said that he had copies of letters sent to many mosques in several states, which claimed that Anwar's current sodomy trial was a government conspiracy to victimise him. "There should be a White Paper or inquest to reveal who Anwar really is.

Malaysia is the best example in the Asia-Pacific region in handling the rights of indigenous people, said Asia-Pacific Parliamentarians' Conference on Environment and Development secretary-general Datuk Dr Marcus Mojigoh. He said Malaysia adopted a proactive approach in taking care of indigenous rights through various programmes including the eradication of poverty and illiteracy as provided for under the Federal Constitution and Vision 2020.

ACCORDING to the Malaysian Statistics Department, there are more than five million homes in Malaysia and more than 95% of them are not equipped with fire extinguishers.

Last year, 29,417 fire emergency calls were received and 5,410 fire incidents were reported. This adverse trend has prompted Home-Fix and Fire Prevention Council Malaysia (FIPCOM) to launch a campaign under the National Fire Prevention Campaign with the objective to raise fire safety awareness and equip the households with extinguishers.

Detailed News Monitoring report

Indonesia

- **Political front**
- **Indonesia raids uncover wider security risks**

Police raids on militants in Indonesia scored some dramatic successes in recent weeks but also uncovered a worrying trend - regional Islamist groups are again forging closer links to boost their capacity for violent attacks. The discovery of a jihadist training camp in a remote part of Aceh province - where Islamist separatists fought Indonesian rule for decades - was the start of a trail that after a series of raids on militants in February and March led police to Dulmatin, a suspected mastermind of the 2002 Bali bombings who was shot dead in Jakarta recently. His death, along with the killing or capture of other militants in recent months, has dealt a serious short-term blow to the ability of violent Islamists to sow mayhem in Indonesia, analysts say. But evidence that Dulmatin's cell was part of a nexus of formerly disparate militant groups that are now working together more closely suggests the longer-term regional risks may rise.

Financial markets in militant hotspots like Indonesia and the Philippines have grown accustomed to the militant threat, and bomb attacks rarely have much impact on prices. But if evidence emerged that the risks were rising in Malaysia, Singapore or Thailand, that could damage investment and rattle markets.

Militants in southeast Asia had previously forged links through the Jemaah Islamiyah network, responsible for deadly bombings in Jakarta and Bali over the past decade. Former JI military commander Riduan Isamuddin, or "Hambali", tried to unify regional insurgent groups under an Al-Qaeda umbrella before his capture in Thailand in 2003. His efforts were frustrated by their different agendas and improved security cooperation among regional countries and the United States.

After the core JI movement abandoned the strategy of violent attacks on foreign targets, security analysts believed remaining cells bent on violence were fragmented and the overall risk from militants in the region was on the decline. But plenty of younger militants, who dismissively refer to senior Jemaah Islamiyah members as NATO - "No Action, Talk Only" - remain eager to continue the violent struggle in Indonesia.

And the re-appearance of Dulmatin in Indonesia, after he fled in 2003 to find eventual sanctuary with the Abu Sayyaf group, shows the extent of the international ties Indonesian militants have forged, said Sidney Jones of the International Crisis Group.

There were a number of other "seriously dangerous individuals" who had formed a group around Abu Sayyaf who could have been in contact with Indonesia and also returned, she said.

The new group in Aceh included militants who had trained in Mindanao in the restive southern Philippines, former religious conflict zones in Indonesia such as Poso and Ambon, as well as at least one who had trained in Libya, Jones said. "I think given the fact it includes some of the most experienced members of a variety of extremist groups I think you would have to put the capacity fairly high," she said.

Videos have emerged on the internet claiming to come from the group, calling itself the Aceh branch of Al-Qaeda for Southeast Asia (Tanzim Al Qoidah Indonesia Wilayah Serambi Makkah). The videos include scenes of military-style training, and Muslims are urged to join the jihad and give funds. Someone also complains at one point about the diet of rice and fish. Tito Karnavian, head of Indonesia's anti-terrorism unit, Detachment 88, told Reuters last month that about 300 Indonesians had directly received military training in militant camps in Afghanistan, Pakistan or in the Philippines.

If militants from across southeast Asia manage to regroup and rally under the al Qaeda banner, and open new funding channels from the Middle East, they could become much more formidable. In North Africa over recent years, scattered rebel groups did just that, becoming a much more potent force in the process. One key issue is whether international militants manage to gain a foothold in southern Thailand, scene of a vicious insurgency which has so far remained purely focused on local issues and resistant to penetration by outsiders. Analysts say it seems unlikely for now, but if it happened it would signal a greatly increased security threat in the region.

It is not just the international network forged by Dulmatin's group that has caused concern. They also may have acquired knowledge of a wider range of weapons and tactics. The new cell likely had a capacity "for not only suicide bombings but also to use weapons for conventional conflict with security personnel, while Dulmatin's other skill seemed to be to make bombs that could be detonated remotely," said Andi Widjajanto, a defence analyst at the University of Indonesia.

Indonesia has been investigating whether there was any link between the militants in Aceh and a warning issued by Singapore over a threat to attack oil tankers in the Malacca Strait. So far police and most analysts see no evidence of a link. Security analyst Dynno Chressbon said that while the new group had links to Jemaah Islamiah, it may also taken inspiration from the tactics of Abu Sayyaf, which he said favoured car bombs or backpack bombs in attacks as well as wider criminal activity.

Besides kidnapping foreigners, Abu Sayyaf was also blamed for the Philippines' most

deadly militant attack - the 2004 bombing of a ferry near Manila Bay, killing more than 100 people. Indonesian police have been hunting for about 14 more members of the Aceh group after killing seven and arresting 31 suspects. Police are also reported to be hunting for another JI bomb maker, Umar Patek, who may have returned with Dulmatin.

Security has also been stepped up ahead of a visit by US President Barack Obama on March 23. What security forces don't know is how many other militants with ties to Dulmatin may have returned, or plan a return, to Indonesia. Security expert Widjajanto said since Dulmatin was believed have been training militants in camps in the Philippines from 2003 the number involved could be hundreds. "That is the worry right now," he said. "How many cells which were trained by Dulmatin had followed him to Indonesia?"

http://www.kuwaittimes.net/read_news.php?newsid=ODU2NzcyNTgz

- **Indonesian Muslims protest Israeli settlement plan**

Thousands of Indonesians rallied in the capital of the world's most populous Muslim nation Saturday to protest Israel's plan to expand settlements in disputed east Jerusalem.

Demonstrators organized by an Islamic political party waved Indonesian and Palestinian flags and carried banners that read "Save our Palestine" and "Israel is the real terrorist" on their march through downtown Jakarta.

The crowd swelled to an estimated 5,000 people during the three-hour protest, which was mostly peaceful, said police officer Riza Rusmawan from the traffic management center.

Indonesia has long supported Palestinian independence efforts and does not have diplomatic relations with Israel. Most of its nearly 200 million Muslims practice a moderate form of the faith, though anti-American and anti-Israeli rallies are common in the Indonesian capital. Israel announced a week ago that it planned to build 1,600 new apartments in eastern Jerusalem, a disputed area claimed by Palestinians. The announcement has been condemned by the U.S., the United Nations, the European Union and Russia — which have been working to broker Mideast peace talks. Justice and Prosperity Party leader Hidayat Nur Wahid told protesters the new Israeli housing plans showed the brutality of Israel against Palestinians and accused Israel of trying to destroy the Al-Aqsa mosque, Islam's third holiest shrine, located in Jerusalem. "We demand that the new Jewish housing plans be stopped," Wahid said.

http://newsok.com/indonesian-muslims-protest-israeli-settlement-plan/article/feed/143377?custom_click=rss

- **Proposed law for judicial support will benefit vulnerable people**

Legal advisor at the Asia Foundation, Timotio de Deus, has said that the proposed law for judicial support will benefit vulnerable people by assisting them to access legal aid from the public defenders. "Those vulnerable people in the rural areas who are unable to pay a

lawyer will get access to judicial support from public defender as guaranteed in the proposed law for judicial support," de Deus said. De Deus made comment in the meeting room of the the Canosian Nuns when officials of the Justice Minstry held public consultaions on the draft law yesterday.

Publict consultation on the law were organized by the Asian Foundation and was participated in by the Timorese lawyers, United Nation Integrated Mission in Timor-Leste (UNMIT) including national NGOs.

<http://easttimorlegal.blogspot.com/2010/03/proposed-law-for-judicial-support-will.html?>

- **Foreign Relations**
- **Economic Front**
- **Indonesia to propose managed liberalization of air transportation in ASEAN**

Indonesia will raise the need for a managed liberalization of aviation in the face of the onslaught of foreign airlines in Southeast Asia at the Asean Summit in Hanoi next month, a top Indonesian official said.

"There is a desire to implement an open sky policy but Indonesia has asked for a deferment because our air territory is so vast," the Indonesian News Agency (ANTARA) quoted Coordinating Minister for Economic Affairs Hatta Radjasa as saying after a coordination meeting to discuss the Asean summit here on Monday.

He said several Asean member countries had been strongly trying to persuade Indonesia to open its sky to foreign airlines.

"These Asean countries wish to liberalize aviation but we will only open several regions. It is an issue the transportation minister is now still working on," he said.

He said Indonesia actually needs to improve the competence and services of its airports but the government is still discussing limits for flights whose frequency is not limited.

"Our flight system will later be liberalized on routes to a limited number of cities," he said. Hatta said the government had already taken anticipatory steps so that the liberalization would not lead to an open sky policy, a move which was justifiable as each country had the right to protect its shipping or flights in its own territory.

He said liberalization would be applied at only several airports such as Medan, Jakarta and Makassar.

He said the Asean meeting would also discuss efforts to improve regional economic growth and regional competitiveness at a global level. "We will discuss again a blueprint for the Asean Economic Community Summit in 2015 as well as our preparations. We must not be unprepared. If we are not ready we must withdraw, and say we are not yet ready," he said.

<http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2070269&Lan>

[guage=en](#)

- **Social front**
- **Indonesia's multicultural Islam in action**

The birthday of the prophet Muhammad, which fell on Feb. 26 this year, is celebrated by Muslim communities throughout Indonesia with religious services and other special events. In Java, the event has taken on a unique form in the Sekaten Festival. The week-long cultural festivals are hosted in some of the island's major cities — Cirebon, Surakarta, Semarang and Yogyakarta, its most famous location.

Though it originally has Islamic roots, the Sekaten Festival has come to symbolize multiculturalism and pluralism in Java. During the Sekaten Festival, and particularly during the final event, everybody — regardless of their religion and belief — gathers at the city plaza to participate in the festivities that reflect the region's tradition and history.

The Sekaten Festival started in 15th century Java. The king — Sultan Hamengkubuwana I — hosted the festivities and invited the mostly Hindu local population to embrace Islam. Today, the Sekaten Festival has shifted from these evangelical roots to become a festival celebrating the diverse beliefs and ethnicities of the people of Java. In Yogyakarta, the only Sultanate still existing in Java, the festival centers around a gamelan, a set of traditional Javanese musical instruments featuring metallophones, xylophones, drums, gongs, flutes and strings, which is played in the yard of the city's Great Mosque. Two sets of ancient, sacred gamelan are played continuously night and day for the full week of the festival. The Sekaten ensemble's style is loud and majestic, as it was traditionally used to attract people to the mosque. The ensemble is said to have been created by Sunan Kalijaga, one of the nine Muslim saints in 16th century Indonesia who were crucial in spreading Islam. Today, Muslims make up 60 to 65 per cent of the population in Java. Popular with visitors to Indonesia, today the gamelan is used almost exclusively at puppet shows, traditional dance and marriage ceremonies. At the Sekaten Festival, however, it still serves its original function of gathering people together.

The festival lasts for an entire week and culminates with a cultural rite performed by the Sultan of Yogyakarta — who still holds local authority in the province — to thank God for the blessings bestowed upon the community over the previous year. It begins with a parade of the palace guard, each unit in full uniform. Behind them stand two gunungan, pyramid-shaped offerings of fruits and vegetables symbolizing the male and the female, and the health and wealth of the kingdom and its people.

These offerings go back hundreds of years in Indonesia, predating the development of a Muslim identity in the country. Today, they are a reminder of the way ancient symbols can be part of religious festivals. Additionally, the route of the parade symbolizes the life

and duty of the King: as a son to the queen mother, political and administrative leader, and human being – a common Muslim – worshipping God.

When the gunungan reaches the yard at the Great Mosque, the crowd gathering there is free to take food from the pyramid. People compete good-naturedly for food from the pyramids as local custom says it will bring prosperity.

This festival is a beautiful acknowledgment of the birthday of the founder of Islam, as well as the diversity of the country – blending Islam with Javanese culture in a unique way. Although it is only held in Java, the Sekaten Festival could serve as an example throughout Indonesia, and even beyond. It demonstrates that being Muslim – with all its rituals and teachings – does not mean destroying local traditions and cultures. In fact, as the example of Sekaten shows, the blending of religion and culture can help both flourish.
<http://www.thedailynewsegypt.com/article.aspx?ArticleID=28617>

- **Pre-history rewritten as new human discovered**

The species lived at the same time as modern humans and Neanderthals and shared a common ancestor with them. Scientists found the fossilized remnants of a tiny finger bone that probably belonged to a small child. Dr Johannes Krause of the Max Planck Institute for Evolutionary Anthropology in Germany is the author of a paper on the finding which has been published in Nature.

He says the fossil was like nothing he had seen before. "I did several analyses to make sure that this DNA is authentic, that this DNA is really old and that this DNA is what had seemed to be a new hominine lineage," he says. "A new discovery, different from human DNA and different from Neanderthal DNA, for example."

His colleague and co-author, Professor Svante Paavo, was not initially convinced. "It was of course absolutely amazing and I first really didn't believe him. I thought he was pulling my leg," he says. The discovery crucially suggests the species were living at the same time and in the same place as modern humans and Neanderthals. The deputy director of the INST at the University of Adelaide, Dr Jeremy Austin, says it is a very significant find. "They've found this hominine lineage. It's not a modern human. It's not a Neanderthal. It's not a chimpanzee. It's something sort of halfway in between, at a time period when no-one thought that these sort of ancestral human forms were still alive," says Austin.

Co-existing species

Paavo says the new species shared a common ancestor with Neanderthals and modern humans. The common ancestor left Africa about 1 million years ago. "Maybe it is oversimplification to think about particular migrations out of Africa," he says. "There might have been more or less continuous flow, and the picture that's going to emerge in

the next years might be a much more complex one."It was only a few years ago that the 'Hobbit of Flores' was discovered and proclaimed a new species. Austin says with the discovery of this new human in Siberia, scientists are adjusting to the possibility that four species were living at the same time when previously it was thought there were only two."If all this paper does is say there's a whole pile of diversity out there, essentially there's more human species we don't know about, then that's a really important finding."

[://www.abc.net.au/science/articles/2010/03/25/2855631.htm?](http://www.abc.net.au/science/articles/2010/03/25/2855631.htm?)

- **Indonesia constitutional court rejects challenge to broad anti-pornography law**

The Indonesian Constitutional Court [official website, in Bahasa] on Thursday rejected [press release, in Bahasa] a challenge to a controversial anti-pornography law. The law [text, in Bahasa] was purportedly designed to protect younger generations from pornographic and lewd materials. Critics challenged the bill for being too broad, discriminating against women, and targeting aspects of Indonesian tradition and culture, but the court rejected those arguments. Some areas of Indonesia, such as Bali, have refused to enforce the law [AP report]. While Indonesia is officially secular, it is the world's largest Muslim country by population, and some areas are ruled by Sharia law

The Indonesian Parliament [official website] passed the law [JURIST report] in 2008, criminalizing all "obscene" works and "bodily movements" that could violate public morality. Proponents of the law included President Susilo Bambang Yudhoyono [official website; BBC profile] and his administration, who claimed that the law would protect Islam and cultural art while eradicating pornography.

<http://jurist.law.pitt.edu/paperchase/2010/03/indonesia-constitutional-court-rejects.php?>

- **Indonesia detains 11 immigrants**

- INDONESIAN police say they have detained 11 Afghan asylum seekers who came to the country illegally through Malaysia.

Lt. Col. Dasman, from Riau province on Sumatra island, said on Tuesday that the Afghans were caught as they waited to board a bus Monday to Jakarta where they planned to seek asylum with the UN High Commissioner for Refugees.

He added that the migrants - two men, four women and five children all part of one extended family - had no passports and were turned over to the immigration department. A Malaysian citizen who had arranged their travel to Jakarta was also detained.

Indonesia has become a major transit point for people fleeing war-torn countries like Afghanistan, Iraq and Sri Lanka. -- AP

http://www.straitstimes.com/BreakingNews/SEAsia/Story/STIStory_505654.html?

- **At Environmental Front**

Malaysia

- **Political Front**
- **MCA Polls Begins**

The MCA elections began this morning with the delegates casting their votes to pick a new leadership. Speaker Datuk Yip Phooi Hong took the chair at 10am to announce that the meeting had convened and briefed the delegates on the procedure for the polls.

At 10.45am, the delegates begin to cast their votes to select the president, deputy president, four vice-presidents and 25 Central Committee (CC) members.

Yip said that when registration closed at 10.30am, a total of 2,318 or 97.5 per cent of the 2,377 delegates eligible to vote had registered, making it the highest ever turnout in the party's history. The turnout at the last EGM last year was 96.7 per cent.

The voting at the San Choon Hall was carried out under tight security where delegates had to scan their membership card to enter the hall and were required to show their membership cards to collect the ballot paper. Reporters and photographers also barred from the hall.

Results of the elections are expected to be known earliest at 7 pm. A total of 101 candidates are vying for various key party positions in the party polls which were last held in October, 2008. In a historical battle, incumbent president Datuk Seri Ong Tee Keat is being challenged by his former deputy, Datuk Seri Dr Chua Soi Lek, and immediate past president, Tan Sri Ong Ka Ting, who is making a comeback bid.

The deputy president's post sees a straight fight between former vice-presidents and Cabinet ministers Datuk Seri Kong Cho Ha and Datuk Seri Liow Tiong Lai. Ten candidates are vying for the four vice-presidencies and 86 for the 25 CC seats.

Delegates and supporters were at Wisma MCA as early as 7am and the key contesting personalities was greeted with loud cheers and applause on arrival. Dr Chua told reporters that he was confident of snatching the number one post while Ka Ting said his confidence level had surged due to the overwhelming support that he had received from the delegates since last night. Kong, who is the Housing and Local Government Minister, said he believed the delegates would make a wise decision. This is the second extraordinary meeting (EGM) being held by the embattled party since October 2008 in an attempt to resolve the party's leadership crisis.

It was held following the en bloc resignation of 22 CC members on March 4. The first EGM was held in Oct 10 last year where the delegates made dramatic decisions on three resolutions tabled on the leadership.

<http://www.bernama.com/bernama/v5/newspolitic.php?id=485897>

- **Ibrahim: Form panel to probe Anwar's actions**

A ROYAL Commission should be formed to investigate the actions of Datuk Seri Anwar Ibrahim which had undermined the country's judiciary, Datuk Ibrahim Ali (Independent-Pasir Mas) said. Ibrahim said that he had copies of letters sent to many mosques in several states, which claimed that Anwar's current sodomy trial was a government conspiracy to victimise him. "There should be a White Paper or inquest to reveal who Anwar really is. "The Opposition Leader has damaged the image of the country's judiciary," he said when debating the motion of thanks on the Royal Address. Ibrahim said it was discovered in February that copies of audio recordings of a comment by reknown Egyptian Islamic scholar Yusuf al-Qardawi on Anwar's sodomy case were misused to portray Anwar as being innocent. "We should bring (Mohd) Saiful Bukhari Azlan, who had accused Anwar of sodomy, to see Yusuf and let him explain the issue," he added. The MP later told reporters at Parliament lobby that Opposition MPs should be welcomed to sit in the Royal Commission. Ibrahim also claimed that a million flyers containing medical examination reports of Mohd Saiful Bukhari Azlan were being distributed at mosques nationwide. Meanwhile, Subang MP Sivarasa Rasiah claimed that Inspector-General of Police Tan Sri Musa Hassan had rejected a Petaling Jaya City Council (MBPJ) application to establish a team of auxiliary police to assist the police there. Many complaints were made on the high crime rate in Petaling Jaya and among the reasons given by the police was a shortage of police officers, he said.

Sivarasa added that the current ratio was one officer to 1,200 residents, which is far from the ideal ratio of one officer to 250 residents. "MBPJ has allocated RM4.2mil in the 2010 budget to recruit 50 auxiliary police officers," Sivarasa told reporters at a press conference here. He also said that an official request was sent to the Royal Malaysian Police last year but a rejection letter was received a few days ago. Expressing his dissatisfaction at the decision, Sivarasa said there was no reasonable explanation given other than "overlapping responsibilities."

<http://www.newsnow.co.uk/h/World+News/Asia/Malaysia?JavaScript=1&searchheadline s=&search=&Period=3&Page=1>

- **Malaysian leader faces a dilemma**

Malaysia's dilemma over whether to end some of the world's most entrenched systems of racial-preference laws is coming to a head.

Prime Minister Najib Razak is expected to outline this month plans to revitalize how the country's export-driven economy is run, with details to follow in June. The program might mean a push to change a decades-old system of preferential treatment for the country's majority Muslim-Malay population, which has often economically lagged behind its ethnic compatriots. People familiar with his plans say he might move to

liberalize some sectors of the economy, giving nonethnic Malays a larger role. He also is expected to give more non-Malay students access to scholarships. He already has made it easier for foreign business to invest in areas such as Islamic finance, and last week warned Malaysians to prepare for an end to state subsidies on various commodities, including sugar.

Malaysia's race-based quota system, in place since the early 1970s, gives ethnic Malays special treatment—from cheaper housing and loans, to advantages in securing university places and government jobs and contracts. The aim is to boost the economic power of the Malay population, which represents 54% of the country's 28 million people, but which typically doesn't do as well in business or high-earning jobs as Malaysians who are ethnic-Chinese or, to a lesser extent, ethnic-Indians. Those ethnic groups make up about 35% of the population. Many think the affirmative-action system is too rigid for global competition for markets and investment. Business leaders such as Nazir Razak, Mr. Najib's brother and chief executive of banking concern CIMB Group Bhd., have called for the so-called bumiputera, or indigenous, rules to be revised.

An opinion poll conducted by the independent Merdeka Center in 2008 found that 71% of Malaysians surveyed—and 65% of Malays—agreed the laws needed to be overhauled. Trading partners such as the U.S. and European Union have singled out government procurement policies that ensure contracts go to Malay-owned business as stalling free-trade pacts. "I don't think there's any question that we need to commit to reform, although we'll still have to help Malaysians according to their need," says Khairy Jamaluddin, a top Malay politician with Mr. Najib's National Front coalition and leader of the United Malays National Organization's youth wing.

Still, some analysts doubt Mr. Najib will be able to take his overhauls far. Voluble opponents have emerged recently, led by a charismatic activist named Ibrahim Ali, who holds rallies and lobbies government officials. Last year, he founded the group Perkasa—the Malay word for warrior. He counts former Prime Minister Mahathir Mohamad and royal rulers such as the sultan of Selangor among his 30,000 or so supporters.

Mr. Ibrahim argues that the social stability ensured by giving a leg up to the Malay population far outweighs the benefits of opening more of what was once one of Southeast Asia's most dynamic economies to the nimble and capital-rich ethnics in Malaysian—particularly the Chinese, but also the ethnic-Indians.

"The playing field can be leveled sometime in the future, but it's only 2010," says the 59-year-old Mr. Ibrahim, in his Kuala Lumpur office amid pictures of Fidel Castro, Che Guevera and Ayatollah Ruhollah Khomeini. "But we've got to be honest and say we can't compete."

Mr. Ibrahim is focusing on what political analysts say is Malaysia's defining quandary: How and when to dismantle one of the world's most comprehensive systems of preferential treatment, in an ethnically and religiously diverse nation.

The analysts say Mr. Najib is trying to win back ethnic-Chinese and ethnic-Indian voters to the ruling National Front by adopting some of Mr. Anwar's policies. The risk is that Mr. Najib might lose the support of some Malay voters, especially with Mr. Ibrahim leading the charge in support of Malay supremacy. The premier didn't respond to requests for an interview for this article. The roots of the issue go back to the 19th and early 20th centuries, when British colonists encouraged workers from China and India to go to Malaysia to toil in the rubber and tin industries. In 1969, deadly race riots killed more than 100 in Kuala Lumpur and other cities. Malaysia's rulers then adopted the quota system in the early 1970s to help ethnic-Malays.

The goal: Build up the economic clout of the Malay community to control at least 30% of Malaysia's economic output. Malays now control about 19% of the economy—up from 2.4% since the program began, according to government figures. Some independent analysts say the actual figure is higher.

Mr. Najib may be well-positioned to demand change. He is a son of Malaysia's second prime minister after independence from Britain in 1957 and is perceived as a strong defender of Malay rights. Mr. Ibrahim reckons Mr. Najib is misreading the depth of anger many Malays feel toward any change in a policy that has given many a leg up and helped to build a large middle class.

"People like Perkasa, they can derail the prime minister's plans. They do resonate with a segment of the Malay community," says Mr. Khairy, the UMNO activist. "But this is a time for leadership, not a time to pander to Malay insecurities."

<http://online.wsj.com/article/SB30001424052748703494404575082301819403096.html?>

- **Anwar Should Be Investigated Over Alleged Takeover Attempt - Rais**

Opposition leader Datuk Seri Anwar Ibrahim should be probed by the Dewan Rakyat's Rights and Privileges Committee over the alleged intended takeover of the federal government by the opposition in 2008, said Information Communication and Culture Minister Datuk Seri Dr Rais Yatim. He said only the Dewan Rakyat could determine whether there was any truth to the matter and that this could be done by getting Anwar to answer to the committee.

"The Dewan Rakyat must act on this and get the committee to commence a probe so that the facts can be known," he told reporters after opening a youth programme in Felda Pasoh 2 here. Last week, independent Bayan Baru member of parliament Datuk Seri Zahrain Mohamed Hashim had told the Dewan Rakyat that the Opposition had intended

to take over the federal government on Sept 16, 2008 and that Anwar had used the names of the Yang di-Pertuan Agong and Chief of Defence Forces in connection with the bid. He had also alleged that a number MPs had contemplated joining the Opposition to make the take over possible.

<http://www.bernama.com/bernama/v5/newspolitic.php?id=484198>

- **Economic Front**
- **Malaysia's prime minister reaches out to investors**

Malaysia has a good story to tell, prime minister Najib Tun Razak said in meetings with investors and media in Hong Kong yesterday.

The prime minister of Malaysia, Najib Tun Razak, was in Hong Kong yesterday on a mission to explain the appeal of his country to investors. "It's a good story to tell," he said. He highlighted the new Government Transformation Programme, announced in April 2009, which aims to make the administration more effective and raise the standard and quality of life for all Malaysians. And he looked forward to the unveiling of the country's New Economic Model (NEM) ahead of the formulation of the 10th Malaysia Plan in late June.

<http://www.financeasia.com/News/170334,malaysias-prime-minister-reaches-out-to-investors.aspx>

- **Investors must speak our language**

I REFER to the letter "Workforce's command of English not up to mark" (The Star, March 23) and while I do agree that the American company in question might have been disappointed to find that local staff do not converse well in English, I cannot agree with the writer on the point that this investor, or any other investor, has a right to expect that the local workforce speak their language well.

First of all, only a few people in the company make the decisions and these are the ones who should be bilingual. When managers are prepared and competent, instructions can easily be relayed from the management to the rest of the staff.

The national language of Malaysia is Bahasa Malaysia and it would be appropriate for investors to learn the local language before investing in Malaysia or any other foreign country. If this is not possible, then an interpreter should be hired. A professional interpreter can provide invaluable help in solving communication problems between management and staff.

A good investor adds value to the country and the people he invests in, and does not try to impose his values, culture, or language on his host under the powerful clout of the money which the receiving country badly needs.

English has a special place in the world, but that does not mean that the whole world

must speak English. Malaysia receives investment from other countries too, like Japan, Korea, China, Italy, Germany, and countries from the Arab world as well.

Should the Malaysian Government start teaching all these languages in public schools to facilitate future investors from these countries? And how do we know that English-speaking countries will be able to maintain their present level of investment? Investors must be willing to pay the price to do good business and must also present equitable business propositions.

It is not true that Malaysian graduates cannot speak good English. I personally know quite a number of young graduates who can speak English very well, and are also know-ledgeable, assertive and confident. However, these people know their value and will not work for any employer who does not offer them a truly equitable business proposition.

<http://thestar.com.my/news/story.asp?file=/2010/3/25/focus/5926876&sec=focus>

- **Consumers waiting for consensus**

EVER thought of where to bring a friend out for a meal, especially if he or she is a foreigner? It is not that easy, even the thought of it sometimes gives me a headache, simply because all the places I like to eat aren't particularly clean or have five-star ratings on their walls.

We sometimes comfort ourselves with the great food without bothering about the ambience. As a good friend once said: "If you want good food, this is what you have to suffer through lah!" Sign of assurance: All consumers want is to dine in confidence and safety. Basically, Malaysians seem to have become used to the lack of hygiene at many eateries in the country. When the Petaling Jaya City Council (MBPJ) came up with a set of guidelines for coffee shops late last year which imposed 39 requirements on restaurant operators to meet the basic rights of consumers to ensure food safety, diners like us were thrilled. Here was an opportunity to see if it would actually work and we had high hopes that the council had finally taken the step to ensure that food premises were clean

However, not everyone was happy with the drastic move. Coffee shop owners I managed to speak to were certainly not, especially with Clause 25 of the 2008 Health Requirements and Prerequisites for Licensing of Food Premises, which stipulates that the business licence of a food outlet will be revoked if it commits the same offence three times in a year. "We are in this business to make money and we have complied with so many regulations on top of having to fork out so much money to meet each of the requirements, including installing grease traps," one restaurant owner said in an e-mail. He added that even after seven months of operations in Puchong, he was only on the edge of breaking even and had not turned a profit yet.

The restaurant owners are afraid that the three-strikes rule would be prone to abuse as the enforcement officers could visit the restaurant more often to issue compounds for failure to meet certain clauses. “This is the most difficult business ever!

“It is like charity, as we offer the lowest prices in town, RM1.20 for a cup of coffee and RM4 for a bowl of noodles,” the restaurateur said. A consumer who supported the move said: “The outlet owners are allowed to commit the same offence four times and there are two channels of appeal before the licence is finally revoked.

“The operators are trying to paint the picture that MBPJ is being the ‘bad boy’, whereas the actual situation is that the operators are persistently brushing aside the small fines for the offences,” The new guidelines were to have been on a six-month trial run starting September last year and to take effect this month, however, both the MBPJ and the restaurant owners have yet to meet on the matter.

Until today, there is no word on when the new ruling would eventually take off. The Petaling Jaya Coffee Bar and Restaurant Operators Association chairman Tang Sui Tee, who had sent out letters to MBPJ requesting for a meeting to re-look at the guidelines, has yet to receive a reply from the council.

As a consumer and a frequent customer at these outlets, I do hope to see the two parties come to a consensus. After all, we certainly want to lead a healthier lifestyle and someone has got to start somewhere.

I, for one, certainly want to be able to enjoy my Char Koay Teow or Rojak without having to worry if the utensils are clean or ask myself if the kitchen is overrun by creepy-crawlies.

<http://thestar.com.my/metro/story.asp?file=/2010/3/22/central/5900597&sec=central>

- **Social Front**
- **Malaysia a model on native rights, says Sabah lawmaker**

Malaysia is the best example in the Asia-Pacific region in handling the rights of indigenous people, said Asia-Pacific Parliamentarians’ Conference on Environment and Development secretary-general Datuk Dr Marcus Mojigoh. He said Malaysia adopted a proactive approach in taking care of indigenous rights through various programmes including the eradication of poverty and illiteracy as provided for under the Federal Constitution and Vision 2020.

Mojigoh, who is MP for Putatan, said the Malaysian Government also recognised under the UN Declaration on the Rights of Indigenous Peoples the rights of natives to retain shared responsibility for the upbringing, training, education and well-being of their children.

This was evidenced by the Government’s seriousness in dealing with the plight of the

orang asli community and the indigenous peoples of Sabah and Sarawak, he said when presenting a paper titled Indigenous Peoples' Cultural Identity and Challenges Posed by Development at the Asia-Pacific Regional Seminar on Indigenous Peoples here yesterday. Mojigoh said government policies, among others, focused on concerted development in rural areas to help uplift the living standards of indigenous peoples.

"We care for them from womb to grave and have a lot of programmes for them. Housing, schools and health-care facilities are built close to the villages so that they are not forced to move to urban areas.

"As a result, mortality rates have dropped and poverty is being alleviated, and through education, they have greater control of their lives." Mojigoh said many had grasped the opportunities afforded by education and at the same time, respect and follow the culture of their villages, proving that modern life can be compatible with traditional ways.

He said based on statistics provided by the Department of Orang Asli Affairs, there were now 141,230 orang asli in Peninsular Malaysia, with Pahang having the most number with 50,792.

<http://thestar.com.my/news/story.asp?file=/2010/3/28/nation/5951814&sec=nation>

- **Rising fire cases raise concern**

ACCORDING to the Malaysian Statistics Department, there are more than five million homes in Malaysia and more than 95% of them are not equipped with fire extinguishers. Last year, 29,417 fire emergency calls were received and 5,410 fire incidents were reported. This adverse trend has prompted Home-Fix and Fire Prevention Council Malaysia (FIPCOM) to launch a campaign under the National Fire Prevention Campaign with the objective to raise fire safety awareness and equip the households with extinguishers.

The campaign is aimed at raising funds for victims of fire disasters and related incidents through the Home-Fix Gives Back campaign. FIPCOM national chairman Datuk Dr Soh Chai Hock and Home-Fix DIY managing director Low Cheong Kee launched the campaign with the signing of a memorandum of cooperation recently.

A new generation of handheld aerosol FIPCOM fire extinguisher is now on sale and 10% of the proceeds will be contributed to the Home-Fix gives Back Fund, which would then be distributed to fire victims at the discretion of Home-Fix and FIPCOM. The extinguisher, which is approved by the Fire and Rescue Department and complies with Australian, British and US standards, can easily be used by the young and elderly.

<http://thestar.com.my/metro/story.asp?file=/2010/3/26/central/5918660&sec=central>

- **Environmental Front**

Philippine

- **Political Front**
- **Philippines election season in full swing**

The Philippines election season kicked into top gear on Friday as thousands of candidates hit the campaign trail amid a flurry of assassination fears, coup rumours and other claims of political skulduggery. In one of Asia's most vibrant democracies, the polls on May 10 also offer hope for change following nine years of rule under President Gloria Arroyo that have been marred by allegations of corruption and vote cheating. Benigno Aquino, the son of democracy heroine Corazon Aquino, is leading the presidential race as many voters embrace his promise of a cleaner government, with millionaire property developer Manny Villar running second in surveys.

Adding to the drama and colour of the election season, global boxing superstar Manny Pacquiao, former first lady Imelda Marcos and even Arroyo herself are running for seats in the House of Representatives. Related article: [Boxer to fight for the poor](#) But one of the over-riding themes is set to be the likelihood of candidates being shot dead before polling day, with dozens of people already having been killed in election-linked violence in recent months. "We have long anticipated election-related violent incidents will go up during the campaign period on the local level," said national police spokesman Chief Superintendent Leonardo Espina.

"Historically, that is when the violence goes up." While the presidential candidates have been campaigning since early February, the nearly 18,000 politicians vying for lower positions were only allowed to officially start canvassing for votes on Friday. Related article: [Imelda Marcos hits campaign trail](#) It is in these contests for positions such as governor, mayor or even town councillor that the rivalries are the most heated, officials warned. In the most shocking case yet, 57 people including a candidate's wife and relatives as well as accompanying journalists were massacred in November allegedly by the private army of a powerful political clan.

The killings were allegedly carried out to keep the candidate from running against a clan member for the post of governor in the impoverished, strife-torn southern province of Maguindanao. Elsewhere, at least 20 candidates have been killed and 13 others wounded in the run-up to the polls, Espina said on Thursday. Fuelling the violence, there are up to 68 private armies of politicians still operating across the country that are defying a government order to put down their arms, according to election commissioner Rene Sarmiento.

<http://pakobserver.net/detailnews.asp?id=22482>

- **Outlook Gloomy For Philippines Elections**

The organization responsible for setting up elections in the Philippines has issued a downbeat prediction of candidate behavior, including expected violence, in the run up to Election Day. The Philippines' Commission on Elections said the contest will be one the most heated for many years. But Comelec also said violence will likely never be far away as campaigning gets under way for the May 10 election.

Comelec spokesman James Jimenez said in the past people get over-excited during campaigning and this year should be no different. But there is the added issue of tighter balloting procedures that could frustrate the attempts by some local candidates to rig voting. They may instead resort to violence to persuade voters since cheating would be almost impossible. "There's that remote and perverse possibility that automation might actually contribute to a slight increase in election violence," Jimenez said in a report in The Manila Times. The tendency has been to "pre-empt the elections by just ... killing your opponent or, at least, hurting them or whatever." Apart from violence, Comelec expects it to be a dirty fight with candidates violating most rules as they have been doing even before the official period started, the Times report noted.

A total of 222 seats are up in the House of Representatives as well as 80 seats for governors and 80 for vice governors at provincial level. Candidates will fight over another nearly 3,000 elected positions, from provincial board member to city mayor and local councilor.

The Philippine National Police are taking precautions already to be ready for violence and ordered six regions to be placed on "full-alert" status. One of those areas is the Autonomous Region in Muslim Mindanao an area noted for violence related to local politics. Police spokesman Leonardo Espina said at a news conference that the main purpose of the order was to "further avert violent election-related incidents and to double the efforts against private armed groups." Police will be doing many more roadside checkpoints, he said.

The police statement come as a local court ordered the arrest of almost 200 people implicated in the massacre of 57 people, including at least 30 journalists, on the Philippines southern-most island of Mindanao. The mass roadside killing last November was the worst such violence in Filipino history. It appears to be a clan power struggle centered on local elections in Maguindanao province within the autonomous Muslim region. The court in Quezon that is trying several clan members has issued arrest warrants for 197 suspects, among them clan patriarch Andal Ampatuan Sr., who is also the governor of Maguindanao, and his sons and other clan members, television reports said.

Andal Ampatuan Sr. is under military custody in the southern port city of General Santos,

while his son Zaldy Ampatuan, the governor of the Muslim autonomous region, and others are locked up in a police jail. Another of his sons and the key suspect in the massacre, Andal Ampatuan Jr., the mayor of Datu Unsay town in Maguindanao, is being held by the National Bureau of Investigation in Manila.

The clan has continually denied involvement in the killings and blames Muslim rebels for the carnage. The allegation is strongly denied by the local Moro Islamic Liberation Front, a separatist group that has signed a cease-fire with the national government in Manila.

Police are looking for 142 suspects, including another 18 Ampatuan family members, wanted in connection in the slayings. On the day of the killings, police found the bodies, along with several vehicles in which they were traveling, buried in a deep roadside grave near the site of the shootings. The dead had been on their way to the elections office in Ampatuan town in Maguindanao to register their candidate, Toto Mangudadatu, who was to stand against members of the Ampatuan clan. Mangudadatu had decided that day not to go with the group.

http://www.officialwire.com/main.php?action=posted_news&rid=119703

- **Filipino Political Scion, Set to Assume the Mantle**

THE couple's only son, he had never shown his father's raw political ambition or his sense of a predestined place in this country's history. He had, more like his mother, occupied the low-key, public role expected of him until circumstances forced him to act.

Benigno S. Aquino III, 50, despite being the only son of the Philippines' two democracy icons, had a quiet, unremarkable career as a lawmaker, overshadowed by countless politicians of his generation. By his own admission, he had never imagined himself leading this country. But he now finds himself the front-runner in the May 10 presidential election. The nation's emotional reaction to the death of his mother, former President Corazon C. Aquino, last August led to calls for his candidacy. After some public waffling, Mr. Aquino, known as Noynoy, accepted, though not before spending half a day inside a convent for guidance. "There were too many voices saying, 'Run,' 'Don't run,' how to run, what to run in," he said. "It had a calming effect on me. It helped me order the thoughts that were in my mind."

A quarter of a century earlier, his mother also visited a convent before agreeing to run against Ferdinand E. Marcos, the American-backed autocrat whose soldiers had gunned down her husband, Benigno S. Aquino Jr., the opposition leader known as Ninoy, at the airport in Manila. After Mr. Marcos tried to steal the election, Mrs. Aquino was thrust into the presidency on the strength of "people power," a large-scale, nonviolent protest in the capital. Asked whether he harbored doubts, Mr. Aquino, who is single, said: "Well, you know, my friends who have gotten married tell me that they've resolved so many

issues before they go to the altar. But at the altar itself there are still some doubts that flash in their minds.”

With less than two months left before election day, though, some of the popular emotion surrounding his mother’s death has lost its intensity and Mr. Aquino’s lead in the polls has started to shrink, perhaps as a result. Criticism that he offers little besides lineage has been sharpened by the fact that his closest rival, Manuel Villar, a senator, rose from poverty to become one of the Philippines’ richest businessmen. ON a recent morning, in a middle-class neighborhood, Mr. Aquino sat down for nearly 90 minutes at the family home, a modest, one-story house that has belonged to the Aquinos since 1961. It is where Mrs. Aquino lived until her death, and where the son now lives alone.

In a living room dominated by portraits of his parents, Mr. Aquino spoke of channeling his mother’s people power movement to victory. He promised to break with the Philippines’ corrupt political culture, trying to capitalize on widespread disillusionment with the deeply unpopular President Gloria Macapagal Arroyo, who is prevented from running again by term limits. “We believe if it is the people’s campaign, then our bosses are very clearly defined,” he said in a voice made raspy from campaigning and smoking.

Without referring to notes or consulting any aides, Mr. Aquino spoke at length about his priorities for the Philippines: creating jobs and strengthening education, health care and the judicial system. He would seek to recalibrate his country’s relations with the United States, a former colonial power here. Since 2002, American Special Forces have been operating in the southern Philippines, training the Philippine military to hunt for Islamic extremists. While Mr. Aquino credits the Americans with increasing the Philippine military’s “capability,” he said the United States force should not become “semi-permanent or permanent.” He also said that the Visiting Forces Agreement, the bilateral pact that allows the United States military to hold its servicemen in its custody during criminal proceedings here, “will have to be reviewed.” “I get the impression at times that in our relation with America, they seem to follow the mold of a corporation that has to report to its stockholders every year, as opposed to thinking about generating a long-term relationship,” he said.

Policy debates and party loyalty have little influence on campaign outcomes in the Philippines, where families dominate. So his campaign rallies are punctuated by the color, symbolism and music that evoke, in his mostly middle-class supporters, the martyrdom of his father and the promise of his mother’s people power uprising — leaving aside Mrs. Aquino’s more mixed record as president.

<http://www.nytimes.com/2010/03/27/world/asia/27aquino.html?partner=rss&emc=rss>

- **Economic Front**

- **Social Front**
- **Philippines army and MILF rebels to help repatriate refugees**

The Philippines military and the rebel Moro Islamic Liberation Front have pledged to help repatriate about 60,000 internally displaced people in the southern province of Maguindanao. The assurance comes after the World Food Programme announced it was stopping its food relief for the refugees.

Civil military operations officer, Benjamin Hao, says security forces will work with a local ceasefire monitoring team to help evacuees return to their villages. And the MILF is calling for renewed efforts to rehabilitate conflict areas in the south. Thousands were displaced when war broke out between the Philippines government and the MILF after talks broke down in 2008. But a group working with internally displaced people says some of the refugees still fear fresh violence in their villages. The World Food Programme distributed eleven truckloads of rice and beans to refugees in Maguindanao this week and says this will be its last load of relief goods.

<http://www.radioaustralianews.net.au/stories/201003/2857939.htm?>

- **Philippine gov't troops step up operations against armed groups**

Armed Forces of the Philippines (AFP) chief Gen. Delfin Bangit said on Thursday that he has directed government forces to step up operations against armed groups to ensure peace and order, as local candidates will officially start their campaign on Friday. There is no need for the AFP to declare red alert, compared to the Philippine National Police (PNP) which has declared heightened alert as the local campaign period starts, Bangit said. "As of now, we have not declared red alert. As necessary, we will do that," he said, implying that it is necessary for the PNP to heighten their alert because the police force is playing the primary role in peace and order while the AFP is merely on a supporting role.

The AFP and the PNP are actually coordinating their efforts to ensure honest, orderly and peaceful elections. Among others, policemen and soldiers are manning checkpoints to check the proliferation of loose firearms. "Its all systems go. We will act on all request of the Comelec (Commission on Elections) for assistance," said Bangit, adding such response will be done also in coordination with the PNP and they have established a joint body for that purpose. "The PNP and the AFP will be in support of the Comelec as far as this," he said. Nevertheless, Bangit said that he has given instructions to government forces to intensify their operations against various armed groups throughout the country, including the New People's Army.

<http://english.people.com.cn/90001/90777/90851/6930810.html?>

- **MILF distances itself from edict on Estrada**

The Moro Islamic Liberation Front (MILF) has distanced itself from a fatwa, issued by Moro clerics, urging the electorate not to vote for former president Joseph Estrada. The group said matters relating to religion fell outside their ambit.

Khalid Mousa, deputy chairman of the Moro Islamic Liberation Front Committee on Information, denied reports that the MILF had issued the fatwa, a religious edict. He said the decree had been made by a group calling itself the Bangsamoro Supreme Council of Ulama, a group led by Ustadz Jamel Yahya, during a rally in Marawi City on March 9.

"The religious group is not the MILF and it is unfair to say the MILF issues such [a decree]," Mousa said. He admitted that while the news article on the rally was posted on the MILF's official websites, www.luwaran.com and www.luwaran.net, on Saturday, this did not mean the group was responsible for the decree.

Earlier, a popular website carried a story on the rally that stated that the MILF had declared a fatwa against Estrada. The demonstrators took exception to acts committed by Estrada's administration against the Moros — the Muslim inhabitants of the Philippines who are considered a minority in the country but in reality comprise the majority in the south-western parts of Mindanao. As a result, the Bangsamoro Supreme Council of Ulama informed all Muslim believers in the Philippines and the Bangsamoro region that voting for Estrada and two other candidates taking part in the polls was prohibited. "After studying the actions and policies of Estrada before and after his election as president until this present time, we found out that he is really an enemy of Islam," the Ulama supreme council said.

Controversial policies

"During his [administration], he declared and waged [an] all-out war against the MILF which resulted in widespread destruction in Mindanao and Sulu and over one million Bangsamoro Muslims being uprooted from their lands and homes," the council added.

The two other candidates targeted by the fatwa are Senator Mar Roxas, who is running for vice-president, and Franklin Drilon, who is running for a Senate seat.

Mousa, while stressing that it was not the MILF that had issued the fatwa, added: "The Moros do not want Estrada to become president again." He also maintained that the MILF has adopted a "hands-off policy" in relation to the May 10 elections and had prohibited its key political and military leaders from participating in Philippine elections.

<http://gulfnews.com/news/world/philippines/milf-distances-itself-from-edict-on-estrada-1.601046?>

- **Philippines a model for migrant workers' policy**

The Philippines' "good practices" in migrant workers' policy is a model that Bangladesh would want to copy, according to Bangladesh foreign minister Dipu Moni. "We would

like to share your experience in promoting the rights of your expatriate workers, especially women expatriates,” Moni said in an interview on the sidelines of the three-day Special Non-Aligned Movement Ministerial Meeting on Interfaith Dialogue and Cooperation for Peace and Development (SNAMMM), which ended Thursday.

She said the Philippines’ protection of, support services for and enhanced development benefits for its migrant workers have made it one of the acknowledged leaders in global migration and migrants’ protection. She cited the “good practices” being adopted by government agencies, including regulatory frameworks for recruitment and minimum standards in employment contracts.

“We would like to share your experience and learn from your experience,” said Moni. She noted the important role that nongovernment organizations (NGOs) and civic groups here have played in this sector.

Exchange of experiences

She said Bangladesh, located in the Indian subcontinent, has the most active and the largest number of NGOs—big and small, local and foreign—in the world. It also has many homegrown efforts in poverty alleviation and women empowerment and education, she added. An exchange of experiences in migrant workers’ protection between the Philippines and Bangladesh, apart from trade and investment, would therefore be a plus factor in their bilateral relationship, she said. Moni said Philippine-Bangladesh relations were “wonderful”. “We have a very good relationship. But there is always room for improvement, especially in trade,” she said.

Trade between Bangladesh and the Philippines is almost negligible. In 2007, Philippine exports to the South Asian country amounted to US\$22.82 million. Imports were \$5.2 million. Moni, a 45-year-old mother of two, is a physician and member of parliament as well as the first woman foreign minister of her country.

Nothing extraordinary

But she doesn’t consider her achievement uncommon or extraordinary.

“I’m not a star because in my country there are many stars. You see, Bangladesh has achieved a great deal in women empowerment,” she said.

There are six women MPs in the Cabinet, including the prime minister and the heads of the foreign, home, agriculture and labor ministries, and women and children’s affairs. There are 45 reserved seats for women in the 300-seat parliament who are directly elected nationwide. Moni, who represents Chandpur-3 district, has focused much of her work on women’s rights and entitlements, health and human rights. “I still see patients in the villages in my constituencies. Sometimes whenever I get the chance, even if I don’t myself see patients, I organize medical missions in my constituencies in the villages,

especially in the remote ones,” she said.

Deplores intolerance

A specialist in public health, Moni is a product of the Dhaka Medical College, Bangladesh’s premier medical school, and the US-based Johns Hopkins University School of Public Health and the University of London. Moni said she was happy to take part in the SNAMMM in Manila, and was all praises for the leading role that the Philippines has played in promoting interfaith dialogue to foster world peace and end global conflicts.

She deplored the intolerance of certain religions, particularly of Islam in some countries.

“If we create boundaries and if we try to ban symbols of certain religions, then this is an expression of intolerance and that should not happen especially when we need to come closer,” she said. Moni called for an end to stereotyping and profiling based on religion and culture, particularly when attributing acts of violence and terrorism, just because the world’s most wanted man, Osama bin Laden, happens to be a Muslim.

“Terrorists are terrorists. They don’t have any religion, any faith, any culture, any country even. They are terrorists,” she said.

She said there has been a lot of stereotyping and profiling of Muslims as terrorists in the Western world. “That’s not fair. Not only is it very unfair, it will give rise to a lot more intolerance in the world. It will create distances, not bring people together,” she said.

<http://www.asianewsnet.net/news.php?id=10862&sec=1>

Thailand

- **Political Front**
- **Thai PM will talk to protesters, indirectly**

THAILAND'S prime minister yesterday offered to send government officials to hold talks with protesters trying to force him from power with massive demonstrations in the capital, but refused their demand to immediately call new elections.

Prime Minister Abhisit Vejjajiva said he would send two Cabinet-level officials to meet with the so-called "Red Shirts" after their massive show of strength a day earlier in which as many as 100,000 protesters drove through the streets of Bangkok in a giant caravan. He said he wants to ease tensions. The Red Shirts, formally known as the United Front for Democracy Against Dictatorship, have rejected his overtures, saying they want to speak directly to him instead. The Red Shirts consist of supporters of former Prime Minister Thaksin Shinawatra, who was ousted by a 2006 military coup for alleged corruption, and pro-democracy activists who opposed the army takeover.

They believe Abhisit came to power illegitimately with the connivance of the military and other parts of the traditional ruling class and that only new elections can restore

integrity to Thai democracy. Thaksin's allies took power in a December 2007 election but were forced out by court rulings. Abhisit's Democrat Party then rallied the support of enough lawmakers to form a coalition government in December 2008.

The Red Shirts had billed their protest - which began a week ago - as a "million-man march," but at its peak it attracted just over 100,000 by most estimates. The crowd fell by as much as half during the work week. The group also came in for criticism for splattering their own blood at the gates of Abhisit's office, the headquarters of his ruling party and his private residence.

Thaksin fled into exile in 2008 ahead of a conviction on a corruption charge that left him with a two-year prison term. He claims he is a victim of political persecution. Saturday's mobile demonstration rolled through 70 kilometers of city streets, meeting mostly sympathetic crowds that revealed a level of support in the capital that the Thai press had underestimated. "I haven't seen any opposition from Bangkok people. People were thankful. They came to cheer us from all walks of life. They gave water and food to us," said Kotchawan Pim-ngern, 40, a flower seller who was riding on a pickup truck.

"Just seeing them come out made me happy. They all want democracy back."

<http://www.shanghaidaily.com/article/?id=431835&type=World>

- **Barriers to democracy**

Opposition Puea Thai Party MPs blocked the road leading to parliament and boycotted a session of the House in protest against the deployment of soldiers who set up barriers across most access roads to Government House. Soldiers yesterday blocked all roads but for the intersection of Rajavithi and Rama V roads adjacent to Dusit Zoo. They erected concrete barriers, barbed wire and parked heavy trucks across other access routes. Only one lane was open for MPs and ministers to pass through to parliament.

At about 8.20am, about 20 opposition MPs led by their chief whip, Witthaya Buranasiri, complained to security authorities that their access was being restricted. "It's like going to jail. What shall we do if we enter and soldiers lay siege to the place?" asked one MP. "It's dictatorial," said Puea Thai MP for Chaiyaphum Prasit Chaiwiratana. The MPs condemned the government for interfering in the legislative branch by deploying soldiers to "lay siege" to parliament.

Puea Thai MP for Uttaradit Tanusak Lek-uthai had his chauffeur park his car at the one-lane access point. Nearly 20 other vehicles belonging to Puea Thai MPs jammed the intersection. Shortly afterwards, a pickup truck with loudspeakers arrived and Puea Thai MP for Chiang Mai Surapong Towijakchaikul grabbed a microphone and started criticising the government. Mr Witthaya said he and fellow MPs could not tolerate the deployment of police, soldiers and barriers to block MPs from going to work.

It was tantamount to soldiers seizing parliament, he said, urging Prime Minister Abhisit Vejjajiva to take responsibility. Mr Witthaya said legislators would refuse to join the House session if they had to pass barriers and other obstacles. "The executive, the legislature and the judiciary have been occupied by the government. As MPs of the Puea Thai Party, we will take legal action against Mr Abhisit," he said.

"We will not enter unless soldiers and police withdraw." Up to 80 Puea Thai MPs joined the blockade. Soldiers responded through loudspeakers. They denied trying to stop MPs from entering parliament and said they were there to guarantee their safety. MPs could enter the parliament by vehicle, or by foot.

Their remarks drew jeers from Puea Thai MPs. Mr Witthaya said the barriers were unnecessary because red shirt protesters had promised not to approach parliament.

House Speaker Chai Chidchob arrived by car about 8.30am. MPs complained to him about the soldiers and the barriers.

Mr Chai asked the MPs to end their blockade and discuss the issue in the House. They declined. About 10 Democrat MPs walked from parliament to the blockade at 9am to talk to Mr Witthaya about letting coalition MPs enter. Democrat MP for Bangkok Boonyod Sukthinthai exchanged words with Puea Thai MP for Nakhon Sawan Sunai Julapongsatorn. Democrat MP Arkom Engchuan said that without the presence of police and soldiers at access points to parliament, red shirt protesters would have rallied there. Soldiers finally agreed to open other access roads and, at 10.10am, the House was able to convene with 245 MPs. The Puea Thai MPs ended their blockade and left for their party headquarters.

<http://www.bangkokpost.com/news/local/34972/barriers-to-democracy?>

- **Emerging facets of Thai polity**

Thailand is once again passing through politically exciting times. The streets of Bangkok are witnessing significant movements of thousands of charged up people who, being ardent supporters of the deposed premier, are demanding the stepping down of the present premier and also the dissolution of the House. Such angry protestations have surprised many who are used to a projection of the Thais as being very placid and polite people.

The question is, are the roots of discontent in an apparently silky environment surfacing? Are the demonstrations pointing to the suspected class divide and the concomitant bitterness in a society where protest and defiance of authority was quite uncommon and certainly not socially appreciated?

It may, therefore, be interesting to try to understand why a country having a comparatively stable economy and constitutional mechanisms in place has not succeeded

in stopping angry and intimidating protestations of large segments of the population.

The current protests surfaced two weeks after Thailand's apex court confiscated deposed premier Thaksin's assets worth \$1.4 billion. Thaksin was toppled in a 2006 coup. Prior to that he was accused of hiding most of his fortune as part of a dishonest scheme to conceal conflicts of interest, which were outlawed under the constitution. The National Counter-Corruption Commission (NCCC) duly conducted its investigation and passed an 8 -1 judgment against him.

Interestingly, the limitations of the NCCC's effectiveness became increasingly evident after the Constitutional Court failed to uphold the Commission's findings in 2001. The incident was of great national importance as it involved an investigation of claims that Thaksin Shinawatra, before becoming prime minister, had concealed most of his fortune as part of a dishonest scheme to conceal conflicts of interest, which were outlawed under the constitution. It was found that his assets had been registered in the names of his housekeeper, chauffeur, driver, security guard, and business colleagues.

To recollect, the overwhelming win by Prime Minister Thaksin in the January 2005 election, in which he took 370 of the 500 seats in parliament, was equally unsatisfactory. It led to concerns over the further erosion of democracy. It was claimed that Thailand was on the path to turning into a one-party state. The collapse of support for the opposition Democratic Party was greatly assisted by Thaksin's control over a substantial section of the media and by blatant vote buying. It was estimated that some 10 billion baht (\$260 million) was spent in bribes to voters during the campaign.

Delving further back into Thai history, one would find that a number of diverse groupings, ranging from monk intellectuals to the Democrat Party in parliament, recognised that Thailand needed to strengthen its internal institutions if it was going to survive and prosper. A radically improved constitution offered a new way forward. The constitutional plan contained measures designed to guarantee democracy and human rights, exclude military influence in the political process, and eliminate corruption in public life. As one commentator put it: "The 1997 constitution represents a revolution in Thai politics. It was a bold attempt at conferring greater power to the Thai people than had ever been granted before."

It is interesting to observe that although Thailand remains a constitutional monarchy, with the king as head of state at the apogee of power (mainly symbolically but also with limited capacity to intervene in certain circumstances), the new constitution modified the electoral system, changed the composition of both houses of parliament, and reformed the structure of the courts. As well as recasting the shape of the main institutions, a prime objective was to provide a basis for stable government, tackle corruption, and protect

basic human rights effectively.

It is pertinent to note that in Thailand patron-client relations come to embody a deeply ingrained set of complementary values. In part, these values establish a strong sense of social order in which every individual is ranked according to wealth, power, birth, and status. Each person is expected not only to know his/her place in the hierarchy, but also to adjust his/her behaviour accordingly.

In Thai consciousness, the king is at the very pinnacle of society (also at the peak of the constitution), and he has sometimes used his unquestioned authority to intervene on the political stage in times of crises or controversy with immediate impact. In an important sense, the stability of society relies on never questioning the authority of those further up the hierarchy. Once in a post, rather than insisting on performing statutory obligations to investigate and prosecute ministers and officials, the person in question might be naturally inclined to defer to superior authority, deriving from the patronage of the government or prime minister.

It is relevant to note that the failure to act decisively and punish the PM for manifest breach of the rules severely undermined the credibility of the constitutional watchdog and, therefore, of the constitution itself.

The 1997 Thai constitution, with its multiple watchdog bodies, has not been able to eliminate ubiquitous corruption and, as such, the abuse of power by the prime minister, ministers, politicians, and officials continued, and basic human rights were breached.

The constitution, which was set in place, resulted from a process of popular consultation and has many positive features. The administrative courts and the ombudsman scheme have established an independent and robust system of administrative remedies. However, it was a serious mistake to assume that a politically neutral senate without any party allegiances could be created, which could operate beyond normal politics. A great deal was constructed on what proved to be a very shaky foundation.

The present round of protests has been organised and spearheaded by the "Red Shirts," who are Thailand's rural poor and have benefited from Thaksin's populist policies. They are pitted against the "Yellow Shirts," who are urbane and have elitist support. The latter accuse deposed Thaksin of corruption and irreverence to Thai traditions.

Discerning observers are of the considered view that cleaning Thai politics is a daunting task because the constitutional mechanisms have not desirably succeeded in addressing the real basis for money politics in Thailand. Party groupings have tended to coalesce around powerful individuals. The democratic process, in such circumstances, has little to offer while optimists may have to wait for political parties with genuine commitment to structural reform. Muhammad Nurul Huda is a columnist for The Daily Star.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131708>

- **Geo-Strategic Front**
- **Cambodia army says 88 Thais dead in two-year border clashes**

A senior Cambodian army official said Wednesday his troops have killed at least 88 Thai soldiers over the past two years in clashes near an ancient temple on a disputed frontier. General Chea Tara, a Cambodian deputy commander-in-chief who oversees military operations in the area near the Preah Vihear temple, said that 38 Thai soldiers were killed in October 2008 and another 50 in April 2009.

"We helped them to find the bodies but they still hide the figure," he said at a briefing of government officials and lawmakers about developments in the border spat. He said only two Cambodian soldiers were killed in the clashes.

The Thai military has previously said that only three of its soldiers were killed in the 2009 gunbattle. Thai army spokesman Colonel Sunsern Kaewkumnerd denied the new claims. "The information is not true. If that many Thai soldiers were killed, it would have been big news since then," he told AFP. Chea Tara said that soldiers on both sides have remained on "high alert", but added that the situation near the temple was now quiet.

"Cambodian troops have enough ability to protect the territory and we have all kinds of modern weapons to counter Thai soldiers," he added.

Cambodia and Thailand have been locked in nationalist tensions and a troop standoff at their disputed border since July 2008, when Cambodia's 11th century Preah Vihear temple was granted UNESCO World Heritage status.

The Thai-Cambodia border has never been fully demarcated, partly because it is littered with landmines left over from decades of war in Cambodia, which ended in 1998.

Earlier this month Cambodia mounted a rare public test of rockets to protect against "invaders", while Prime Minister Hun Sen has made several fiery speeches accusing Thai leaders of infringing on his territory.

The World Court ruled in 1962 that the temple belonged to Cambodia, although its main entrance lies in Thailand. The exact boundary through the surrounding grounds remains in dispute.

Relations deteriorated further in November after Hun Sen appointed ousted Thai premier Thaksin Shinawatra as his economic adviser and refused to extradite him to Thailand, which he fled to avoid a jail term for corruption.

http://news.yahoo.com/s/afp/20100324/wl_asia_afp/cambodiathailandconflictmilitary?

- **Enabling ASEAN's Economic Vision**

Published on January 29, 2008 by Walter Lohman and Anthony Kim At 40 years of age, the Association of Southeast Asian Nation (ASEAN)--which encompasses the five

original member countries of Indonesia, Malaysia, the Philippines, Singapore, and Thailand and the newer member countries of Brunei, Cambodia, Laos, Burma, and Vietnam--is the oldest and largest organization of its kind in Asia. ASEAN countries have a combined population of more than 500 million people--larger than the population of the European Union. Their combined gross domestic product (GDP) exceeds \$1 trillion, which is the 11th largest in the world, ahead of Russia and India.[1]

ASEAN has committed itself to making the most of its collective strength by achieving an integrated, liberal market. Ten years ago in Kuala Lumpur, ASEAN launched ASEAN Vision 2020, which calls for creating "a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities." [2] This is ASEAN's guiding economic vision. It is echoed throughout ASEAN documents, including the new ASEAN Charter.

Despite its pledges, however, economic integration remains more aspiration than reality. Today, ASEAN is not a single integrated market. It is 10 separate markets that are no more economically integrated with each another than they are with economies outside of ASEAN. Intra-ASEAN trade accounts for only about 25 percent of its global trade.[3] Intra-ASEAN foreign direct investment (FDI) amounts to 11 percent of total FDI into ASEAN.[4]

Even these figures give an inflated picture of the current state of economic integration, because not all ASEAN countries contribute equally. For instance, Singapore, which has a world-class economy, contributes far more to intraregional trade and investment than less-developed Laos contributes.

The measure of ASEAN's integration is not only intraregional trade and investment flows, but also its attractiveness as an investment destination. From the 1992 launch of the ASEAN Free Trade Area (AFTA) to the signing of its Economic Community Blueprint in November 2007, achieving economy of scale in ASEAN has always meant attracting greater levels of foreign investment. Yet even as it has sought ever new ways to stay competitive as a region, it has lagged behind market-leader China-- particularly since the 1997 Asian financial crisis. (A few years prior to the crisis, ASEAN actually led China as an investment destination.)

It has been famously said that what East Asian economic integration needs now is management, not vision.[5] While ASEAN's dizzying array of agreements, initiatives, and commitments clearly lacks adequate management, ASEAN's vision is also unresolved. The member countries' less-than-resolute commitment to free markets contributes directly to the management problem. It forces ASEAN to pursue a lowest-

common-denominator path to integration that leaves it short of its ambitious economic goals. True commitment to economic freedom would ease integration by eliminating obstacles and feeding the market forces that are responsible for whatever real cross-border economic activity is taking place. The ASEAN countries need to decide that ASEAN Vision 2020 is where they want to go, make the difficult choices at the national level that are required to achieve that vision, and exercise the necessary political will to follow through. With the right level of commitment, managing ASEAN economic integration will become easier, and an integrated, liberal East Asian market will become a reality.

Managing ASEAN Economic Integration

ASEAN's integration machinery is unique. Each year, official summits produce new initiatives aimed at furthering economic integration. Some initiatives are cursory and self-executing. Many are detailed and aimed at fulfilling previous commitments. Taken together, the scale of the planned restructuring of the regional economy is extraordinary, and the task of managing it is massive.

To ease implementation and provide a rationale commensurate with its challenges, in 2003, ASEAN brought all of these efforts under the one conceptual roof of ASEAN Economic Community. ASEAN has identified its effort to establish "a single market and production base" through the "free flow of goods, services, investment and a free flow of capital"[6] with the explicit goal of achieving an "economic community."

It has since accelerated the timetable for completion from 2020 to 2015 and developed detailed implementation plans. The ASEAN Economic Community (AEC) is intended to strengthen existing agreements--principally the ASEAN Free Trade Area, the ASEAN Investment Area, and the ASEAN Framework on Services--and to accelerate integration in priority sectors.[7] ASEAN's progress in managing ASEAN economic integration must begin with an assessment of these agreements and their economic impact.

ASEAN Free Trade Area. By far ASEAN's most successful effort toward building a competitive economy of scale has been the ASEAN Free Trade Area (AFTA). AFTA was signed in 1992 and is largely on track. The ASEAN-6 include ASEAN's major national economies--Indonesia, Malaysia, the Philippines, Singapore, and Thailand--as well as Brunei.

The ASEAN-6 have reduced tariffs to from 0 percent-5 percent on nearly 99 percent of the products covered under AFTA and are moving toward full tariff elimination by 2010. As of August 2007, the ASEAN-6 had eliminated tariffs on more than 70 percent of the products covered by the AFTA.[8] (For these economies, almost all of their trade in

goods is covered.)[9] The lesser developed ASEAN countries are on a slower schedule but are also making respectable progress. Laos and Burma must reduce tariffs to the 0 percent-5 percent range by 2008, and Cambodia must do so by 2010. They and Vietnam are then obliged to eliminate tariffs completely by 2015.[10]

Coverage and compliance are good. However, when it comes to actual trade, AFTA is not fully utilized for a number of reasons. Its broad benefits are brought to bear on only 5 percent of intra-ASEAN trade. So while ASEAN can claim double-digit growth in intra-ASEAN trade,[11] it cannot claim that the increases are driven by AFTA. In fact, even without applying AFTA, the amount of trade among ASEAN countries is rising no faster than ASEAN's trade with the rest of the world.[12]

Underutilization of AFTA points to several key problems. The application procedure for AFTA is unclear and not well publicized. More important, the marginal savings over the standard most-favored-nation rate is often not sufficiently greater than the processing cost. It is simply not worth the trouble to apply.

This points to a fundamental problem: ASEAN's low-ball definition of free trade and slow schedule for tariff elimination. ASEAN's interim tariff level of 5 percent is above the tariff rates to which industrialized countries are committed under the Uruguay Round.[13] Where the tariff reductions under AFTA are significant, non-tariff barriers (NTBs) often remain. This makes NTBs a major obstacle on ASEAN's road to economic integration. The organization's efforts to remove them have been largely ineffectual.[14]

Finally, a clear, trusted, effective mechanism for addressing non-compliance is a necessary part of any trade agreement. ASEAN has a dispute settlement mechanism with application to AFTA commitments, but it has never been used. ASEAN Framework Agreement on Services. In 1995, ASEAN launched the ASEAN Framework Agreement on Services (AFAS) to "eliminate substantially restrictions to trade in services" by going beyond General Agreement on Trade in Services (GATS) commitments to achieve a "free trade area in services." [15] There have been six packages of commitments under the AFAS. To ease implementation, ASEAN has employed its ASEAN-X mechanism, which means that countries ready to move forward with new commitments may do so without the immediate participation of all ASEAN members.

AFAS implementation has been slow and uneven. On balance, more than 10 years since the agreement was signed in Bangkok, "member countries' commitments have not been significantly bolder and more far-reaching" than their commitments to liberalize under GATS.[16] While intra-ASEAN barriers to trade in services have fallen for every ASEAN country and are now 10 percent lower for intra-ASEAN trade than for countries outside ASEAN, Singapore and Malaysia, the two biggest providers of services in

ASEAN, provide no substantial benefit to their ASEAN neighbors above their global GATS commitments.[17]

Beyond this structural problem, AFAS has been hampered by the poor quality of regulations, lack of proper governance, and unpredictability.[18] Trans-parency requires more than posting commitments on ASEAN's Web site, which it does to its credit. It means that commitments should not be subject to ongoing, unpredictable modification and that information on new policies, laws, and regulations should be made generally available for comment before they are enforced.[19] ASEAN is not meeting this standard. The ASEAN Investment Area. In 1995, ASEAN endorsed investment liberalization as a basis for enhancing its collective "attractiveness and competitiveness" for investment. In 1998, it followed through on this mandate by creating the ASEAN Investment Area (AIA).[20] The AIA declared an "immediate opening up of all industries for investment, with some exceptions...to ASEAN investors by 2010 and to all investors by 2020." It also declared "immediate national treatment" on the same schedule.[21]

The agreement is in effect more modest. It covers five economic sectors--manufacturing, agriculture, fisheries, mining, and quarrying--and services incidental to these sectors. This excludes two-thirds of the most attractive areas for FDI from the outset.[22]

Still, the AIA is an important part of realizing ASEAN's economic vision. The devil is in the exceptions. The member countries drew up the lists of exceptions, some of which were to be phased out. For instance, Brunei, Indonesia, Malaysia, Myanmar (Burma), the Philippines, Singapore, and Thailand had until January 1, 2003, to phase out their exceptions for manufacturing. As of 2006, three continuing exceptions remained on that list. Cambodia, Laos, and Vietnam have until 2010 to phase out their 28 exceptions for manufacturing. Exceptions in "sensitive areas" are not required to be phased out but are to be reviewed and phased out if and when the governments are ready. As of 2006, the list of such sensitive sectors contained 148 measures in manufacturing.[23]

Over and above both of these categories, there is the General Exception List, which covers "industries and investment measures that cannot be opened up for investment or granted national treatment because of reasons of national security, public morals, public health or environmental protection." [24] For these sectors, not only is there no requirement that they ultimately be phased in, but there is no requirement that they be considered for inclusion in the AIA.

In 2004, a report by the well-respected Thailand Development Research Institute shed some light on how an agreement intended to open up intraregional investment has managed to fall so far short: [S]ome member countries list all manufacturing industries in the negative list.... Other member countries, including Thailand, simply reproduce the

list of restrictions under current laws or regulations and compile them into the sensitive list, which require occasional review but no phasing-out commitments.[25]

On the positive side, across the industries covered by the AIA, 14 exceptions on the original lists have been phased out, while another 51 have been transferred from the sensitive list to the phase-in list. However, if the purpose of the AIA is to create an open investment environment across ASEAN, the limited coverage, exceptions, and progress to date are major problems. As a result, after 10 years, the agreement "has not had a discernable effect on FDI inflows." [26]

Fast-Tracked Priority Sectors. In 2004, ASEAN singled out 11--later expanded to 12--sectors for integration.[27] They were fast-tracked in the context of full economic integration by 2015. The priority sectors are agro-based products, automotives, e-ASEAN, electronics, fisheries, health care, textiles and apparel, wood-based products, rubber-based products, tourism, air travel, and logistics. In 2004, these sectors accounted for more than 50 percent of intra-ASEAN trade. The ASEAN-6 (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) were to eliminate all import duties in these areas by 2007, and the other ASEAN members were to eliminate them by 2012. This constituted an acceleration of their AFTA commitments by three years. Beyond tariffs, a number of other impediments to trade were targeted for elimination including NTBs associated with product standards and regulations, testing certification, investment facilitation, and overlapping authorities at the products' points of entry.[28]

Progress in meeting these commitments has been broadly characterized as "far from complete and generally slower than anticipated." [29] One detailed study criticized compliance in removing NTBs in these sectors as follows: "[NTBs] continue to exist in all priority sectors in all ten countries, and there is no evidence that their height or incidence has declined." [30] The same study characterized liberalization in the priority service sectors as "extremely low" and the NTBs as "sizable." ASEAN Economic Community Blueprint. On November 20, 2007, ASEAN leaders signed the Declaration on the ASEAN Economic Community Blueprint. Conceptually, the blueprint brings the constituent parts of the AEC, which includes the above-referenced agreements and other commitments, together with measures to deepen integration. It also features a master implementation plan. The blueprint is an admirable effort to compile and organize the AEC task list.

Among its positive details, the blueprint provides for a review of both the ASEAN Investment Area and a long-standing agreement that specifically provides investment protection.[31] It aims to bring the two together in a new stronger, inclusive agreement called the ASEAN Comprehensive Investment Agreement. The blueprint places renewed

focus on completely removing NTBs. It also initiates a regional discussion on competition policy--something that most ASEAN members lack.[32]

These are excellent initiatives. ASEAN's recommitment to its objectives is an encouraging demonstration that it recognizes its shortcomings. Better organizing them is some indication that it takes its commitments seriously. Yet until it actually implements these commitments, the blueprint is just another ASEAN document. The AEC's 2015 deadline offers a bright benchmark against which progress can be measured.

The ASEAN Charter. ASEAN leaders well know that a blueprint alone will not lead to economic integration and the economy of scale that they need to stay competitive. ASEAN needs to find a "new ASEAN way"[33] that is rule-based and governed by stronger institutions. Hadi Soesastro, executive director of the Centre for Strategic and International Studies in Indonesia, has noted:

There is no point in pursuing an advanced and demanding notion as an AEC without deeper and testable commitment of the Member States and stronger institutions or a detailed treaty from the outset. Without endowed ASEAN institutions, without a treaty, without transfer of powers, and without any budget, one should not expect a credible ASEAN Economic Community to emerge.[34]

Hence, in 2005, ASEAN agreed to establish an organizational charter--something ASEAN had been without since it was founded in 1967. An Eminent Persons Group (EPG) was established with a mandate to make recommendations for the charter. The recommendations were made on schedule, and a charter was drafted and approved on schedule on November 20, 2007, in Singapore.

The Singapore summit was overshadowed in the international press by concern about repression in Burma and ASEAN's failure to address effectively what even its own members termed revolting[35] behavior by one of its member countries. Accordingly, criticism of the charter focused largely on ASEAN's impotence in dealing with repression in Burma and the irony that the historic charter required the signature of the miscreant regime.[36]

The focus on Burma was fair. The violent crack-down on pro-democracy demonstrators in September 2007 and the manner in which the ASEAN heads of state handled it two months later cast doubt on ASEAN's commitment to its own principles at the very time when it was enshrining those principles in the charter. One of the charter's purposes is "to strengthen democracy, to enhance good governance and the rule of law, and to promote and protect human rights and fundamental freedoms." [37] ASEAN's failure to deal effectively with such a glaring breach of its principles as the September events in Burma raises serious doubts about whether or not the ASEAN Charter can provide the

basis for forging a regional community.

If ASEAN finds a way to address this concern, the charter does contain some of the seeds for an effective institution. ASEAN largely adopted the EPG's recommendations. The charter creates a streamlined structure that makes inherent good sense and should help ASEAN to monitor and implement its various plans and road maps. More frequent meetings of its leaders should help ASEAN to shoulder more responsibility for out-comes and process. The creation of a formal appeal process for non-compliance with agreements, enshrining the principle of ASEAN-X, and endorsement of dispute settlement and arbitration are all very positive signs.

On the downside, the charter does not allow appeal to majority vote as recommended by the EPG. Instead, the charter reinforces the principle of "consultation and consensus" in ASEAN decision making, which has historically prevented it from making the tough decisions. Disputes that cannot be worked out using current procedures can be referred to the ASEAN heads of state. However, referral to the heads-of-state level will likely be seen as a "nuclear option." There is the distinct risk that decisions will remain unresolved indefinitely out of respect for the offending parties' sensibilities and that the dispute settlement process will go unused. In the event that a decision does reach the heads of state, they will be sorely tempted to avoid an embarrassing confrontation by delegating the decision back down to a lower level without making a final determination.

The EPG also recommended enforcement mechanisms and penalties including "suspension of rights and privileges," but not expulsion. However, the current charter does not include these. As regards ASEAN's finances, the EPG recommended--and ASEAN accepted--continued application of "equal contribution" to the ASEAN budget. This means that the poorest and the richest make the same level of financial contribution, effectively capping contributions at the lowest level and handicapping an organization that is already woefully short of needed resources.[38]

At this point, the charter appears to lack at least two of the four criteria that Dr. Soesastro laid out in 2005: It does not provide for an adequate budget, and it does not transfer enforcement power. The charter is a living document, open to review and amendment. Time and the ratification process will tell whether the ASEAN Charter marks a watershed in ASEAN's history or is just another document that bestows legal personality on ASEAN and makes ASEAN a more efficient structure but does little else.

Ultimately, even with the charter, economic integration comes down to political will. Without the political will, ASEAN economic integration will not occur.

Economic Freedom in ASEAN

ASEAN may not have achieved the basis for effective management of its economic

commitments, yet that is only half of the battle. Any review of ASEAN's ground-level economic environment points to the continuing need for vision.

Enhancing economic freedom is crucial to economic development and sustained prosperity in today's increasingly integrated global market. Economic growth and prosperity depend on maintaining and improving an environment in which entrepreneurial activities and innovation can flourish. Economies with higher degrees of openness and flexibility benefit from the free exchange of commerce and thereby enjoy sustainable economic growth and prosperity.

The Index of Economic Freedom, published by The Heritage Foundation and The Wall Street Journal, systematically and empirically documents this relationship by evaluating countries' economic freedom based on such things as ease of doing business, tariff and non-tariff barriers, property rights, corruption, and investment regimes. Each year, it uses data from internationally authoritative sources--the International Monetary Fund, World Bank, World Trade Organization, Transparency International, and others--to calculate an economic freedom rating for each country.

The Index paints a disparate, disappointing picture of ASEAN's economy. Each ASEAN country's overall score and scores for each of the 10 economic freedoms are presented in Table 1. The scores range from 0 (completely repressed) to 100 (completely free).

<http://www.heritage.org/Research/Reports/2008/01/Enabling-ASEANs-Economic-Vision?>

- **Economic Front**
- **Thailand's Tourism Industry Takes a Beating From Protesters**

Thailand's economy is taking a battering, especially the vital tourism industry as the latest protests in Bangkok have frightened off visitors to the country. Tensions have escalated as protesters moved to force military units to stand down amid minor grenade explosions in the capital.

Thailand's tourism industry has taken a hit as thousands of anti-government protesters have taken to the streets over the past few weeks to try to force fresh elections.

The so-called Red Shirts, supporters of former prime minister Thaksin Shinawatra, have mounted a series of targeted demonstrations, ranging from ritualistic blood curses to head-shaving to noisy parades through the streets of the capital. Although their rally has been somewhat peaceful so far, many remember the Red Shirts' protests last year that turned violent.

Impact The Association of Thai Travel Agents said international visitor arrivals fell between 20 and 30 percent in March, when the protests began. Tourists coming from such key markets as Japan, China, Hong Kong, Taiwan and South Korea cancelled their

plans.

Andrew Cornelio, director of sales and marketing at the Dusit Thani Hotel, said the travel advisories from more than 30 countries also contributed to the dip in tourism. "For the Dusit Thani we have seen many cancellations, he said. "In terms of numbers we've lost quite a lot. Right now we have about I would say 15 to 20 percent down from what we expected to be. It's cost our first quarter figures to be below what we have budgeted for." The tourism industry had been forecasting tourist arrivals of over 15 million for 2010. But analysts say the target is now not expected to be met. Tourism accounts for about six percent of Thailand's economy.

Arporn Chewreengkai, chief economist with the Government Pension Fund, has revised her optimistic outlook for tourism this year. "This political uncertainty will definitely have a very adverse impact on the tourism sector," she said. "Originally I thought the tourism sector would pick up very well in the last quarter of last year. That's why in earlier forecasts we can get around 15 to 15.5 million foreign visitors. So if these kind of demonstrations continue we believe that it will hurt the remaining of this year." But Arporn says that Thailand's overall economy will get a boost from strong export growth - up between three-point-five to four percent compared to 2009.

More confrontational stance

Saturday's protest took a more confrontational stance as Red Shirt protesters demanded troops stationed close to the rally site in central Bangkok to stand down. Security officials reported two separate grenade attacks that injure one soldier and two civilians. The protesters accuse Prime Minister Abhisit Vejjajiva of taking power through illegitimate means with the support of the military and are demanding he dissolve Parliament and call new elections. The prime minister has repeatedly rejected the calls.

Leaders of the protest movement have been portraying the demonstrations as a struggle between Thailand's poor, mainly rural masses and the Bangkok-based elite.

The group largely consists of supporters of former prime minister Thaksin, who was ousted by a 2006 military coup for alleged corruption, and pro-democracy activists who opposed the army takeover. Thaksin remains in exile in the face of corruption charges.

<http://www1.voanews.com/english/news/asia/Thailands-Tourism-Industry-Takes-a-Beating-From-Protesters-89325417.html?>

- **Social Front**
- **Thailand protesters try to oust army from streets**

Protesters in Thailand claimed a symbolic victory Saturday after forcing soldiers to retreat from parts of Bangkok's historic district, raising tensions in what so far has been a nonviolent bid to bring down the government. Riding motorcycles and piled into pickup

trucks, more than 60,000 red-shirted protesters clogged traffic and traveled in a noisy parade to the Bangkok zoo, Buddhist temples and a half dozen other locations being used by soldiers as temporary camps.

"We will storm the places where soldiers camp out. We'll shake the fence. We'll cut the barbed wire. We'll march through the barricades. We'll march for democracy!" a leader of the "Red Shirt" protesters, Nattawut Saikua, shouted to the crowd. "This is where we'll end military suppression. This is where we'll create democracy."

Soldiers at several locations packed their duffels and left to avoid clashes, drawing raucous cheers from the protesters. Authorities said the soldiers would regroup at other locations nearby. "What has happened is a testament to the power of the people," said Weng Tojirakarn, another protest leader. "It is a victory of the people over the military."

The protesters consist largely of supporters of former Prime Minister Thaksin Shinawatra, who was ousted by a 2006 military coup for alleged corruption, and pro-democracy activists who opposed the army takeover. Critics say the protesters are merely pawns serving Thaksin's ambitions to return to power.

They are demanding Prime Minister Abhisit Vejjajiva dissolve Parliament and call fresh elections, which he has repeatedly rejected. Abhisit has been sleeping and working from an army base since the protests started March 12.

The Red Shirts believe that Abhisit came to power illegitimately with the connivance of the military and other parts of the traditional ruling class and that only new elections can restore integrity to Thai democracy. Thaksin's allies won elections in December 2007 but the resulting governments were forced out by court rulings. A parliamentary vote brought Abhisit's party to power in December 2008, leading the Red Shirts to complain his rule is undemocratic. Saturday's protest took a more confrontational stance than previous rallies. Outside Parliament, protesters cut through barbed wire and pushed past riot police before burning a copy of the constitution and then leaving.

At nightfall, protesters demanded the withdrawal of troops at the prime minister's office, known as Government House, where a tense standoff subsided when protesters agreed to leave for the night.

Deputy Prime Minister Suthep Thaugsuban made a televised statement during the rally to assure that the situation was under control. "I have ordered the soldiers to handle the situation as softly as possible," Suthep said. "There will be no confrontation with the demonstrators, and we will try not to obstruct their movement."

Police said at least 60,000 protesters attended the march. Earlier rallies, including one last Saturday that snaked through Bangkok, have drawn as many as 100,000 people. Abhisit has called in thousands of troops to guard Parliament, government buildings and other

key locations amid fears of violence. Protesters have denounced the show of military force as unfitting for a democracy and said their goal was to peacefully pressure the soldiers to return to their barracks. Leaders of the protest movement — formally known as the United Front for Democracy against Dictatorship — have increasingly portrayed the demonstrations as a struggle between Thailand's impoverished, mainly rural masses and a Bangkok-based elite impervious to their plight.

Army spokesman Sansern Kaewkamnerd said the soldiers who retreated Saturday from temples and other public places would relocate to nearby government-owned facilities. He said a military presence was still needed to "prevent violent outbursts." He warned that "force will be used accordingly" if protesters break through barricades at Government House. Hours before Saturday's protest began, a small explosion went off outside the Bangkok customs department without causing any injuries, The Nation newspaper reported on its Web site. It was the latest in a series of small explosions that have coincided with the protests.

While no one has claimed responsibility, the timing and targets suggest the attacks are related to the political standoff. The government has blamed the blasts on people trying to stir up tensions, while the Red Shirts say they are being carried out to discredit their movement. The Red Shirts drew international attention earlier this month with a "blood sacrifice" in which they collected blood from supporters and splattered it at the gates of Abhisit's office, the headquarters of his ruling party and his private residence.

http://news.yahoo.com/s/ap/20100327/ap_on_re_as/as_thailand_politics?

Cambodia

- **Political Front**
- **China-Cambodia Ties Grow Tighter**

In the past five years China and Cambodia have drawn ever closer, with Beijing investing billions of dollars in the impoverished Southeast Asian nation. Cambodians see both benefits and potential risks in the relationship. In the past five years, China has become Cambodia's most important source of foreign investment: Cambodia has approved \$6 billion of Chinese investments since 2006, while China provided at least \$2 billion more in grant aid and loans.

Those are big sums for Cambodia, which has a \$10 billion economy. The relationship between the two countries is nothing new. Chea Vannath, an independent analyst based in Phnom Penh, says China's influence goes back at least 1,000 years.

"So it shows a good relationship with China. Since then either during the bad time or the happy time, China and Cambodia always have - you can say - sweet and sour, or long-lasting relationship. Always," said Chea Vannath. In recent years that relationship is one

the Cambodia's Prime Minister Hun Sen has come to value highly.

He has publicly welcomed the rapid increase in Chinese investment. He also says China is his kind of friend since he says, unlike some donors to this aid-reliant nation, Beijing provides cash with no strings attached and without interfering. Cheang Vanarith is the director of the Cambodian Institute for Cooperation and Peace, a research body in Phnom Penh. He notes that China's financial interests in Cambodia have other benefits for Beijing. "But probably China looks beyond economic interests toward more strategic interests in this region. So China used to be the center of the universe. China is the kind of regional hub in terms of strategic (strategy) and economic (economy). Some people call it China returning to the past," he said. But there are concerns about China's rising influence in Cambodia. For instance, some critics, including witnesses who recently testified in the U.S. Congress, say the money China invests in Cambodia's infrastructure ends up going to state-owned Chinese companies that build the roads and hydropower dams. These contracts are not open to public scrutiny or independent oversight.

The International Monetary Fund, among others, has expressed concern about Beijing's insistence that Phnom Penh pledge to buy all of the power the hydropower dams generate for 30 years.

That could total hundreds of millions of dollars a year. The IMF says Phnom Penh must ensure it does not lock itself into huge open-ended commitments for fear that the liability could harm the fight against poverty. Despite those concerns, Cheang Vanarith says China will continue to expand its influence in Cambodia. He says China's friendship provides Cambodia with a useful balance against countries such as Thailand, with which it has historical disputes.

He sees few risks to the relationship, and says some of the money from China's aid and investment helps anti-poverty efforts. But human rights activists say the relationship could be too cozy. They pointed to Phnom Penh's decision last year to send 20 Uighur refugees back to China, at Beijing's request. Days later Cambodia received economic assistance deals worth \$1.2 billion.

The United States and other countries sharply criticized Cambodia for deporting the Uighurs, members of a Muslim minority group in China. But Cheang Vanarith says there has been no economic backlash. "Yes, we got strong negative reaction from the U.S. But later stage it seemed to be O.K. The bilateral relations between Cambodia and the U.S., I could feel it's on the right track - coming back," said Cheang Vanarith.

Chea Vannath, however, like many civic activists, worries about China's effect on Cambodia's environment, and the effort to improve governance and human rights protections here. China is ranked in 79th in the most recent Transparency International

corruption perception survey, out of 180 nations. She says Cambodia ought to learn the lessons of governance from nations with a better track record on democracy and human rights."And with the money that goes along with lack of transparency, lack of democratic governance - not just governance, but democratic governance - the participation of people into the state affairs. That concerns us. Yes, it concerns me," she said.

It appears to be less of concern to the Phnom Penh government. Just this month, China and Cambodia agreed to continue strengthening the relationship and to cooperate on projects to develop Cambodia's agriculture, tourism and communications industries.

<http://www1.voanews.com/english/news/asia/China-Cambodia-Ties-Grow-Tighter-88998402.html?>

- **Economic Front**
- **EU plans to increase imports from Cambodia**

The European Union is planning to increase its imports of agricultural produce from Cambodia under its "Everything But Arms" trade initiative, an EU official said yesterday. Cambodia, one of Asia's poorest countries, had "huge potential" to boost its exports and should take advantage of the special concessions offered by the EU, said Rafael Dochao Moreno, Charge d' Affaire of the EU Delegation to Cambodia.

The "Everything But Arms" trade initiative allows tariff-free imports of any product except weapons from poor countries. "What we want to see is Cambodia increasing exports, especially in the agro business. There is huge potential for Cambodia to export to the EU," he told a news conference.

Cambodia's exports to the EU last year totaled \$700m, while its imports from European countries were worth about 200 million, Dochao Moreno said. Cambodia is seeking to modernise and expand its agricultural sector, its biggest currency earner ahead of tourism and garments, with recent moves to boost production of sugar and rice, mainly for export. Cambodia recently revived its sugar industry after a halt of almost 40 years, mainly due to civil war, and plans to produce at least 160,000 tonnes a year by 2013, mostly for export to EU markets. It is forecast to produce 700,000 tonnes of unmilled rice this year and aims to boost that figure with new investment, mainly from China, in new irrigation systems.

Dochao Moreno said Cambodia should diversify its economy and reduce its reliance on garment manufacturing. Cambodia's garment industry shed almost 30,000 jobs in 2009 after a drop in sales to the United States and Europe. It could struggle this year, industry officials say.

The decline has caused a ripple effect in the countryside, where many impoverished rural families rely on remittances from the salaries of urban-based garment workers.

http://www.thepeninsulaqatar.com/Display_news.asp?section=Business_News&subsection=market+news&month=March2010&file=Business_News2010032011938.xml

- **Social Front**
- **Mekong states to confront China over low river level**

Four Southeast Asian countries badly hit by falling water levels in the mighty Mekong river will next week confront China, blamed for squeezing the river with dams, but concessions from Beijing are unlikely. Villages in Thailand, Laos, Vietnam and Cambodia have been hurt by the Mekong's biggest drop in water levels in half a century, impacting the agricultural and fishing industries as well as drinking water supplies.

Conservationists say 11 hydropower dams, either partly built or already completed, in southern China are choking supplies.

The four Southeast Asian countries, comprising the Mekong River Commission (MRC), will send leaders to the April 3-5 summit in the Thai coastal town of Hua Hin.

China has agreed to attend, but Thai officials were unable to say at what level, reinforcing expectations Beijing will refuse to release water from its recently built dams.

"I don't see any chance of forcing China to release water from the dams, as the downstream countries want," said Somjai Phagaphasvivat, a political scientist at Bangkok's Thammasat University. Beijing, he added, was under pressure to help its own people during a severe drought that has affected more than 50 million people across southwest China. Forecasters see no sign of China's water-shortage abating in the short term.

Water levels in the Mekong, Southeast Asia's biggest river flowing 4,350 km (2,700 miles) from the glaciers of Tibet to the rice-rich delta of southern Vietnam, have dropped to as low as 0.33 metre (13 inches) in places.

Analysts expect China to walk a fine line at the summit, hoping to project an image as leader of the region while retaining control of the Mekong's upstream water, giving various sorts of aid or economic support to countries hit by drought.

The Thai government expects China to provide water level data from two dams already constructed in its southern region and to explain how it is managing the water flow to ensure downstream countries have enough for consumption and farmland.

"It's a good sign China agreed to join the meeting as it shows China wants to handle the relationship with care," said Kasemsan Jinnawaso, director general of the Department of Water Resources at Thailand's Ministry of Natural Resources and Environment.

<http://www.bernama.com/bernama/v5/newsworld.php?id=485295>

- **Cambodia: New Regulations Fail Refugees**

New Cambodian asylum regulations do not meet Cambodia's obligations under the

United Nations Refugee Convention, Human Rights Watch said in a letter to Prime Minister Hun Sen today.

On December 20, 2009, three days after Hun Sen signed new procedures for determining refugee status, the Cambodian government forcibly returned 20 ethnic Uighur asylum seekers to China in violation of international law. Strikingly, the document outlining the procedures, known as a sub-decree, allows the interior minister to ignore both the procedures and the recommendations on refugee status of the UN High Commissioner for Refugees.

"Cambodia's new regulations allow the government far too much leeway to deny refugee status and to forcibly return people who fear persecution," said Bill Frelick, refugee policy director at Human Rights Watch. "And the return of the Uighurs to China three days later raises major doubts about whether Cambodia takes its obligations toward refugees seriously."

Human Rights Watch said the new regulations would be especially dangerous in politically sensitive cases like those involving the Uighurs, some of whom may now face the death penalty in China.

Human Rights Watch's letter to Hun Sen provides a point-by-point analysis of the refugee sub-decree and urges him to amend it to bring it into conformity with the 1951 Refugee Convention, to which Cambodia is a party. It also urges the Cambodian government to consult with the UN refugee agency to allow it access to all people seeking asylum in Cambodia, and to respect and honor the agency's exercise of its mandate to recognize and protect refugees in any country, including Cambodia.

<http://www.hrw.org/en/news/2010/03/24/cambodia-new-regulations-fail-refugees?>

- **Cambodian gov't accuses UN official of interfering in internal affairs**

The Cambodian government warned the United Nations Resident Coordinator to stop interfering in the internal affairs of the country or will be expelled, said a statement from the Foreign Ministry seen Monday.

In a letter to Douglas Broderick, UN resident coordinator on March 20, Foreign Minister Hor Namhong said that Vijay Nambiar, chief of the Cabinet of the UN Secretary-General told Cambodian permanent representative at the UN in New York on March 19 that "United Nations Headquarters had not instructed the UN country team in Cambodia to make any comment or suggestion to the media on the issue" about the Anti-corruption Law passed by Cambodian National Assembly on March 11.

The UN country team on March 10, before the draft law sent to the National Assembly for debating, released a statement saying it "notes with concern that an extra-ordinary session was convened only days after the draft law was shared publicly with

parliamentarians," and asking "sufficient time for Parliamentarians, civil society, donors and the UN to study the law so that if and where deemed necessary, amendments may be proposed for consideration."

"Therefore, as stated by the spokesman of the Ministry of Foreign Affairs and International Cooperation on March 12, the United Nations Country Team had exceeded the limit of its mandate," Hor Hamhong said.

"The unwarranted comments made by you (Douglas Broderick) in connection with the adoption of Cambodia's Anti-Corruption Law is a flagrant and unacceptable interference in the internal affairs of Cambodia," Hor Namhong added.

"Any further repetition of such a behavior would compel the Royal Government of Cambodia to resort to a 'Persona non grata' decision," he stressed.

<http://english.people.com.cn/90001/90777/90851/6926670.html?>

- **Cambodia threatens to expel UN envoy**

The Cambodian government has threatened to expel a United Nations envoy if UN agencies continue "unacceptable interference" in the country, according to a letter seen on Monday. The move came after UN agencies in Cambodia earlier this month urged "a transparent and participatory" process as parliament debated a controversial anti-corruption law.

In a letter to UN resident coordinator Douglas Broderick, foreign minister Hor Namhong alleged his office had been guilty of "a flagrant and unacceptable interference in the internal affairs of Cambodia" with the statement.

"Any further repetition of such a behaviour would compel the Royal Government of Cambodia to resort to a 'persona non grata' decision," he said in the letter, dated March 20.

http://news.yahoo.com/s/afp/20100322/wl_afp/cambodiacorruptionlawun?

- **Cambodian marriage ban over trafficking concerns**

Cambodia has temporarily banned marriages between local women and South Korean men over concerns about human trafficking. The ban comes after Cambodian police arrested a woman who allegedly trafficked 25 women from rural areas, each of whom paid money to marry South Korean men.

Bith Kimhong, head of the Anti-Human Trafficking Department says the woman had charged each woman \$US100.

He says agents are banned from facilitating marriages -- and that the law requires foreigners to first talk to the parents of their future spouses.

<http://www.radioaustralianews.net.au/stories/201003/2851686.htm?>

- **A student's view of Cambodia**

The road that led me to Cambodia crosses just about every ocean. It's called Rustic Pathways, one of dozens of programs for teens that organize service-project trips around the world — from Fiji to Thailand to Tanzania.

The Rustic Pathways trip that jumped out at me was the 25-plus-year-old company's trip to Cambodia, a country rich with possibility and beautiful landscape. Through research, I learned of the 1970s genocide that no teacher had taught me or even touched on. And I saw an opportunity to help, to teach and, at the same time, to learn. The mission was to teach English to children in small schools and orphanages.

And so, in late summer I headed off for Cambodia by way of New York. During the next seven days, I came face to face with ancient temples, new friends, history and hope.

Phnom Penh

My introduction to this country begins in its capital. My Rustic Pathways group is small, just four of us. Two guys, two girls, all from the United States and all 16 to 18. With our RP team leader, we spend two days here and begin our sojourn with a visit to Tuol Sleng, now a museum. Originally, Tuol Sleng was a school. Then, after Pol Pot set out to return the country to a totally farming-based economy in the mid-1970s, it was used, paradoxically, to torture and murder anyone who was educated.

Large fences wrapped with rusted barbed wire still surround the school's courtyard. As I walk on ground where thousands of brutal murders took place, this past is impossible to shake — even in the beautiful courtyard. Inside the museum, photos of victims line walls. The lesson about Cambodia's dark past then takes us to one of the dozen or so Killing Fields; at this one, about 17,000 people were murdered and buried in mass graves. An enormous memorial temple towers here, its windows revealing shelf after shelf filled with human skulls dug up from the graves, reminders of the staggering toll of Pol Pot's Khmer Rouge regime. Along the grounds, bones are piled, and old, withered clothes litter the ground. The constant rain increases, and we have taken in all that we can.

The floating villages

We haven't started really roughing it yet. This night, we stay in a hotel a lot like those in the States. But we're soon headed for a different way of life. The next morning we will travel by a small wooden boat with a tin top to a small village called Sre Brey.

The boat ride takes three hours and gives us our first glimpse of Cambodia's floating-village culture. It's one connected by stilted tin huts rising at river's edge and swaying with the wind. When we arrive at Sre Brey, a Muslim village along the Tonle Sap Waterway, all the children are eager to learn our names and find out how old we are. Age

helps the children determine where everyone is placed in "rank." They surprise us with how well they speak and understand English.

After our introductions, we walk with the kids through neat rows of green rice fields to a swimming hole where some of the boys jump in and splash. Everyone soon joins in.

Back at the village, we break up into smaller groups and play games. The hours seem to evaporate. It's dark and the villagers have made us dinner. For each of us, a big bowl of noodles sits steaming next to a large bowl of freshly cooked rice; a platter is filled with pork and some vegetables from the local market.

Finally, it's our turn to repay our generous hosts. It's time to teach. The kids gather their favorite books and their journals and get as close as possible so that we can share the light from a battery-powered lantern. I help 15-year-old Roni read a Bob the Builder book.

The ultimate hosts

We stay overnight in the village. David Goldman, another RP traveler, and I stay in a room that has been netted off so we can sleep mosquito-free. The wood floor is covered with a knitted blanket. It's hot enough to make my brow sweat, but there's no complaining: Strangers gave up their house to give us a place to stay; the family sleeps wherever it can in the village.

The next thing I know, the roosters are crowing. Goldman and I search for the village kids, itching for a soccer game. At nearly 6:30 a.m., we learn, it's blistering hot.

We play for nearly half an hour until sweat makes us look as though we've just come from a swim. The villagers, we notice, barely break a sweat.

The girls are up, and we gather our stuff to leave. The crowd that gathers to send us off is remarkable, for they are all our friends now. We drive on uneven dirt roads for a couple of hours until we arrive at another hotel and unload. After settling in, we head for a local orphanage.

Started by the French, this orphanage is home to about 50 kids, ages 9 to 18. At first, we teach them a little English and play a language game. They eat it up, not wanting to stop until everyone has had a chance to play. As the game winds down, we disperse into the courtyard and play volleyball and soccer, and the kids chase one another through a constant drizzle. Megan McAdams, our group leader from Rustic Pathways, sees an ice cream vendor and buys all the children ice cream. Most kids go back for seconds, some thirds. After nearly 40 frozen treats, the vendor tells her that the price is \$2. She gives him a five, and he looks as though he has won a lottery.

<http://www.chicagotribune.com/travel/ct-trav-0321-cambodia-lede-20100321,0,552951.story?>

Singapore

- **Political Front**
- **Economic Front**
- **Countries must step up co-operation against transnational drug trade: Ho Peng Kee**

Countries in the region must step up co-operation to curb the transnational drug trade.

This was the call from Senior Minister of State for Law and Home Affairs, Associate Professor Ho Peng Kee, at the start of the Integrated Narcotics Enforcement Programme, which is celebrating 10 years of collaboration between the Australian Federal Police and Singapore's Central Narcotics Bureau (CNB). Professor Ho said the problem of Amphetamine-type stimulants is of growing concern.

He said there has been a growing number of big clandestine drug laboratories in the region that can produce more than one ton of drugs in each cycle. These activities can derail the drive to create a Drug-Free ASEAN by 2015.

Professor Ho said the dynamic nature of the drug scene calls for sustained vigilance and efforts. During the course, trainers will share their expertise in combating the drug menace. The CNB will share on Singapore's multi-pronged strategy involving the local agencies and the community, while trainers from the Australian Federal Police will address topics such as drug trafficking trends.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1045194/1/.html>

- **Successful overseas industrial projects drive demand for S'pore investors**

There seem to be more suitors for Singapore investors on the back of success with previous overseas industrial projects.

Singapore's Ministry of Trade and Industry said the Suzhou-Industrial Park realised a 15 per cent on-year jump in its gross domestic product to S\$23 billion as of the end of 2009. Its fiscal revenue also grew to over S\$2.2 billion, a 13 per cent jump over 2008.

The 15-year-old project attracted some S\$2.5 billion in utilised foreign direct investment last year. And it is now one of the top performing industrial parks in China, with over 580 companies operating there. The three industrial parks in Vietnam have also done well, attracting investments over S\$3.5 billion.

Now, India wants Singapore companies to invest in its 105 Special Economic Zones (SEZs).

Incentives on offer include offshore banking services and tax breaks. These include exemption from Income Tax for the first 15 years, the Central Sales Tax, from Service Tax to SEZ Developer as well as from various state levies like VAT, entry tax. Dr L B Singhal, director general, Export Promotion Council for EOUs and SEZs said: "From

Singapore, we are specifically looking at electronics sectors, warehousing, logistics, servicing sectors. And also, development of the infrastructure because in the SEZ we are developing the government infrastructure, commercial infrastructure and the social infrastructure.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1045394/1/.html>

- **Plan launched to improve work safety in construction, marine sectors**

A 10-year plan to improve work safety in the construction and marine industry has been launched. It includes key strategies to reduce deaths in the sectors from 2.8 per one hundred thousand employees in 2008 to less than 1.8 by 2018.

The plan is designed by the Workplace Safety and Health or WSH Council, along with the Manpower Ministry. The WSH Council says the number of workplace injuries and fatalities have reached a 'plateau'.

It wants to further improve the situation, and believes a sectoral approach is the way to go. The council is targeting the construction and marine industries - which continue to record the highest number of work injuries and fatalities at the workplace.

Measures to improve safety in the construction sector include raising the competency of personnel involved in high-risk operations. Also, a programme was developed to facilitate industry self-regulation and move towards greater ownership of safety and health. In addition, larger companies would be encouraged to award jobs not just on price alone. Jackson Yap, the council's construction and landscape committee chairman, said safety first must rank high. "When you put your tender in, you don't just look at the price; you'd be asked for your safety plans, what you do and so on and your safety records. So, if the larger organisations can put those into their tender, I think it'll go a long to help improve safety," he said. Over in the marine sector, the council aims to bring smaller and medium-sized shipyards on board the WSH journey.

For example, a new Marine Industry Training Centre will be set up to assist shipyards that may face constraints in training facilities. WSH Council's marine industries committee chairman, Professor Poo Aun Neow, said: "We will be looking at what are the characteristics of the workers from various countries and try to tailor the training programme for them. Eventually, we will want also to keep these workers longer in Singapore, so that they are not so transient in nature." Better workplace safety and health standards in the marine and construction industries will benefit more than half a million workers in these sectors.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1045305/1/.html>

- **S'poreans more likely to fall back on family during crisis: survey**

Asians, especially Singaporeans, view family as important when it comes to dealing with

personal or financial crises.

More than two out of three Singaporeans will first consider another adult member of the household to help maintain the family budget if the breadwinner should die or become unable to work. This is according to findings from a survey done by the NUS Business School.

Insurance is the second preferred option for Singaporeans, while getting support from other relatives is a distant third.

During times of need, less than one in ten Singaporeans will consider sending at least one of their school-going children out to work. This is considerably lower than that reported in other countries such as Vietnam, Hong Kong, China and Taiwan.

The survey also touches on the continuation of the family line even if there are no descendents. Half of the Singaporeans surveyed think it is desirable to adopt to continue the family line, depending on circumstances. NUS conducted the survey for its Asia Barometer Project, and interviewed 8,000 adults in eight Asian countries.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1045557/1/.html>

- **Singapore offers best living environment for Asian expats: survey**

Singapore continues to offer the best living environment for Asian expatriates. This is according to the latest Location Ratings for expatriate living conditions published by ECA International. This is the 11th year in a row that Singapore has held pole position.

ECA International's Location Ratings system is used to assist international HR departments to establish expatriate allowances which compensate staff for the difficulties of adapting to living in their assignment location.

The ratings are based on an analysis of living standards for more than 400 locations globally. Factors such as climate, health services, housing and utilities, and infrastructure are taken into account. Regional director (Asia) of ECA International, Lee Quane, said: "Singapore's high quality infrastructure and health facilities, combined with low health risks, air pollution, crime rates and a cosmopolitan population help make the city an easy place for Asian expats to live in."

The Japanese cities of Kobe, Yokohama and Tokyo, along with Hong Kong, are the other Asian locations that are ranked top 15.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1045529/1/.html>

- **S'poreans take advantage of weaker Euro and Pound by travelling**

More Singaporeans are snapping up tour packages to Europe to take advantage of the weaker Euro dollar and British pound. Some industry players said travel demand has gone up about 20 to 40 per cent compared to the same period last year.

It is expected to increase further as analysts expect the currencies to continue to slide in

the coming months. Europe is turning out to be a popular destination with travel agencies seeing demand picking up at a better-than-expected pace.

UOB travel said during the NATAS travel fair last month, Europe was its top-selling destination. More than half of the packages sold had UK as part of the itinerary.

It said gross sales for Europe have gone up by at least 20 per cent compared with the same period last year. CTC Holidays said travel bookings to Europe have gone up by at least 25 per cent compared to the same period last year.

It said travellers may find it difficult to get plane tickets to destinations like the UK during peak periods. It added that land tours in Europe will get cheaper with a weaker Euro and pound, but prices for tour packages are not expected to go down. Alicia Seah, senior vice-president, Marketing and PR, CTC Holidays, said: "With the decline of the Euro dollar and the British pounds over the last two years, between 15-25 per cent, our land tours which mean comprising of hotels, meals and transportation have also declined, by about 15 to 20 per cent.

However, with the economies picking up for the last few months and the travel sentiments back on track, the airfares and fuel surcharges are also increasing. "Thus, I think the tour package to Europe has not really declined but with the favourable exchange rate, I think Singaporeans are feeling that their spending power will be enhanced."

But others are hopeful that travel agents will pass on some cost savings to consumers. Robert Khoo, chief executive officer, National Association of Travel Agents Singapore, said: "It depends on whether they gain any advantage. If the tour operator, the handling agent in the other country discounts on them because of the weak exchange rate, they pay less in terms of Singapore dollars. That should translate to a lower tour fare.

Those heading to Europe may benefit from favourable exchange rates for their expenses. That's because experts said the pressure on the Euro and British pound is likely to continue due to uncertainties in the market.

Philip Wee, senior currency economist, DBS Bank, said: "I think the momentum is likely to continue. Greece needs to refinance its debt and if UK elections do not produce a strong government, then there will be the same concern about reform.

"UK has already projected at the last budget deficit for the next fiscal year, so I think that should keep the pressure on the British Pound as well."

Some travel agents said they will also be taking advantage of the weaker currencies to offer tour packages to more destinations in Europe.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1045878/1/.html>

- **S'pore sees third consecutive month of record visitor arrivals in Feb**

Visitor arrivals to Singapore grew by 24.2 per cent year-on-year last month to reach 857,000 visitors. This is the highest ever recorded for the month of February.

The Singapore Tourism Board (STB) said this is the third consecutive month of record visitor arrivals, with visitors from China, Malaysia and Taiwan registering the highest growth out of the top 15 markets. Visitors from China grew by 78.7 per cent, while visitors from Malaysia and Taiwan grew by 50 per cent and 39.2 per cent, respectively.

STB said this could largely be attributed to the long Lunar New Year holiday. It said 13 out of the top 15 markets also registered positive year-on-year growth in February this year, reflecting the general improvement in travel sentiment to Singapore.

There were also improvements in hotel room revenue and average occupancy rate. Hotels saw an average 79.7 per cent occupancy rate in February, up 4.9 per cent from last year. Revenue grew 5.8 per cent on-year to reach an estimated S\$133 million last month.

But the average room rate declined marginally by 1.5 per cent over February 2009, to reach an estimate of S\$201.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1046054/1/.html>

Laos

- **Foreign Relations**
- **Economic Front**
- **Laos-China boost all around cooperation**

President of Laos, Choummaly Sayasone, received a courtesy visit of a Chinese delegation, led by the Vice Chairwoman of the Standing Committee of China's National People's Congress, Mrs Chen Zhili, on March 26, Vientiane.

Mr Choummaly Sayasone, expressed his warm welcome to the Chinese delegation and also said that the relationship between the National Assembly of Laos and the Assembly of the People of China was based on a solid foundation and this acted as the basis for enhancing relationship and all around cooperation of the two countries, Laos and China, in particular the two legislative body. Mr Choummaly, remarked that China had developed at breakneck speed over the last 60 years and she now played an important role in the region and in the world.

China 's success, he added, could act as an example to Laos and the Party leaders had taken this into serious consideration when they carried out their planning exercises.

Mr Choummaly, added that there had been much cooperation between Laos and China, clearly seen in the exchange of delegations between them and the number of such exchanges had spiked up.

<http://www.kplnet.net/english/news/edn1.htm>

- **Laos is short of skilled labour while world still suffer from economic tsunami**

While the world was now at the tail end of the global financial crisis and endemic unemployment persisted in many countries, Lao PRD suffered from a tight skilled labour market, across a whole range of economic sectors nationwide, This was the result of a recent study, commissioned by the Asian Development Bank, unveiled during the Labour Market Assessment Workshop, organized by Ministry of Education and Ministry of Labour and Social Welfare and held in Vientiane Capital on 26 March.

This study also stated that the hardest hit industry was the furniture sector which was short of 3,000 workers. The researchers said that another sector, construction, had to match the increase in demand for workers from a slew of related industries, building, infrastructure, mining, hydropower, machine repair and vehicle maintenance.

Speaking during the opening ceremony of this workshop, Deputy Minister of Education, Mr. Lytou Bouapao said, "The objective of the Labour Market Assessment was to identify those sectors with the greatest skill deficits so that steps to address skill shortages could be targeted to sectors where they would have the greatest impact on the economy."

Eight hundred and seventeen companies, located in eight provinces of Laos, took part in this study. The researchers classified the companies into four categories: 136 companies with more than 100 employees (17 per cent), 297 companies with 10 to 100 employees (36 per cent) and 384 companies with fewer than 10 employees (47 per cent).

The industries involved in this study were energy (mining and hydropower), garment, construction, tourism, agriculture, wood processing, furniture, wholesale and retail, machinery, manufacturing and food processing.

The study noted that a critical weakness in Lao PDR, in connection to industrial expansion was the absence of up-to-date labour market information, so that it acted as a constraint to economic planning and to the effective operation of the Technical Vocational Education and Training (TVET) system. "An effective labour market information system should be readily available so that the country's TVET could be positioned to train Laotians in skills that were relevant to the needs of a Laotian economy, that was growing at a rapid clip," said Education Specialist in the ADB's Southeast Asia Department, Mr. Norman LaRocque. This study, funded by the Japanese government, was part of the effort to strengthen the country's TVET, and this country proposed to give USD 23 million for this project. .

Deputy Minister of Education, Mr Lytou Bouapao and Deputy Minister of Labour and Social Welfare, Mr. Bounkhong Lasoukane co-chaired this workshop, attended by 100 participants, from the government and its development partners.

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

- **Laos, Singapore boost financial cooperation**

Mr Bouasone Bouphanvanh, Prime Minister, received Singapore's Minister of Finance, Mr Tharman Shanmugaratnam and his delegation in Vientiane on 22 March.

Mr Tharman Shanmugaratnam and his delegation's three-day visit to Laos, 21-23 March, was for the purpose of finalising this city state's aid project, Singapore Economic Cooperation (SCE), a joint project with the World Bank and it was to build capacity for Lao finance sector officials. During his stay in Laos, he presented certificates to the trainers who had completed a training course on finance management.

Mr Bouasone Bouphanvanh, expressed his warm welcome and also said he highly valued the Singapore Finance Ministry's delegation on its working visit to Laos, which had contributed to the development of the financial system of Laos. At the same time it also enhanced the relationship and cooperation between Laos and Singapore, particularly the two financial systems of the two countries.

<http://www.kplnet.net/english/news/newsrecord/23.03.2010/edn2.htm>

- **Businesses look to boost investments in Laos**

Executives of more than 70 Vietnamese businesses operating in Laos and authorities of both countries met in Vientiane on 20 March to discuss solutions for stronger investment. Vietnamese Minister of Planning and Investment Vo Hong Phuc and his Lao counterpart, Mr. Sinlavong Khoutphaythoun, heard worries raised by investors, regarding the lack of information and conflict of interest among shareholders. Due to devoid of legal and market information, many investors failed to get updated with the change in policies as well as socio-economic developments in order to adjust their investment strategies in time.

Shortages of capital and workforces also were major causes to delay their projects, investors complained. Despite all these difficulties, Vietnamese investors expressed strong confidence in business opportunities in Laos.

Vietnam emerged as the top foreign investor in Laos in 2008-09, injecting some 2.1 billion USD in more than 200 projects.

Some major projects have contributed to the socio-economic development in Laos, especially in the areas where these projects are based. They included the hydro-electricity plant Sekaman III and a rubber tree growing and processing project that has helped reclaim tens of thousands of hectares in southern and central Laos.

The two ministers encouraged Vietnamese businesses to boost investment in Laos after clearing their worries up with concrete answers.

<http://www.kplnet.net/english/news/newsrecord/22.03.2010/edn13.htm>

- **Social Front**
- **Hmong repatriates enjoy equality, said Lao Brigadier General**

All Hmong repatriates expressed their delights over their return to the motherland and a normal life in their homeland. The statement was reported by Brigadier General Bouasieng Champaphanh, President of the Lao-Thai General Border Security-Order Sub-Committee, to Mr TJaco Vanden Hout, the Dutch ambassador to Laos at the Ministry of National Defence on 23 March.

The Dutch Ambassador expressed his wish to pay a visit to the repatriates who are now starting a new life in Phounkham village, Borikhanh district, Borikhamsay province.

Brig. Gen. Bouasieng said that the Lao government and the Lao People's Army were all aware that some 7,000 illegal Hmong immigrants fleeing to Thailand were deceived to go there. They were lured with a hope for a better and happy life abroad. In late 2009, these illegal immigrants, totalling 4,508, were repatriated under a bilateral agreement of the governments of Laos and Thailand.

Upon their return, some would like to settle down in their original hometowns. Finally they were sent to their destinations.

have been sent to the development villages provided by the Lao government. These villages are supported by infrastructure for their new life, ranging from houses, water supply, farmland, health centres, to most importantly schools for their children. Up to now, they are now satisfied and quite convinced of their new life, said the Brigadier General. .

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

- **Laos asked to grant access to Hmong**

Foreign Minister Kasit Piromya says he will ask Vientiane to give "free and unfettered" access to Lao Hmong repatriated from Thailand. He would talk to Laos during the Mekong River Commission (MRC) meeting in Hua Hin early next month.

Mr Kasit unveiled his move after meeting European diplomats, including the envoys of the EU, Switzerland, UK, the Netherlands, and Canada yesterday. Earlier, the European diplomats raised concerns about the fate of the 4,500 ethnic Hmong deported from Thailand to Laos last December.

The diplomats called for free and unfettered access to the Hmong returnees. "It is now March and we have not been granted free and unfettered access, especially to the 158 Lao Hmong from Nong Khai." The Netherlands, the US, Canada and Australia have offered them resettlement," said EU ambassador David Lipman. "Concerning these 158 refugees, we want to ask them about their needs, including their wishes for resettlement."

Mr Kasit said he had spoken to Lao authorities about access, but would raise the matter

again at the MRC meeting.

Laos, Cambodia, Thailand, and Vietnam, which share the Mekong River, will meet in Hua Hin, Prachuap Khiri Khan between April 2 to 5 to discuss water resources management and other development matters. Vientiane yesterday took about 20 diplomats, mostly based in Laos, including the UN refugee agency (UNHCR) representative and US ambassador, and a group of foreign journalists to visit the Hmong resettlement village in Borikhamxay, about 225km from the capital.

The excursion was also joined by Thai diplomats and UN officials. Lao representatives told visitors about how the government was resettling 4,500 Hmong in the village. Foreign diplomats asked questions to see if the Hmong would be allowed free and unrestricted contact with the outside world, including relatives, said a diplomatic source.

"The Hmong indicated that they wanted to leave Laos. Some were crying, but there was not enough time to talk in depth with the individuals." Another diplomatic source said the visit by Western diplomats had given the Hmong hope that they would be allowed to resettle overseas.

However, he believed it was unlikely that repatriation of the 158 Hmong with so-called person of concern status would come about. "Laos has tried to put in place the necessary infrastructure and wants to see them living here rather than going elsewhere," the source said.

<http://www.bangkokpost.com/news/local/35117/laos-asked-to-grant-access-to-hmong?>

Vietnam

- **Political Front**
- **ASEAN Regional Forum holds meeting on confidence building, preventive diplomacy**

Officials from the Association of Southeast Asian Nations (ASEAN) Regional Forum met on Friday for a three-day meeting to discuss the confidence-building measures and development of preventive diplomacy in Vietnam's central province of Khanh Hoa, Xinhua News Agency informed.

At the meeting, the officials exchanged views on regional and international situations as well as discussed the confidence- building measures and future development of ASEAN Regional Forum. Delegates also focused on the preparations for the ARF Senior Officials Meeting (ARF SOM) in May and the ARF Ministerial Meeting in July this year.

Speaking at the meeting, leader of Vietnamese SOM Pham Quang Vinh praised the contributions of the forum to the regional peace and stability.

Vinh also said that Vietnam, as the chair of ARF, will do it utmost for the development of ARF, said the report. The ASEAN Regional Forum was established in 1993. The current

participants in the ARF include Australia, Bangladesh, Brunei Darussalam, Cambodia, Canada, China, the European Union, India, Indonesia, Japan, the Democratic Peoples' Republic of Korea, the Republic of Korea, Laos, Malaysia, Myanmar, Mongolia, New Zealand, Pakistan, Papua New Guinea, the Philippines, the Russian Federation, Singapore, Sri Lanka, Thailand, Timor Leste, the United States and Vietnam.

<http://www.focus-fen.net/?id=n213719>

- **Vietnam bans nude statue resembling Ho Chi Minh**

A Vietnamese artist was ordered yesterday to take down an installation involving a nude statue of himself lying in a glass case, either because authorities considered it obscene or because it too closely resembled Ho Chi Minh. Yesterday morning, six officials from the police and the Ministry of Culture visited an exhibition by artist Phuong Vu Manh at L'Espace, the official French cultural center in Hanoi, the artist said. Manh said he was called shortly afterwards by the secretary of the director of L'Espace and told he would have to take down the installation immediately. The management of L'Espace and the Vietnamese Ministry of Culture could not be reached for comment.

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=350724&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=350724&version=1&template_id=45&parent_id=25)

- **ASEAN to sign dispute settlement agreement**

ASEAN member states will sign a dispute settlement mechanism during the regional grouping's summit on April 9-11 in Hanoi. The mechanism is aimed at resolving disputes resulting from different interpretation on the ASEAN Charter and its instrument, Ade Padmo, Foreign Ministry's director for ASEAN political and security cooperation, said Friday. "There are three options to settle dispute, namely: mediation, conciliation, good offices and arbitrary," he said, adding that third parties could be involved in the dispute settlement upon approval of the disputed parties.

Ade said that some pending issues, including sanctions for non-compliance, would be negotiated further after the signing. The summit will also inaugurate the guideline of Treaty of Amity and Cooperation (TAC), dubbed ASEAN peace treaty. "The guideline will allow countries with substantial relations with ASEAN to accede to TAC," Ade said.

<http://www.thejakartapost.com/news/2010/03/26/asean-sign-dispute-settlement-agreement.html?>

- **Geo-Strategic Front**
- **Vietnamese, Lao armies vow for cooperation**

The armies of Vietnam and Laos on 22 March renewed their commitment to increasing

cooperation on training, construction of training facilities and fighting cross-border drug trafficking. According to VNA, the commitments were made by Vietnam's Deputy Minister of Defence, Senior Lieutenant General Nguyen Khac Nghien and his visiting Lao counterpart, Lieutenant General Sanyahak Phomvihane during their talks in Hanoi on the same day.

During the talks, the two delegations discussed socio-economic, political and security issues in the region and the world as well as reviewed the friendly cooperation between the two armies in the recent period.

They also reiterated each side's commitment to fulfilling all the provisions included in the protocol of cooperation previously inked by the two countries' defence ministers.

On the same day, Lieutenant General Sanyahak Phomvihane paid a courtesy call on Minister of Defence, General Phung Quang Thanh of Vietnam. The Lao army delegation arrived in Hanoi on March 21 for a working visit at the invitation of Deputy Minister of Defence Nguyen Khac Nghien.

- **Vietnam , Laos exchange Front's experiences**

P resident of the Vietnam Fatherland Front (VFF) Central Committee Huynh Dam said he hoped that the VFF and the Lao Front for National Construction (LFNC) will work for closer cooperation between the two sides, said VNA. Receiving visiting Vice President Vongchan Phomsavat of the LFNC Central Committee in Hanoi on March 23, the VFF President stressed the necessity of experience sharing between the two sides.

Vice President Phomsavat said the LFNC wanted to learn experience from Vietnam in the implementation of mass mobilisation activities. During their stay on March 23-27, the LFNC delegation will have a working session with the Quang Ninh province Fatherland Front Committee and visit several cultural and economic establishments in the province.

<http://www.kplnet.net/english/news/newsrecord/24.03.2010/edn11.htm>

- **Economic Front**
- **Robinsons Group aims to expand into the Vietnam market in about 3-5 years**

The Robinsons Group is aiming to expand into the Vietnam market in about three to five years and set up shop in suburban malls in Singapore. The group, under the Al-Futtaim Group of Dubai, told Channel NewsAsia that it hopes to have more details about the Singapore plans in about a year.

The Al-Futtaim Group acquired The Robinsons Group in April 2008 for S\$620 million.

For this year, the group is setting aside S\$16 million capital expenditure for the Robinsons stores in Singapore. The Robinsons Group, which manages other retail stores like John Little and Marks and Spencer, has been a familiar face to Singaporeans.

And although its expansion plans in Southeast Asia were delayed by the economic crisis

last year, things have changed. Jim Mccallum, chairman, The Robinsons Group, said: "We'll start to look at Southeast Asia again. We didn't look very far in 2009 for obvious reasons. But one day I'm sure we're going to get to places like Vietnam which I think has retail potential. It's just a question of when.

"What we need to do is to make sure that our base is secure. We're quite recent entries into the market in Malaysia. We opened the store in Malaysia three years ago.

"But that market entry needs to be supported and reinforced with potentially more footage and other stores to make sense of what we're done there." Robinsons said it intends to secure its base in Malaysia first and then move to explore the Vietnam market.

The group is also considering whether to operate department stores in Singapore's suburban malls. Mr Mccallum said: "Getting one to open is easier said than done. For whatever reason, landlords are not particularly keen on renting out large bits of space these days. "We need to show people with our execution and the standards which we have, that we'd actually add value to someone's development. I think it's natural market development. Suburban retail is not second class anymore, perhaps in the middle market.

"Obviously, Orchard Road and some of these prestigious developments will be where the luxury brands sit and they want to be in the creme de la creme positions.

"But we are unashamedly a middle market business and we'd be very happy to look at what you might call it a category B space because we can do a good job there and indeed add some volume. "With 370,00 cardholders, there are many of our customers who don't come every week, you have to come to Raffles City or Centrepoint to enjoy Robinsons. "We have Marks and Spencer stores in suburban malls that are doing very well so that shows us that our customers are there and if we got the right opportunity, we'd love to do it." The recent financial crisis has affected the top-line sales for the Robinsons Group. But during the same period, the company also saw a return of its customers looking for affordable, quality products. Going forward, the company wants to maintain its appeal and increase its focus on promoting more Asian brands. It's also studying the potential of offering on-line sales to cater to the increasing tech-savvy consumers.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1045213/1/.html>

- **ET Inflation Fears After Vietnam Boosts Wages**

Vietnam on Friday announced a 12.3% increase to the minimum wage for public servants and employees of state-owned enterprises, stoking concerns that the economy risks overheating as inflation spirals toward double digits.

Starting in May, the minimum wage will increase to 730,000 dong (\$38.25) a month from 650,000 dong, the government said in a statement. Monthly pension payouts will rise by the same amount from May. The news comes just two days after data showed consumer

prices in Vietnam surging 9.46% on-year in March to a 12-month high, as costs for housing, building materials and transport all swelled.

The State Bank of Vietnam on Thursday brushed aside speculation that inflationary pressure would force it to tighten monetary policy to cool demand, announcing on its Web site that it will keep its benchmark rate steady at 8% for April. The central bank last raised rates Dec. 1. "I would expect that (the wage increase) would exacerbate the worsening inflation problem" in Vietnam, ING chief Asia economist Tim Condon said, adding that he expects another devaluation of the dong soon.

The economy is recovering more quickly in Vietnam than in some other parts of Southeast Asia, with state media reporting Friday that first quarter gross domestic product grew 5.83%. But the economy remains burdened by high inflation and a stubbornly wide trade deficit.

While the government aims to bring inflation below 7% this year, the December rate hike so far has proved largely ineffective at reining in inflation - perhaps because authorities have twice devalued the dong in recent months.

The central bank recently said flexibility in the exchange rate will be needed in coming months to boost exports, reduce Vietnam's trade deficit and improve its international balance of payments. An official with the Ministry of Industry and Trade told Dow Jones Newswires this week that the trade deficit will widen to \$1 billion in March, up 25% from a month earlier.

The government expects the trade deficit to remain around \$12 billion for 2010, close to last year's \$12.4 billion but down from \$17.5 billion in 2008. Economists say monetary policy also will need to be tightened to cool the economy, restrain demand-side inflation and help make dong-denominated assets more attractive to foreign investors. HSBC said this week it expects the central bank to raise interest rates by 100 basis points in the next few weeks.

Fitch Ratings weighed in earlier this month, warning that it may cut Vietnam's credit ratings deeper into junk territory because of weakening domestic confidence in the dong. Balance-of-payment support is needed before trust can be restored, Fitch said. Economist Le Dang Doanh, a former adviser to the Vietnamese prime minister, said Friday's minimum wage hike was needed to shield workers from recent price surges.

"However, it will boost production costs and will definitely contribute to price increases in the future," he said.

Barclays Capital said in a report this week that inflation is expected to climb into double digits in April and then continue accelerating as food-related prices remain biased upward, the weak dong adds to imported price pressure and construction costs will stay

elevated.

http://online.wsj.com/article/SB10001424052748704094104575144583364654038.html?mod=WSJ_latestheadlines

- **Italian gov't supports exports to Vietnam**

Italia has opened up an export support fund to Italian businesses aiming to boost exports to Vietnam, which needs new technology and machinery for its economic development, an Italian trade official said.

Marco Saladini, the director of the Italian Trade Commission based in Vietnam, said on Tuesday that his government viewed Vietnam as a fast growing economic country and wanted to help Italian machinery exporters integrate into the market. Saladini said the government had helped the commission survey Italian food processors, cosmetics producers, hospitality providers, plastic makers and garment and wood companies about bringing products and technology to Vietnam.

With the government support, the commission aims to organize a trade mission for Italian exporters and Vietnamese importers, said Saladini, adding that seven Italian machinery suppliers in food processing industry would market their products in Vietnam for the first time later this week.

Vietnam imported US\$540 million machinery in 2008, of which \$20 million was supplied by Italian businesses, according to the commission.

<http://www.thanhniennews.com/2010/Pages/Italian-govt-supports-exports-to-Vietnam.aspx?>

- **Vietnam shipbuilding giant posts major loss for 2009**

State-owned shipbuilder Vinashin recorded a cumulative loss of VND359 billion (US\$18.8 million) last year, blaming its subsidiaries for less efficient work.

Of its subsidiaries, Nam Viet Sea Transport Company alone posted a loss of VND332 billion due to a steep decline in transport prices in 2009, the Vietnam Economic Times reported Thursday. Vinashin's managers said the company last year took various measures to improve its business, including liquidating inefficient assets and seeking partners in large projects.

Earlier this month Mai Quoc Binh, deputy chief of the Government Inspectorate, said the government would conduct an inspection into Vinashin's business in June, focusing on financial conditions and investments outside its core business. The inspection was supposed to take place last year but was postponed due to the economic crisis.

<http://www.thanhniennews.com/2010/Pages/Vietnam-shipbuilding-giant-posts-major-loss-for-2009.aspx?>

- **Tourism boosts Vietnam projects**

Luxury real estate projects in central Da Nang City have flourished while a focus on low- and mid-end projects continues to characterise the industry, which is still reeling from the global economic crisis around the country, according to Vietnam News. Da Nang became a destination for tourism real estate after the city's beaches were selected as among the six most beautiful beaches on earth by US-based Forbes magazine, said Trevor Morley from real estate consulting firm, Savills Vietnam.

Da Nang's beaches are prized by developers who in reaction to high tourism demand are racing to construct villas and luxury apartments. The demand is evident after recently constructed projects along the beaches of Son Tra and Ngu Hanh Son districts sold much faster than expected. Another project by VinaCapital Real Estate, the Ocean Villas project, sold 80 per cent of recently constructed luxury beach villas before the end of the project's first phase.

Mario Lotti, Director of the Hyatt Recency Da Nang Residences project, which is made up of 174 luxury apartments and 27 beach villas, said 75 per cent of properties of his project had been sold even though the project had yet to be completed. Development activity is not showing signs of slowing after VinaCapital Group signed an exclusive contract with the Southern Cros Development Company in March to construct the luxury Norman Estates beach villa complex worth \$40 million (Dh146.92m), the newspaper reported. According to Savills, 13 projects to construct a total of 670 villas and 19 projects for 8,600 apartments, were planned to come up over the next five years.

Luxury apartments in Da Nang continue to be priced high, with average prices ranging from \$485,000 to \$2.5 million per apartment. Nguyen Quang Tam from Cuong Hung Thinh Real Estate Transaction Exchange said domestic property investors, especially from HCM City and Ha Noi, were increasingly seeking holiday houses for the purpose of relaxation.

<http://www.business24-7.ae/companies-markets/real-estate/tourism-boosts-vietnam-projects-2010-03-28-1.73745?>

- **Vietnam hub establishes investment arm**

The Ho Chi Minh City administration announced Tuesday it has set up a financial investment company with a registered capital of VND5 trillion (US\$262 million) to raise funds for city projects.

The state-owned Ho Chi Minh City Financial Investment Co. (HFIC), succeeding HCMC Urban Investment and Development, will be in charge of mobilizing capital from local and foreign individuals and institutions, issuing bonds, borrowing money from financial institutions, and investing in the city's projects.

The new company will also implement a pilot plan to take over the government's stakes

in state-owned corporations and joint stock companies that were earlier state-owned firms under the city government.

The new agency's role is similar as that of the central government's investment arm, the State Capital Investment Corporation, which was created in mid-2005 to take capital ownership of thousands of the country's state-run enterprises.

<http://www.thanhniennews.com/2010/Pages/Vietnam-hub-establishes-investment-arm.aspx?>

- **Social Front**

Brunei

- **Economic Front**
- **Social Front**
- **Bruneians in danger of being labelled as 'drug mules'**

THE Narcotics Control Bureau (NCB) has been alarmed at the possibility of Bruneians to be labelled as drug mules which in turn could result in problems when travelling overseas. Senior Narcotics Officer Pg Hj Ali Pg Hj Shamsudin asked Bruneians to look at the larger impact of the drug courier problem. "If more Bruneians are caught smuggling drugs overseas, Bruneians will be labelled as drug carriers/drug mules," he said. Currently, five Bruneians (one in Chile, two in Australia, and two in China) are languishing in jails for smuggling drugs.

Pg Hj Ali said these Bruneians might have been victims of an international drug syndicate which takes advantage of Asian travellers by using them as couriers.

Pg Hj Ali said: "If this continues and if the number of Bruneians caught increases, travelling abroad will be difficult, including the opportunities to study abroad as Bruneians will be labelled as drug mules." "This is what we are afraid of. Let the number stop at five, please let there be no more Bruneians caught smuggling drugs," he stressed. "Let us work together to fight the war on drugs and be constantly alert to the threat," he said. Pg Hj Ali talked about the latest modus operandi being used by drug couriers.

"From our experience, these drug smugglers use innocent children and tie the drugs to their stomach. Children are not charged, but we need to think of their future," he said. Other methods include hiding drugs in mobile phones, inside books, match boxes as well as diapers. The drug lords are always finding new ways to smuggle drugs, he said.

"Recently in Indonesia, they hollowed out the Al-Quran and hide cannabis in the holy book," he said. "Maybe because they think that Al-Quran is a holy book for Muslims and no one will actually look at it as something being used to hide drugs," he added. "When an individual gets involved in drugs, his/her religious values often disappear," he added.

The narcotics officer urged the public to express their gratitude to the Armed Forces for its efforts to combat drug smuggling in Brunei. "The drug smugglers are familiar with our waters. The efforts made by our armed forces as well as public cooperation in providing Narcotics Control Bureau with information help combat drug smuggling," he said.

"In our arrest, many of our case exhibits (barang kes) were hand phones. We discovered that drug addicts use their hand phones as collateral (cagaran), if they do not have cash to buy the drug, he added."In most drug cases overseas, human trafficking is involved (in exchange for the drugs). It is not impossible that this is also happening in Brunei," he said.

Recalling his experience in one of the drug raids, he said they found a man keeping naked pictures of his wife, to be used (as payment) , if he runs out of cash to buy drugs.Pg Hj Ali also stressed the importance of not sharing one's medicines with others.

"Only take your own medicine prescribed by your doctor. There are cases where members of the public bought medicines that they considered more effective outside of Brunei, however they do not know that the medicine contained controlled substance," he said.He said most Bruneians were tested positive for Codeine, contained in most cough medicines, for taking the controlled substance.

The senior narcotics officer was invited as a speaker at the anti-drug talk on the sideline of the prize presentation ceremony for Unissa's essay competition in conjunction with the university's third year anniversary yesterday.

<http://www.bt.com.bn/en/news-national/2010/03/28/bruneians-danger-being-labelled-drug-mules>

